



RETURN BIDS TO:

RETOURNER LES SOUMISSIONS À:

Bid Receiving - PWGSC / Réception des
soumissions - TPSGC

11 Laurier St./ 11, rue Laurier

Place du Portage, Phase III

Core 0B2 / Noyau 0B2

Gatineau, Québec K1A 0S5

Bid Fax: (819) 997-9776

LETTER OF INTEREST

LETTRE D'INTÉRÊT

Comments - Commentaires

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Clothing and Textiles Division / Division des vêtements et
des textiles

L'Esplanade Laurier,

East Tower 7th Floor

Tour est 7e étage

140 O'Connor, rue O'Connor,

Ottawa

Ontario

K1A 0R5

Title - Sujet OCFC2 Industry Day Presentations	
Solicitation No. - N° de l'invitation W8486-137549/J	Date 2019-06-13
Client Reference No. - N° de référence du client W8486-137549	GETS Ref. No. - N° de réf. de SEAG PW-\$\$\$PR-714-77285
File No. - N° de dossier pr714.W8486-137549	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-07-02	
Time Zone Fuseau horaire Eastern Daylight Saving Time EDT	
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: Sinka, William	Buyer Id - Id de l'acheteur pr714
Telephone No. - N° de téléphone (613) 410-6806 ()	FAX No. - N° de FAX (613) 943-7970
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée See Herein	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
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	



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DGLEPM/DSSPM

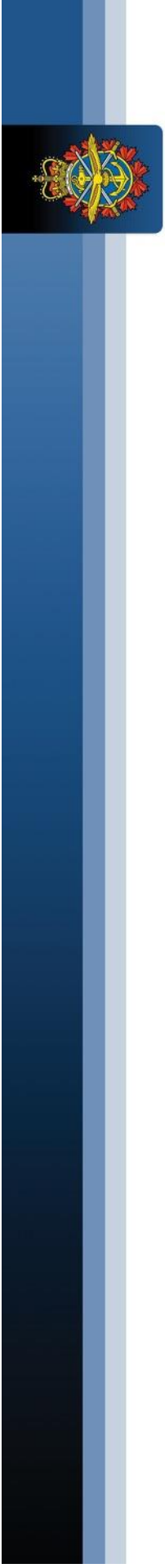


CANADIAN
ARMED FORCES

OCFC2 Industry Day

27 May 2019

Canada



PURPOSE

- Provide an overview of the current OCF2 status, plan, and schedule;
- Provide clarifications on Bid Evaluation methodology, Canadian Content requirements and ITB/VP; and
- Provide the opportunity for industry to seek clarification and provide feedback to the Government of Canada.



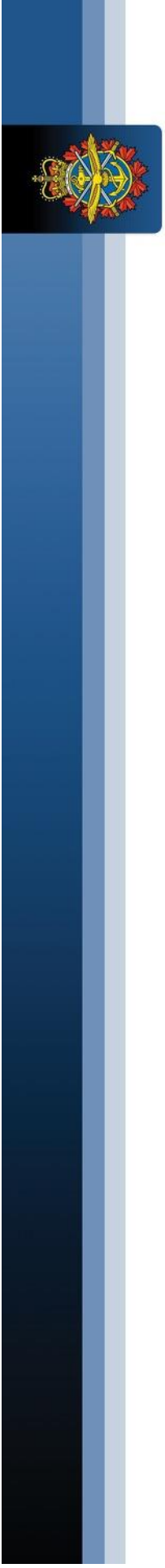
OCFC2 OVERVIEW

Type	Performance-based with a Rolling Wave approach
Duration	6 firm years and 14 x 1-year options to be exercised upon satisfactory Contractor performance
Total # of items	1227 number of items <ul style="list-style-type: none">• CADPAT™ Apparel (51)• Non-CADPAT™ Apparel (120)• Badges, nameplates and Insignias (992)• Footwear (39)• Soldier's personal equipment (25)
Scope	<ul style="list-style-type: none">• Complete supply chain management for op clothing and footwear and selected personal equipment (i.e., sleeping systems and load carriage equipment)• Related professional services• Ancillary services



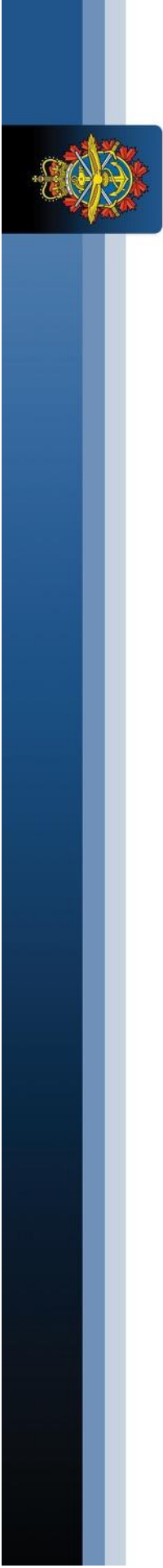
OCFC2 SPECIAL PROVISIONS

- Surge requirement procurement
- Managed choice provision
- Ad hoc procurement
- Advertise DND requirements on a public site
- Consultations/communication between the Technical Authorities and manufacturers/supply chain for technical requirements



