

HALIFAX-CLASS COMBAT SYSTEMS IN-SERVICE SUPPORT PROJECT

Industrial and Technological Benefits

Evaluation Plan

Halifax-Class Combat Systems In-Service Support Contract

The Halifax-Class Combat Systems In-Service Support (HCCS ISSC) contract will provide support for each of the six (6) HCCS systems installed on the Halifax class frigates. Under this new approach, a single contract will be issued under which the Contractor will provide program management, support and coordinate with the OEMs for each of the HCCS systems who will continue to provide long term In-Service Support (ISS) for their systems.

For the purpose of the HCCS ISSC, the Industrial and Technological Benefits Policy (ITB) including Value Proposition (VP) will apply to all work performed by the Contractor but excluding the cost to the Contractor of the Work performed and the spare parts acquired outside of Canada for the Halifax-Class Combat Systems over a period of twelve (12) years. This approach will ensure that new work performed under this contract by the Contractor is fully leveraged and provides benefit to Canada, while recognizing that these are legacy systems with well-established supply chains. As such, the HCCS ISSC is not adjusting the In-Service Support arrangements currently in place for legacy HCCS systems.

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1. INTRODUCTION

- 1.1. The purpose of the Value Proposition (VP) Evaluation Plan (Evaluation Plan) is to describe the methodology that will be used to evaluate the VP Proposal (Proposal) submitted by the Bidder.
- 1.2. The Proposal will be evaluated as either responsive or not responsive. The Proposal will be deemed responsive if it: i) meets all of the mandatory requirements outlined in Section 2; and, ii) meets the minimum assessment values outlined in Section 3.
- 1.3. All responsive bids will then be evaluated based on rated criteria, as outlined in Section 4.
- 1.4. The results of the evaluation will be conveyed to the Contracting Authority. The results will then be integrated into the overall bid evaluation results, as outlined in section [XX] of the Halifax-Class Combat Systems In-Service Support project's (the Project) evaluation plan.
- 1.5. The Bidder is strongly encouraged to closely review the entire Bidder Instructions document.
- 1.6. Defined terms not otherwise defined in this document have the meaning given to them in the ITB Terms and Conditions and the Request for Proposal, including appendices, to which this Evaluation Plan is attached.

2. MANDATORY REQUIREMENTS

- 2.1. The chart below details each mandatory requirement and how the ITB Authority will assess whether it has been met. The Proposal will be assessed as responsive or not responsive. To be considered responsive, all mandatory requirements must be met.

Mandatory Requirement	Method to Confirm
1. Bidder commits to achieving Transactions, measured in Canadian Content Value (CCV), valued at not less than 100 percent of the Contract Value <i>[100 percent or the total CCV of identified Transactions, whichever is higher]</i> , to be achieved within the Achievement Period.	Mandatory requirements certificate is duly signed and submitted.

2. Bidder commits to achieving not less than 15 percent, of the Contract Value (including options) in Small and Medium Business Transactions, measured in CCV.	Mandatory requirements certificate is duly signed and submitted.
3a. Bidder commits to identifying one (1) year after Contract award, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than 60 percent of the Contract Value, measured in CCV.	Mandatory requirements certificate is duly signed and submitted.
3b. Bidder commits to identifying three (3) years after Contract award, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to 100 percent of the Contract Value, measured in CCV	Mandatory requirements certificate is duly signed and submitted.
4. Bidder accepts all of the ITB Terms & Conditions.	Mandatory requirements certificate is duly signed and submitted.
5. Bidder submits all the required components in its Proposal: <ul style="list-style-type: none"> • Company Business Plan • ITB Management Plan • Regional Development Plan • Small and Medium Business Development Plan • Gender and Diversity Plan • Detailed transaction sheets, accompanied by a summary chart of all Transactions. 	Presence of each required component in the Proposal and the Mandatory requirements certificate is duly signed and submitted.
Signed Mandatory requirements Certificate of Compliance	
Table 2-1, Mandatory Requirements Evaluation Chart	

3. MINIMUM ASSESSMENT VALUES

3.1. The Plans will be evaluated to determine if they meet the minimum assessment values below.

3.1.1. The Bidder's five Plans (i.e. Company Business Plan, ITB Management Plan, Regional Development Plan, Small and Medium Business Development Plan and Gender and Diversity Plan) will be evaluated to confirm that they are present in the Proposal. The Plans (i.e. Company Business Plan, ITB Management Plan, Regional Development Plan and Small and Medium Business Development Plan) are then assessed for quality and for risk, using the assessments in Tables 3-1 and 3-2.

