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**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 Carrière

Gatineau

Quebec

K1A 0K2

|   |   |
|---|---|
| <b>Title - Sujet</b><br>HCCS IN-SERVICE SUPPORT   |   |
| <b>Solicitation No. - N° de l'invitation</b><br>W8482-168150/D  | <b>Amendment No. - N° modif.</b><br>004     |
| <b>Client Reference No. - N° de référence du client</b><br>W8482-168150   | <b>Date</b><br>2019-10-28                   |
| <b>GETS Reference No. - N° de référence de SEAG</b><br>PW-\$\$FX-008-27388  |   |
| <b>File No. - N° de dossier</b><br>008fx.W8482-168150   | <b>CCC No./N° CCC - FMS No./N° VME</b>      |
| <b>Solicitation Closes - L'invitation prend fin</b><br><b>at - à 02:00 PM</b><br><b>on - le 2020-01-13</b>  |   |
| <b>Time Zone</b><br><b>Fuseau horaire</b><br>Eastern Standard Time<br>EST   |   |
| <b>F.O.B. - F.A.B.</b> Specified Herein - Précisé dans les présentes<br><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><br>Fortin, Marie-Andrée   | <b>Buyer Id - Id de l'acheteur</b><br>008fx |
| <b>Telephone No. - N° de téléphone</b><br>(819) 939-3234 ( )  | <b>FAX No. - N° de FAX</b><br>( ) -         |
| <b>Destination - of Goods, Services, and Construction:</b><br><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><br><b>Raison sociale et adresse du fournisseur/de l'entrepreneur</b>   |  |
| <b>Telephone No. - N° de téléphone</b><br><b>Facsimile No. - N° de télécopieur</b>   |  |
| <b>Name and title of person authorized to sign on behalf of Vendor/Firm</b><br><b>(type or print)</b><br><b>Nom et titre de la personne autorisée à signer au nom du fournisseur/<br/>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. 04**

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:**

#### **1. Part 3 – Bid Preparation Instructions, 3.1.2 Section II: Financial Bid**

##### **Section 3 – Subcontractor Mark-up**

Delete: text in its entirety

Insert: Bidders must provide in section 3 – Mark-up on Subcontractor Costs, a mark-up percentage for Subcontractor costs. This is a mark-up on the laid down cost to the contractor of subcontracted work and the mark-up **must** include general and administrative expenses, overhead and all profit to the contractor. In accordance with Attachment 1 to Part 4, Bidders must provide a decreasing rate starting with the annual volume threshold of \$0 to \$5M, and the delta between each mark-up rate must be at least one full percentage point (e.g. 10.3%, 9.3%, and 7.9%). Bidders must also provide separately the profit rate, the overhead and the general and administration rate that make up their mark-up. The requested breakdown will be treated as commercial confidential. The Mark-up on Subcontractor Costs will be firm for the initial six (6) year contract period. The mark-up on Subcontractor Costs must include no more than 2 decimal places.

The subcontractor mark-up will apply when a subcontractor performs a portion of the work, pursuant to a contract between the contractor and Canada, which includes all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the contractor under the contract.

##### **Section 4 – Material Mark-up**

Delete: In its entirety

Insert: Bidders must provide in section 4 – Mark-up on Material Costs, a mark-up percentage for Material costs. This is a mark-up on the laid down cost to the contractor of materials and the mark-up **must** include applicable purchasing expenses, internal handling, general and administrative expenses, overhead and all profit to the contractor. In accordance with Attachment 1 to Part 4, Bidders must provide a decreasing rate starting with the annual volume threshold of \$0 to \$3M, and the delta between each mark-up rate must be at least one full percentage point (e.g. 10.3%, 9.3%, and 7.9%). Bidders must also provide separately the profit rate, the overhead and the general and administration rate that make up their mark-up. The requested breakdown will be treated as commercial confidential. The Mark-up on Material Costs will be firm for the initial six (6) year contract period. The mark-up on Material Costs must include no more than 2 decimal places.

The material mark-up will apply when the subcontractor supplies only goods to the prime contractor.

#### **2. Part 4 – Evaluation Procedures and Basis of Selection, Section 4.3.2 – Point-Rated Technical Evaluation Criteria – Table 2**

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For each criterion, replace the existing page limits with the following new page limits:

Criterion 1: twenty (20) pages  
Criterion 2: twenty (20) pages (as per amendment no. 03, A84)  
Criterion 3: fifteen (15) pages  
Criterion 4: fifteen (15) pages  
Criterion 5: twenty (20) pages  
Criterion 6: fifteen (15) pages  
Criterion 7: fifteen (15) pages  
Criterion 8: fifteen (15) pages  
Criterion 9: fifteen (15) pages  
Criterion 10: fifteen (15) pages  
Criterion 11: twenty (20) pages  
Criterion 12: fifteen (15) pages  
Criterion 13: fifteen (15) pages

### **3. Part 4 – Evaluation Procedures and Basis of Selection, Section 4.3.3.1 - Financial Element Evaluation Methodology**

Section 4.3.3.1.3, Step 3:

Delete: Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the bidder's weighted average.

Insert: Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the **median score**.

Section 4.3.3.1.4, Step 3:

Delete: Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the bidder's weighted average.