OCFC2 APPROACH

- Phased Approach
 - Phase 1 – Transition
 - Phase 2 – Delivery to clothing stores
 - Phase 3 – Online ordering capability for delivery to individual CAF members
- DND inventory to be transferred from the 2 Depots
- DRMIS to be used to manage DND inventory



OCFC2 SCHEDULE

MILESTONE	DATE
LOI – Working Group/ Draft RFP released*	March 2019
Feedback received from Industry	26 April 2019
Release of Qs and As to Industry	May 2019
Industry Day + OCFC2 Sample viewing	27-28 May 2019
Deadline for submitting final comments/questions before the RFP	4 June 2019
Request for Proposal (RFP)	Jun – Dec 2019
Sample viewing (2 consecutive weeks)	July 2019
Bid Evaluation	Jan – April 2020
TB Submission Process	May – Oct 2020
Contract Award (start of Phase 1)	October 2020
IOC - Delivery to Clothing Stores (Phase 2)	October 2021
FOC - Delivery to both Clothing Stores and direct to members (Phase 3)	October 2022

* Draft RFP documents are still available. If interested, please contact PSPC for a USB stick.



OCFC2 OVERVIEW

Evaluation Methodology

Phased Bid Process

Canadian Content Requirements

Evaluation Methodology

Overarching Guidelines:

- The Evaluation Methodology and Criteria published with the RFP must be strictly adhered to
- Each proposal must be evaluated on its own merits solely against the published evaluation criteria
- Only the information provided in the bid is to be considered
- Evaluation team members must ensure the confidentiality of the bids

Evaluation Methodology

OCFC2 bid evaluation will be conducted by the OCFC2 interdepartmental team:

- PSPC (financial)
- DND (technical)
- ISED (ITB/VP)

PSPC will ensure the integrity of the evaluation process by engaging the services of an independent Fairness Monitor to validate the evaluation results

Evaluation Methodology (Scoring)

The Bid must comply with ALL mandatory requirements to be further evaluated on the rated criteria

Scoring Methodology:

- Evaluation of point rated criteria will be conducted (Technical = 80%, ITB/VP = 20%)
- Canada will conduct a consensus evaluation for responsive bid(s) to determine overall score(s)
- Bidder with lowest cost-per-point based on the above will be recommended for contract award

Phased Bid Compliance Process (PBCP)

Bids will be evaluated in phases. The bids must pass each phase to be considered for the next phase.

- Phase I: Required financial information
- Phase II: All mandatory requirements
- Phase III: Completion of evaluation process

PBCP provides bidders with the opportunity (after bid closing) to correct a finding of non-compliance

PBCP (Phase I)

Compliance Assessment – Financial Information

- PSPC will examine the bids to ensure a bid is not missing mandatory financial information
- PSPC will notify bidder if any financial information is missing and provide deadline to provide it. If a bid is missing the entire financial information, bid is declared non-compliant and will not be evaluated further.
- PSPC will not provide any details concerning financial bid to members of evaluation team
- Once Phase I has been completed, PSPC will forward the technical bids to the DND and ISSED Evaluation Teams for Phase II of the PBCP

PBCP (Phase II)

Compliance Assessment – Other Requirements

- DND and ISED Evaluation Teams will determine if bid(s) are compliant with all mandatory requirements
- The Evaluation Teams will assess the rated criteria with minimum pass scores
- PSPC will issue Compliance Assessment Report (CAR) to bidder(s)
- CAR will inform bidder(s) if their bid will continue to be considered, or identify any areas where the bid has not demonstrated compliance with mandatory requirements
- For point rated requirements with minimum pass scores that a bidder(s) failed to achieve, CAR will also provide the score
- Bidder(s) considered non-compliant, as per the CAR, will be offered an opportunity to provide additional information within a set deadline
- If considered compliant with the additional information provided, bids will be considered for Phase III

PBCP (Phase III)

Completion of the Evaluation Process

- Canada will conduct a final bid evaluation for the responsive bids
- Evaluation teams will assess the bids against the rated requirements
- For point rated requirements with an associated mandatory minimum threshold score, the bidder's original score will be used in the determination of the overall final score (as per PBCP Policy).
- Canada will conduct a consensus evaluation for responsive bid(s) to determine overall score(s)
- PSC will determine the Total Bid Price and will determine the bid with the lowest responsive cost per point



Canadian Content Requirement

Canadian Content Requirement

Canadian Good – Definition

A good wholly manufactured or originating in Canada is considered a Canadian good. A product containing imported components may also be considered Canadian for the purpose of this Contract when it has undergone sufficient change in Canada, in a manner that satisfies the definition specified under the North American Free Trade Agreement (NAFTA) Rules of Origin. For the purposes of this determination, the reference in the NAFTA Rules of Origin to "territory" is to be replaced with "Canada".

