

Title – Sujet Economic analysis and business valuation to assist with the evaluation of the proposed acquisition of Transat A.T. by Air Canada	
Solicitation No. – N° de l'invitation T8080-190207-1	Date October 29, 2019
Client Reference-1 No. – N° référence du client	
GETS Reference No. – N° de référence de SEAG -	
File No. – N° de dossier	CCC No. / N° CCC - FMS No. / N° VME

SOLICITATION CLOSES – L'INVITATION PREND FIN at – à 02:00 PM (14:00 hrs) on – December 9, 2019	Time Zone Fuseau horaire Eastern Standard Time (EST)
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RETURN BIDS TO:

RETOURNER LES SOUMISSIONS À:

Transport Canada
MAIL ROOM, (Food Court Level)
Tower "C", Place de Ville
330 Sparks Street
Ottawa, Ontario K1A 0N5

**REQUEST FOR PROPOSAL/
DEMANDE DE PROPOSITION**

Proposal To: Transport Canada

We hereby offer to sell to Her Majesty the Queen in right of Canada, in accordance with the terms and conditions set out herein, referred to herein or attached hereto, the goods, services, and construction listed herein and on any attached sheets at the price(s) set out thereof.

Proposition aux: Transports Canada

Nous offrons par la présente de vendre à Sa Majesté la Reine du chef du Canada, aux conditions énoncées ou incluses par référence dans la présente et aux annexes ci-jointes, les biens, services et construction énumérés ici sur toute feuille ci-annexées, au(x) prix indiqué(s)

F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Inquiries to : - Adresser toutes questions à: natasha.blackstein@tc.gc.ca	Buyer Id – Id de l'acheteur
Telephone No. – N° de téléphone : (343) 550-2321	FAX No. – N° de FAX N/A
Destination – of Goods, Services, and Construction: Destination – des biens, services et construction : See Herein	

Instructions : See Herein

Instructions: Voir aux présentes

Comments - Commentaires

Vendor/Firm Name and address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office – Bureau de distribution

Transport Canada
MAIL ROOM, (Food Court Level)
Tower "C", Place de Ville
330 Sparks Street
Ottawa, Ontario
K1A 0N5



Delivery required - Livraison exigée See Herein	Delivered Offered – Livraison propose
Vendor/firm Name and address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Facsimile No. – N° de télécopieur Telephone No. – N° de téléphone	
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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PART 1 - GENERAL INFORMATION

1.1 Introduction

REISSUE OF A BID SOLICITATION

This bid solicitation cancels and supersedes previous bid solicitation number T8080-190207 dated September 9, 2019 with a closing of October 21, 2019 at 2 pm.

The bid solicitation is divided into seven parts plus attachments and annexes, as follows:

- Part 1 General Information: provides a general description of the requirement;
- Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation;
- Part 3 Bid Preparation Instructions: provides Bidders with instructions on how to prepare their bid;
- Part 4 Evaluation Procedures and Basis of Selection: indicates how the evaluation will be conducted, the evaluation criteria that must be addressed in the bid, and the basis of selection;
- Part 5 Certifications and Additional Information: includes the certifications and additional information to be provided;
- Part 6 Security, Financial and Other Requirements: includes specific requirements that must be addressed by Bidders; and
- Part 7 Resulting Contract Clauses: includes the clauses and conditions that will apply to any resulting contract.

The Annexes include the Statement of Work, the Basis of Payment, Security Requirements, the Security Requirements Checklist, the Electronic Payment Instruments, the Federal Contractors Program for Employment Equity - Certification, the Insurance Requirements, the Task Authorization Form 572 and any other annexes.

1.2 Summary

Transport Canada is looking to retain the services of one or more contractor to conduct economic analysis and business valuation/accounting work in support of a notification to the Minister of Transport of a merger involving air transportation undertakings between Air Canada and Air Transat.

This request contains two streams, Economic Expertise (Stream 1) and Business Valuation Expertise (Stream 2). A bidder may bid on either or both streams.

Bidders must clearly state whether they are bidding on Stream 1, Stream 2 or both. Should a bidder bid on both elements, they MUST separate the value of their bids into each stream

1.2.1

There are security requirements associated with this requirement. For additional information, consult Part 6 - Security, Financial and Other Requirements, and Part 7 - Resulting Contract Clauses. For more information on personnel and organization security screening or security clauses, Bidders should refer to the [Contract Security Program](http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html) of Public Works and Government Services Canada (<http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html>) website”.

1.2.2 The requirement is subject to the provisions of the World Trade Organization Agreement on Government Procurement (WTO-AGP), the North American Free Trade Agreement

This bid solicitation is to establish a contract with task authorizations for the delivery of the requirement detailed in the bid solicitation to the Identified Users across Canada, excluding locations within Yukon, Northwest Territories, Nunavut, Quebec, and Labrador that are subject to Comprehensive Land Claims Agreements (CLCAs). Any requirement for deliveries within CLCA areas within Yukon, Northwest Territories, Nunavut, Quebec, or Labrador will have to be treated as a separate procurement, outside the resulting contract.

1.3 Debriefings

Bidders may request a debriefing on the results of the bid solicitation process. Bidders should make the request to the Contracting Authority within 15 working days from receipt of the results of the bid solicitation process. The debriefing may be in writing, by telephone or in person.

PART 2 - BIDDER INSTRUCTIONS

2.1 Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the [Standard Acquisition Clauses and Conditions Manual](https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) (https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) issued by Public Works and Government Services Canada.

Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The [2003](#) (2019-03-04) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

“Subsection 3.a) of Section 01, Integrity Provisions - Bid of Standard Instructions [2003](#) incorporated by reference above is deleted in its entirety and replaced with the following:

- a. at the time of submitting an arrangement under the Request for Supply Arrangements (RFSA), the Bidder has already provided a list of names, as requested under the [Ineligibility and Suspension Policy](#). During this procurement process, the Bidder must immediately inform Canada in writing of any changes affecting the list of names “.

Subsection 5.4 of [2003](#), Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: 60 days
Insert: 120 days

2.2 Submission of Bids

Bids must be submitted only to Transport Canada by the date, time and place indicated in the bid solicitation.

Due to the nature of the bid solicitation, bids transmitted by facsimile will not be accepted.

2.3 Former Public Servant

Contracts awarded to former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. In order to comply with Treasury Board policies and directives on contracts awarded to FPSs, bidders must provide the information required below before contract award. If the answer to the questions and, as applicable the information required have not been received by the time the evaluation of bids is completed, Canada will inform the Bidder of a time frame within which to provide the information. Failure to comply with Canada's request and meet the requirement within the prescribed time frame will render the bid non-responsive.

Definitions

For the purposes of this clause, "former public servant" is any former member of a department as defined in the [Financial Administration Act](#), R.S., 1985, c. F-11, a former member of the Canadian Armed Forces or a former member of the Royal Canadian Mounted Police. A former public servant may be:

- a. an individual;
- b. an individual who has incorporated;
- c. a partnership made of former public servants; or
- d. a sole proprietorship or entity where the affected individual has a controlling or major interest in the entity.

"lump sum payment period" means the period measured in weeks of salary, for which payment has been made to facilitate the transition to retirement or to other employment as a result of the implementation of various programs to reduce the size of the Public Service. The lump sum payment period does not include the period of severance pay, which is measured in a like manner.

"pension" means a pension or annual allowance paid under the [Public Service Superannuation Act](#) (PSSA), R.S., 1985, c. P-36, and any increases paid pursuant to the [Supplementary Retirement Benefits Act](#), R.S., 1985, c. S-24 as it affects the PSSA. It does not include pensions payable pursuant to the [Canadian Forces Superannuation Act](#), R.S., 1985, c. C-17, the [Defence Services Pension Continuation Act](#), 1970, c. D-3, the [Royal Canadian Mounted Police Pension Continuation Act](#), 1970, c. R-10, and the [Royal Canadian Mounted Police Superannuation Act](#), R.S., 1985, c. R-11, the [Members of Parliament Retiring Allowances Act](#), R.S. 1985, c. M-5, and that portion of pension payable to the [Canada Pension Plan Act](#), R.S., 1985, c. C-8.

