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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

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Place du Portage Phase III 6C1

Gatineau

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K1A 0S5

Title - Sujet LOI Leopard2 Long Term Sustainement	
Solicitation No. - N° de l'invitation W8486-195995/A	Amendment No. - N° modif. 003
Client Reference No. - N° de référence du client W8486-195995	Date 2019-05-23
GETS Reference No. - N° de référence de SEAG PW-\$SBL-299-27214	
File No. - N° de dossier 299bl.W8486-195995	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-12-13	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: Proulx, Sylvain	Buyer Id - Id de l'acheteur 299bl
Telephone No. - N° de téléphone (873) 469-4778 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

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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



LETTER OF INTEREST (LOI) AMENDMENT 003 LONG-TERM SUSTAINMENT OF CANADA'S LEOPARD 2 FAMILY OF VEHICLES

1. Purpose

The purpose of this LOI amendment (**003**) is to release copies of all presentations presented during the plenary session on April 9th 2019. Canada is also sharing with Industry a copy of the official Record of Discussion (ROD) taken during the One on One meeting sessions held on April 9 and 10, 2019.

2. RELEASE INFORMATION

2.1 PLENARY SESSION - 9 April 2019

Canada is releasing with this LOI amendment, the following three (3) packages attached below have been presented to the audience during the Industry plenary session held on April 9th, 2019.

1. [PSPC.Industry Day Brief](#);
2. [DND.Industry Day Brief](#); and
3. [ISED.Industry Day Brief](#).

2.2 ONE ON ONE MEETING SESSIONS - 9 & 10 April 2019

Canada is also releasing with this LOI amendment, a copy of the Record of Discussion (ROD) including a series of Questions and Answers that were taken during the One on One session meetings held on April 9th and 10th, 2019.

- [LEO 2_One.on.One_ROD](#)

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED



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CANADIANS.

Industry Day

SOLICITATION : W8486-195995/A

LONG-TERM SUSTAINMENT OF CANADA'S LEOPARD 2 FAMILY OF VEHICLES (FoV)

PUBLIC SERVICES AND PROCUREMENT CANADA PSPC

April 9, 2019

Opening Remarks

- Welcome
- Emergency Exits
- Washrooms



Introduction of today's Presenters and GoC Representatives

- **PSPC, Sylvain Proulx, Leopard 2 A/Supply Manager**
- **PSPC, Luc Ruest, Leopard 2 Contracting Authority**
- **DND, LCol Daniel Fontaine, Leopard 2 Program Manager**
- **DND, Jim Hicks, Leopard 2 Sustainment Analyst**
- **DND, Pascal Berthiaume, Leopard 2 Requisitioning Authority**
- **ISED, Robyn Hori, ITB Authority**

AGENDA

09:00	To	09:15	PSPC introduction and presentation	10 Minutes
09:15	To	10:15	Briefing to Industry DND	60 Minutes
10:15	To	10:45	30 minute networking break	30 Minutes
10:45	To	11:15	ISED	30Minutes
11:15	To	11:45	Open Discussion/ Questions	30 Minutes
11:45	To	12:00	Closing Remarks	15 Minutes

Disclaimers

- The requirements that are provided to industry at this time are for review and comments purpose only.
- **Solicitation: LOI W8486-195995/A** is neither a call for tender nor a Request for Proposal (RFP). No agreement or contract will be entered into based on the LOI.
- Respondents are encouraged to identify, in the information they share with Canada, any information that they feel is proprietary or confidential.

Aim of Industry Day and Objectives

- Today's Industry Day is an open forum where Industry representatives will be presented:
 - an updated status since the last Industry consultation in 2014 including the implementation as an interim sustainment solution of the Optimized Sustainment Approach (OSA) for Canada's Leopard 2 Family of Vehicles (FoV);
 - an overview of the requirements, to provide and the provisioning of long term sustainment for Canada's Leopard 2 FoV;
 - a shared understanding about the Long Term Sustainment requirement for the Canadian Leopard 2 Fleet, including those related to operational requirements, sustainment, costing and Industrial & Technological Benefits (ITB) policy and;
 - Audience will also have the opportunity to provide their ideas, questions and concerns, and for Canada to answer any questions on the proposed process and relevant solution concepts.

Government of Canada Commitment

- All documentation presented today, Q&As, new information shared by Canada during the Industry Day, including the one-on-one sessions will be published and publicly available under LOI: W8486-195995/A on www.buyandsell.gc.ca
- Responses and Feedback to Attachment A - RFI will be used anonymously in developing a procurement strategy, a sustainment strategy and costing estimates.
- There may or may not be a short-listing of potential suppliers for the purposes of undertaking any future work as a result of LOI: W8486-195995/A .
- Similarly, participation in this LOI is not a condition or prerequisite for the participation in any potential subsequent solicitation.

7



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Legislation, Trade Agreements, and Government Policies:

- Canadian Free Trade Agreement (CFTA)
- Defence Production Act
- Defence Procurement Strategy (DPS)
- Controlled Goods Program (CGP)
- Federal Contractors Program for Employment Equity (FCP-EE)
- Government Contract Regulations



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Estimated Schedule


- Industry Response to LOI (****June 7th 2019**)
- Options Analysis (Summer/Fall 2019)
- Procurement Strategy Approved (Summer/Fall 2019)
- Draft RFP(s) issued (Fall 2019)
- LOI Closing date (December 13th, 2019)
- Final RFP(s) issued (Tentative July 2020)
- Contract(s) Award (Tentative November 2021)
- Contract Closure (Estimate 2035+)



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada



Thank you all for your time!

