



**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

Quebec

K1A 0S5

Bid Fax: (819) 997-9776

**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**

**Vendor/Firm Name and Address**

Raison sociale et adresse du  
fournisseur/de l'entrepreneur

**Issuing Office - Bureau de distribution**

Frigate Life Extension (FELEX) Project / Bureau de  
projet de prolongation de la vie des frégates (BP  
FELEX)

455 Blvd de la Carriere

Gatineau

Quebec

K1A 0K2

<b>Title - Sujet</b> HCCS IN-SERVICE SUPPORT	
<b>Solicitation No. - N° de l'invitation</b> W8482-168150/D	<b>Amendment No. - N° modif.</b> 002
<b>Client Reference No. - N° de référence du client</b> W8482-168150	<b>Date</b> 2019-08-16
<b>GETS Reference No. - N° de référence de SEAG</b> PW-\$\$FX-008-27388	
<b>File No. - N° de dossier</b> 008fx.W8482-168150	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> <b>on - le 2019-11-08</b>	
<b>Time Zone</b> Fuseau horaire Eastern Standard Time EST	
<b>F.O.B. - F.A.B.</b> Specified Herein - Précisé dans les présentes	
<b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input type="checkbox"/> <b>Other-Autre:</b> <input checked="" type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Fortin, Marie-Andrée	<b>Buyer Id - Id de l'acheteur</b> 008fx
<b>Telephone No. - N° de téléphone</b> (819) 939-3234 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>	

Instructions: See Herein

Instructions: Voir aux présentes

<b>Delivery Required - Livraison exigée</b>	<b>Delivery Offered - Livraison proposée</b>
<b>Vendor/Firm Name and Address</b> Raison sociale et adresse du fournisseur/de l'entrepreneur	
<b>Telephone No. - N° de téléphone</b> <b>Facsimile No. - N° de télécopieur</b>	
<b>Name and title of person authorized to sign on behalf of Vendor/Firm</b> <b>(type or print)</b> <b>Nom et titre de la personne autorisée à signer au nom du fournisseur/</b> <b>de l'entrepreneur (taper ou écrire en caractères d'imprimerie)</b>	
<b>Signature</b>	<b>Date</b>

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## In-Service Support of the *Halifax*-class Combat Systems

### RFP – Questions and Answers

#### Amendment no. 02

This amendment is being issued to make changes to the HCCS RFP and to answer questions received against this solicitation.

#### **Part 1 – Amendment to the RFP:**

Section 3.1.2.1 - Price Certification:

**Delete in its entirety :** *By submitting a bid the bidder certifies that: The all-inclusive hourly labour rates proposed in the bid are based on Cost computed in accordance with General Conditions, Contract Cost Principles 1031-2, and include all Direct Labour Cost and Indirect Cost (overhead) of the bidder and include all mark-up and profit.*

#### **Part 2 - Questions and Answers:**

**Q71** - Annex J referenced the term "Bid Price", however the HCCS ISS RFP does not define the term yet it is critical to calculating a VP/ITB proposal and the evaluation thereof. Therefore, will CANADA please provide a definition of the term "Bid Price" and an example of how to calculate Bid Price in the RFP documents? In doing so the explicit differences between "Bid Price", "Contract Price" and "Financial Price" and how they apply, or not, to the bid evaluation must be clear.

**A71** - The term "Bid Price" is no longer referenced in Annex J of the final RFP. The Contract Value includes all the costs associated with the Management Work and Emergent Work plus any Performance Incentive Fee for the initial six year contract period.

For the purpose of the ITB/VP obligation, as described in the ITB/VP Bidder Instructions, the Contract Value includes all the costs associated with the Management Work, any Performance Incentive Fee and 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 entire twelve year contract period.

Bidders are to calculate ITB percentage against the Management Fee for 12 years of the Contract. Management Fee for this purpose is to be calculated by multiplying the Management fee for the first 6 years of the Contract by 2. This will be for the purposes of evaluation only.

The revised Emergent Work value (in and out-of-country work) for the 12 year contract period is estimated at **\$254M**. Please note that Canada does not guarantee that any Emergent Work will be performed under this contract, and that actual work could be much more or much less than any estimates that are given.

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**Q72** - Canada is requested to explain why job titles for Configuration Management & Materiel Management teams are not listed in the Labor Table in Annex C - Basis and Method of Payment. Teams are listed in Part 1 - General Information – paragraph 1.2.4

**A72** - Part 1 - General Information – paragraph 1.2.4 does not list teams or labour categories but lists the ISS activities as defined in the PWS. Any activity can be performed by one or more different labour categories listed in the Labor table in Annex C.

**Q73** – Can Canada clarify how Section 4.3.3.1.3 of the RFP ensure fairness and equity amongst candidate Bidders, and how can a Bidder remain compliant with CANADA's Contract Cost Principles. For avoidance of doubt, the basis of this question is to receive clear understanding from CANADA on how Bidders bidding its negotiated rates with CANADA in compliance with Contract Cost Principles 1031-2, can be held to an evaluation model that incentivizes maximum point scoring through the breaching of its accounting principles.