Former Public Servant in Receipt of a Pension

As per the above definitions, is the Bidder a FPS in receipt of a pension? **Yes** () **No** ()

If so, the Bidder must provide the following information, for all FPSs in receipt of a pension, as applicable:

- a. name of former public servant;
- b. date of termination of employment or retirement from the Public Service.

By providing this information, Bidders agree that the successful Bidder's status, with respect to being a former public servant in receipt of a pension, will be reported on departmental websites as part of

the published proactive disclosure reports in accordance with [Contracting Policy Notice: 2012-2](#) and the [Guidelines on the Proactive Disclosure of Contracts](#).

Work Force Adjustment Directive

Is the Bidder a FPS who received a lump sum payment pursuant to the terms of the Work Force Adjustment Directive? **Yes** () **No** ()

If so, the Bidder must provide the following information:

- a. name of former public servant;
- b. conditions of the lump sum payment incentive;
- c. date of termination of employment;
- d. amount of lump sum payment;
- e. rate of pay on which lump sum payment is based;
- f. period of lump sum payment including start date, end date and number of weeks;
- g. number and amount (professional fees) of other contracts subject to the restrictions of a work force adjustment program.

For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to a FPS who received a lump sum payment is \$5,000, including Applicable Taxes.

2.4 Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than 5 calendar days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by Bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the question(s) or may request that the Bidder do so, so that the proprietary nature of the question(s) is eliminated and the enquiry can be answered to all Bidders. Enquiries not submitted in a form that can be distributed to all Bidders may not be answered by Canada.

2.5 Applicable Laws

Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in Ontario.

Bidders may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of their choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the Bidders.

2.6 Improvement of Requirement during Solicitation Period

Should bidders consider that the specifications or Statement of Work contained in the bid solicitation could be improved technically or technologically, bidders are invited to make suggestions, in writing, to the Contracting Authority named in the bid solicitation. Bidders must clearly outline the suggested improvement as well as the reason for the suggestion. Suggestions that do not restrict the level of competition nor favour a particular bidder will be given consideration provided they are submitted to the Contracting Authority at least 5 days before the bid closing date. Canada will have the right to accept or reject any or all suggestions.

PART 3 - BID PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

Due to the nature of the bid solicitation, bids transmitted by facsimile will not be accepted.

Canada requests that bidders provide their bid in separately bound sections as follows:

Section I: Technical Bid (4 hard copies)

Section II: Financial Bid (1 hard copies)

Section III: Certifications (2 hard copies)

Prices must appear in the financial bid only. No prices must be indicated in any other section of the bid.

Canada requests that bidders follow the format instructions described below in the preparation of hard copy of their bid:

- (a) use 8.5 x 11 inch (216 mm x 279 mm) paper;
- (b) use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process [Policy on Green Procurement](https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32573) (<https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32573>). To assist Canada in reaching its objectives, bidders should:

- 1) use 8.5 x 11 inch (216 mm x 279 mm) paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content; and
- 2) use an environmentally-preferable format including black and white printing instead of colour printing, printing double sided/duplex, using staples or clips instead of cerlox, duotangs or binders.

Section I: Technical Bid

In their technical bid, Bidders should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability and describe their approach in a thorough, concise and clear manner for carrying out the work.

The technical bid should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in

the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests that Bidders address and present topics in the order of the evaluation criteria under the same headings. To avoid duplication, Bidders may refer to different sections of their bids by identifying the specific paragraph and page number where the subject topic has already been addressed.

Section II: Financial Bid

3.1.1 Bidders must submit their financial bid in accordance with the Pricing Schedule detailed in the Basis of Payment in Annex "B".

3.1.2 Electronic Payment of Invoices – Bid

If you are willing to accept payment of invoices by Electronic Payment Instruments, complete Annex "C" Electronic Payment Instruments, to identify which ones are accepted.

If Annex "C" Electronic Payment Instruments is not completed, it will be considered as if Electronic Payment Instruments are not being accepted for payment of invoices.

Acceptance of Electronic Payment Instruments will not be considered as an evaluation criterion.

3.1.3 Exchange Rate Fluctuation

C3011T (2013-11-06), Exchange Rate Fluctuation

3.1.4 SACC Manual Clauses

Section III: Certifications

Bidders must submit the certifications and additional information required under Part 5.

Section IV: Additional Information

3.1.5 Bidder's Proposed Sites or Premises Requiring Safeguarding Measures

3.1.5.1 As indicated in Part 6 under Security Requirements, the Bidder must provide the full addresses of the Bidder's and proposed individuals' sites or premises for which safeguarding measures are required for Work Performance:

Street Number / Street Name, Unit / Suite / Apartment Number
City, Province, Territory / State
Postal Code / Zip Code
Country

3.1.5.2 The Company Security Officer must ensure through the Contract Security Program that the Bidder and proposed individuals hold a valid security clearance at the required level, as indicated in Part 6 – Security, Financial and Other Requirements.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the "technical and financial evaluation criteria.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

4.1.1 Technical Evaluation

4.1.1.1 Mandatory Technical Criteria

EVALUATION CRITERIA STREAM 1: ECONOMIC/ ECONOMIC ANALYSIS OF MERGER

The intent is to award one contract to the bidder who can provide services for both streams as stated in the Statement of Work. However, if no qualifying bids are received from one bidder for both streams, the department will consider awarding and evaluating the streams separately and awarding two contracts to two different bidders.

The proposed resource is required to successfully meet each and every mandatory requirement as well as attain at least the minimal technical requirements scores for his/her resource category or the entire bid will be declared non responsive. Each mandatory technical criterion should be addressed separately.

All Bidders are advised that only listing experience without providing any supporting data to describe when, where and how such experience was obtained will not be considered to be “demonstrated” for the purpose of the evaluation via an easy to follow pattern that matches the experience referenced to where it can be found in the applicant’s résumé. All professional experience must be fully documented and substantiated in the proposal.

For the purpose of personnel qualifications, experience gained during formal education shall not be considered work experience. All requirements for work experience shall be obtained in a legitimate work environment as opposed to an educational setting. Co-op terms are considered work experience provided that they are related to the required services.

For each resume submitted, the Bidder must ensure that:

- (i) The proposed resource title and the individual's name are clearly indicated; and
- (ii) The resume clearly demonstrates where, when and how the stated Qualifications/experience of the individual was acquired.

Mandatory Criteria	Description	Met/Not Met	Cross Reference (page # to proposal)
M1 Professional & Educational Qualifications	The bidders proposed team of resources must have qualifications equivalent to: - 85% of the resources must have one of the following: a university degree in Economics or a university degree in Finance/Accounting or a university degree in a relevant field	[] MET [] NOT MET	
M2 Experience	The lead economist must have a minimum of 3 years of experience within the last 10 years in a field related to the analysis of mergers, acquisitions or joint ventures.	[] MET [] NOT MET	
	The bidder must submit a detailed CV for the named resources proposed. Individual CVs should meet the mandatory requirements (educational, professional designation, nature of previous work performed, years of experience) for each applicable resource	[] MET [] NOT MET	
M3		[] MET	

<p>Relevant Work</p>	<p>The bidder must demonstrate that the proposed team have experience and expertise in conducting review of mergers and acquisitions/joint ventures through econometric techniques, economic analysis, and merger simulations</p> <p>Bidder must fulfill this requirement by submitting at least 2 project summaries that demonstrate relevant work from within the past 10 years (project summaries should include client reference contact information)</p>	<p>[] NOT MET</p>	
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*** Proposals **not meeting** the above noted **Mandatory Criteria** shall be deemed “NON- COMPLIANT” and therefore will not be given any further consideration.***

Point Rated Technical Criteria

Proposals meeting ALL Mandatory Criteria will be evaluated and rated against the following Point- Rated Criteria, using the evaluation factors specified for each criterion. It is imperative that these criteria be addressed in sufficient depth in the proposal to fully describe the Bidder’s response and to permit the Evaluation Team to rate the proposals.