We look forward to
receiving your feedback to
this LOI



National
Defence

Défense
nationale



Leopard 2 Family of Vehicles

Long Term Sustainment

DND Briefing to Industry

9 April 2019

LCol Daniel Fontaine

Directorate Armament

Sustainment Project

Management 4 (DASPM 4)

Canada



Briefing Outline

- Aim
- Background
- Leo 2 SBCA
- High Level Sustainment Strategy
- Questions to Industry (RFI)
- Discussion



AIM

- To update Industry on the Government of Canada program to seek Long Term Sustainment arrangements to support the Leopard 2 Family of Vehicles (Leo 2 FoV).
- To provide any needed clarifications to Industry regarding the questions posed by DND in the current Letter of Interest W8486-195995/A



Background

Leo 2 Family of Vehicles (Fov)

- Fleet End State:



42 x Leo 2 A4 CAN



20 x Leo 2 A4M



20 x Leo 2 A6M



18 x Leo 2 AEV



12 x Leo 2 ARV



TMI -

16 x Mine Rollers
16 x Mine Ploughs
18 x Dozer Blades

- Acquired by Canada 2007 – 2017
- Tank Replacement Project (TRP) and Force Mobility Enhancement (FME) Project
- Army High Readiness key platform
- Fleet is in service
- Expected Life Expectancy: 2035+

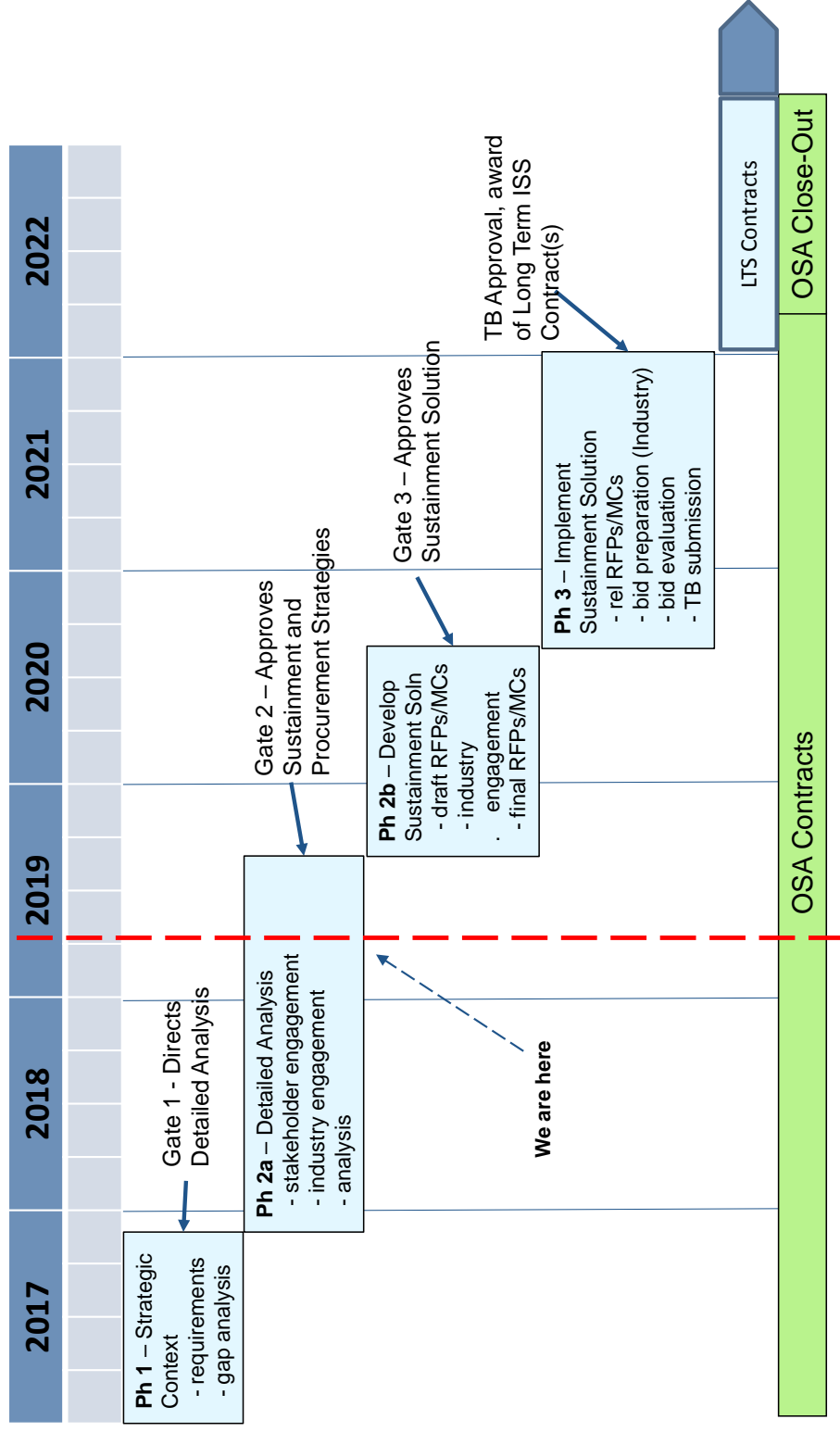


Background

- Capital Projects 2007-present
 - TRP/FME field Leo 2 FoV with limited interim support
 - “Same as Leo 1” support philosophy
- Interim Support Arrangements 2014-2022
 - Optimized Sustainment Approach (OSA) program puts full set of interim support arrangements in place
- Sustainment Business Case Analysis (SBCA) Phase 1: 2015-2017
 - Questionnaire determines gap in alignment with the 4 Sustainment Initiative principles (Performance, Value for Money, Flexibility, Economic Benefits)
 - Governance directs Leo 2 team to conduct a detailed analysis including Industry Engagement
- SBCA Phase 2A – 2018 – present
 - Stakeholder/Industry engagement and detailed analysis ongoing