Canadian Content Requirement

Rules of Origin - Apparel

For OCFEC2, apparel goods are considered to be Canadian goods according to the North American Free Trade Agreement Rules of Origin as follows:

“Apparel goods classified in Chapters 61 and 62 of the Harmonized System that are both cut (or knit to shape) and sewn in Canada will be considered Canadian goods”

Canadian Content Requirement

Modified Rules of Origin – Textiles

For OCF2, textiles are considered to be Canadian goods if they meet the following definition:

"Textiles and textile articles classified in Chapters 50 to 60 inclusive of the Harmonized System that are woven, knitted or otherwise manufactured from yarns or fibres in Canada, and further processed in Canada by dyeing, finishing, coating or other processes as applicable, will be considered Canadian textiles. Woven fabrics of 100% cotton or of polyester and cotton blends that are dyed and finished in Canada will be considered Canadian ."

Canadian Content Requirement

Categories

The OCFC2 requirements are broken down in to the following categories for the purpose of Canadian content compliance levels:

- a. **CADPAT™ Apparel**. Apparel and clothing accessories incorporating materials with the Canadian Disruptive Pattern colours and patterns (including, but not limited to, CADPAT™ Temperate Woodlands (TW), Arid Regions (AR), and Winter Operations (WO)). Approximately 51 items.
- b. **Non-CADPAT™ Apparel**. Apparel and clothing accessories incorporating materials in colours excluding the Canadian Disruptive Pattern colours and patterns. Approximately 120 items.

Canadian Content Requirement

- c. **Badges, Nameplates and Insignias.** Assortment of embroidered patches and ranks including slip-ons. Some metal accoutrements. Approximately 992 items.
- d. **Footwear.** Boots, boot assemblies (shells, liners, insoles, and laces), over boots, over shoes, and hosiery (socks) worn on the foot as protection from the environment. Approximately 39 items.
- e. **Soldier's Personal Equipment.** Equipment other than clothing/footwear that allows the soldier to operate in various conditions. These are of a complicated nature and style that needs to meet specific technical and safety requirements. Approximately 25 items.

Canadian Content Requirement

Please refer to NAFTA Chapter 4, Annex 401 for Specific Rules of Origin

Each category will follow a different rule set with different percentages

CADPAT Apparel:

- Rules of Origin for Apparel 60%
- Modified Rules of Origin for Textiles 60%

Non-CADPAT Apparel:

- Rules of Origin for Apparel 80%
- Modified Rules of Origin for Textiles 60%

Badges, Nameplates & Insignias:

- Rules of Origin 85% (based on components ie, metals, plastics, etc)
- Modified Rules of Origin for Textiles 75%

Canadian Content Requirement

Footwear:

- NAFTA Rule of Origin 55% (regional value content of not less than 55 percent under the net cost method)

Soldier's Personal Equipment

- NAFTA rule of origin: 70% (based on components, ie. metals, plastics, etc)
- Modified rule of origin for textiles: 60%.

NOTE: Percentages are based on categories as a whole and not each individual item within a specific category



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Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

Industry Engagement OCFC2 Initiative

Industrial and Technological Benefits / Value Proposition - May 27, 2019

 Canada



OUTLINE

- Objective
 - Industrial and Technological Benefits including Value Proposition (VP)
 - Key Industrial Capabilities (KICs)
 - Skills Development and Training Value Proposition Pillar
 - Gender and Diversity Plans
 - ITB Mandatory Requirements / Proposed VP
 - Proposed Value Proposition Changes
 - Industry Consultation
 - Next Steps
-



OBJECTIVE

- The Government of Canada is consulting with industry to finalize the economic leveraging approach in preparation for the release of the OCFC2 Request for Proposals.
- Feedback received will be taken into consideration as we finalize the OCFC2 Value Proposition framework.