Bids **MUST** achieve the overall minimum possible points of each Rated Requirements, in order to be considered technically responsive. Proposals which fail to attain at least 60% total points of the Rated Requirements will be considered technically non-responsive and no further evaluation will be conducted.

For all experience cited, the following information must be identified in the proposed resources’ résumés:

- i) The name of the client organization to whom the services were provided;
- ii) The name, telephone number and if applicable the email address of a representative of the client;
- iii) A brief description of the type and scope of the services that meets the identified criteria provided by the resource; and,
- iv) The dates and duration of the work (including the years/ months of engagement and the start and end dates of the work).

Point-Rated Requirements	Description	Maximum Points Available	Cross Reference (page # to proposal)
<p>R1 Technical Skills</p>	<p>The bidder should demonstrate that at least one member of its proposed resources have experience in the use of statistical software commonly used to design and apply simulations and other econometric/financial modelling, and data management software (relational database management systems) to handle the efficient processing and management of hundreds of millions of rows of data.</p>	<p>Maximum 6 points</p> <ul style="list-style-type: none"> • 2 points per statistical software (2 for SAS, 2 for STATA) • 2 points for SQL Server 	

	The bidder should include a list of statistical tools (SAS/STATA) and data management tools (SQL Server) that have been used by the proposed resources in their project summaries.		
	The bidder must attain minimum of 2 points in R1	Total Points for R1: ____/6	
R2 Previous Experience with Airline Industry	The bidder should demonstrate using project summaries that its proposed resources have experience and familiarity with the airline industry The Bidder should identify a maximum of 8 project summaries in which they conducted the analysis of air carrier routes and networks, pricing, loss/gain of operating efficiencies and company financials.	Maximum 24 points • Route/Network analysis: 6 points (2 per summary)	____/4
		• Financial/Investment analysis: 4 points (2 per summary)	____/4
		• Evaluation of operating efficiencies: 4 points (2 per summary)	____/4
		• Pricing analysis: 4 points (2 per summary)	____/4
	The bidder must attain a minimum of 8 points for R2	Total Points for R2: ____/16	
R3 Previous M&A/JV Experience	The bidder should demonstrate using project summaries (3 summaries total) that its proposed resources have experience in the analysis of mergers and acquisitions and/or joint venture.	Maximum 12 points (4 per summary, per JV or Merger transaction)	
	The bidder must attain a minimum of 8 points in R3	Total Points for R3: ____/12	
R4 Economic and Econometric Analysis	The bidder should demonstrate by project summaries that its proposed resources have experience in Economic analysis and econometric modelling in a merger/joint venture context. The bidder should provide summaries of 2 assignments, which includes the following elements: i. context of work and its relevance to the scope (1.5 in SoW) and requirements (2.1 in SoW) described in the statement of work	Maximum 60 points • Inadequate description (i.e. no demonstration that the bidder carried out the elements): 0 points per summary • Basic description (i.e. minimal demonstration that the bidder carried out the elements): 6 points per summary • Good description (i.e. satisfactory	

	<ul style="list-style-type: none"> ii. detailed explanation on the use of technical tools required to achieve the assignment objectives iii. clear articulation and justification of econometric modelling/methodology 	demonstration that the bidder carried out the elements): 8 points per summary Excellent description (i.e. strong demonstration that the bidder carried out the elements): 10 points per summary	
	The bidder must attain a minimum of 36 points in R4	Total Points for R4: ____/60	
Bonus 1 – PhD in Economics	- 5 bonus points will be given to bidders with at least one Economist with PhD in Economics on the team.	Maximum 5 points	____/5
			Total: ____/94

EVALUATION CRITERIA STREAM 2: BUSINESS VALUATION AND ACCOUNTING OF MERGER

The intent is to award one contract to the bidder who can provide services for both streams as stated in the Statement of Work. However, if no qualifying bids are received from one bidder for both streams, the department will consider awarding and evaluating the streams separately and awarding two contracts to two different bidders.

MANDATORY REQUIREMENTS STREAM 2: BUSINESS VALUATION AND ACCOUNTING OF MERGER

The proposed resource is required to successfully meet each and every mandatory requirement as well as attain at least the minimal technical requirements scores for his/her resource category or else the entire bid will be declared non responsive. Each mandatory technical criterion should be addressed separately.

All Bidders are advised that only listing experience without providing any supporting data to describe when, where and how such experience was obtained will not be considered to be “demonstrated” for the purpose of the evaluation via an easy to follow pattern that matches the experience referenced to where it can be found in the applicant’s résumé. All professional experience must be fully documented and substantiated in the proposal.

For the purpose of personnel qualifications, experience gained during formal education shall not be considered work experience. All requirements for work experience shall be obtained in a legitimate work environment as opposed to an educational setting. Co-op terms are considered work experience provided that they are related to the required services.

For each resume submitted, the Bidder must ensure that:

- (i) The proposed resource title and the individual's name are clearly indicated; and
- (ii) The resume clearly demonstrates where, when and how the stated Qualifications/experience of the individual was acquired.

Mandatory Criteria	Description	Met/Not Met	Cross Reference (page # to proposal)
M1		[] MET	

<p>Professional & Educational Qualifications</p>	<p>The bidders proposed team of resources must have qualifications equivalent to:</p> <ul style="list-style-type: none"> - 85% of the resources must have one of the following: a university degree in Economics or a university degree in Finance/Accounting or a university degree in a relevant field - At least one member of the team must have a graduate degree in Economics/Business/Finance and Professional qualifications equivalent to CPA/CFA 	<p>[] NOT MET</p>	
<p>M2 Experience</p>	<p>The lead Business Valuation Analyst must have a minimum of 3 years of experience within the last 10 years.</p>	<p>[] MET [] NOT MET</p>	
	<p>The bidder must submit a detailed CV for the named resources proposed. Individual CVs should meet the mandatory requirements (educational, professional designation, nature of previous work performed, years of experience) for each applicable resource</p>	<p>[] MET [] NOT MET</p>	
<p>M3 Relevant Work</p>	<p>The bidder must demonstrate that the proposed team have experience and expertise in conducting reviews and business valuation for mergers and acquisitions /joint ventures through financial analysis, merger simulations, cost accounting practices and pricing analysis</p> <p>Bidder must fulfill this requirement by submitting at least 2 project summaries that demonstrate relevant work from within the past 10 years (project summaries should include client reference contact information)</p>	<p>[] MET [] NOT MET</p>	

*** Proposals **not meeting** the above noted **Mandatory Criteria** shall be deemed “NON- COMPLIANT” and therefore will not be given any further consideration.***

Point Rated Technical Criteria

Proposals meeting ALL Mandatory Criteria will be evaluated and rated against the following Point- Rated Criteria, using the evaluation factors specified for each criterion. It is imperative that these criteria be addressed in sufficient depth in the proposal to fully describe the Bidder’s response and to permit the Evaluation Team to rate the proposals.

Bids **MUST** achieve the overall minimum possible points of each Rated Requirements, in

order to be considered technically responsive. Proposals which fail to attain at least 60% total points of the Rated Requirements will be considered technically non-responsive and no further evaluation will be conducted.

For all experience cited, the following information must be identified in the proposed resources' résumés:

- v) The name of the client organization to whom the services were provided;
- vi) The name, telephone number and if applicable the email address of a representative of the client;
- vii) A brief description of the type and scope of the services that meets the identified criteria provided by the resource; and,
- viii) The dates and duration of the work (including the years/ months of engagement and the start and end dates of the work).

