



**AMENDMENT 1/ MODIFICATION 1**

**LETTER OF INTEREST  
LETTRE D'INTÉRÊT**

**Issuing Office - Bureau de distribution:**

**Land and Aerospace Equipment  
Procurement and Support Sector /  
Secteur de l'Approvisionnement et du  
soutien en équipement aérospatiale et  
terrestre**

11 Laurier St. / 11, rue Laurier  
Place du Portage  
Attention: Marisol Dufour  
Gatineau, Québec  
K1A 0S5

<b>Title - Sujet</b> AMSE Repair & Overhaul Services	
<b>Solicitation No. - N° de l'invitation</b> W8485-19SJ01/B	<b>Date</b> January 17, 2020
<b>Client Reference No. - N° de référence du client</b> W8485-19SJ01	<b>GETS Ref. No. - N° de réf. de SEAG</b> PW-\$\$BF-126-26897
<b>File No. - N° de dossier</b> 126bf.W8485-19SJ01	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> <b>on - le 2020-01-17</b>	
<b>Time Zone</b> <b>Fuseau horaire</b> Eastern Standard Time (EST)	
<b>F.O.B. - F.A.B.</b>	
<b>Plant-Usine:</b> <input type="checkbox"/>	<b>Destination:</b> <input type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>
<b>Address Enquiries to: - Adresser toutes questions à:</b> Dufour (BF Div.), Marisol	<b>Buyer Id - Id de l'acheteur</b> 126bf
<b>Telephone No. - N° de téléphone</b> (819) 420-2015	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>  Specified Herein Précisé dans les présentes	

**Instructions: See Herein**

**Instructions: Voir aux présentes**

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

## AMENDMENT SUMMARY

Amendment 1 to the Letter of Interest is released to publish the responses to the questions received from Suppliers.

The following are the four questions received with Canada's responses:

1. **In the Letter of Interest (LOI), at page 6 of 9 of this document, Section 4.3, is it your intention that both Contracts would be awarded to the same company?**

**Answer:** It is not Canada's intention to award both contracts to the same company, however it is possible that one company wins both contracts.

2. **In the Performance Work Statement (PWS), sections 6.13.2.1 and 6.13.2.2 are dependent on approvals from Canada potentially affecting Turn-Around Times (TAT). Will Canada consider revising these sections?**

**Answer:** No, please refer to section 6.13.8.

3. **In the Performance Work Statement (PWS), section 6.13.8 references para 6.7.3.5 in determining approved TAT. There is no Section 6.7.3.5. Does Canada mean 6.13.2.6? Please clarify.**

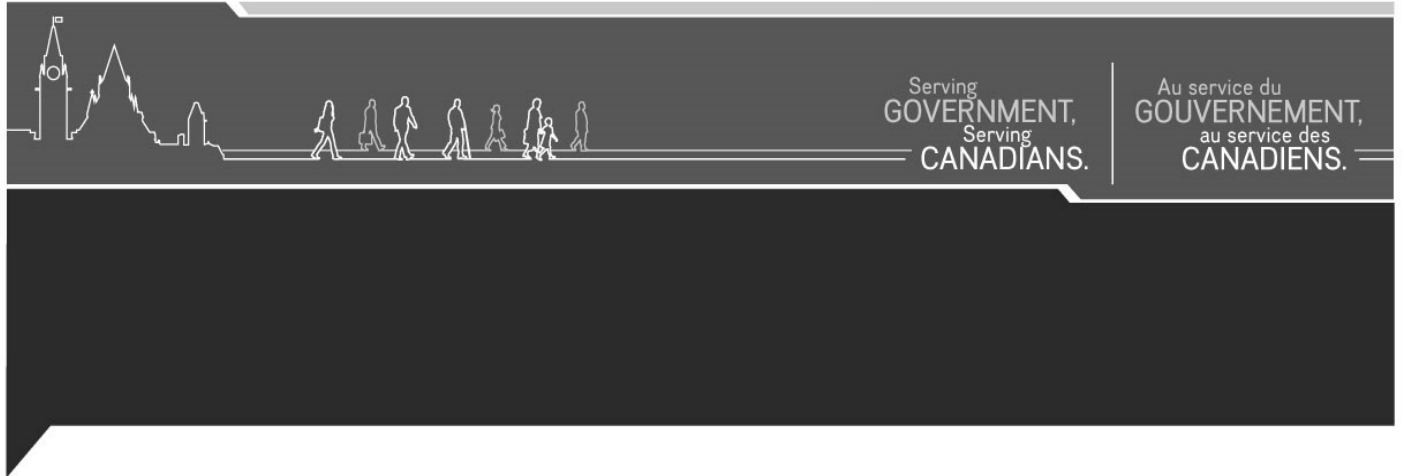
**Answer:** Yes, there was an error in the initial document. Amendment 1 to the PWS was generated to make the correction. Section 6.13.8 should read:

### **Turnaround Time (TAT)**

TAT will be determined as part of the approved estimate in para 6.13.2.6. The Contractor must inform the WSM R&O Coordinator as soon as possible, via email, when the approved TAT will not be met. In the event of an urgent operational requirement, the Contractor may be asked to repair the item on a priority basis and revise the estimate if practicable. The Contractor must have appropriate management and records control procedures in place to monitor the TAT of each repair. These control procedures and records must be available for review or audit on request.

