

Letter of Interest (LOI)

TITLE: The Establishment of a Canadian Surface Combatant (CSC) In-Service Support (ISS) Working Group (CIWG)

1. Purpose and Nature of the Letter of Interest (LOI)

Canada is developing its requirements for the In-Service Support (ISS) for the new Canadian Surface Combatant (CSC) class of vessels. Canada intends to engage with Industry to obtain relevant advice and recommendations. This advice may be taken into consideration in the development of future solicitation documentation for the competitive procurement of In-Service Support for the CSC.

The intent of this LOI is to identify capable and interested Respondents to participate as members of a joint, Government of Canada and Industry, Canadian Surface Combatant (CSC) In-Service Support (ISS) Working Group (CIWG). Suppliers will self-attest to their suitability for CIWG membership in accordance with Section 8 of this document. The CIWG will assist the Government of Canada (GOC) in shaping the requirements of future competitive RFP processes and resulting contracts by providing advice, information and recommendations.

This LOI is neither a call for tender nor a Request for Proposal (RFP). No agreement or contract will be entered into based on this LOI. The issuance of this LOI is not to be considered in any way a commitment by the Government of Canada, nor as authority to potential respondents to undertake any work that could be charged to Canada. This LOI is not to be considered as a commitment to issue a subsequent solicitation or award contract(s) for the work described herein.

Although the information collected may be provided as commercial-in-confidence (and, if identified as such, will be treated accordingly by Canada), Canada may use the information to assist in drafting performance specifications (which are subject to change) and for budgetary purposes.

Respondents are encouraged to identify, in the information they share with Canada, any information that they feel is proprietary, third party or personal information. Please note that Canada may be obligated by law (e.g. in response to a request under the Access of Information and Privacy Act) to disclose proprietary or commercially-sensitive information concerning a respondent (for more information: <http://laws-lois.justice.gc.ca/eng/acts/a-1/>).

Respondents are asked to identify if their response, or any part of their response, is subject to the Controlled Goods Regulations.

Participation in this LOI is encouraged, but is not mandatory. There will be no short-listing of potential suppliers for the purposes of undertaking any future work as a result of this LOI.



Similarly, participation in this LOI is not a condition or prerequisite for the participation in any potential subsequent solicitation.

Respondents will not be reimbursed for any cost incurred by responding to this LOI and participation in the CIWG

The LOI closing date published herein is not the deadline for comments or input. Comments and input will be accepted any time up to the time when/if a follow-on solicitation is published.

2. Background Information:

Canada has committed to investing in 15 Canadian Surface Combatant (CSC) ships. These ships will be Canada's major surface component of maritime combat power. With its effective warfare capability and versatility, it can be deployed rapidly anywhere in the world, either independently or as part of a Canadian or international coalition. The CSC will be able to deploy for many months with a limited logistic footprint.

The CSC will be able to conduct a broad range of tasks, in various scenarios, including:

- Decisive combat power at sea and support during land operations;
- Counter-piracy, counter terrorism, interdiction and embargo operations for medium intensity operations;
- The delivery of humanitarian aid, search and rescue, law and sovereignty enforcement for regional engagements; and
- The construction of the first CSC vessel is expected to begin in the early-2020s.

The CSC project, which is part of the National Shipbuilding Strategy, will replace both the Iroquois-class destroyers and the Halifax-class multi-role patrol frigates with a single class of ship capable of meeting multiple threats on both the open ocean and the highly complex coastal environment. The CSC project is the largest and most complex shipbuilding initiative in Canada since World War II.

The Implementation (Build) Phase will include the construction of the CSC ships and other implementation activities. It is scheduled to commence in the early 2020s and is expected to take approximately 20 years to build and deliver all 15 ships. Each ship is expected to conduct operational service for at least 30 years and then go through decommissioning and disposal activities estimated to last approximately five years per ship.

3. Potential Work Scope and Constraints:

Canada will be seeking feedback from industry on a proposed sustainment and procurement strategy for the CSC ships that may include one or more ISS contracts. Specifically, Canada will be seeking feedback on:

- The nature of the work to be performed by industry;
- Potential groupings of various work packages; and
- The integration of various support arrangements, whether provided by industry, government organizations, or foreign governments.

After a procurement strategy has been defined, we will seek feedback from industry to develop:

- The Concept of In-Service Support;
- The Performance Work Statement (PWS);
- Contract Terms and Conditions;
- Evaluation procedures;
- Economic Benefits Approach; and
- Other key elements of the RFP.

Currently, the first ship is expected to be delivered in the mid-2020s. The CSC Project is currently in the Definition Phase to refine and progress ship design, construction implementation planning, costing, and scheduling.

The scope of work for the CSC ISS contract(s) may consist of the following elements:

In-Service Support Management

- In-Service Support Planning and Scheduling; and
- Activities Management and Reporting.

Engineering Support

- Technical Assistance;
- Configuration Management;
- Obsolescence Management; and
- Design Agent Function.

Maintenance Support

- 2nd Line Maintenance (Dedicated Maintenance Periods);
- 3rd Line Maintenance (Docking Work Periods); and
- Support to Deployed Ships.