Point-Rated Requirements	Description	Maximum Points Available	Cross Reference (page # to proposal)
R1 Technical Skills	<p>The bidder should demonstrate that its proposed resources have experience in the use of statistical software commonly used to design and apply simulations and other econometric/financial modelling, and data management software (relational database management systems) to handle the efficient processing and management of hundreds of millions of rows of data.</p> <p>The bidder should include a list of statistical tools (SAS/STATA) and data management tools (SQL Server) that have been used by the proposed resources in their project summaries.</p>	<p>Maximum 6 points</p> <ul style="list-style-type: none"> • 2 points per statistical software (2 for SAS, 2 for STATA) • 2 points for SQL Server 	
	The bidder must attain minimum of 2 points in R1	Total Points for R1: ____/6	
R2 Previous Experience with Airline Industry	<p>The bidder should demonstrate using project summaries that its proposed resources have experience and familiarity with the airline industry</p> <p>The Bidder should identify a maximum of 8 project summaries in which they conducted the analysis of air carrier routes and networks, pricing, loss/gain of operating efficiencies and company financials.</p>	<p>Maximum 24 points</p> <ul style="list-style-type: none"> • Route/Network analysis: 6 points (2 per summary) • Financial/Investment analysis: 4 points (2 per summary) • Evaluation of operating efficiencies: 4 points (2 per summary) • Pricing analysis: 4 points (2 per summary) 	<p>____/4</p> <p>____/4</p> <p>____/4</p> <p>____/4</p>
	The bidder must attain a minimum of 8 points for R2	Total Points for R2: ____/16	

R3 Previous M&A/JV Experience	The bidder should demonstrate using project summaries (3 summaries total) that its proposed resources have experience in the analysis of mergers and acquisitions and/or joint venture	Maximum 12 points (4 per summary, per JV or Merger transaction)	
	The bidder must attain a minimum of 8 points in R3	Total Points for R3: ____/12	
R4 Business valuation and accounting of Mergers	The bidder should demonstrate using project summaries that the proposed resources have experience in financial modelling (company valuation, profit/loss/cash flow analysis, viability/likelihood of failure analysis, evaluation of operating efficiencies, cost accounting, financial forecasts, merger models) and accounting (risk management, accounting investigation) The bidder should demonstrate provide summaries of 2 assignments, which includes the following elements: <ol style="list-style-type: none"> i. context of work and its relevance to the scope (1.5 in SoW) and requirements (2.1 in SoW) described in the statement of work ii. clear articulation and justification of financial modelling and methodology iii. clear articulation and justification of accounting practices and methodology Notes: <ul style="list-style-type: none"> • If the summary does not align with the elements indicated, it will not be rated Please identify which 2 project summaries to consider for this criteria. <ul style="list-style-type: none"> • 	Maximum 60 points <ul style="list-style-type: none"> • Inadequate description (i.e. no demonstration that the bidder carried out the elements): 0 points per summary • Basic description (i.e. minimal demonstration that the bidder carried out the elements): 6 points per summary • Good description (i.e. satisfactory demonstration that the bidder carried out the elements): 8 points per summary • Excellent description (i.e. strong demonstration that the bidder carried out the elements): 10 points per summary 	
	The bidder must attain a minimum of 36 points in R4	Total Points for R4: ____/60	
			Total: ____/94

4.1.2 Financial Evaluation

Bidders must submit their financial bid in Canadian funds in accordance with the Basis of Payment at Annex B.

4.2 Basis of Selection

4.2.1 SACC Manual Clause A0027T , Basis of Selection – Highest Combined Rating of Technical Merit and Price.

1. To be declared responsive, a bid must:
 - a. comply with all the requirements of the bid solicitation; and
 - b. meet all mandatory criteria; and
 - c. obtain the required minimum number of points for each technical evaluation criteria which are subject to point rating. The rating is performed on a scale of 188 points.
2. Bids not meeting (choose "(a) or (b) or (c)" OR "(a) or (b) or (c) and (d)") will be declared non-responsive.
3. The selection will be based on the highest responsive combined rating of technical merit and price. The ratio will be 60% for the technical merit and 40 % for the price.
4. To establish the technical merit score, the overall technical score for each responsive bid will be determined as follows: total number of points obtained / maximum number of points available multiplied by the ratio of 60%.
5. To establish the pricing score, each responsive bid will be prorated against the lowest evaluated price and the ratio of 40 %
6. For each responsive bid, the technical merit score and the pricing score will be added to determine its combined rating.
7. Neither the responsive bid obtaining the highest technical score nor the one with the lowest evaluated price will necessarily be accepted. The responsive bid with the highest combined rating of technical merit and price will be recommended for award of a contract.

The table below illustrates an example where all three bids are responsive and the selection of the contractor is determined by a 60/40 ratio of technical merit and price, respectively. The total available points equals 135 and the lowest evaluated price is \$45,000 (45).

Basis of Selection - Highest Combined Rating Technical Merit (60%) and Price (40%)

		Bidder 1	Bidder 2	Bidder 3
Overall Technical Score		115/135	89/135	92/135
Bid Evaluated Price		\$55,000.00	\$50,000.00	\$45,000.00
Calculations	Technical Merit Score	$115/135 \times 60 = 51.11$	$89/135 \times 60 = 39.56$	$92/135 \times 60 = 40.89$
	Pricing Score	$45/55 \times 40 = 32.73$	$45/50 \times 40 = 36.00$	$45/45 \times 40 = 40$
Combined Rating		83.84	75.56	74.52
Overall Rating		1st	3rd	2nd

PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION

Bidders must provide the required certifications and additional information to be awarded a contract.

The certifications provided by Bidders to Canada are subject to verification by Canada at all times. Unless specified otherwise, Canada will declare a bid non-responsive, or will declare a contractor in default if any certification made by the Bidder is found to be untrue, whether made knowingly or unknowingly, during the bid evaluation period or during the contract period.

The Contracting Authority will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply and to cooperate with any request or requirement imposed by the Contracting Authority will render the bid non-responsive or constitute a default under the Contract.

5.1 Certifications Required with the Bid

Bidders must submit the following duly completed certifications as part of their bid.

5.1.1 Integrity Provisions - Declaration of Convicted Offences

In accordance with the Integrity Provisions of the Standard Instructions, all bidders must provide with their bid, **if applicable**, the Integrity declaration form available on the [Forms for the Integrity Regime](http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html) website (<http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html>), to be given further consideration in the procurement process.

5.2 Certifications Precedent to Contract Award and Additional Information

The certifications and additional information listed below should be submitted with the bid but may be submitted afterwards. If any of these required certifications or additional information is not completed and submitted as requested, the Contracting Authority will inform the Bidder of a time frame within which to provide the information. Failure to provide the certifications or the additional information listed below within the time frame specified will render the bid non-responsive.

5.2.1 Integrity Provisions – Required Documentation

In accordance with the section titled Information to be provided when bidding, contracting or entering into a real property agreement of the [Ineligibility and Suspension Policy](http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html) (<http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html>), the Bidder must provide the required documentation, as applicable, to be given further consideration in the procurement process.

5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

By submitting a bid, the Bidder certifies that the Bidder, and any of the Bidder's members if the Bidder is a Joint Venture, is not named on the Federal Contractors Program (FCP) for employment equity "FCP Limited Eligibility to Bid" list available at the bottom of the page of the [Employment and Social Development Canada \(ESDC\) - Labour's](https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#) website (<https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#>).

Canada will have the right to declare a bid non-responsive if the Bidder, or any member of the Bidder if the Bidder is a Joint Venture, appears on the "FCP Limited Eligibility to Bid list at the time of contract award.

Canada will also have the right to terminate the Contract for default if a Contractor, or any member of the Contractor if the Contractor is a Joint Venture, appears on the "[FCP Limited Eligibility to Bid](#)" list during the period of the Contract.

The Bidder must provide the Contracting Authority with a completed annex titled Federal Contractors Program for Employment Equity - Certification, before contract award. If the Bidder is a Joint Venture, the

Bidder must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

5.2.3.2 Status and Availability of Resources

The Bidder certifies that, should it be awarded a contract as a result of the bid solicitation, every individual proposed in its bid will be available to perform the Work as required by Canada's representatives and at the time specified in the bid solicitation or agreed to with Canada's representatives. If for reasons beyond its control, the Bidder is unable to provide the services of an individual named in its bid, the Bidder may propose a substitute with similar qualifications and experience. The Bidder must advise the Contracting Authority of the reason for the substitution and provide the name, qualifications and experience of the proposed replacement. For the purposes of this clause, only the following reasons will be considered as beyond the control of the Bidder: death, sickness, maternity and parental leave, retirement, resignation, dismissal for cause or termination of an agreement for default.