OVERVIEW OF DEFENCE PROCUREMENT IN CANADA

CAPABILITY ECONOMIC BENEFITS COST



**Department of National
Defence**

**Innovation, Science and
Economic Development**

**Public Services and
Procurement Canada**

Determines Canada's technical requirements and specifications for the platform or service being procured

Determines Canada's requirements for economic benefits to create jobs and economic growth in Canada, through the **Industrial and Technological Benefits Policy**

Acts as the contracting authority and handles the costing, development, and payment of contracts and agreements



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

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 ITB Obligation value

THE VP IS A FLEXIBLE FRAMEWORK

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

- Increase/decrease the 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

SKILLS DEVELOPMENT AND TRAINING VALUE PROPOSITION PILLAR



- Tailored to target skills gaps based on market research and industry engagement
- 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

GENDER AND DIVERSITY PLANS



- Canada is a country where diversity is recognized as a source of strength – part of our unique Canadian identity
- Prime contractors to be asked to provide a gender and diversity plan describing their approach to increasing gender and diversity in their corporate structures and broader supply chains in Canada
- A mandatory element; however, will not receive an evaluated score at this time

Our goal is to gain a better understanding of:

- gender and diversity within the defence sector
- the approaches different firms take to promoting gender and diversity
- the elements of a good gender and diversity plan

ITB MANDATORY REQUIREMENTS



- Bidders are required to accept and comply with all of the ITB Terms and Conditions
- **The Proposal must contain the following Plans:**
 - Company Business Plan
 - ITB Management Plan
 - Gender and Diversity Plan
- **The mandatory and rated requirements certificates of compliance must be complete, signed by a senior company official with the authority to bind the Contractor and included in the Proposal**

VALUE PROPOSITION APPROACH



VP Pillars

Research and Development: Investments in R&D and innovation will support for the long-term economic growth of the Canadian apparel, textiles and footwear sector

R&D Investments in KICs: Investments in emerging technologies will position Canadian industry for defence and commercial global market opportunities

Skills Development and Training: Investments will develop and retain a talented and skilled Canadian workforce in the apparel, textiles and footwear sector

Rationale

The VP will seek to encourage direct and indirect R&D activities through the use of a high VP weighting

The VP will seek to motivate direct and indirect R&D activities in the Key Industrial Capability (KICs) area of Advanced Materials with Canadian industry including small and medium enterprises, Public Research Institutes and Post-Secondary Institutions

The Skills Development and Training pillar will incentivize investments in Canadian talent through a VP weighting

PROPOSED VALUE PROPOSITION CHANGES



Industry feedback

Value Proposition scoring methodology:

Award VP points based on a defined grid of values rather than on a relative basis

Value Proposition pillar commitments:

Revise the maximum value for the Value Proposition pillar commitments

Direct Work for logistics activities:

Reduce the minimum Direct Work requirement by 5 percent (5%) to ninety percent (90%) of the Management Fee Total for increased flexibility

Proposed Changes

VP points are awarded to motivate investments within a specific range with a diminishing return awarded above this margin.

In order to accommodate this change, the VP scoring for R&D will be modified

The minimum Direct Work requirement will be revised to ninety percent (90%) for increased industry flexibility



VALUE PROPOSITION APPROACH

ISED has proposed the following Value Proposition framework:

VP Pillar	Criteria	Maximum VP Points Available
Research and Development	<ul style="list-style-type: none"> Bidder's Commitment to R&D in Advanced Materials as a percentage of the Management Fee Total, measured in CCV (Revised) 	5
	<ul style="list-style-type: none"> Bidder's Commitment for other R&D as a percentage of the Management Fee Total, measured in CCV (Revised) 	3
	<ul style="list-style-type: none"> Bidder's Commitment to Skills Development and Training as a percentage of the Management Fee Total, measured in CCV 	2
TOTAL		10

The Value Proposition is 10 percent of the overall score

INDUSTRY CONSULTATION



- The Government of Canada is seeking industry feedback on the OCFC2 ITB/VP economic leveraging approach in preparation for the release of the OCFC2 Request for Proposals
- We encourage all potential bidders and suppliers to provide comments

NEXT STEPS



- Written feedback regarding the OCFC2 economic leveraging approach is to be submitted to the PSPC Contracting Authority by June 4, 2019
- Feedback provided to the Government of Canada will be considered in the development of the ITB/VP approach for the OCFC2 Request for Proposals
- For more information on Canada's Industrial and Technological Benefits Policy, please visit: <http://www.canada.ca/itb>

KEY RESOURCES & ADVICE



1

Know the Value Proposition

Canada's Value Proposition outlines the economic benefits requirements for the OCFC2 Initiative. This is the road-map of potential opportunities for Canadian industry and potential bidders

2

Connect with the Regional Development Agencies (RDAs)

RDAs have key knowledge of their respective regions, and can assist in making connections between Canadian industry and potential bidders

3

You are the Solution

Potential bidders will be looking to identify investment opportunities to fulfill the requirements of the Value Proposition. This is your chance to position your firm to help a bidder win on their Value Proposition

ITB CONTACT

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