Supply Support

- Provisioning;
- Warehousing;
- Transportation/Delivery;
- Repair and Overhaul; and
- Disposal.

Technical Data Management

- Technical Data Maintenance and Control; and
- Technical Data updates.

Training Support

- Training Delivery;
- Training Program updates and improvements; and
- Trainer maintenance management and execution.

Management Information System Support

- Interface Development and Implementation; and
- Information System Maintenance and Updates.

CSC will deploy and operate in both Domestic and International waters for extended periods of time, possibly in hostile environments. The ISS provider will be required to provide responsive and timely global support to the ships, wherever they may be deployed.

The national security exceptions provided for in the trade agreements have been invoked; therefore, this procurement is excluded from all of the obligations of all the trade agreements. There will be security restrictions imposed on some of the Work to be conducted under the resulting contract(s). The exact nature of those restrictions will be communicated as they are known.

Legislation, Trade Agreements, and Government Policies:

The following is indicative of some of the legislation, trade agreements and government policies, which could impact the CSC ISS procurement:

a) Canadian Free Trade Agreement (CFTA) and National Security Exception:
 This procurement is not subject to the Canadian Free Trade Agreement (CFTA) as the National Security Exception has been invoked for each project and for the ISS requirement;

b) North American Free Trade Agreement and World Trade Organization Agreement on Government Procurement:
 This procurement is excluded from the North American Free Trade Agreement in accordance with the North American Free Trade Agreement Chapter Ten, Annex 1001.1b-2 Section B, Annex 1001.2b General Note 1(a), and from the World Trade Organization Agreement on Government Procurement Appendix 1, Annex 1 and Annex 4, Note No. 4;

c) The Canadian Shipbuilding Policy and the Shipbuilding, Repair, Refit and Modernization Policy will apply ; http://www.ic.gc.ca/eic/site/sim-cnmi.nsf/eng/h_uv00053.html

d) Canadian Content Policy:

The Canadian Content Policy does not apply to procurements subject to Cabinet-mandated sourcing relating to shipbuilding, ship repair, refit and mid-life modernization;

e) Industrial and Technological Benefits (ITB)

The ITB policy will apply to this procurement. The ITB Policy is administered by Innovation, Science and Economic Development Canada with assistance from the Regional Development Agencies. To obtain information about Canada's ITB Policy, visit:

<http://www.ic.gc.ca/eic/site/086.nsf/eng/home>;

f) Controlled Goods Program:

This procurement may be subject to the Controlled Goods Program. For further information on the CGP, visit: <http://ssi-iss.tpsgc-pwqsc.gc.ca/dmc-cgd/index-eng.html>;

g) Federal Contractors Program for Employment Equity:

The Federal Contractors Program for Employment Equity will apply to this procurement. For further information on the Federal Contractors Program for Employment Equity, visit:

<https://buyandsell.gc.ca/policy-and-guidelines/supply-manual/annex/5/1>;

h) Fairness Monitor:

A Fairness Monitor will act as a formal oversight mechanism for obtaining independent validation on the fairness of the process for selecting ISS contractors; and

i) Third Party Validation:

Canada may also engage a professional services company to provide independent advice and validation relating to topics such as (but not limited to):

- (a) The long-term In-Service Support Contract(s);
- (b) The Evaluation plan;
- (c) The RFP; and
- (d) Risk management and value for money.

4. Schedule:

In providing responses, the following schedule should be utilized as a baseline:

Industry Engagement Event	Estimated Timeline
Letter of Interest (LOI)	Spring 2019
Phase 1 - Initial Contact with Industry	Fall 2019
- One on One sessions	Fall 2019
Phase 2 - Industry Day	TBD
- One on One session	TBD
Phase 3 - Procurement Strategy Development	TBD
- One on One session	TBD
Phase 4 - RFP Development	TBD
- One on One session	TBD
Draft RFP release to industry	TBD
Final RFP issued	TBD
Contract Award	TBD

5. Important Notes to Respondents:

Interested respondents must submit their attestation forms to the PSPC Contracting Authority, identified below via email:

Name: Ryan Gigliotti
 Title: CSC ISSC Contracting Authority
 Public Services and Procurement Canada
 ADM - Defence and Marine Procurement Branch
 Marine Sustainment Directorate
 Address: 455 Boulevard de la Carrière
 Telephone: 819-939-5697
 E-mail: TPSGC.PASENCSC-APCSCISS.PWGSC@tpsgc-pwgsc.gc.ca

A point of contact for the Respondent should be included in the package.

Changes to this LOI may occur and will be advertised on the Government Electronic Tendering System. Canada asks Respondents to visit Buyandsell.gc.ca regularly to check for changes, if any.

6. Upcoming Engagement Sessions:

Canada intends to apply the following process in conducting CIWG Sessions:

- a) This LOI will be published on Buy and Sell (buyandsell.gc.ca);
- b) Respondents will provide attestation with regard to their suitability for participation in the CIWG by completing and submitting the Attestation Form in Section 8 herein;
- c) Canada will confirm membership of CIWG by e-mail to the Respondents;
- d) Canada will issue invitations containing the agenda topics and logistical information, by e-mail to the registered CIWG members; and
- e) Canada will conduct the consultation with the CIWG members.