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 non-responsive

5.2.3.4 Education and Experience

5.2.3.4.1 SACC Manual clause [A3010T](#) (2010-08-16) Education and Experience

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

6.1 Security Requirements

1. At the date of bid closing, the following conditions must be met:

- (a) the Bidder must hold a valid organization security clearance as indicated in Part 7 - Resulting Contract Clauses;
- (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work sites must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;
- (c) the Bidder must provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites;
- (d) the Bidder's proposed location of work performance and document safeguarding must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;
- (e) the Bidder must provide the addresses of proposed sites or premises of work performance and document safeguarding as indicated in Part 3 - Section IV Additional Information.

2. For additional information on security requirements, Bidders should refer to the [Contract Security Program](http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html) of Public Works and Government Services Canada (<http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html>) website.

PART 7 - RESULTING CONTRACT CLAUSES

The following clauses and conditions apply to and form part of any contract resulting from the bid solicitation.

7.1 Statement of Work

The Contractor must perform the Work in accordance with the Statement of Work at Annex "A".

7.2 Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the [Standard Acquisition Clauses and Conditions Manual](https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) (<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada.

7.2.1 General Conditions

[2035](#) (2018-06-21), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract.

7.3 Security Requirements

7.3.1 The following security requirements (SRCL and related clauses provided by the Contract Security Program) apply and form part of the Contract.

7.3.2 Contractor's Sites or Premises Requiring Safeguarding Measures

7.3.2.1 Where safeguarding measures are required in the performance of the Work, the Contractor must diligently maintain up-to-date the information related to the Contractor's and proposed individuals' sites or premises for the following addresses:

Street Number / Street Name, Unit / Suite / Apartment Number
City, Province, Territory / State
Postal Code / Zip Code
Country

7.3.2.2 The Company Security Officer must ensure through the [Contract Security Program](#) that the Contractor and individuals hold a valid security clearance at the required level.

7.4 Term of Contract

7.4.1 Period of the Contract

The period of the contract is from date of award to September 30, 2020 inclusive.

7.5 Authorities

7.5.1 Contracting Authority

The Contracting Authority for the Contract is:

Name: Natasha Blackstein
Title: Contracting Specialist
Transport Canada
Address: 275 Sparks Street
Ottawa, Ontario
K1A 0N5
Telephone: 343-550-2321
E-mail address: natasha.blackstein@tc.gc.ca

The Contracting Authority is responsible for the management of the Contract and any changes to the Contract must be authorized in writing by the Contracting Authority. The Contractor must not perform work in excess of or outside the scope of the Contract based on verbal or written requests or instructions from anybody other than the Contracting Authority.

7.5.2 Project Authority

The Project Authority for the Contract is: *[to be provided upon contract award]*

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____-____-_____
E-mail address: _____

The Project Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for all matters concerning the technical content of the Work under the Contract. Technical matters may be discussed with the Project Authority; however, the Project Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

7.5.3 Contractor's Representative

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____-____-_____
E-mail address: _____

7.6 Proactive Disclosure of Contracts with Former Public Servants

By providing information on its status, with respect to being a former public servant in receipt of a [Public Service Superannuation Act](#) (PSSA) pension, the Contractor has agreed that this information will be reported on departmental websites as part of the published proactive disclosure reports, in accordance with [Contracting Policy Notice: 2012-2](#) of the Treasury Board Secretariat of Canada.

7.7 Payment

7.7.1 Basis of Payment

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price as specified in Annex B for a cost of \$ _____. Customs duties are included and Applicable Taxes are extra.

Canada will not pay the Contractor for any design changes, modifications or interpretations of the Work, unless they have been approved, in writing, by the Contracting Authority before their incorporation into the Work.

7.7.2 H100C (2008-05-12) Single Payment

Canada will pay the Contractor upon completion and delivery of the Work in accordance with the payment provisions of the Contract if:

- a. an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b. all such documents have been verified by Canada;
- c. the Work delivered has been accepted by Canada.

7.7.3 SACC Manual Clauses

C2000C (2007-11-30) Taxes –Foreign based Contractor
A9117C (2007-11-30) Direct Request by Customer Department

7.7.4 Electronic Payment of Invoices – Contract

The Contractor accepts to be paid using any of the following Electronic Payment Instrument(s):

- a. Visa Acquisition Card;
- b. MasterCard Acquisition Card;
- c. Direct Deposit (Domestic and International);
- d. Electronic Data Interchange (EDI);
- e. Wire Transfer (International Only);
- f. Large Value Transfer System (LVTS) (Over \$25M)

7.7.5 Discretionary Audit

C0705C (2010-01-11) Discretionary Audit

7.6 Invoicing Instructions

1. The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the general conditions. Invoices cannot be submitted until all work identified in the invoice is completed.

Each invoice must be supported by:

- a. a copy of time sheets to support the time claimed;

- b. a copy of the release document and any other documents as specified in the Contract;
 - c. a copy of the invoices, receipts, vouchers for all direct expenses, and all travel and living expenses;
 - d. a copy of the monthly progress report.
2. Invoices must be distributed as follows:

The original and one (1) copy must be forwarded to the address shown on page 1 of the Contract for certification and payment.

7.7 Certifications and Additional Information

7.7.1 Compliance

Unless specified otherwise, the continuous compliance with the certifications provided by the Contractor in its bid or precedent to contract award, and the ongoing cooperation in providing additional information are conditions of the Contract and failure to comply will constitute the Contractor in default. Certifications are subject to verification by Canada during the entire period of the Contract.

7.7.2 Federal Contractors Program for Employment Equity - Default by the Contractor

The Contractor understands and agrees that, when an Agreement to Implement Employment Equity (AIEE) exists between the Contractor and Employment and Social Development Canada (ESDC)-Labour, the AIEE must remain valid during the entire period of the Contract. If the AIEE becomes invalid, the name of the Contractor will be added to the "[FCP Limited Eligibility to Bid](#)" list. The imposition of such a sanction by ESDC will constitute the Contractor in default as per the terms of the Contract.

7.8 Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in Ontario

7.9 Priority of Documents

If there is a discrepancy between the wording of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list.

- (a) the Articles of Agreement;
- (b) the general conditions [2035](#) (2019-03-04) General Conditions – High Complexity-Services
- (c) Annex A, Statement of Work;
- (d) Annex B, Basis of Payment;
- (e) Annex C, Security Requirements Check List;
- (f) Annex D, Electronic Payment
- (g) the Contractor's bid dated _____, (*insert date of bid*) (*If the bid was clarified or amended, insert at the time of contract award:* ", as clarified on _____ " **or** ", as amended on _____ " *and insert date(s) of clarification(s) or amendment(s)*).

7.10 Insurance

SACC *Manual* clause [G1005C](#) (2016-01-28) Insurance

ANNEX "A"

STATEMENT OF WORK

1.0 Scope

1.1 Title

Economic analysis and business valuation to assist with the evaluation of the proposed acquisition of Transat A.T. by Air Canada.

1.2 Introduction

Transport Canada is looking to retain the services of one or more contractor to conduct economic analysis and business valuation/accounting work in support of a notification to the Minister of Transport of a merger involving air transportation undertakings between Air Canada and Air Transat.

This request contains two streams, economic expertise (Stream 1) and business valuation expertise (Stream 2). A bidder may bid on either or both streams.

Bidders must clearly state whether they are bidding on Stream 1, Stream 2 or both. Should a bidder bid on both elements, they MUST separate the value of their bids into each stream.

1.3 Objectives of the Requirement

The contract objective is to assess and validate economic and financial implications that may arise from the approval and/or rejection of the merger application received by the department. The intent is to award one contract to the bidder who can provide services for both streams as stated in the Statement of Work. However, if no qualifying bids are received from one bidder for both streams, the department will consider awarding and evaluating the streams separately and awarding two contracts to two different bidders.