Insert: Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the **median score**.

### **4. Part 7 – Resulting Contract Clauses – 7.19 Priority of Documents**

Delete: b. IV. 4001(2015-04-01) – Hardware Purchase, Lease and Maintenance

### **5. Annex A – Performance Work Statement**

7.3 Collaborative Environment (3<sup>rd</sup> paragraph)

Delete: [M] The Contractor must set up and manage the Collaborative Environment.

Insert: [M] As part of Management Work, the Contractor must set up and manage the Collaborative Environment.

### **6. Annex E – Contract Deliverables**

Please see attached updated CDRL

## **7. Annex G – Supplemental General Conditions**

Delete SACC 4001 (2015-04-01) – Hardware Purchase, Lease and Maintenance in its entirety

## **8. Annex J, ITB Bidder Instructions, Section 4 – Mandatory Requirements, 1<sup>st</sup> paragraph**

Delete: There are six (6) mandatory requirements that the Bidder must meet in its Proposal. The omission of any part of the following six (6) requirements will result in the Proposal being deemed not responsive:

Insert: There are five (5) mandatory requirements that the Bidder must meet in its Proposal. The omission of any part of the following five (5) requirements will result in the Proposal being deemed not responsive:

## **9. Annex J, ITB Terms and Conditions, 3.1.6**

Delete: Achieve Credits valued at no less than sixty percent (60%) of the Contract Value by the end of Reporting Period 4.

Insert: Achieve Credits valued at no less than sixty percent (60%) of the Contract Value by the end of Reporting Period 8.

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

**Q122** – Performance Work Statement, Section 5.4.2 states “[M] As part of Management Work, the Contractor must utilize a TDMIS for the management of all HCCS EG Technical Data. The HCCS EG Technical Data can be in any DND format, which includes but not limited to Word, PDF, Excel, JPG, etc.” and also “[M] As part of Management Work, the Contractor must utilize a TDMIS that is compliant with S1000D Issue No. 4.2 International Specification for Technical Publications.”

S1000D is explicitly for the procurement and production of Technical Publications. The TDP for a system will typically consist of much more than just the Technical Publications and will contain things such as Drawings, IGP and Test Reports. The S1000D Specification states that the data is stored and controlled in Controlled Source Database (CSDB) as XML data modules. As the S1000D specification is not meant to be applied to a complete TDP what XML Technical Publications data needs to be held within the TDMIS?

**A122** - Currently, all HCCS EG technical publications (CFTOs) are held in S1000D XML format and PDF format. These will need to be transferred to the TDMIS.

Any other version and configuration controlled documents, such as but not limited to all user manuals, technical publications and trial agendas, must be procured, produced and maintained in S1000D XML format. All drawings, diagrams and figures that are version controlled and contained in technical publications must be procured, produced and maintained in S1000D XML format. The S1000D XML format is used for documents that are version and configuration controlled and updated on a routine basis. Documents that are static, such as but not limited to trial reports, are not required to be in S1000D XML format, but will need to be held in the TDMIS in their native format, including but not limited to Word, PDF, Excel or JPG, in the TDMIS.

**Q123** - Are the Manuals for the subject systems all in CFTO format and how are they presented to the user (IETM, PDF, Paper etc.)?

**A123** - The source data for all CFTOs is in S1000D XML format. However, the HCCS Contractor will need to produce style sheets to transform the source data files into the CFTO format for distribution and viewing in an S1000D viewer, in PDF format and printed format. The HCCS Contractor must select a suitable S1000D editing, publishing and viewing software package in consultation with DND following contract award. All technical publications are currently distributed in PDF and printed format. However, the intent is to move to distribution and presentation to the users through an S1000D viewer following contract award.

**Q124** - If the Manuals / CFTOs are currently presented in an IETM format, is that format S1000D compliant? What viewing Software is currently used? And will that viewing software be provided by the DND?

**A124** – All technical publications are currently distributed in PDF and printed format. However, the intent is to move to distribution and presentation to the users through an S1000D viewer following contract award. DND currently holds limited licences, for a buy and try evaluation, SiberSafe S1000D CMS/CSDB by SiberLogic. At this point, the software is only available to the document library and select users within DGMEPM. The HCCS Contractor must select a suitable S1000D editing, publishing and viewing software package, which may include SiberSafe, in consultation with DND following contract award.

**Q125** – Section 3.1.2, Section 2 of the RFP: Management Fee and ANNEX C BASIS OF METHOD AND PAYMENT section 1.3 and 2.7 through 2.10 describe the attribution of a range of costs to either flow-through overheads, recovery via management fee, or recovery via mark-ups.

It is requested CANADA detail which of these three categories the following costs should be attributed to:

- Initial set-up, racking; build-out; forklifts and other warehouse machinery
- Material handling for GSM items, and issuing items to DND

**A125** – The above mentioned costs will be considered Emergent Work and will be reimbursed at cost to the Contractor without mark-up.

**Q126** - Part A, Page 1 - It is indicated in the SRCL Supplemental Security Guide that Secret level clearances are required for all staff working on the project. Can CANADA confirm that a Secret clearance is required before an individual may commence work in respect to any aspects of the program, including reception or administrative roles with no access to Protected or Classified information?