3.1.2. Quality will be assessed as to whether the Plans respond to the requested components outlined in Section 5 of the Bidder Instructions, the level of detail in the component, and how well the content of the Plan meets the ITB Objectives outlined in Section 3 of the Bidder Instructions.

3.1.3. Quality will be assessed on a scale of one (1) to four (4), using the values below in Table 3-1.

VALUE	PLAN – QUALITY ASSESSMENTS
4	SUPERIOR Plan contains detailed responses to four or more of the requested items in Section 5.1 to 5.2, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that many of Canada’s ITB Objectives will be met.
3	GOOD Plan contains detailed responses to three of the requested items in Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that several of Canada’s ITB Objectives will be met.
2	POOR Plan contains detailed responses to two of the requested items in Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that some of Canada’s ITB Objectives will be met.
1	VERY WEAK Plan contains detailed response to one or less of the requested items in the Section 5.4 to 5.7, both inclusive, as applicable, of the Bidder Instructions. The Plan does not demonstrate that Canada’s ITB Objectives will be met.

Table 3- 1, Plan Quality Assessments

3.1.4. Risk will be assessed as to whether the Plans respond to the risk areas outlined in Section 5 of the Bidder Instructions and the level of detail provided.

3.1.5. Risk will be assessed on a scale of one (1) to four (4), using the values below in Table 3-2.

VALUE	PLAN - RISK ASSESSMENTS
4	SUPERIOR Plan contains a detailed response to four or more of the risk areas in Section 5.1 of the Bidder Instructions, such that the probability of failure to achieve is extremely low.
3	GOOD Plan contains a detailed response to three of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is low.
2	POOR Plan contains a detailed response to two of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is moderate.
1	VERY WEAK Plan contains a detailed response to one or less of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is significant.

Table 3- 2, Plan Risk Assessments

3.1.6. The Quality and Risk assessments agreed to by evaluators will be multiplied together and the sums added together to determine the final Plans assessment value for the Proposal.

3.1.7. The Bidder must achieve or exceed a final Plans assessment value of thirty-two (32) (out of a possible sixty-four (64)).

EXAMPLE:

Plan	Quality (A)	Risk (B)	Assessment Value (C) <i>(C) = (A) x (B)</i>
Company business Plan	4	3	12
ITB management Plan	2	3	6
Regional development Plan	4	4	16
SMB development Plan	4	2	8
Final plans assessment value			42

Table 3.3 - Example

3.2. Evaluation of proposed Transactions

- 3.2.1. The Bidder's proposed Transactions will be evaluated to determine whether they comply with the Bidder Instructions and with the ITB Terms and Conditions, with respect to eligibility criteria, valuation, banking and transaction types.
- 3.2.2. If a proposed Transaction does not meet the criteria outlined in Section 3.2.1, above, it will be rejected and will receive no further consideration during the mandatory or rated evaluation, or in the Contract.
- 3.2.3. If a proposed Transaction meets the criteria outlined in 3.2.1, it will then be evaluated using the rated evaluation criteria outlined in Section 4.

4. RATED EVALUATION

- 4.1. The Bidder's proposed Commitments and Transactions will be evaluated against the rated criteria as described below.

- 4.1.1. Management and Emergent Work (80 Points):

The Bidder may commit to achieve Direct Transactions in the Defence Sector relating to Management Work as described in section 6 of the Bidder Instructions. Points will be awarded as follows:

Points will be awarded for a Commitment, measured in CCV as a percentage of the Contract Value, to achieve Direct Transactions in the Defence Sector relating to Management Work, as defined in Annex A of the Performance Work Statement. The commitment will be rated as follows:

0.20 points will be awarded per each 1 percent of Commitment, up to a maximum of 20 points.

The Bidder may commit to achieve Direct Transactions in the Defence Sector relating to the Emergent Work performed in Canada as described in section 6 of the Bidder Instructions. Points will be awarded as follows:

Points will be awarded for a Commitment, measured in CCV as a percentage of the Contract Value, to achieve Direct Transactions in the

Defence Sector relating to the Emergent Work performed in Canada, as defined in Annex A of the Performance Work Statement. The commitment will be rated as follows:

- 4.1.1.1. 0 points will be awarded for any Commitments proposed by the bidder between 0 and 5% of the total Contract Value;
- 4.1.1.2. 2 points will be awarded for each 1 percent of Commitment proposed by the bidder between 6 and 15% of the total Contract Value;
- 4.1.1.3. 5 points will be awarded for each 1 percent of Commitment proposed by the bidder between 16 and 20% of the total Contract Value;
- 4.1.1.4. 1 point will be awarded for each 1 percent of Commitment proposed by the bidder between 21 and 25% of the total Contract Value;
- 4.1.1.5. 0 points will be awarded for any commitments proposed by the bidder over and above the rating specified under 4.1.1.4.