Leo 2 SBCA Schedule





Key Initiatives of the Leo 2 SBCA

- Ensure the sustainment solution aligns with the 4 Sustainment Initiative Principles:
 - **Performance**
 - Address current support deficiencies through augmented role of OEM(s)
 - Investigate regional 3rd Line maint capabilities to address shortfalls
 - **Flexibility**
 - Investigating more comprehensive support agreements, with core and discretionary elements
 - **Value for Money**
 - Seek efficiencies through integration of effort and data management
 - Leverage LEOBEN/NSPA resources
 - Investigate options for competitive procurement
 - **Economic Benefits**
 - Leverage the long term comprehensive support arrangement to obtain meaningful work and knowledge transfer in Canada



Leo 2 Sustainment Enterprise

Maintenance

- 1st/2nd Line Maint
- Hvy Maint/Overhaul
- Routine Mods
- Major Upgrades
- Material Mgt
 - Component R&O
 - Component replacement (Sup Chain)

Control/Governance

- Contractual Agreements
- MOU's, SLA's

Engineering

- Systems Engineering
- Engineering Changes
- Config Mgt
- Data Mgt

ILS/Data/Sup Chain

- Support Systems
- Tech Pubs/Parts Lists
- Maint Plans
- Sup Chain



Preliminary Findings

- Current Army establishments of Army technicians are insufficient to support Leo 2
- 4th Line Depot (202 Workshop Depot) has considerable limitations to support Leo 2
- Transport of vehicles to 4th Line is problematic
- Infrastructure for Leo 2 Maint has significant shortfalls, that are being addressed ad hoc
- OSA Contracts provide good coverage for spare parts and repair and overhaul. OSA Technical Investigations and Engineering Support (TIES) contracts lack robustness/flexibility to ensure comprehensive support
- Allies are relying heavily on:
 - System House arrangements with OEMs
 - Comprehensive Maintenance Support Contracts

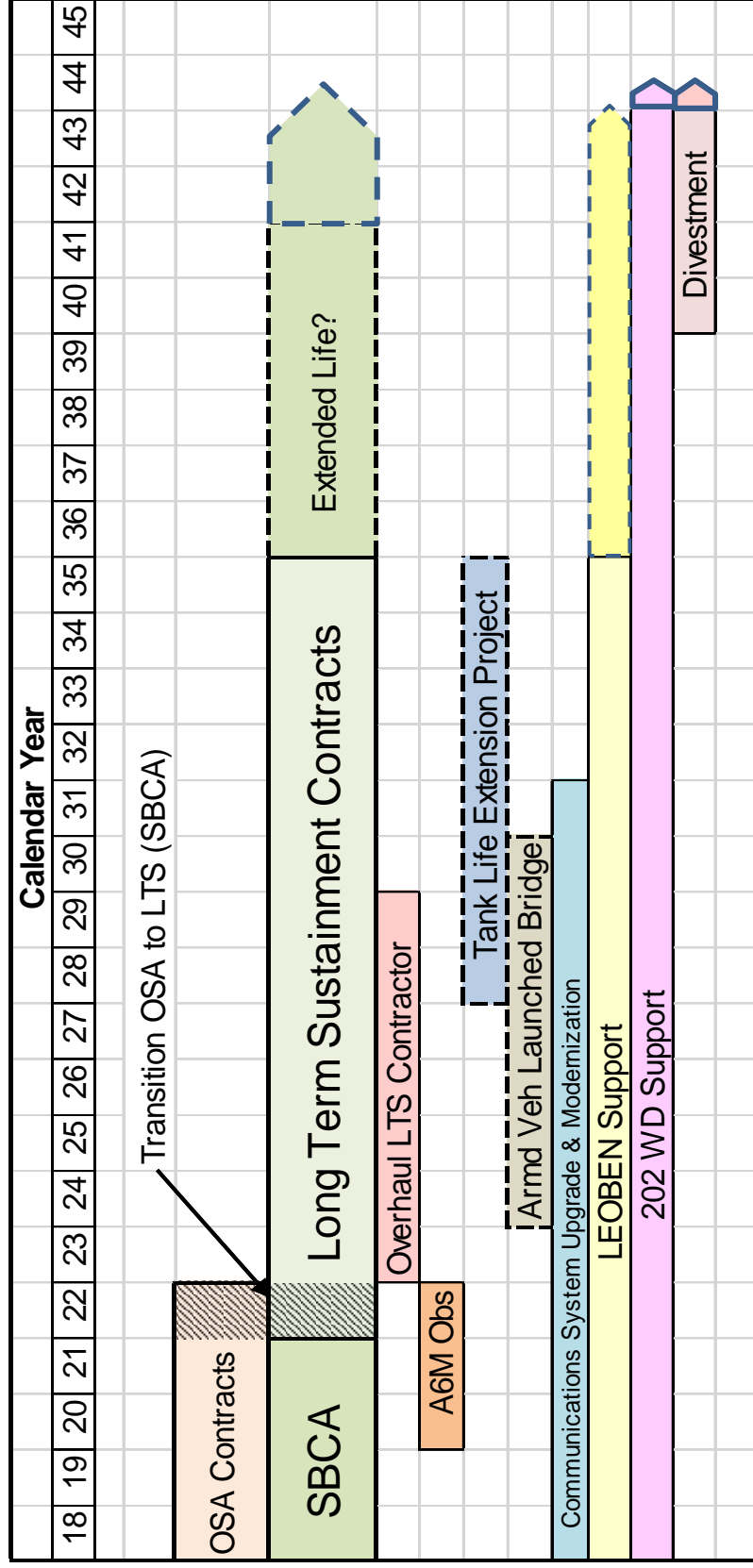


High Level Sustainment Strategy

- Traditional Army field maint 1st/2nd Line
- Regional 3rd Line support from Industry
 - Augment capacity shortfalls with Army 1st/2nd Line
 - Perform routine and major mods/upgrades
 - Perform heavy maint (overhaul)
 - Avoid excessive transportation requirements (to 4th Line)
- 4th Line sp from 202 WD (Strategic Resource) and Industry
- Materiel Management through existing DND organizations (Equipment Management Team (EMT)/Material Management and Distribution System (MMDS))
- High level partnering with Industry (OEMs) for Systems Level Support to ensure safety and performance
- Continue participation and standardization efforts with LEOBEN
- Manage as a FoVs including support elements