**A126** - The SRCL has been updated to allow for staff with a Reliability Status to work on limited aspects of the program that does not involve Confidential or Secret information.

**Q127** – RFP, para 3.1.2, Section II: Financial Bid - The description of the subcontractor markup states that the markup SHOULD include general and administrative expenses, overhead and all profit to the contractor. To accurately compare Bidder rates and to provide a true, fully burdened mark-up rate to Canada, this requirement should be amended to read MUST include general and administrative expenses, overhead and all profit to the contractor. This would align with both RFP 3.1.2 Sections 1 & 2 for the All-inclusive Hourly Labour Rates and Management Fee that specify that the proposed rates and fee MUST be all-inclusive. This would also align with the description for the subcontractor mark-up in Section 4.3.3 - Financial Evaluation.

**A127** - The RFP will be amended to change the "should" to a "must" in section 3.1.2 of the RFP.

**Q128** - RFP, para 3.1.2, Section II: Financial Bid - The description of the materiel markup states that the markup SHOULD include general and administrative expenses, overhead and all profit to the contractor. To accurately compare Bidder rates and to provide a true, fully burdened mark-up rate to Canada, this requirement should be amended to read MUST include general and administrative expenses, overhead and all profit to the contractor. This would align with both RFP 3.1.2 Sections 1 & 2 for the All-inclusive Hourly Labour Rates and Management Fee that specify that the proposed rates and fee MUST be all-inclusive. This would also align with the description for the material mark-up in Section 4.3.3 - Financial Evaluation.

**A128** - The RFP will be amended to change the "should" to a "must" in section 3.1.2 of the RFP.

**Q129** - Canada is requested to explain why there is not any exchange rate mitigation as exchange rate has been volatile (3.1.2.2 Exchange Rate Fluctuation The requirement does not offer exchange rate fluctuation risk mitigation. Requests for exchange rate fluctuation risk mitigation will not be considered. All bids including such provision will render the bid non responsive.) In other Government of Canada procurements, Canada provided an exchange rate table to use as a guideline for years one through five.

**A129** - As the financial bid price mainly consists of hourly labour rates and management fees, which has to be performed by the Contractor in Canada, we did not expect the exchange rate fluctuation to be an issue.

Once the contract is in place, the Contractor will have the ability to address exchange rate fluctuations used when dealing with subcontractors outside of Canada. See Annex C Section 2.6 for additional information.

**Q130** - Experiential requirements for M4 and M5 state that the proposed representatives have "...Six (6) years' experience in the last ten (10) years prior to bid closing performing systems engineering or maintenance of Canadian Naval combat systems." Are Canadian Naval combat systems the only acceptable experience, or will Canada deem systems engineering or maintenance on any combat system--whether Canadian or Naval--as acceptable?

**A130** - Canadian Naval combat experience is required for the following reasons:

1. To enable the Contractor to achieve Steady-State as quickly as possible.
2. To effectively communicate with the Canadian Navy (e.g. FMF, the formations, Ship Staff, Combat Systems Engineer (CSE) on board a Halifax Class frigate, DGMEPM, etc.)
3. To understand the unique Naval culture, processes, requirements and operational environment.

**Q131** – RFP, Point Rated Technical Evaluation Criteria - Why do the past experience examples not require 5 years performance in the last 15 and contract value of at least \$100M, the same as M1?

**A131** - The M1 requirement is for the corporation to demonstrate their ability to manage a complex large value contract. The requirements for the Point Rated criteria are for specific work activities which may be demonstrated through one or more reference contracts.

The reference contract(s) can be different, or the same, as the contract that was provided for M1, Corporate Experience.

**Q132** – RFP, section 5.3 - The status and availability of resources section states that the only reasons that will be considered as beyond the control of the Bidder as to why a proposed resource is no longer available includes death, sickness, maternity and parental leave, retirement, resignation, and dismissal

for cause or termination for an agreement for default. As many organizations cannot carry a resource on its payroll while a proposal is being evaluated and prior to a contract award it is possible that the proposed resource, in the time it takes to evaluate the proposals and award a contract, may no longer be available for employment by the Bidder. This situation should be included as a situation that falls beyond the control of the Bidder.

**A132** - The standard clause will not be modified.

**Q133** – RFP, section 7.14.2 - This section appears to indicate that the first option year will not be called up until the end of contract year 3. Is this understanding correct?

**A133** – As per section 7.14.2 of the RFP, Canada may exercise these options at any time.

**Q134** - Canada is requested to provide a copy of the referenced Guide for In-Service Support Contracts in HMC Dockyards.

**A134** - A copy will be provided to the winning bidder. This document does not contain information that is required by bidders in order to submit a bid.

**Q135** – Annex A, Performance Work Statement, 5.8.3.1 - Canada is requested to clarify whether any of the current HCCS EG items are not presently codified and/or cataloged?

**A135** - Most of the Line Replaceable Units (LRUs) belonging to the HCCS EG, except for the SG-AMB, have been catalogued. As we are still in the process of acquiring the SG-AMB, we are in the process of cataloguing the SG-AMB LRUs.

However, if a part breaks at the sub-LRU level and it is determined that we require this part, then this part will need to be catalogued.