**A73** - Canada is removing paragraph 3.1.2.1 - Price Certification from the RFP as the 4 financial elements will be competed. The reference to the most favoured customer price is misunderstood since the clause should be used for non – competitive price for commercial services or goods. This solicitation will be considered as a competitive solicitation. Bidders may have competitive and non-competitive contracts and still be considered PSPC Contract Cost Principles compliant.

The Contract Cost Principles SACC 1031-2 (2012-07-16) para. 01 - General Principle, stipulates: The total cost of the Contract must be the sum of the applicable direct and indirect costs which are, or must be reasonably and properly incurred and/or allocated, in the performance of the Contract, less any applicable credits. These costs must be determined in accordance with the Contractor's cost accounting practices as accepted by Canada and applied consistently over time.

Current and previous negotiated Government of Canada rates are dependent on the volume of activity, specific risks related to the contract and if the contract is awarded on a sole source or competitive basis and that is what any rate certification by the company would be considered to reflect.

**Q74** - On page 2 of the HCCS ISS Terms & Conditions Draft RFP concerning ITBs, could you clarify the exclusion of ITB / VP with respect to the following four examples:

- Pre-existing contract between Canada and OEM X for a legacy system
- New contract between winning bidder and OEM X for the same legacy system
- New contract between winning bidder and OEM X for the same legacy system with changes due to obsolescence
- New contract between winning bidder and OEM Y to replace part or all of a legacy system

The use of the terms “legacy systems”, “arrangements” and “in place” could lead to some confusion. Is the term “legacy” limited to existing R&O contracts between Canada and OEMs? Does “arrangements” intended to be used broadly to include existing R&O contracts.

**A74** - With regards to the ITB/VP obligations, there is no link to the existing R&O contracts that will be eventually wound down. The existing R&O contracts have no IRB obligations.

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**Q75** - When this project was originally published on the Defence Capabilities Blueprint, it was listed with a potential value of \$1-1.5B. It currently has a value listed of \$500M-\$1B. Can you advise within which range the 12-year contract value estimate is currently anticipated? \$500M-\$1B, \$250-500M, <\$250M?

**A75** – The anticipated 12-year contract value is expected to be between \$320M-\$630M.

**Q76** - RFP section 4.3.1 Mandatory Technical Criteria Evaluation. If continuous support has been provided to meet the requirement for 5 consecutive years in the last 15 years, but this support has been provided via 3 separate but consecutive contracts where the total value of the 3 separate but consecutive contracts meets the \$100M contract value requirement, is this sufficient to meet the M1 requirement?

**A76** – The experience must come from one reference contract, which means one contract reference number.

**Q77** - RFP section 4.2.3 Point-Rated Technical Evaluation Criteria. If more than one reference contract is used to satisfy the 13 point rated evaluation criteria, is it the cumulative value of the contracts that must have a value of \$50M or must each contract have a value of \$50M?

**A77** - Each reference contract must have a value of at least \$50M.

**Q78** – In section 4.3.1, the requirement states "...the proposed individual must be an employee of the Bidder, or have entered into an agreement with the Bidder to become an employee of the Bidder for the purpose of any Contract...". Must the employee be a full-time, permanent employee, or are contract employees acceptable? Would it be acceptable if the employee were an employee of one of the Bidder's subcontractor?

**A78** - The requirement speaks for itself. It requires that the individual "be an employee of the Bidder or have entered into an agreement with the Bidder to become an employee of the Bidder....."

Please also note section 5.3 – Status and Availability of Resources, "If the Bidder has proposed any individual who is not an employee of the Bidder, the Bidder certifies that it has the permission from that individual to propose his/her services in relation to the Work to be performed and to submit his/her résumé to Canada. The Bidder must, upon request from the Contracting Authority, provide a written confirmation, signed by the individual, of the permission given to the Bidder and of his/her availability. Failure to comply with the request may result in the bid being declared nonresponsive."

**Q79** - Can two subsidiaries of the same parental Corporation form a Joint Venture and be considered a bidder?

**A79** – Yes, it is acceptable.

**Q80** - Can a parent Corporation and one or more of its subsidiaries (to a maximum of two) form a Joint Venture and be considered a bidder?

**A80** – Yes, it is acceptable.

**Q81** - There are some 75 instances in the RFP document and 6 in the PWS document where the word "should" is used. Please confirm that none of those instances indicate a mandatory action versus a recommendation.

**A81** – The word "should" has been used to indicate a recommendation.

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**Q82** - Similarly please confirm that all mandatory requirements in the RFP have been identified by the preface "MUST" and/or "WILL".

**A82** – Yes, all mandatory requirements in the RFP have been identified by the preface "MUST" and/or "WILL".

**All other terms and conditions remain the same.**