Leo 2 FoV Life Cycle





Svcs Groupings – Engineering/Data/Expertise/IP

- 3 Principal OEMs**
- Design Authority for:
 - MBTs* (KMW)
 - ARV (RLS)
 - AEV (FFG)
 - This role should be respected
 - Reflects our current (OSA) approach and is consistent with LEOBEN

*KMW as the OEM for MBTs retains design authority for the base chassis



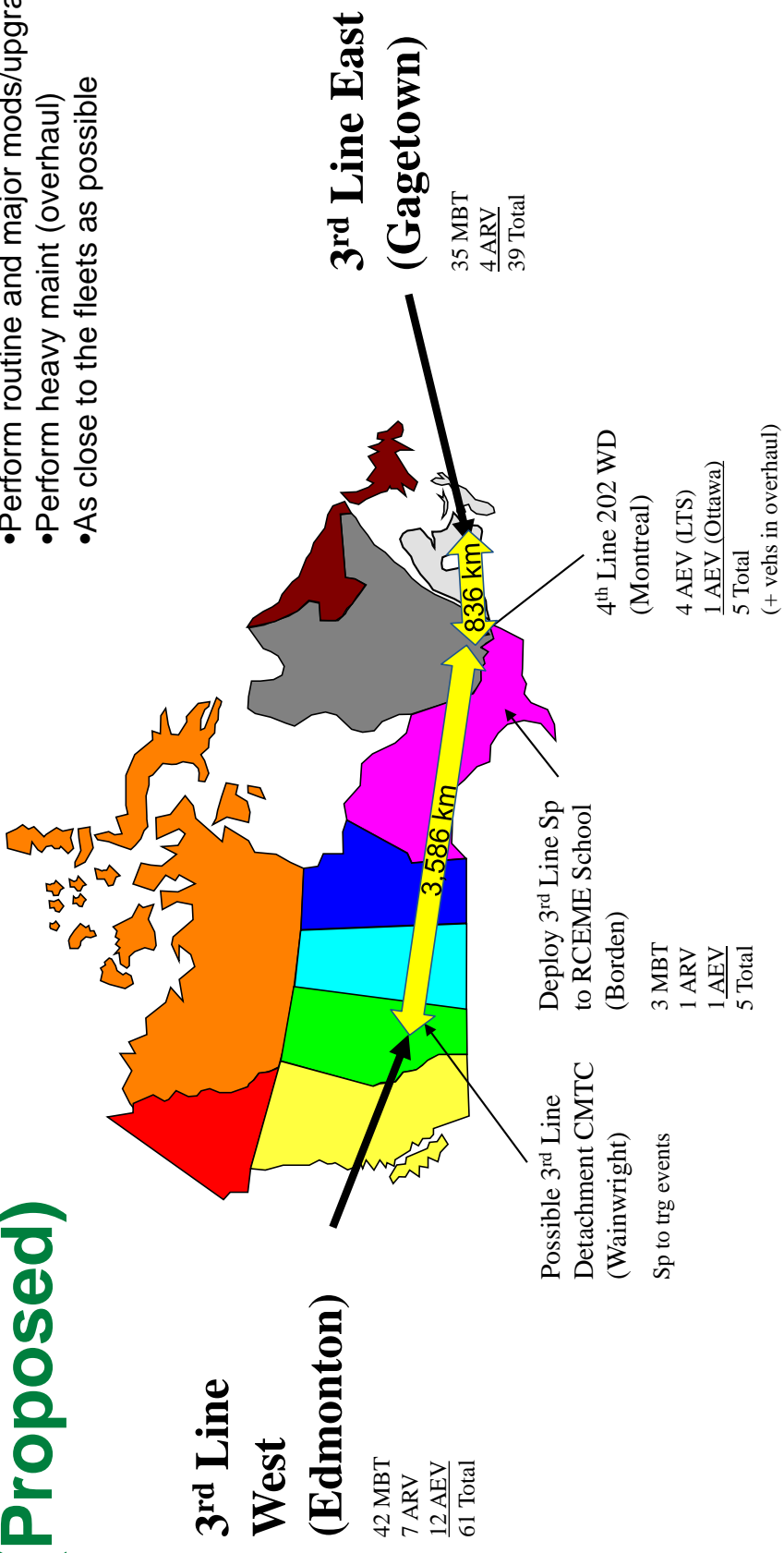
Contracting Structures for Primary Support

1. Single Prime Contractor (OEM)
 - System level responsibility
 - Responsible to manage sub-suppliers (incl OEMs)
2. Consortium (OEMs)
 - System level responsibility
3. Multiple Substantial Contracts (OEMs)
 - System level responsibility for variants
 - Coordination through an Integrated Product Team led by DND
4. Status Quo (OSA)
 - Combination of multiple TIES and R&O Contracts and Spare Parts Standing Offers
 - DND overall systems integrator



3rd Line Maintenance (Proposed)

- Augment capacity shortfalls with Army 1st/2nd Line
- Perform routine and major mods/upgrades
- Perform heavy maint (overhaul)
- As close to the fleets as possible