**Q136** – Annex A, Appendix 1, Performance Requirement Specification - Canada needs to clarify whether "Unresolved Technical Problems remaining from prior years" used in the calculation, will include the problems pre-existing the start of the contract and therefore outside of the scope of responsibility of the Contractor.

**A136** - The KPI calculations will be fully implemented after Steady-State is reached. Please note that pre-existing problems before the start of the contract will eventually become the responsibility of the contractor.

**Q137** – Canada is requested to provide an estimated annual volume and associated Emergent Work dollar value (to be considered as part of total contract value by bidders) so that VP commitments can be made.

**A137** - Canada has provided the estimated Emergent Work value for 12 years in Amendment 2, A71. No additional information will be provided.

Bidders are expected to make VP commitments based on their experience and expertise related to the Work. Recognizing that not all aspects of the Work are fully known at this stage, bidders are expected to provide estimates based on best industry practices in the form of commitments, which will be contractually binding in the event of contract award. Please refer to article 1.1.9.1 of the HCCS ISS ITB Terms and Conditions.

**Q138** - Annex D, Emergent Work Request - Is there an emergent work process for material purchase? Will the Contractor be required to get Canadas's approval for each item procured by part number and quantity?

**A138** – Materiel purchases will be discussed as part of the AOP. Canada will authorize purchases through task authorizations. See section 7.5 in the RFP for further information.

**Q139** – Annex E, Contract Data Requirements List, LM-005 - The PWS reference is incorrect, it should be 5.3 instead of 5.4. Canada is requested to make the indicated adjustment in referencing.

**A139** - The CDRL document will be amended to make this correction.

**Q140** - Annex E, Contract Data Requirements List, SE-003 - The PWS reference is incorrect, it should be 5.6.2.3 instead of 6.6.2.3. Canada is requested to make the indicated adjustment in referencing.

**A140** - The CDRL document will be amended to make this correction.

**Q141** - Annex E, Contract Data Requirements List, SE-004 - The PWS reference is incorrect, it should be 5.6.2.3 instead of 6.6.2.3. Canada is requested to make the indicated adjustment in referencing.

**A141** - The CDRL document will be amended to make this correction.

**Q142** - Can Canada provide the estimated dates when each of the Contracts will expire plus rough aggregate values? Can Canada provide the expected number of annual returns for each system? This is required so that bidders can plan staffing to support this function (PWS 4.14 Subcontract Management is Management Work) and determine the pricing.

**A142** - The estimated contract end dates are provided in Amendment 3, A 121. The contract values are available on BuyAndSell.gc.ca. Canada cannot provide additional contract details.

**Q143** - Supplemental Conditions 4001 (2015-04-01), Hardware Purchase, Lease and Maintenance. Is this section applicable to any hardware items provided including for example spares of the existing combat system? If not what sort of hardware would the requirement pertain to? In either case there are several conflicts and questions relating to the applicability of 4001.

4001 04 (2008-05-12) Special Site Delivery or Installation Preparation Requirements 1. If the Contract describes special site preparation requirements, the Contractor must prepare the site for delivery or installation at its own expense according to those requirements, sufficiently in advance to meet the Delivery Date. All the costs associated with the special site preparation are included in the price of the Hardware.

4001 05 (2008-05-12) Installation, Integration and Configuration 4. All costs associated with the Work described in this section are included in the price of the Hardware. In addition to describing work requirements not mentioned in the remainder of the Contract, these two sections require that the work be included in the hardware cost. This is would require an increase in the material mark-up.

Example 2 4001 06 (2008-05-12) Certification of Electrical Equipment – does the existing combat system equipment meet these requirements?



Example 3 4001 25 (2010-01-11) Hardware Maintenance Service and 4001 26 (2010-01-11) Classes of Hardware Maintenance Service These two sections imply a support service that is different from that outlined in the PWS. If in fact the service is not expected these sections should be removed.

**A143** – Canada will remove Supplemental General Conditions SACC 4001 – *Hardware Purchase, Lease and maintenance* from the RFP.

**Q144** – Clause 4001 025 - The description of the hotline in sections 4 and 5 of this section, describes that the contractor must provide this Toll-Free Hotline service 0700-1900 ET, Mon-Fri. Clarification is requested to whether this service is required only during the Hardware Warranty period for new equipment purchased under the contract; OR, the entire period of the ISS contract. Additionally, more clarification is required to differentiate what the difference between ""pick up all calls"" and ""answer all calls"" is within section 5d.

**A144** – Canada will remove Supplemental General Conditions SACC 4001 – *Hardware Purchase, Lease and maintenance* from the RFP.

**Q145** – Annex J, ITB Terms and Conditions, 3.1.6 - This article references that Credits valued at no less than sixty percent (60%) of the Contract Value must be achieved by the end of Reporting Period 4. Canada is requested to clearly outline the timings for the reporting periods.

**A145** – ITB Terms and Conditions section 3.1.6 - remove Achieve Credits valued at no less than sixty percent (60%) of the Contract Value by the end of Reporting Period 4. Replace with Achieve Credits valued at no less than sixty percent (60%) of the Contract Value by the end of Reporting Period 8.