4. **In the Performance Work Statement (PWS), we assume that any freight costs associated with a repair item pursuant to directions provided in Section 6.13.4.1 (e) are over and above the initial repair estimate and are recoverable by the Contractor. Please confirm.**

**Answer:** Yes, Canada confirms that any freight costs associated with a repair item pursuant to directions provided in Section 6.13.4.1 (e) are over and above the initial repair estimate and are recoverable by the Contractor.



## **Aircraft Maintenance Support Equipment (AMSE) Sustainment Requirement Letter of Interest W8485-19SJ01**

### **1. Purpose and Nature of the Letter of Interest (LOI)**

- 1.1 Public Services and Procurement Canada (PSPC), on behalf of the Department of National Defence (DND), is releasing this LOI to update Industry following the 28-29 August 2018 Industry Engagement Day, for which feedback was requested and received assisting Canada with the formulation and implementation of an optimized solution for the Aircraft Maintenance Support Equipment (AMSE) sustainment requirement.
- 1.2 The relevant input from Industry resulted in a positive contribution for establishing an enterprise-wide sustainment program for AMSE aligning and optimizing both Government of Canada (GoC)'s and Industry's ability to deliver Performance, Value for Money, Flexibility and Economic Benefits.
- 1.3 After much consideration, PSPC, on behalf of the Department of National Defence (DND), is moving forward with the intent of releasing a Request for Proposal (RFP) in spring 2020, which will be made available to those interested and eligible Bidders.
- 1.4 The purpose of this Letter of Interest (LOI) is to seek input from the Industry on specific features of the proposed Procurement Strategy as defined in Section 4 – Scope and in Annexes A, B, and C.

## **2. Notes to Interested Industry:**

- 2.1 All comments and questions to the LOI must be submitted in writing to the PSPC Contracting Authority before Jan 12, 2020. Inquiries submitted after this date may not be answered. Responses to inquiries will be released via a LOI amendment starting Jan 13, 2020 only.
- 2.2 A Fairness Monitor (FM) will provide independent assurance that this LOI and potential subsequent procurement is conducted in a fair, open and transparent manner.
- 2.3 All submitted information, comments and/or questions must be based solely on the documentation herein and Industry should not reference any other past procurement process.
- 2.4 Any discussions on this subject with personnel representing DND, PSPC, or any other GoC representative or other personnel involved in project activities related to AMSE, must not be construed as an offer to purchase or as a commitment by DND, PSPC, or the GoC.
- 2.5 Respondents are encouraged to clearly identify, in writing, in the information they share with Canada, any information they feel is commercial-in-confidence, proprietary, third party or personal. Please note that Canada may be obligated by law (e.g. in response to a request under the Access to Information and Privacy Act) to disclose proprietary or commercially-sensitive information concerning a Respondent (for more information: <http://laws-lois.justice.gc.ca/eng/acts/a-1/>).
- 2.6 Respondents are asked to identify, in writing, if their response, or any part of their response, is subject to the Controlled Goods Regulations.
- 2.7 The issuance of this LOI is not to be considered in any way as a commitment by Canada or as authority to potential Bidders to undertake any work that could be charged to Canada. This LOI is not a bid solicitation and will not result in the award of any contract. Potential suppliers of any goods or services described in this LOI should not reserve stock or facilities, nor allocate resources, as a result of any information contained in this LOI. Nor will this LOI result in the creation of any source list. Therefore, whether or not potential Bidders respond on this LOI will not preclude these Companies from participating in any future procurement.
- 2.8 Any information submitted to Canada in response to this LOI may, or may not, be used by Canada in the development of the potential subsequent Request for Proposal (RFP).

- 2.9 The inclusion of any goods and services description in this LOI may not necessarily be part of a future Request for Proposal (RFP).
- 2.10 There will be no Industry Day nor one-to-one sessions associated to this LOI.
- 2.11 Any elements related to the procurement strategy and outlined in Section 4- Scope and Annexes A, B, C are not final and are subject to change.

### **3 Background & History:**

- 3.1 The Department of National Defence (DND) requires support services for the Aircraft Maintenance Support Equipment (AMSE) used by the various Royal Canadian Air Force (RCAF) operational units and at contractors' facilities. AMSE comprises numerous hydraulic, electrical and mechanical systems.
- 3.2 In February 2014, the Defence Procurement Strategy (DPS) published policy notification PN-118: <https://buyandsell.gc.ca/policy-and-guidelines/policy-notifications/PN-118>. The Sustainment Initiative (SI) approach and its Performance, Value for Money, Flexibility and Economic Benefit principles have been established to develop an optimized Sustainment Enterprise. The AMSE Sustainment Enterprise falls under this new framework.
- 3.3 In July 2018, Canada sought Industry engagement through LOI W8485-19SJ01 to assist and provide input for Best Practices and potential solutions for the future AMSE Sustainment Enterprise.
- 3.4 In August 2018, Canada met with Industry in a plenary and one-to-one sessions, providing Industry with an opportunity to influence the future AMSE Sustainment Enterprise through relevant feedback, recommendations and suggestions for improvement.
- 3.5 In October 12, 2018, PSPC posted LOI Amendment 1 containing the slide deck "Program Background, Sustainment Requirements & Proposed Direction(s)" containing information distributed during the August 28-29, 2018 Industry day. A few days later, LOI Amendment 2 followed with a summary of all the Questions and Answers from Industry resulting from the consultative process.