The Bidder may identify Direct Transactions as described in section 6 of the Bidder Instructions. Points will be awarded as follows:

Points will be awarded for the Identification of Direct and Indirect Transactions, measured in CCV. The identification of Transactions will be rated as follows:

The Bidder with the highest total dollar value, measured in CCV, in identified Transactions will receive 10 points. All other Bidders will be prorated down.

4.1.2. Research and Development (10 points):

The Bidder may identify a Commitment to achieve Transactions in Research and Development (R&D) as described in section 6 of the Bidder Instructions. Points will be awarded as follows:

Points will be awarded for a Commitment, measured in CCV as a percentage of the Contract Value, to achieve Transactions in Research and Development in Defence and non-Defence sectors as defined in the ITB

Terms and Conditions, Article 1.1.30. The commitment will be rated as follows:

- 4.1.2.1. 0 points will be awarded for any Commitments proposed by the bidder between 0 and 2% of the total Contract Value;
- 4.1.2.2. 1.75 points will be awarded for each 1 percent of Commitment proposed by the bidder between 3 and 7% of the total Contract Value;
- 4.1.2.3. 0.417 points will be awarded for each 1 percent of Commitment proposed by the bidder between 8 and 10% of the total Contract Value;
- 4.1.2.4. 0 points will be awarded for any commitments proposed by the bidder over and above the rating specified under 4.1.2.3.

4.1.3. Skills Development and Training (10 points):

The Bidder may identify a Commitment to achieve Transactions in Skills Development and Training as described in section 6 of the Bidder Instructions. Points will be awarded as follows:

Points will be awarded for a Commitment, measured in CCV as a percentage of the Contract Value, to achieve Skills Development and Training Transactions, relating to marine in-service support, as defined in the ITB Terms and Conditions, Article 1.1.33. The commitment will be rated as follows:

- 4.1.3.1. 0 points will be awarded for any Commitments proposed by the bidder between 0 and 2% of the total Contract Value;
- 4.1.3.2. 1.75 points will be awarded for each 1 percent of Commitment proposed by the bidder between 3 and 7% of the total Contract Value;
- 4.1.3.3. 0.417 points will be awarded for each 1 percent of Commitment proposed by the bidder between 8 and 10% of the total Contract Value;
- 4.1.3.4. 0 points will be awarded for any commitments proposed by the bidder over and above the rating specified under 4.1.3.3.

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- 4.2. Any identified Transactions in Proposal will be assessed to determine whether they align with each of the rated evaluation criteria identified in sections 4.1.1 through 4.1.4. The Bidder should provide a level of detail sufficient to support the claim that the Transaction fits within a given criteria.
- 4.2.1. Transactions where the Bidder does not demonstrate alignment with the rated evaluation criteria will receive zero points in the rated evaluation, but would be included as a Commitment to be achieved in the Contract.
- 4.2.2. Transactions where the Bidder demonstrates alignment with the rated evaluation criteria will be scored as outlined below in section 4.4, included as a Commitment to be achieved in the Contract.
- 4.2.2.1. In the event that the Bidder identifies Commitments or Transactions in its Proposal valued at more than 100 percent of the Contract Value, no additional points will be earned in the rated evaluation, above those outlined in the Evaluation Plan. Additionally in this event, the Obligation values in Article 3.1.1 of the Terms and Conditions would be increased to match the total value of those Transactions.
- 4.3. One identified Transaction may be aligned with multiple criteria and will be scored as such, up to the maximum total points. All Transactions and Commitments identified in the Proposal will be included as a Commitment and/or Obligation to be achieved in the ensuing Contract.
- 4.3.1. In the event that the total of the Bidder's Transactions identified in the Proposal aligning with any of the rated VP criteria, expressed as a percentage of Contract Value, is greater than the Bidder's Commitment in the same VP criteria as indicated on the Rated Criteria Certificate, the higher value will be considered as the Bidder's Commitment in the rated evaluation and be included as an Obligation to be achieved in Article 3 of the ensuing Contract.