**Q146** – Annex J, ITB Evaluation Plan, 4.1.1 Management Work - Section 4.1.1 states that 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 with a maximum point value of 20 points. It is of note that Contract Value has not been defined other than to refer to the total potential revenue available to the Contractor from all work performed under the Contract excluding the cost to the Contractor of the work performed and the spare parts acquired outside of Canada. Is it assumed that Total Contract value would include both management and emergent work, to yield the full contract value. As a result, Canada is requested to confirm how 0.20 VP pts for every 1% of commitment to achieve direct transactions for management work up to a maximum value of 20pts is possible when the total % of Contract Value allocated to Management work would be less than 100% i.e. 100% CV = management work + emergent work).

**A146** - The Evaluation methodology for the HCCS ISS procurement is designed to let bidders obtain optimum levels of points under each VP pillar. While ensuring prudence to the Evaluation parameters, Bidders are encouraged to commit and identify levels of work that would maximize the points achieved under each VP criterion.

**Q147** - Annex J, ITB Evaluation Plan, 4.1.1 Emergent Work - Section 4.1.1 - Emergent Work states that a Bidder may commit to achieve Direct Transaction in the Defence Sector relating to the Emergent Work performed in Canada as described in Section 6 of the Bidder Instructions. In the absence of knowing the volume of emergent work (with work breakdowns in the Emergent Work Categories) it is not possible for Bidders to establish its commitment to Direct Transactions in the Defence Pillar. Canada is requested to remove evaluation of VP commitments in this Pillar for Emergent Work or to provide an annual (and thus 12 year) Emergent Work notional work value (in \$).

**A147** - Bidders are expected to make VP commitments based on their experience and expertise related to the Work. Recognizing that not all aspects of the Work are fully known at this stage, bidders are expected to provide estimates based on best industry practices in the form of commitments, which will be contractually binding in the event of contract award. Please refer to article 1.1.9.1 of the HCCS ISS ITB Terms and Conditions.

**Q148** – Annex J, ITB Evaluation Plan, 4.2; 4.3.2, Table 4.3 - Canada is requested to clarify how Bidders are to provide transactions sheets for Emergent work where the volume of work is unknown. A notional value for Emergent work should be provided to all bidders. Additionally, how can Bidders provide 100% of CV in Transaction sheets (maximum attainable) if the specific type of Emergent Work called up under the contract is unknown. Yes, the categories of potential work have been outlined, however, it is impossible to know the volume of work that will be called up in each Emergent Work Scope category.

**A148** - Bidders are expected to make VP commitments based on their experience and expertise related to the Work. Recognizing that not all aspects of the Work are fully known at this stage, bidders are expected to provide estimates based on best industry practices in the form of commitments, which will be contractually binding in the event of contract award. Please refer to article 1.1.9.1 of the HCCS ISS ITB Terms and Conditions.

**Q149** – Annex J, ITB Bidder Instructions - The opening paragraph of Section 4 - Mandatory Requirements references that six (6) mandatory requirements must be met by the Bidder. Omissions of any part of these six (6) mandatory requirements will render the VP Proposal not responsive. Sections 4.1.1 to 4.1.5 address mandatory requirements 1-5, however, there is a distinct absence of mandatory 6 which would presumably occupy section 4.1.6 of the ITB Bidder Instructions. Canada is to confirm that there are only 5 mandatory requirements which need to be addressed and met by the Bidder.

**A149** - ITB Bidder Instructions, Section 4. Delete: There are six (6) mandatory requirements that the Bidder must meet in its Proposal. The omission of any part of the following six (6) requirements will result in the Proposal being deemed not responsive:

Insert: There are five (5) mandatory requirements that the Bidder must meet in its Proposal. The omission of any part of the following five (5) requirements will result in the Proposal being deemed not responsive:

**Q150** – Annex J, ITB Bidder Instructions, 5.1.6 - As the Company Business Plan does not only address the ability of the Bidder to assemble, plan and describe its ability to complete the work on the Project but is inclusive of its entire team (including all eligible donors); is Canada willing to expand the allowable page limit to 10-15 pages to account for organizational charts, or allow organizational charts to be excluded from the stated 7-10 page Plan page limit?

**A150** - A 10-15 page limit is acceptable.

**Q151** - Annex J, ITB Bidder Instructions - Section 6.1, under the Rates Criteria Header, states that a Bidder should complete and submit the rated criteria certificate, signed and dated by a company official duly authorized to bind the company. This stands in contrast to Section 4.1.5.8 which states that submission of the rated criteria certificate is part of Mandatory Criterion 5 and in its absence would render the Proposal non-responsive. Canada is requested to clarify whether the Rated Criteria Certificate is a mandatory requirement and must be submitted with the VP Proposal.

**A151** - The Rated criteria certificate is a mandatory requirement.

**Q152** – Annex J, ITB Bidder Instructions, 6.1.2 - The requirement asks Bidders to commit to achieving Direct Transactions within the Defence Sector relating to Emergent Work performance in Canada as defined in the Performance Work Statement. Canada is requested to clarify how Bidders are to express this commitment as a percentage of the Contract Value, including options, when the volume of emergent work that is anticipated on an annual basis, and subsequently over the potential 12 year term of the contract, and where currently the value and nature of the work is unknown.