1.4 Background, Assumptions and Specific Scope of the Requirement

Background

Section 53 of the Canada Transportation Act legislates a notification/application process to the Minister of Transport for certain Canadian transportation undertakings (in this case, air carriers) involved with any potential merger, acquisition or joint venture. The Minister may choose to further examine the proposed transaction for public interest issues within prescribed legislative timelines. In order for Canada to properly assess the merits of the proposed transaction, Canada is looking to retain the services of economics and business valuation/accounting specialists.

Any application submitted to the Minister of Transport for public interest considerations will also be submitted to the Commissioner of Competition [Competition Bureau, herein referred to as the Bureau] for anti-competition considerations. The Bureau will advise the Minister of Transport of their findings as part of the Minister's overarching public interest assessment.

The Department must conduct independent financial and economic analyses during the public interest assessment period, with the following emphases:

1. An economic analysis of price impacts on entire networks or regions, in addition to independent route-based price analyses as required

Considerations of potential operating efficiencies gained and reductions in double marginalization from the proposed transaction, which can create downward pressure on price

Further information on the merger & acquisition notification guidelines can be found below:

<https://www.tc.gc.ca/eng/policy/acg-acgb-mergers-guidelines-draft-3143.html>

Scope

The contractor must:

- a) have an understanding of the aviation industry in Canada and internationally,
- b) be able to provide expert advice on the economic and financial prospects of the proposed merger involving Air Canada and Air Transat. This must include choosing, designing and running Merger Simulations or any other econometric technique as deemed appropriate. Activities include: developing and running advanced econometric models to predict likely price increases, service changes in the market, and associated deadweight loss on affected air services offered to Canadians. The assessment of price increases will need to be conducted across the entire network, as well as on specific, isolated routes within the parties' networks, and fully account for any operating efficiencies and reductions in double marginalization that could create a downward pressure on prices,
- c) apply business valuation and accounting practices to assess an applicant's current and expected financial standing on a network, region and/or route basis. The contractor must also evaluate the parties' potential for market failure, operating and network efficiencies and synergies, as well as provide an assessment on potential risks to public interest in the context of the transaction.

Transport Canada will provide the contractor with confidential company data received as part of the application to assist SOLELY in the development of the contractor's deliverables. However, the contractor will be responsible for any specific software, data sources (e.g. economic data, ticketing data) and equipment it requires to assist in their analysis.

The contractor must be available to support Transport Canada during the entire assessment period, and any subsequent period required for the development of remedies and/or terms and conditions, as appropriate. Moreover, the contractor will have an aggressive timeline to provide their deliverables (e.g. 2-3 months) as part of this process.

The contractor must also ensure that Transport Canada can (re)run any models developed, and recreate any analysis and conclusions recommended by the contractors.

2.0 Requirements

2.1 Tasks, Activities, Deliverables and Milestones

Economic/Econometric Analysis of Merger (Stream 1): Conduct economic analysis including econometric modelling that predict likely changes in price, competition and other factors resulting from the undertaking

This requires extensive econometric modeling and economic analysis pertaining to mergers, which needs to be presented to TC for review within an agreed timeline between the consultant and TC. The sequence of work would require data processing to be completed before presentation of possible methodologies. Upon approval of methodology, the remaining deliverables must be completed.

- The consultant must process data provided by parties (e.g. as detailed in the background) involved in the merger, in addition to any other data sources required, using the appropriate software

- Using data provided by the parties in consideration, the consultant must design and apply a merger simulation (“MS”) model (Difference-in-Difference model, nested/multinomial logit model, Multi-level demand estimation) in SAS or STATA, upon approval of methodology from TC
 - o Present with detailed reasoning, the applicability of the possible merger simulation models
 - o Upon approval of the MS model/methodology by TC, predict the likely price increases, associated deadweight loss on air transportation for passengers and cargo for scenarios including:
 - The entire network in consideration
 - Specific regions/Subgroups
 - Per route
 - Per category (Cargo and passenger)
 - o Provide the code used to run the econometric analysis to TC for each output generated for replication purposes
 - o Provide support to TC upon request with methodology and replication of results
- The consultant must report findings to TC in a detailed report
 - o Compile a written document and make available to TC, a report of the econometric modeling and economic analysis, which must include:
 - Executive Summary
 - Background information on the carriers
 - Objectives of the analysis
 - Theoretical framework
 - Data, Methodology and Model Specification
 - Estimation results through merger simulation for each output
 - Analysis of results
 - Robustness checks
 - Hypothetical scenarios and sensitivity analysis
 - Potential risks (loss of competition, barriers to entry) and potential benefits (operating efficiencies)
 - Conclusion
 - o Work with TC to make necessary changes

Business Valuation and Accounting of Merger between Air Canada and Air Transat (Stream 2): Conduct financial analysis including the review of financial statements of parties involved with the application, and assess the efficiencies claimed by parties involved. This extensive financial analysis pertaining to the merger needs to be presented to TC for review within an agreed timeline between the consultant and TC.

Tasks include:

- Determine the profitability, viability, and likelihood of failure of the parties’ networks (or subsets of routes within their network [e.g. region, route]), as well as on their capital investments. Comparisons should also be made against other industry members and another companies/investments of similar size. Examples of analyses include cash flow, balance sheet, share prices and profitability measures. The analysis and recommendation on the proposed transaction, based on the public interest implications, is also required.

- Develop financial models and forecasts on the proposed transaction, including providing analysis, trends and expectations on projected revenues, expenses and efficiencies gained on a network/route/regional basis. An analysis/forecast of external factors, risks and assumptions must also be provided.

- Assess the efficiency claims made by the parties’ involved with the application

2.2 Specifications and Standards

The contract may require data processing, presentations, and detailed reports, which are to be completed in the format acceptable and agreed upon by the consultant and TC. The consultant must provide necessary documents for replication of the work done, in a format most appropriate for replication. The consultant must also work with Transport Canada to make necessary changes as required and as discussed in regular progress meetings. Approval of deliverables will be determined by Transport Canada upon successful completion of all assigned tasks.

2.3 Technical, Operational and Organizational Environment

The consultant will be required to attain all analytical software that may be required for successful completion of the tasks as outlined in section 2.1. This may include (but is not limited to) SAS, STATA, Tableau, Excel, and a relational database management tool (e.g. SQL Server).

The volume of structured data to be processed can potentially be in the hundreds of millions of rows, representing operational and financial transactions from the parties, TC and other sources.

The final model and products presented must be in a format compatible with TC resources, which will be established upon the start of each application.

2.4 Method and Source of Acceptance

The Project Authority reserves the right to verify the accuracy and completeness of all deliverables and services submitted by the Contractor. This may include, but is not limited to, the review of draft and intermediate files, the review of code and input/intermediate data sources, the running of models, calculations by the Project Authority,

2.5 Reporting Requirements

At a minimum, weekly progress updates will be expected by the Project Authority during peak analysis periods of the application. In addition, there is mandatory participation in any additional meetings and communications requested by the Project Authority or Contracting Authority.

2.6 Project Management Control Procedures

The individual identified in the proposal as the Project Coordinator or Technical Authority shall be available for:

- Regular progress meetings (frequency shall be determined by consultant and TC)
 - To provide update on progress of tasks
 - To discuss and attain approval from TC
 - on the methodology for econometric (stream 1) and/or financial analysis (stream 2)
 - on reporting criteria
 - other relevant activities
 - Discuss any shortcomings or missing requirements for successful completion of tasks
- Ad-hoc meetings
- Providing any additional information as required by Transport Canada, to ensure timeliness and accuracy of deliverables

2.7 Ownership of Intellectual Property

Transport Canada has determined that there is no Intellectual Property arising from the performance of the Work. All information produced to reach the contractor's recommendations will remain the property of Canada. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, together with every copy, draft, working paper and note thereof that contains such information, upon completion or termination of the Contract or at such earlier time as the Minister may require.

3.0 Other Terms & Conditions

3.1 TC Obligations

Limited access to government furnished assets will be provided. Necessary data received by Transport Canada as part of the parties' application may be furnished to the contractor to conduct their analysis (e.g. ticketing data, financial statements).