This LOI will remain open until the industry engagement is completed in order to allow additional Respondents to apply for CIWG membership on an ongoing basis.

CIWG Sessions will be held in the National Capital Region (Ottawa or Gatineau). Hospitality will not be provided. Other consultation activities may take the form of off-site documentation review. The CIWG sessions are planned to commence in the late spring of 2019. Attendance is limited to firms which:

- a) Have registered their interest in participating; and
- b) Have provided the attestation as per Section 8.

The initial meeting (CIWG Session 1) will be dedicated to presenting the preliminary Sustainment Enterprise options. A draft copy of the supporting document will be provided to CIWG members for comment.

Subsequent session topics and areas will be determined in consultation with CIWG members and may include, but not be limited to the topics outlined below:

- a) Concept of In-Service Support;
- b) Statement of Work/Performance Work Statement;
- c) Industrial Technological Benefits;
- d) Basis of Payment / Method Of Payment;
- e) Intellectual property;
- f) Limitation of liability;
- g) Performance criteria and measurement;
- h) Evaluation Plan;
- i) Risk, Warranty and Insurance; and
- j) Other WG topics may be included at Canada's discretion.

In a CIWG meeting, Canada may decide to share information that will need to remain confidential. Under such circumstances, members will be required to sign a Non-Disclosure Agreement before obtaining the information.

Canada reserves the right to finalize, or change, the In-Service Support requirements for any reason it considers appropriate, either based upon information submitted in response to this LOI or for any other reason. Canada also reserves the right to restrict participation in CIWG sessions if deemed appropriate.

7. Closing date for the LOI/RFI:

Application to participate in the CIWG will be accepted at any time during the Industry Engagement Period. To be considered for participation in CIWG, please complete and forward this attestation sheet by e-mail to the Contracting Authority as soon as possible to ensure your eligibility for attendance and participation.

8. ATTESTATION FORM

TO BE COMPLETED AND FORWARDED IN ITS ENTIRETY TO THE CONTRACTING AUTHORITY UPON COMPLETION

Respondent Company Name:

Respondent Company Address:

Primary Contact Name: _____

Position Title: _____

Office Address: _____

Telephone Number(s): Office () _____ Cell: () _____

E-mail Address: _____

Preferred official language of communication: _____

To be considered as a registered member of the CIWG we understand and agree to the following:

With regard to Canadian Benefits:

- We understand, in accordance with the Policy Framework for the Canadian Shipbuilding and Industrial Marine Industry, http://www.ic.gc.ca/eic/site/sim-cnmi.nsf/eng/h_uv00053.html, the Federal Government will procure, repair and refit vessels in Canada subject to operational requirements and the continued existence of a competitive domestic marketplace.
- We understand Canada's Industrial and Technological Benefits (ITB) policy, http://www.ic.gc.ca/eic/site/086.nsf/eng/h_00000.html, and that the recent policy enhancements, will be a mandatory element of this procurement with the In-Service Support provider committing to achieve ITB valued at 100% of the contract value.

With regard to Contracting and ISS Experience:

- We confirm that as an individual company or other properly constituted legal entity, we currently have, or within the last 8 years have had, contracting and ISS experience with at least one contract of \$10M or more dealing with

preventive or corrective maintenance for marine vessels of 500 tonnes or greater;

OR

- We understand that the CSC ship will be approx. 6000 tonnes in displacement, respectively, and we will have the contracting and ISS capability to successfully participate in an ISS maintenance contract for naval vessels of the size and complexity of the CSC.

With regard to Technical Capability:

- We have the capability and capacity to provide aspects of In-Service Support services; such as:
 - Maintenance planning, technical support (hardware and software), configuration management, data management, documentation, training and training equipment;
 - Ship repair and maintenance, including materiel management, supply support; or
 - Project management, including contract and subcontract management, risk management, quality assurance, performance based contracts, in particular earned value performance measurement regime, intellectual property management and IRB management.

With regard to Financial Depth:

- We have a stable financial forecast.

We further understand and agree that:

- Respondents will not be restricted to naming individuals who will represent them at CIWG meetings who are employees of the Respondent;
- Although a registered Respondent may choose to name any number of individuals to represent them at CIWG meetings, Canada reserves the right to limit the number of representatives per respondent at each meeting, if necessary. In such a case, Canada will inform Respondents if it intends to do so before the scheduled meeting
- The Respondent's Primary Contact will be able to provide the name of each of their representatives for individual CIWG meetings. Agenda and Registration details will be promulgated by Canada to the Primary Contact;
- All individuals who attend will be required to sign in with personal identification upon arrival at each individual CIWG meeting;

- Individual CIWG representatives are responsible for their own transportation, accommodation, meals, parking, response preparation costs and all other expenses related to participating in a CIWG meeting;
- Participation in the CIWG is not a prerequisite for submitting a proposal in response to any future Requests for Proposal for the CSC ISS contract(s);
- Respondents who choose to participate in the CIWG will not be required to attend all meetings and may choose to be selective in their attendance at specific meetings.

Signature: _____

Date: _____