**A152** - Bidders are expected to make VP commitments based on their experience and expertise related to the Work. Recognizing that not all aspects of the Work are fully known at this stage, bidders are expected to provide estimates based on best industry practices in the form of commitments, which will be contractually binding in the event of contract award. Please refer to article 1.1.9.1 of the HCCS ISS ITB Terms and Conditions.

**Q153** – ITB, Amendment 2 to RFP, A71 - Given the clarification that VP commitment percentages are to be made against the 12-year cumulative management fee, Canada is requested to:

- a. Assign a term to this value, perhaps "VP Evaluation Value" or another appropriate term
- b. Provide a revised VP Evaluation Scheme as this clarification has a ripple effect through the VP Evaluation Plan. For instance, if the VP commitments can only be made against the cumulative 12-year Management fee, then the Identification of Direct Transactions in the Defence Sector evaluation criterion, valued at 10% of the VP, will assign the highest point value (10 pts) to the Bidder with the highest overall cumulative Management Fee. This stands in stark contrast to the pricing evaluation methodology, which using boundaries set at 35% below and 25% above the median, where a Bidder's management fee at >25% than the median would receive 0 points in the financial evaluation. As it stands, a Bidder who would stand to receive 0 pts for their management fee due to its outlier status (>25% above the median), could stand to earn the full 10 pts for Direct Defence Transaction Identification, and given the proration approach of Bidder scores would unfairly reduce the points available to other Bidders. As a result, Canada is requested to remove the Identification of Direct Transactions in the Defence Sector criterion from the VP Evaluation Plan, and provide a revised VP Evaluation Plan and update other VP documentation as required to address this change.

**A153** – The technical, financial and ITB/VP evaluations are distinct from one another and focus on different elements of the bid package. For the purpose of the ITB/VP evaluation, bidders will be evaluated on their commitments and identification of transactions under Management Work, Emergent Work in Canada and any other potential work in Canada including performance incentives.

**Q154** – Canada has indicated that the 12 year Emergent Work value is estimated to be \$254M, and has further indicated in response to Question 75 that the contract value is expected to be between \$320M-\$630M CAD. For the purposes of the VP evaluation what is the number that bidders should use for their VP/ITB commitments?

**A154** - Bidders should use the total sum of Management Work, Emergent Work in Canada and any other potential work in Canada including performance incentives as the ITB/VP contract value. Please refer to the example below for further clarification.

Example: For illustration purposes only

Work under HCCS ISS may be comprised of the following elements:

- 
- Management work in Canada : \$10,000
  - Emergent Work
    - In Canada : \$3,000
    - Outside Canada : \$7,000
    - Any other potential work done in Canada : \$1,000
  - Performance Incentives : \$1,000

The above example outlines approximately \$22,000 of overall work, out of which, \$15,000 would be part of the Contract Value for the purposes of the ITB obligation.

**Q155** - The definition of Contract Value indicates that the cost to the Contractor of the Work performed and the spare parts acquired outside of Canada for the HCCS over a period of twelve (years) is excluded. However, it remains unclear what is included in the definition of Contract Value (Management Work and Emergent work?). It is critical for Bidders to understand the intended definition of Contract Value in order to produce their VP Proposals. Canada is requested to further clarify the definition of Contract Value so that it can be accurately calculated by all Bidders.

**A155** – The definition of Contract Value has been provided in Amendment 3 A71. Please refer to the example in A154 for further clarification.

**Q156** - Canada is requested to consider extending the page allowance for R1 and R3-R13, each by an additional 5 pages. Given the complexity of the answers required to meet the expectations for Aspects A-I and the significant past performance requirements (two project examples per aspect), this additional page count is required for bidders to provide a comprehensive technical response to Canada.

**A156** – Canada will increase the page limit for the technical point rated criteria R1 and R3-R13 by an additional 5 pages each. Please see Part 1 – Amendment to the RFP – paragraph 2 for additional details.

**Q157** - Will Canada allow the font size for graphics to be included as part of the technical response to be less than Times New Roman 11pt?

**A157** – Yes, as long as the content of the graphics is clear and legible.

**Q158** - Can Canada clarify whether a compliance matrix is required to acknowledge and accept all shall, must, and will statements in the RFP document and to provide reference to the responses to the mandatory requirements of the PWS?

**A158** – A compliance matrix is not required.

**Q159** - RFP 4.3.1 Mandatory Technical Evaluation Criteria M3 & Amendment 003 - A87 - Considering that Systems Engineering is equipment agnostic (the Systems Engineering Book of Knowledge (SEBOK) places neither constraint nor premium on equipment type knowledge or experience) and considering that in Canada's RFP Amendment #3 A87, sub-para 2, the requirement is for "radar" communication skills not "radar" technical prowess, would Canada acknowledge that the accurate and consistent description of the Mandatory Evaluation Criteria # M3 for Senior Systems Engineer experience is, in Canada's own words: "only 4 years out of 8 years must contain Naval experience"? Would Canada then consider the deletion of the single word "radar" in M3 and, if that one word still bears importance to Canada, would Canada consider placing the word "radar" in a Point Rated Technical Evaluation Criteria where a fair and competitive evaluation may be conducted?