Table 4.3 below summarizes the rated evaluation scoring:

Criteria	Available Points	Basis of Evaluation
Defence Sector	80	

Commitment to achieve Direct Transactions in the Defence Sector relating to Management Work	20	Commitment on signed rated criteria certificate.
Commitment to achieve Direct Transactions in the Defence Sector relating to the Emergent Work performed in Canada	50	Commitment on signed rated criteria certificate 0-5% = 0 pts 6-15% = 2 pts for each 1% 16-20% = 5 pts for each 1% 21-25% = 1 pts for each 1% >=26% = 0 pts
Identification of Direct Transactions in the Defence Sector	10	Commitment on signed rated criteria certificate. The Bidder with the highest total dollar value, measured in CCV, in identified transactions will receive 10 points. All other Bidders will be prorated down. Formula: (Bidder's total Identification/Highest Bidder's total Identification) *10
Research and Development	10	
Commitment to achieve Research and Development Transactions		Commitment on signed rated criteria certificate 0-2% = 0 pts 3-7% = 1.75 pts for each 1% 8-10% = 0.417 pts for each 1% >=11% = 0 pts
Skills Development and Training	10	

Commitment to achieve Skills, Development and Training Transactions		Commitment on signed rated criteria certificate 0-2% = 0 pts 3-7% = 1.75 pts for each 1% 8-10% = 0.417 pts for each 1% >=11% = 0 pts
Total Points	100	

Table 4.3 – Transaction Scoring

4.4. Total VP Score: The Bidder's scores for commitments and identified Transactions will be totaled to reach a Total VP Score, which will then be weighted at 15% percent of the total available score for the Project's overall bid evaluation.

Criteria	Bidder 1 Commitment	Bidder 2 Commitment	Bidder 3 Commitment	Basis of Evaluation
Defence Sector				
Commitment to achieve Direct Transactions in Defence Sector relating to Management Work (Maximum of 20)	100%	50%	65%	Commitment on signed Rated criteria certificate – Appendix B of the Bidder's Instructions
Score (a)	20	10	13	
Commitment to achieve Direct Transactions in Defence Sector relating to Emergent work in Canada (Maximum of 50) 0-5% = 0 pts 6-15% = 2 pts for each 1%	12	20	23	Commitment on signed Rated criteria certificate – Appendix B of the Bidder's Instructions

16-20% = 5 pts for each 1% 21-25% = 1 pts for each 1% ≥26% = 0 pts				
Score (b)	14	45	48	
Identification of Direct Transactions in the Defence Sector (Maximum of 10)	\$10,000,000	\$15,000,000	\$20,000,000	Commitment on signed Rated criteria certificate – Appendix B of the Bidder's Instructions
Pro-rated Score (c)	5	7.5	10	
Research and Development				
Commitment to achieve Research and Development Transactions (Maximum of 15) 0-2% = 0 pts 3-7% = 1.75 pts for each 1% 8-10% = 0.417 pts for each 1% ≥11% = 0 pts	10%	5%	12%	Commitment on signed Rated criteria certificate – Appendix B of the Bidder's Instructions
Score (d)	10	5.25	10	
Skills Development and Training				
Commitment to achieve Skills Development and Training	10%	7%	5%	Commitment on signed Rated criteria certificate – Appendix B of

<p>Transactions (Maximum of 15)</p> <p>0-2% = 0 pts 3-7% = 1.75 pts for each 1% 8-10% = 0.417 pts for each 1% >=11% = 0 pts</p>				the Bidder's Instructions
Score (e)	10	8.75	5.25	
Total Points for Bidder: (Score a+b+c+d+e)	59	76.50	86.25	

Table 4-2 – Draft Evaluation Scenario

5. PROCESS

- 5.1. The evaluation is led by the ITB Authority, with participation from representatives of the regional development agencies, and, if required, other subject matter experts.
- 5.2. Evaluation assessments and scoring will be carried out by consensus, wherein the Bidder's Proposal will be read, discussed and each evaluator will agree to a score for each rated element. Consensus on broader issues will be sought, such that evaluators agree on the need for and nature of any clarifying questions or advice sought from outside experts. Where consensus on scoring, issues or other questions cannot be reached following discussion, the ISED Evaluation Lead will make the final decision.
- 5.3. The ITB Authority will hold overall responsibility for ensuring that the members of the evaluation team carry out their responsibilities. The ITB Authority will act as the liaison between the evaluation team and outside officials.