Should Transport Canada have access to any supplementary data sources (e.g. third party market information), it may also be provided. However, contractors shall not expect such data to be available when formulating their proposal.

Contractors should also expect continual comments and refinements from Transport Canada on their deliverables, leading up to the deadline.

3.2 Contractor's Obligations

The contractor shall ensure, and demonstrate in their proposal, that any data, privileged information or transitory information to be supplied by Canada is treated (e.g. stored, transmitted, shared, destroyed) in accordance with Protected B (or the appropriate classification's) standards. Moreover, upon conclusion of the contract, all copies of data and files received from Canada will be returned to Canada, destroyed on the contractor's premise(s), along with a signed statement attesting to such.

The contractor must also provide, at the start of the application, confirmation that all information provided by Canada will only be used SOLELY for Canada's analysis of that particular merger/acquisition.

The Contractor declares that the Contractor has no pecuniary interest in the business of any third party that would cause a conflict of interest or seem to cause a conflict of interest in carrying out the work. Should such an interest be acquired during the life of the Contract, the Contractor shall declare it immediately to the Departmental Representative.

3.3 Location of Work, Work site and Delivery Point

Due to existing workload and deadlines, all personnel assigned to any contract resulting from this RFP must be ready to work in close and frequent contact with the Departmental Representative and other departmental personnel.

The contractor is expected to supply the location of work and tools necessary to deliver upon their deliverables.

3.4 Language of Work

The contractor must be able to communicate in English and/or French.

3.5 Special Requirements

Should Transport Canada have access to any supplementary data sources (e.g. third party market information), it may also be provided. However, contractors shall not expect such data to be available when formulating their proposal, and must have legal access to any sources (e.g. economic data) it may require to generate their deliverables.

3.6 Security Requirements

It is a condition that, prior to performance of any obligation under any contract resulting from this RFP:

- a) the Contractor, sub-contractors and their employees assigned to the performance of such contract must be security cleared by the federal government at the Reliability level, per Treasury Board standards
- b) the contracting company itself must be security cleared to an equivalent level
- c) Site clearance(s) must meet Treasury Board standards prior to the storage of sensitive material at/on any of the contractor's locations/infrastructure.

3.7 Travel and Living

No travel is expected in the performance of the work.

4.0 Project Schedule

4.1 Contract Period

The period of the contract is from date of award to September 30, 2020 inclusive. The contractor must be available to support Transport Canada during the entire assessment period and any subsequent period required for the development of remedies and/or terms and conditions, as appropriate.

4.2 Schedule and Estimated Level of Effort (Work Breakdown Structure)

Contractors should be available to assist any time during the review process. However, the contractor must expect to be constrained to tight timelines, with final deliverables due to TC by Mid-March 2020. The contractor may also be consulted during the development of remedies and/or terms and conditions, should the Minister contemplate a conditional approval. Specific deadlines will be adjusted should any unforeseen circumstances arise.

5.0 Required Resources or Types of Role to be Performed

1. Economist(s)
2. Business Valuation/Accounting Specialists

ANNEX "B"

BASIS OF PAYMENT

Professional Services and Associated Costs in Canadian dollars

The Contractor shall tender an all-inclusive fixed price including all travel, living expenses and applicable taxes for the conduct of all work as described in the Statement of Work. In addition, the Contractor **must** provide a breakdown of the tendered all-inclusive fixed price in accordance with the requirements identified in the attached Annex "A". All rates are in Canadian Funds.

Bidders must clearly state whether they are bidding on Stream 1, Stream 2 or both. Should a bidder bid on both elements, they MUST separate the value of their bids into each stream

For Evaluation Purposes Only:

The intent is to award one contract to one bidder who can provide services for both streams as stated in Annex A: Statement of Work. Therefore If a bidder submits for both streams the financial evaluation will be conducted as follows

Evaluated Price = _____
[Total Fixed Cost Stream 1+ Total Fixed Cost Stream 2]

However, if no bids are received, the department will consider awarding and evaluating the categories separately and will award two contracts to two different contractors. Each stream's financial proposal will be evaluated separately.

Stream One Evaluated Price = _____
Total Fixed Price for Stream 1

Stream Two Evaluated Price = _____
Total Fixed Price for Stream 2

ANNEX "C"

SECURITY REQUIREMENTS CHECK LIST



Contract Number / Numéro du contrat
Security Classification / Classification de sécurité

**SECURITY REQUIREMENTS CHECK LIST (SRCL)
LISTE DE VÉRIFICATION DES EXIGENCES RELATIVES À LA SÉCURITÉ (LVERS)**

PART A - CONTRACT INFORMATION / PARTIE A - INFORMATION CONTRACTUELLE		
1. Originating Government Department or Organization / Ministère ou organisme gouvernemental d'origine Transport Canada	2. Branch or Directorate / Direction générale ou Direction Air Policy	
3. a) Subcontract Number / numéro du contrat de sous-traitance _____ b) Name and Address of Subcontractor / Nom et adresse du sous-traitant _____		
4. Brief Description of Work / Brève description du travail Transport Canada is looking to retain the services of a contractor to conduct economic modeling and forensic accounting work in support of potential notifications to the Minister of Transport of mergers, acquisitions and joint ventures involving air transportation undertakings.		
5. a) Will the supplier require access to Controlled Goods? / Le fournisseur aura-t-il accès à des marchandises contrôlées? <input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui		
5. b) Will the supplier require access to unclassified military technical data subject to the provisions of the Technical Data Control Regulations? / Le fournisseur aura-t-il accès à des données techniques militaires non classifiées qui sont assujetties aux dispositions du Règlement sur le contrôle des données techniques? <input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui		
6. Indicate the type of access required / Indiquer le type d'accès requis		
6. a) Will the supplier and its employees require access to PROTECTED and/or CLASSIFIED information or assets? / Le fournisseur ainsi que les employés auront-ils accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS? (Specify the level of access using the chart in Question 7. c) / Préciser le niveau d'accès en utilisant le tableau qui se trouve à la question 7. c) <input type="checkbox"/> No / Non <input checked="" type="checkbox"/> Yes / Oui		
6. b) Will the supplier and its employees (e.g. cleaners, maintenance personnel) require access to restricted access areas? / Le fournisseur et ses employés (p. ex. nettoyeurs, personnel d'entretien) auront-ils accès à des zones d'accès restreintes? L'accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS n'est pas autorisé. <input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui		
6. c) Is this a commercial courier or delivery requirement with no overnight storage? / S'agit-il d'un contrat de messagerie ou de livraison commerciale sans entreposage de nuit? <input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui		
7. a) Indicate the type of information that the supplier will be required to access / Indiquer le type d'information auquel le fournisseur devra avoir accès		
Canada <input checked="" type="checkbox"/>	NATO / OTAN <input type="checkbox"/>	Foreign / Étranger <input type="checkbox"/>
7. b) Release restrictions / Restrictions relatives à la diffusion		
No release restrictions / Aucune restriction relative à la diffusion <input checked="" type="checkbox"/> Not releasable / À ne pas diffuser <input type="checkbox"/> Restricted to / Limité à : _____ <input type="checkbox"/> Specify country(ies) / Préciser le(s) pays : _____	All NATO countries / Tous les pays de l'OTAN <input type="checkbox"/> Restricted to / Limité à : _____ <input type="checkbox"/> Specify country(ies) / Préciser le(s) pays : _____	No release restrictions / Aucune restriction relative à la diffusion <input type="checkbox"/> Restricted to / Limité à : _____ <input type="checkbox"/> Specify country(ies) / Préciser le(s) pays : _____
7. c) Level of information / Niveau d'information		
PROTECTED A / PROTÉGÉ A <input type="checkbox"/> PROTECTED B / PROTÉGÉ B <input checked="" type="checkbox"/> PROTECTED C / PROTÉGÉ C <input type="checkbox"/> CONFIDENTIAL / CONFIDENTIEL <input type="checkbox"/> SECRET <input type="checkbox"/> TOP SECRET / TRÈS SECRET <input type="checkbox"/> TOP SECRET (SIGINT) / TRÈS SECRET (SIGINT) <input type="checkbox"/>	NATO UNCLASSIFIED / NATO NON CLASSIFIÉ <input type="checkbox"/> NATO RESTRICTED / NATO DIFFUSION RESTREINTE <input type="checkbox"/> NATO CONFIDENTIAL / NATO CONFIDENTIEL <input type="checkbox"/> NATO SECRET <input type="checkbox"/> COSMIC TOP SECRET / COSMIC TRÈS SECRET <input type="checkbox"/>	PROTECTED A / PROTÉGÉ A <input type="checkbox"/> PROTECTED B / PROTÉGÉ B <input type="checkbox"/> PROTECTED C / PROTÉGÉ C <input type="checkbox"/> CONFIDENTIAL / CONFIDENTIEL <input type="checkbox"/> SECRET <input type="checkbox"/> TOP SECRET / TRÈS SECRET <input type="checkbox"/> TOP SECRET (SIGINT) / TRÈS SECRET (SIGINT) <input type="checkbox"/>