**A159** - Amendment 3, A87 provided some of reasons why Canada requires that the Senior Systems Engineer requires Naval Experience. This question is regarding Radar experience. Considering that 5 out of the 6 HCCS systems are radar systems, Canada believes that it is prudent that the requirement for radar experience not be removed from the requirement.

**Q160** - Note the calculations in Figure 7 are incorrect. Refer to Average Management Fee for Years 1-5.

**A160** - The calculation of the Average Management Fee for Years 1-5 in Figure 7 are correct.

**Q161** - The description of the calculation of the variance in Step 2 does not align with the numerical example of the variance calculation provided in this same section. Please align the definition and numerical example accordingly at both RFP references.

**A161** – The RFP will be amended to make this correction.

**Q162** - Canada is requested to provide the following documents as referenced in section 2.3 of the PWS:

- Configuration Management Standard
- Configuration Management Standard Implementation Guide
- Specification, Writing, Format and Production of Technical Publications
- Naval Materiel Management System Manual
- Naval Materiel Regulation for Surface Ships (NMRSS)
- Specification for Preparation of Provisioning Documentations for Canadian Forces Equipment
- Specification - Engineering Drawing Practices

**A162** – Bidders can obtain the Configuration Management Standards documents from IHS Markit: <https://global.ihc.com>. The other documents are on the TDP CD.

**Q 163** – Annex C - Basis and Method of Payment - 2.9 Warehousing: "Overhead is not to include any cost associated with warehousing facilities such as rent or lease expense, property taxes, and insurance. These costs will be reimbursed at cost to the Contractor without mark-up. Where a Contractor provides a general purpose warehousing facility, and that facility is used to warehouse items other than HCCS material, the portion of warehouse facility costs chargeable to this contract will be based on the percentage of square feet attributable to HCCS material, or any other method acceptable based on Contract Cost Principles 1031-2. Warehousing costs will be subject to Canada's review and pre-approval prior to issuance of a Task Authorization."

This clause raises several critical questions, the answers to which will influence the Management Fee, the hourly rates and the material rate. These questions are as follows:

- a) Will the costs billed to Canada related to warehousing include any facility improvements required (e.g. changes to loading docks, additional security systems, changes to layout/ walls, addition of classified storage area) both for a single purpose warehouse or a general-purpose warehouse?
- b) How is warehouse equipment to be handled, (e.g. shelving, forklifts, dollies)?
- c) It is likely as part of satisfying the Management tasks that a Contractor will need to lease office facilities in the West and East Coast? These facilities could have connected warehouse space. How is that cost allocation to be handled?
- d) How are operating costs (e.g. heat, lighting, general maintenance, IT infrastructure) to be handled?

- 
- e) Presently per 1031-2 04 (2012-07-16) Indirect Costs general-purpose warehouse costs are included within a Contractor approved overheads. Where Canada implements clause 2.9 and pays direct for a portion of that space previously approved rates with Canada and or other customers would have to be renegotiated.
- f) A modification will be required to 2035 19 (2008-05-12) Ownership (2) to clarify that Canada is not acquiring ownership / right to the leased property.

**A163** – a) All costs associated with warehousing will be Emergent Work and will be at Canada's discretion.

b) All costs associated with warehousing will be Emergent Work and will be at Canada's discretion.

c) It should be handled as per Annex C Basis and Method of Payment paragraph 2.9: "Where a Contractor provides a general purpose warehousing facility, and that facility is used to warehouse items other than HCCS material, the portion of warehouse facility costs chargeable to this contract will be based on the percentage of square feet attributable to HCCS material, or any other method acceptable based on Contract Cost Principles 1031-2. Warehousing costs will be subject to Canada's review and pre-approval prior to issuance of a Task Authorization."

d) All costs associated with warehousing will be Emergent Work and will be at Canada's discretion.

e) PWGSC 1031-2 04 defines indirect costs as costs that cannot be identified and measured as directly applicable to the performance of the contract. Clause 2.9 of the competitive requirement allows for the attribution of costs directly to the contract.

The application of the clause 2.9 (Annex C) of the competitive requirement could impact the costs allocation and the negotiated rates with Canada for the years of the contract, beginning in year 2020.

Due to the nature of the work and the fact that Canada is not in a position to determine the size of the warehouse that may be required by the Contractor to support HCCS, Canada chose to consider any costs related to warehousing as flow through costs (laid down cost with no mark-up) under the Emergent Work category.

f) No change is necessary. Canada's right to ownership of the Work does not affect the Contractor's leasehold title to warehouse premises.