Potential Regional 3rd Line Level of Effort

Activity	# Vehs	Manhours (annual low)	Manhours (annual high)	Comment
Edmonton PM/CM/Mods	61	6,802	17,385	PM 10-25%, CM 10-25%, Mods 25-75%
Edmonton Upgrade Program	31	0	7,500	Based on est for a turret upgrade, 0 – 10 per year
Edmonton Overhauls	61*	6,900	16,100	Based on 3 – 7 vehs per year
Gagetown PM/CM/Mods	39	4,349	11,115	PM 10-25%, CM 10-25%, Mods 25-75%
Gagetown Upgrade Program	28	0	7,500	Based on est for a turret upgrade, 0 – 10 per year
Gagetown Overhauls	38*	2,300	9,200	Based on 1 – 4 vehs per year
Total 3 rd Line	100	20,350	68,802	
Rough estimates only. Reflects touch labour only and does not include non-productive activities as well as technical and general support or management				
*Note: some overhauls conducted @ 202 WD				



LOI Questions to Industry



LOI Questions to Industry

1. Costs
2. Regional 3rd Line
3. Contracting Structures
(Prime)
4. Performance Management
5. Bundling (R&O)
6. 1. Bundling Spare Parts
2. Spare Parts Options
7. Data/Pubs Management
8. LEOBEN Services
9. Technology Transfer
10. Engineering Reference
Vehicles



DISCUSSION



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

Industry Engagement for Leopard 2 Family of Vehicles Long Term Sustainment

Industrial and Technological Benefits/ Value Proposition

April 9, 2019



Building a prosperous and innovative Canada

Canada

Outline

- Objective
- Defence Procurement Strategy
- Industrial and Technological Benefits including Value Proposition
- Skills Development and Training Pillar
- Key Industrial Capabilities (KICs)
- Industry Consultation
- Next Steps

Objective

- The Government of Canada is consulting with industry to support the development of an approach for leveraging economic benefit from the Leopard 2 Family of Vehicles Long Term Sustainment.
- Feedback from industry will be used to:
 - Validate the Government of Canada's analysis of Canadian industrial capabilities for the sustainment of Canada's Leopard 2 Family of Vehicles and related capabilities; and,
 - Develop an economic leveraging approach in support of the Leopard 2 Family of Vehicles Long Term Sustainment.

Canada's Defence Procurement Strategy

- Announced in February 2014, by the Ministers of:
 - Public Works and Government Services (now Public Services and Procurement Canada)
 - National Defence
 - Industry Canada (now Innovation, Science and Economic Development Canada)
- 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

- The Industrial and Technological Benefits (ITB) Policy has been in place since 1986. In 2014, it was transformed to include the Value Proposition (VP).
- Winning bidders are selected on the basis of price, technical merit and their Value Proposition
- The VP includes bidder's commitment to undertake work in Canada and will generally account for 10 percent of the overall score
- Companies awarded procurement contracts must undertake business activity in Canada equal to the value of the contract

Value Proposition

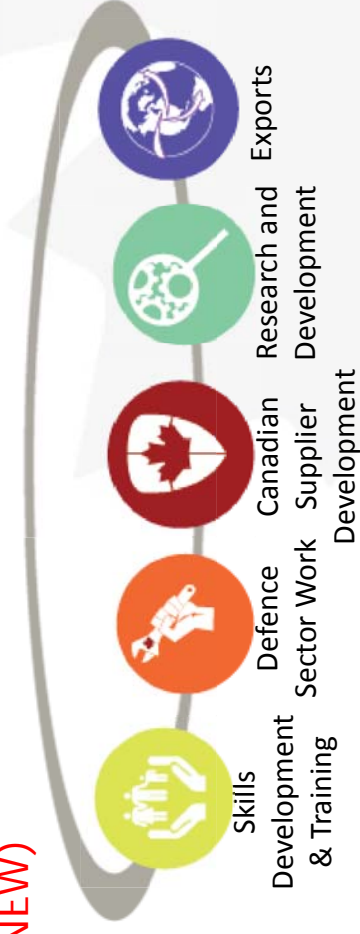
- Commitments/activities proposed at bid time
- Rated and weighted during bid evaluation

Outstanding Obligation

- Activities identified after contract award
- Brings identified activities up to 100 percent of contract value

Value Proposition Pillars

- Supports the long-term sustainability and growth of Canada's defence industry;
- Supports the growth of bidders' Canadian operations as well as their suppliers in Canada, including SMBs in all regions of the country;
- Enhances innovation through research and development (R&D) in Canada;
- Increases the export potential of Canadian-based firms; and
- Promotes skills development and training to advance employment opportunities for Canadians. **(NEW)**



Skills Development & Training Pillar (NEW)

- The Skills Development & Training Pillar was created to address current or anticipated skills gaps and training opportunities
- Bidders will be encouraged to identify initiatives to develop skills and training through:
 - ✓ Work integrated learning programs (e.g., co-operative education; work placements)
 - ✓ Apprenticeship programs
 - ✓ A new or existing skill development program at or through a post-secondary institution
 - ✓ Other activities that align with the ITB objectives for skills development and training

The VP is a flexible framework

On a procurement-by-procurement basis, there is flexibility to:

- Increase/decrease the 10% weight of the VP
- Weigh individual evaluation criteria differently
- Apply all or some of the evaluation criteria
- Add additional evaluation criteria
- Apply mandatory requirements
- Develop different rating grids

Informed by:

Industry
engagement

Research and
analysis

3rd party experts

Key Industrial Capabilities (KICs)

- Key Industrial Capabilities (KICs) were introduced in April 2018 to ensure that defence procurements can better drive innovation, exports and the growth of firms through the ITB Policy.
- KICs represent areas of emerging technology with the potential for rapid growth, established capabilities where Canada is globally competitive, and areas where domestic capacity is essential to national security.
- KICs are defined as the skills, technologies, and supply chains required to support the growth of these capabilities. They are broader than the companies associated with the end solution; they include the post-secondary institutions that develop skills and research, the SMEs that form part of the value chain, and intellectual property that is developed in Canada.