### **4 Scope**

- 4.1 Taking into account the feedback received from Industry, Canada intends to develop and implement an optimized sustainment solution for a considerable number of AMSE items being used to support the RCAF aircraft fleets. The list of AMSE items published in the initial LOI has been reviewed and reduced. The

revised list of repairable equipment in Annex B has approximately 300 unique AMSE items associated to this requirement. This list will be subject to changes as new AMSE items could be added through a Progressive Application of Additional Scope (PAAS) contractual clause. The disposition of the items added through PAAS will be subject to the definitions presented in Section 4.2.

4.2 As a result of the on-going Sustainment Business Case Analysis (SBCA) process and its Options Analyses (OAs), the AMSE items have been divided in two groups, Simple and Complex AMSE:

4.2.1 Simple AMSE: Meets one or more of the following criteria:

- Have a UOI cost below \$30k;
- Are components of higher assemblies;
- Are commercially available;
- May require expertise in up to two systems (i.e. hydraulic, mechanical, electrical).

4.2.2 Complex AMSE: Meets one or more of the following criteria:

- Have an UOI cost above \$30k;
- Are end items, not components;
- Require expertise in more than one system (i.e. hydraulic, mechanical, electrical).

4.3 At this point in time, and only for the purpose described in Article 1.4 of this LOI, the following are elements intended to be part the upcoming Request for Proposal (RFP):

4.3.1 Two separate contracts will be issued: One for the simple AMSE, and the second for the complex AMSE.

4.3.2 The two contracts will be awarded resulting of one RFP posted in Buy&Sell, through a competitive process.

4.3.3 The initial contract Periods for both simple and complex AMSE will be approximately five (5) years with a potential of one (1) two-year optional period.

4.3.4 The Industrial and Technological Benefits (ITB) Policy, including the Value Proposition (VP) process proposed in the initial LOI will not be applied to this solicitation.

4.3.5 The Performance Work Statement (PWS) will introduce a tailored

and improved “Controlled R&O” process to address the inefficiencies of the current “Free-Flow R&O” process used on previous AMSE R&O contracts. A chart of the new Controlled R&O Process can be found in Annex C.

- 4.3.6 The PWS will require the Contractor to provide Canada with specific technical and financial data to improve and enable better planning and decision-making.
- 4.3.7 The upcoming RFP will contain more details on the historical transactional data related to the Simple and Complex AMSE listed in Annex B.
- 4.3.8 The main features of the proposed Basis of Payment (BoP) are:
  - 4.3.8.1 Recurring activities within an R&O event such as Receiving, Inspection, Quotation, Packaging & Handling, and Invoicing will be paid through competed Fixed Prices;
  - 4.3.8.2 The actual repairs and overhauls will be paid through a DND 626 Task Authorization which will be based on the Contractor’s inspection and quotation for each R&O event;
  - 4.3.8.3 Specific Projects and TIES will be paid through DND 626 Task Authorizations;
  - 4.3.8.4 Monthly payments will be made upon completion of work and receipts of deliverable; and
  - 4.3.8.5 There are still on-going analysis to determine if performance-based elements and associated incentives should be added to this sustainment arrangement.

## **5 Security**

- 5.1 There is no security requirement associated with this LOI. Respondents should note that potential follow-on procurement activities will require a Public Services and Procurement Canada (PSPC) classified clearances up to the level of SECRET for applicable staff and facilities.

## **6 PSPC Contracting Authority:**

- 6.1 Any correspondence must be directed, in writing, in either official language of Canada, to the PSPC Contract Authority (CA) identified below, preferably via email:

Marisol Dufour  
Supply Specialist  
Land and Aerospace Equipment Procurement and Support Sector (LAEPSS),  
Public Services and Procurement Canada (PSPC)  
11 Laurier Street, Place du Portage III, Gatineau, Quebec K1A 0S5  
E-mail: [Marisol.Dufour@tpsgc-pwgsc.gc.ca](mailto:Marisol.Dufour@tpsgc-pwgsc.gc.ca)

- 6.2 Changes to this LOI may occur and will be advertised on the Government Electronic Tendering System. Canada asks Respondents to visit <https://buyandsell.gc.ca/> regularly to check for changes, if any.



## **ANNEXES**

The Annexes are draft documents at this point in time and information is subject to change:

**ANNEX A – Performance of Work Statement (PWS)**

**ANNEX B – List of Repairable Equipment (subject to change)**

- **TAB 1 - List of simple AMSE**
- **TAB 2 - List of complex AMSE**

**ANNEX C – Repair & Overhaul Process Chart**