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PART A (continued) / PARTIE A (suite)	
8. Will the supplier require access to PROTECTED and/or CLASSIFIED COMSEC information or assets? Le fournisseur aura-t-il accès à des renseignements ou à des biens COMSEC désignés PROTÉGÉS et/ou CLASSIFIÉS? If Yes, indicate the level of sensitivity. Dans l'affirmative, indiquer le niveau de sensibilité :	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
9. Will the supplier require access to extremely sensitive INFOSEC information or assets? Le fournisseur aura-t-il accès à des renseignements ou à des biens INFOSEC de nature extrêmement délicate?	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
Short Title(s) of material / Titre(s) abrégé(s) du matériel : _____ Document Number / Numéro du document : _____	
PART B - PERSONNEL (SUPPLIER) / PARTIE B - PERSONNEL (FOURNISSEUR)	
10. a) Personnel security screening level required / Niveau de contrôle de la sécurité du personnel requis	
<input checked="" type="checkbox"/> RELIABILITY STATUS COTE DE FIABILITÉ	<input type="checkbox"/> CONFIDENTIAL CONFIDENTIEL
<input type="checkbox"/> TOP SECRET - SIGHT TRÈS SECRET - SIGHT	<input type="checkbox"/> NATO CONFIDENTIAL NATO CONFIDENTIEL
<input type="checkbox"/> SITE ACCESS ACCÈS AUX EMBLEMES	<input type="checkbox"/> SECRET SECRET
	<input type="checkbox"/> TOP SECRET TRÈS SECRET
	<input type="checkbox"/> NATO SECRET NATO SECRET
	<input type="checkbox"/> COSMIC TOP SECRET COSMIC TRÈS SECRET
Special comments / Commentaires spéciaux : _____	
NOTE: If multiple levels of screening are identified, a Security Classification Guide must be provided. REMARQUE: Si plusieurs niveaux de contrôle de sécurité sont requis, un guide de classification de la sécurité doit être fourni.	
10. b) May unscrubbed personnel be used for portions of the work? Du personnel sans autorisation sécuritaire peut-il se voir confier des parties du travail? If Yes, will unscrubbed personnel be escorted? Dans l'affirmative, le personnel en question sera-t-il escorté?	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui <input type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
PART C - SAFEGUARDS (SUPPLIER) / PARTIE C - MESURES DE PROTECTION (FOURNISSEUR)	
INFORMATION / ASSETS / RENSEIGNEMENTS / BIENS	
11. a) Will the supplier be required to receive and store PROTECTED and/or CLASSIFIED information or assets on its site or premises? Le fournisseur sera-t-il tenu de recevoir et d'entreposer sur place des renseignements ou des biens PROTÉGÉS et/ou CLASSIFIÉS?	<input type="checkbox"/> No / Non <input checked="" type="checkbox"/> Yes / Oui
11. b) Will the supplier be required to safeguard COMSEC information or assets? Le fournisseur sera-t-il tenu de protéger des renseignements ou des biens COMSEC?	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
PRODUCTION	
11. c) Will the production (manufacture, and/or repair and/or modification) of PROTECTED and/or CLASSIFIED material or equipment occur at the supplier's site or premises? Les installations du fournisseur serviront-elles à la production (fabrication et/ou réparation et/ou modification) de matériel PROTÉGÉ et/ou CLASSIFIÉ?	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
INFORMATION TECHNOLOGY (IT) MEDIA / SUPPORT RELATIF À LA TECHNOLOGIE DE L'INFORMATION (TI)	
11. d) Will the supplier be required to use its IT systems to electronically process, produce or store PROTECTED and/or CLASSIFIED information or data? Le fournisseur sera-t-il tenu d'utiliser ses propres systèmes informatiques pour traiter, produire ou stocker électroniquement des renseignements ou des données PROTÉGÉS et/ou CLASSIFIÉS?	<input type="checkbox"/> No / Non <input checked="" type="checkbox"/> Yes / Oui
11. e) Will there be an electronic link between the supplier's IT systems and the government department or agency? Disposera-t-on d'un lien électronique entre le système informatique du fournisseur et celui du ministère ou de l'agence gouvernementale?	<input checked="" type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui

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Security Classification / Classification de sécurité
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Contract Number / Numéro du contrat
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PART C - (continued) / PARTIE C - (suite)

For users completing the form manually use the summary chart below to indicate the category(ies) and level(s) of safeguarding required at the supplier's site(s) or premises.
Les utilisateurs qui remplissent le formulaire manuellement doivent utiliser le tableau récapitulatif ci-dessous pour indiquer, pour chaque catégorie, les niveaux de sauvegarde requis aux installations du fournisseur.

For users completing the form online (via the Internet), the summary chart is automatically populated by your responses to previous questions.
Dans le cas des utilisateurs qui remplissent le formulaire en ligne (par Internet), les réponses aux questions précédentes sont automatiquement saisies dans le tableau récapitulatif.

SUMMARY CHART / TABLEAU RÉCAPITULATIF

Category / Catégorie	PROTECTED / PROTÉGÉ			CLASSIFIED / CLASSIFIÉ			NATO				COMSEC					
	A	B	C	CONFIDENTIAL / CONFIDENTIEL	SECRET	TOP SECRET / TRÈS SECRET	NATO RESTRICTED / NATO DIFFUSION RESTRICTÉE	NATO CONFIDENTIAL / NATO CONFIDENTIEL	NATO SECRET	COMSEC TOP SECRET / COMSEC TRÈS SECRET	PROTECTED / PROTÉGÉ			CONFIDENTIAL	SECRET	TOP SECRET / TRÈS SECRET
											A	B	C			
Formulation / Assemblage / Remplacement / Service / Production			✓													
IT Media / Support TI / IT Data / Données informatiques			✓													

12. a) Is the description of the work contained within this SRCL PROTECTED and/or CLASSIFIED?
La description du travail visé par la présente LVERS est-elle de nature PROTÉGÉE et/ou CLASSIFIÉE? No / Non Yes / Oui

If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification".
Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire.

12. b) Will the documentation attached to this SRCL be PROTECTED and/or CLASSIFIED?
La documentation associée à la présente LVERS sera-t-elle PROTÉGÉE et/ou CLASSIFIÉE? No / Non Yes / Oui

If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification" and indicate with attachments (e.g. SECRET with Attachments).
Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire et indiquer qu'il y a des pièces jointes (p. ex. SECRET avec des pièces jointes).

ANNEX "D" to PART 3 OF THE BID SOLICITATION

ELECTRONIC PAYMENT INSTRUMENTS

The Bidder accepts to be paid by any of the following Electronic Payment Instrument(s):

- VISA Acquisition Card;
- MasterCard Acquisition Card;
- Direct Deposit (Domestic and International);
- Electronic Data Interchange (EDI);
- Wire Transfer (International Only);
- Large Value Transfer System (LVTS) (Over \$25M)