Key Industrial Capabilities

EMERGING TECHNOLOGIES

- Advanced Materials
- Cyber Resilience
- Remotely-piloted Systems and Autonomous Technologies
- Artificial Intelligence
- Space Systems

LEADING COMPETENCIES & CRITICAL INDUSTRIAL SERVICES

- Aerospace Systems & Components
- Defence Systems Integration
- Ground Vehicle Solutions
- Marine Ship-Borne Mission and Platform Systems
- Shipbuilding, Design and Engineering Services
- Training & Simulation
- Armour
- Electro Optical / Infrared Systems
- In-Service Support
- Munitions
- Sonar & Acoustic Systems

Industry Consultation

- The Government of Canada is seeking industry feedback to support the development of the economic leveraging approach for the Leopard 2 Family of Vehicles Long Term Sustainment.
- Industry engagement questions were published on Buyandsell in advance of the Leopard 2 Family of Vehicles Long Term Sustainment Industry Day.
- We encourage all potential bidders and suppliers to provide comments.

Next Steps

- Written feedback regarding the ITB/VP questions is to be submitted to the PSPC Contracting Authority.
- Information provided to the Government of Canada will be considered in the development of the economic leveraging approach for the Leopard 2 Family of Vehicles Long Term Sustainment.
- For more information on Canada's Industrial and Technological Benefits Policy, please visit: <http://www.canada.ca/itb>

For any ITB related questions, contact:

Ms. Robyn Hori
Project Manager
Industrial and Technological Benefits Branch
Innovation, Science and Economic Development
Canada

Tel: (613) 806-3972

Email: robyn.hori@canada.ca

Website: <http://www.canada.ca/itb>

Canada



LEOPARD 2 FAMILY OF VEHICLES LONG TERM SUSTAINMENT INDUSTRY ENGAGEMENT RECORD OF DISCUSSION 9-10 APRIL 2019

1. INTRODUCTION

The purpose of this document is to provide a summary of Record of Discussion (ROD) and Questions and Answers with regards to the one on one meeting sessions held during the Leopard 2 (LEO 2) Industry Engagements on the 9th and 10th of April 2019 in Gatineau, Quebec, Canada

2. GENERAL COMMENTS

Canada clarified that **industry's feedback is due no later than the 7th of June 2019**. It was noted that this date is essential to ensure that the Sustainment Business Case Analysis and sustainment strategy timelines can remain on target.

Canada clarified the plus (+) in the LOI comment "2035+". The plus represents the possibility for further support requirements with respect to the LEO 2 Life Extension (LE).

It is Canada's intent to form a long-term strategic partnership with industry with regards to the sustainment of Canada's LEO 2 Family of Vehicles (FoV).

Canada's current LEO 2 support concept, Optimized Sustainment Approach (OSA), consist of between 20-25 contracts that are either in place or will be in place in the near future.

Canada noted that during the conduct of its sustainment gap analysis the following key issues were identified:

- a. Canada needs to maintain its ability to provide integral support to the LEO 2 FoV.
- b. There exists a lack of infrastructure at both Edmonton and Gagetown to effectively support the LEO 2 FoV.
- c. Canada is currently undermanned to support the LEO 2 FoV and augmentation from industry will be required.

Canada's procurement strategy will respect the three (3) original equipment manufacturers (OEM) and their design authority over the Main Battle Tank (MBTs), the Armoured Recovery Vehicle (ARV) and the Armoured Engineer Vehicle (AEV).

Canada recognizes KMW, RLS and FFG as the design authority for the MBT Base Chassis, ARV and AEV respectively. If industry can demonstrate that they have obtained the IP from any of the OEMs, then this should be clearly outlined in their response. Canada does not wish to be the total system integrator and does not intend to negotiate IP rights on behalf of competitive industry.

Canada's long-term sustainment strategy will endeavor to achieve total system integration by industry and that will see the reduction in participation of DND from this role.

Industry is encouraged to provide any additional information about the sustainment of the LEO 2 FoV that may not be included within the LOI but will lead to a better understanding of industry's capabilities and therefore development of a long-term sustainment strategy for Canada's LEO 2 FoV.

Industry is encouraged to provide in writing any assumptions made in order for them to develop responses to any of the questions within the LOI.

Canada does not have a format for industry to follow when preparing their responses. Industry is encouraged to utilize a format most appropriate to convey the information in their response. Canada does ask that industry try to maintain the sequence of information within their response to that of the LOI.

Industry is encouraged to provide feedback to as many questions as possible within the LOI based on their level of experience and expertise. All responses will be reviewed regardless of completeness to best assist Canada in developing a sustainment strategy.

Within the High Level Sustainment Strategy there are line items stating "to be determined" (TBD). Industry is asked to provide feedback on these TBD to help Canada in developing a sustainment strategy.