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

| CDRL Item | DID Number | Title                           | PWS References | Acceptance or Information | Date - Draft  | Date - Final  | Date - Subsequent | Frequency | Addressee | Responsible Office |
|-----------|------------|---------------------------------|----------------|---------------------------|---|---|-------------------|-----------|-----------|--------------------|
| PM-001    | PM-001     | Project Management Plan         | 3.2.2.1        | Acceptance                | 3 MACA  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | ASREQ     | TA/CA/PA  | MSC 5-4            |
| PM-002    | PM-002     | Start-Up Plan                   | 3.2.2.1.1      | Acceptance                | 1 MACA  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | Once      | TA/CA/PA  | MSC 5-4            |
| PM-003    | PM-003     | Steady-State Achievement Report | 2.5.1          | Acceptance                | Upon completion of Start-Up Phase activities  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | Once      | TA/CA/PA  | MSC 5-4            |
| PM-004    | PM-004     | Close-Out Plan                  | 3.2.2.1.2      | Acceptance                | 24 MACA   | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | ASREQ     | TA/CA/PA  | MSC 5-4            |
| PM-005    | PM-005     | Annual Operating Plan           | 3.2.2.2        | Acceptance                | 1 MACA for first AOP.<br>Future year AOPs no later than 31 October each year.                   | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | Annually  | TA/CA/PA  | MSC 5-4            |
| PM-006    | PM-006     | AOP Schedule                    | 3.2.2.2.1      | Acceptance                | 1 MACA for first AOP Schedule.<br>Future year AOP Schedules no later than 31 October each year. | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR             | Annually  | TA/CA/PA  | MSC 5-4            |

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|--------|--------|------------------------------|-----------|-------------|---|---|-------|----------|----------|---------|
| PM-007 | PM-007 | Work Breakdown Structure     | 3.2.2.2.2 | Acceptance  | 1 MACA for first WBS.<br>Future year WBSS no later than 31 October each year. | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | Annually | TA/CA/PA | MSC 5-4 |
| PM-008 | PM-008 | Technical Progress Report    | 3.2.2.2.3 | Information | Monthly   | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | Monthly  | TA/CA/PA | MSC 5-4 |
| PM-009 | PM-009 | Relationship Management Plan | 3.4       | Acceptance  | 3 MACA  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | MSC 5-4 |
| PM-010 | PM-010 | Communications Plan          | 3.4       | Acceptance  | 3 MACA  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | MSC 5-4 |
| PM-011 | PM-011 | Meeting Agenda               | 3.5.1     | Acceptance  | No later than 5 working days prior to a scheduled meeting                     | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | PSPC    |
| PM-012 | PM-012 | Meeting Minutes              | 3.5.1     | Acceptance  | No later than 10 working days after a meeting                                 | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | PSPC    |
| PM-013 | PM-013 | Action Item Log              | 3.5.2     | Information | No later than 10 working days after a meeting                                 | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | MSC 5-4 |



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| PM-014 | PM-014 | Risk Management Plan                                | 3.7    | Acceptance  | 3 MACA                                | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | MSC 5-4 |
| PM-015 | PM-015 | Surge Response Status Report                        | 3.8    | Information | ASGEN                                 | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA       | MSC 5-4 |
| PM-016 | PM-016 | Performance Management Plan                         | 3.9.2  | Acceptance  | 3 MACA                                | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | MSC 5-4 |
| PM-017 | PM-017 | Performance Assessment Report                       | 3.9.3  | Acceptance  | 31 Jan each year after Contract Award | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | Annually | TA/CA/PA | MSC 5-4 |
| PM-018 | PM-018 | Security Risk Assessment and Countermeasures Report | 3.12.7 | Information | 12 MACA                               | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA       | MSC 5-4 |
| PM-019 | PM-019 | Quality Plan  | 3.13.1 | Acceptance  | 1 MACA                                | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA       | MSC 5-4 |
| PM-020 | PM-020 | Subcontractor Supplier List                         | 3.14.2 | Acceptance  | 6 MACA                                | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA/CA/PA | PSPC    |

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| PM-021 | PM-021 | Intellectual Property Report  | 3.16.2 | Information | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA/CA/PA | MSC 5-4 |
| LM-001 | LM-001 | Configuration Management Plan | 5.1.1  | Acceptance  | 6 MACA | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |
| LM-002 | LM-002 | Configuration Status Report   | 5.1.4  | Information | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |
| LM-003 | LM-003 | Configuration Audit Plan      | 5.1.5  | Acceptance  | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |
| LM-004 | LM-004 | Configuration Audit Report    | 5.1.5  | Information | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |
| LM-005 | LM-005 | Obsolescence Management Plan  | 5.3    | Acceptance  | 6 MACA | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |
| LM-006 | LM-006 | Obsolescence Report           | 5.3    | Information | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ | TA       | MSC 5-4 |

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| LM-007 | LM-007 | Technical Data Management Plan     | 5.4.1   | Acceptance | 6 MACA | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |
| LM-008 | LM-008 | Maintenance Program Review Report  | 5.7.1   | Acceptance | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | Annually | TA | MSC 5-4 |
| LM-009 | LM-009 | Maintenance Support Plan           | 5.7.1.2 | Acceptance | 6 MACA | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |
| SE-001 | SE-001 | System Engineering Management Plan | 5.6.1   | Acceptance | 6 MACA | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |
| SE-002 | SE-002 | Engineering Change Proposal        | 5.6.2.2 | Acceptance | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |
| SE-003 | SE-003 | Engineering Change Specification   | 5.6.2.3 | Acceptance | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |
| SE-004 | SE-004 | Installation Guidance Package      | 5.6.2.3 | Acceptance | ASGEN  | Within 20 working days of receipt of TA comments on draft or negotiated with TA for longer period of days | R/ASR | ASREQ    | TA | MSC 5-4 |

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