3. INDUSTRY'S QUESTIONS AND CANADA'S RESPONSES

LOI reference	Industry's Questions	Canada's Responses
A.1.1	<p>Q1. Can an example be given with regards to recurring and non-recurring to provide a complete understanding?</p> <p>Q2. When providing a response is it possible to amend the table to include additional information in the response? Example infrastructure and training (maintenance and operator).</p> <p>Q3. Will Additional Work Requests (AWR) be utilized and should it be costed?</p> <p>Q4. The costing matrix only includes the cost of the maintenance and calibration of STTE. What about the procurement of STTE?</p> <p>Q5. Regarding Appendix 1- Should the columns be filled with the man hours and the corresponding prices or just prices?</p>	<p>R1. An example of recurring effort would be labour hours. An example of non-recurring effort would be the purchasing of STTE.</p> <p>R2. Industry is encouraged to include any additional information that would support to the development of a sustainment strategy.</p> <p>R3. AWRs will be utilized to conduct non-core services and additional support not anticipated such as battle damage repairs or engineering support. Any costing information supported by assumptions would be welcome.</p> <p>R4. Industry is encouraged to explore options and present them within their responses. This could include additions to the costing matrix to detail the non-recurring cost of purchasing STTE.</p> <p>R5. While the aim of the table is to collate the costs associated with the activities presented, the inclusion of man hours would assist in understanding the assumptions used by Industry in their response.</p>
A.1.2	<p>Q6. What is considered an acceptable distance to be considered as regional?</p> <p>Q7. Could Canada clarify if the construction of infrastructure count for Industrial and Technological Benefits (ITB) and Value Proposition (VP)?</p> <p>Q8. What infrastructure options should be explored?</p> <p>Q9. Does the anticipated Regional 3rd Line Maintenance support table cover all maintenance needs? If not can adjustments be made by industry to the cost tables to reflect what industry believes the requirements to be?</p> <p>Q10. Would Canada consider restructuring how it defines the different levels of maintenance?</p>	<p>R6. The ideal regional support is provided at a minimum within the province. Canadian Armed Forces Bases can be considered and explored as an option, however further investigation on Canada's part is required to determine its viability. The preferred solution will see regional support no more than 3-4 hours from the user locations, Edmonton and Gagetown.</p> <p>R7. Canada plans to define the infrastructure requirements further for this procurement. Once these requirements are further developed, Canada will be in a better position to respond.</p> <p>R8. Options should not be limited and consideration can be given to new, existing and DND infrastructure options.</p> <p>R9. No the table does not reflect all possible requirements. This table is the initial draft. It is expected through industry feedback and further analysis that the table be refined and expanded on. Canada is looking for a long term partnership with industry to ensure volume exists. Industry is encouraged to present all options that they develop in their response.</p> <p>R10. Canada is looking to maintain the fundamentals of how it defines levels of support. Lines of maintenance must remain the same and this is where Canada has assessed the gap in support to be. For example FSRs could be used to offset 1st line gaps. Industry is encouraged to provide feedback.</p>



	<p>Q11. Would Canada consider the regional grouping of variants to better enable regional support? Example all AEVs in Edmonton or A6M in Gagetown and A4M in Edmonton.</p> <p>Q12. What role does Canada see with 202 Workshop and 4th line support?</p> <p>Q13. Would Canada pay for STTE and infrastructure to establish 3rd Line Regional Support?</p> <p>Q14. Clarification was sought with regards to CM and PM.</p> <p>Q15. What was Canada's baseline for the CM and PM data presented on the table?</p> <p>Q16. Could Canada clarify if industry-led training and the transfer of expertise to DND employees for maintenance support would be a cost eligible for ITB Credit?</p> <p>Q17. Does Canada understand the cost of creating two Regional 3rd Line facilities and the duplication of resources?</p> <p>Q18. Has Canada considered that more FoVs could be implicated with Regional Maintenance Facilities?</p> <p>Q19. What will be the working package in the 4th Line?</p>	<p>R11. Centralizing variants would be considered if a business case was made which strongly supported such a requirement. The current distribution has training value for the Canadian Army.</p> <p>R12. Canada see a cooperative role between industry and 202 Workshop. It is essential to Canada that 202 Workshop maintains its strategic ability to support the LEO 2 FoV. Canada sees 202 providing Repair and Overhaul (R&O) for between 2 and 4 MBTs per year. Refer to para 2.8 and the table in para 3 of the HLSS (Att A.2) for additional details.</p> <p>R13. Canada is not positioned to provide an answer to this question fully. Canada understands that it will be financially responsible however at this time is unable to state how. Industry is encouraged to provide options within their response.</p> <p>R14. Corrective Maintenance (CM) and Preventive Maintenance (PM).</p> <p>R15. The PM presented on the table is based on the LEO 2 F series of inspections. The CM and mods are based on current data of maintenance hours.</p> <p>R16. Yes, the costs could be considered as eligible subject to the ITB Transaction Eligibility Criteria.</p> <p>R17. Canada understands that there is a cost associated with this option. Canada wishes to minimize the movement of tanks across the country. Movement of a LEO 2, in one direction, has a minimum cost of \$50K and requires on average 118 days to facilitate permits and contracts. Canada is looking at industry's response to build the appropriate business case.</p> <p>R18. Industry is encouraged to provide any data that would help to build a business case. This option could be investigated in future collaboration with other FoVs.</p> <p>R19. 4th Line maintenance from Industry is primarily the repair and overhaul of repairable components. It could include major overhaul of the platforms themselves should this be beyond the capabilities established for 3rd Line.</p>
<p>A.1.3</p>	<p>Q20. What is the criteria that Canada will use to develop its sustainment strategy?</p> <p>Q21. Does Single Prime Contractor need to be a Canadian based company?</p> <p>Q22. Within a Consortium who would be responsible for final decisions with regards to support to the LEO 2 FoV? For example vehicle modifications and configuration management.</p>	<p>R20. Canada will develop a sustainment strategy after analysis of the responses from industry. Canada wishes to remove itself as the system integrator.</p> <p>R21. The Single Prime Contractor does not need to be a Canadian Company. Canada's expectation is for industry to develop an ITB plan that will invest and build a LEO 2 support capacity within Canada.</p> <p>R22. Within this support option industry would develop the Consortium Management Structure. Canada would like to remove itself as the system integrator and transfer this responsibility to industry.</p>



	Q23. How would IPT be organized?	R23. Canada is not in a position to answer this question at this time. Further analysis and industry's responses will lead to the development of the appropriate solution.
A.1.4	Q24. Should Canada provide KPIs using current ISS programs in place for other fleets? Q25. Is Canada considering penalty and bonuses within their contract framework?	R24. Canada is aware of KPIs that exist with other fleets, however for the LEO 2 FoV this is a new concept. We are seeking industry's experience with the LEO 2 FoV to help determine the best method to measure performance. Canada is already tracking KPI such as availability, Vehicle of Road (VOR), time in maintenance, etc. R25. Yes, Canada is exploring the use of incentives and the use of KPIs as a measurement tool for these incentives and penalties.
A.1.5	Q26. Bundling R&O Clarification	R26. Generally speaking R&O contracts have been competed to industry based on sub-system/technology areas, for example all turret EO components. Canada is seeking a business case for bundling R&O into the Primary Contract(s). It is possible that some R&O contracts in place are the most practical approach and others are not. Industry is encouraged to provide information with regard to how they would see R&O being implemented and executed in any of the contract options being explored.
A.1.6	No Questions Asked.	
A.1.7	Q27. Would Canada consider adopting an international standard approach to Data/Publication Management? Q28. Would Canada consider this an independent contract given the level of work required?	R27. DND is exploring a move towards a single standard for both data and publication management. At this time what this standard will be has not been determined. R28. This will be a task within Canada's developed sustainment strategy. Industry is encouraged to comment on what options exist for standardization.
A.1.8	Q29. .LEOBEN Clarification	R29. Canada wishes to understand the benefits of LEOBEN in terms of economy of scale from both a programmatic and scale of issues stand point. In the past Canada has adopted both LEOBEN and non-LEOBEN solutions in support of the LEO 2 FoV. Canada would like industry to comment how LEOBEN fits into the proposed contracting framework.
A.1.9	Q30. What is Canada's expectation with regards to the Transfer of Technology (ToT)? Q31. What IP rights does Canada already own?	R30. Canada understands that any transfer needs to be of mutual benefit to both itself and industry and must be collaborative in nature. Decisions regarding ToT to DND or Canadian based industry will be made on a case by case basis based on the support solution selected. R31. Canada has limited IP rights through contracts and LEOBEN. These rights are limited and not owned by Canada.
A.1.10	Q32. What is the current distribution of LEO 2 reference vehicles? Q33. Where does Canada want to position the reference vehicles? Q34. Would the option of a virtual reference vehicle meet Canada's requirement?	R32. Current distribution of LEO 2 reference vehicles: 1 AEV in Ottawa, 2 MBTs in Germany and there is currently no ARV reference vehicle. R33. Currently reference vehicles are positioned either with the OEMs or within DND. These vehicles do not get rotated with the operation fleet. Canada understands the value of reference vehicles and would like industry to comment on where a reference vehicle is best positioned to serve both their needs and the needs of DND. R34. Canada's initial analysis maintained the use of physical reference vehicles. However industry's response can explore other options which could include virtual reference vehicles or the designation of an in-service vehicle as the reference vehicle.



	Q35. What are the LEO 2 vehicles in Borden, Ontario used for?	R35. The Borden LEO 2 vehicles are training vehicles. They are used to train Canadian Army technicians. These vehicles will need to be considered for maintenance, modifications, R&O and any other programmes developed.
A.2	Q36. Can Canada provide clarification on what is meant by the system integrator?	R36. Within Canada's current support framework, Canada is responsible for all aspects of the LEO 2 FoV support. This includes obsolescence management, configuration management, spare part levels, etc. Current analysis demonstrates gaps in Canada's ability to manage these aspects effectively, as such Canada is exploring the possibility of removing itself as the system integrator.
B	Q37. How did Canada identify the initial Key Industrial Capabilities (KICs) of Defence Systems Integration, Ground Vehicle Solutions and In-Service Support for the Leopard 2 Family of Vehicles Long-Term Sustainment? Q38. Are you able to share the market research used as a starting point for analysis of Canadian industrial capabilities for the sustainment of Canada's Leopard 2 Family of Vehicles (FoV) and related capabilities?	R37. Key Industrial Capabilities (KICs) enable defence contractors to focus investments in specific areas that support the economic growth of Canada's globally competitive defence and security industry. The initial KICs identified for the Leopard 2 Family of Vehicles Long-Term Sustainment are directly related to the specific requirements of the procurement. Industry is encouraged to identify additional KICs that are directly relevant to the procurement and which could be of value to Canada in terms of motivating long-term high-value economic benefit for Canadian industry as part of their response, and include any assumptions made for context. Information on Key Industrial Capabilities is available on the ITB website at: http://www.ic.gc.ca/eic/site/086.nsf/eng/h_00175.html . R38. ISED's initial market analysis found that there is a good level of military vehicles supply chain activity in Canada with several Canadian businesses having experience performing functions or tasks related to military vehicle in-service support. Due to Intellectual Property constraints (i.e. OEM IP), there appears to be relatively limited Canadian industrial participation for the sustainment of the Leopard 2 FoV. ISED will be updating its market analysis in the coming months in support of the SBCA Detailed Analysis to develop the Leopard 2 FoV long-term sustainment and procurement strategies.
B.3	Q39. How does Canada define Small and Medium Businesses (SMB) for ITB purposes?	R39. The ITB definition of Small and Medium Business is a Canadian Company with fewer than 250 full-time personnel as of the date of entering into a Transaction. Agents and distributors of foreign goods and services, as well as subsidiaries of the Contractor or an Eligible Donor on any contract with IRB/ITB Obligations, do not qualify as SMB