RETURN BIDS TO: RETOURNER LES SOUMISSIONS À:

Bid Receiving - PWGSC

11 Laurier St.

Place du Portage , Phase III

Core 0B2

Gatineau, Québec K1A 0S5

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tpsgc.dgareceptiondessoumissionsabbidReceiving.pwgsc@tpsgc-pwgsc.gc.ca

SOLICITATION AMENDMENT MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

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

Issuing Office - Bureau de distribution

Innovation Procurement Directorate Direction des achats innovateurs Terrasses de la Chaudiere 10, rue Wellington, Étage 4 Gatineau, Québec K1A 0S5

| Title-Sujet | | | | |
|--|--|------------------------|--------------------------------------|--|
| Area Detection and Identification System | | | | |
| Solicitation No N° de l'invitation | | Amendment No N° modif. | | |
| W8476-18ADIS/B | | 001 | | |
| Client Reference No N° de référence du client | | Date | | |
| W8476-18ADIS/B | | 23 January 2020 | | |
| GETS Reference No Nº de référence de SEAG | | | | |
| | | | | |
| | | – FMS | FMS NO. / N° VME | |
| 010sl.W8476-18ADIS/B | | | | |
| Solicitation Closes – L'invitation prend fin Time Zone | | | | |
| at – à 2:00 PM | | | Fuseau horaire Eastern Standard Time | |
| on – le 10 March 2020 | | | EST | |
| F.O.B. – F.A.B | | | | |
| Plant-Usine : Destination: Other-Autre: | | | | |
| Address Enquiries to: - Adresser toutes questions à: | | Buye | Buyer Id – Id de l'acheteur | |
| April Campbell | | 010SL | | |
| Telephone No N° de téléphone | | FAX | FAX No N° de FAX | |
| 613-858-9485 | | | | |
| Destination of Goods, Services and Construction: | | | | |
| Destinations des biens, services et construction : | | | | |
| Specified Herein Précisé dans les présentes | | | | |

Instructions: See Herein

Instructions : voir aux présentes

| Delivery Required - Livraison exigée See Herein | Delivery Offered - Livraison proposée | | | |
|---|---------------------------------------|--|--|--|
| Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur | | | | |
| Telephone No N° de telephone Facsimile No N° de télécopieur | | | | |
| 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 | | | |



THIS AMENDMENT IS RAISED TO RESPOND TO BIDDERS' QUESTIONS AND MODIFY THE RFP

Reference: Attachment 1A to Part 4, Industrial and Technological Benefits (ITB) and Value

Proposition, Bidder Instructions

At Article 4. ITB Mandatory Requirements sub article 4.1.1,

DELETE: Requirement One: The ITB Proposal must commit to achieving Transactions, measured

in Canadian content value (CCV), valued at not less than one hundred percent (100%) of the Contract Price to be achieved within the Achievement Period. If the Bidder commits to achieving greater that one-hundred (100) percent of Contract Price, that

Commitment will become an Obligation that must be achieved under the Contract.

INSERT: Requirement One: The ITB Proposal must commit to achieving Transactions, measured

in Canadian content value (CCV), valued at not less than one hundred percent (100%) of the Contract Price to be achieved within the Achievement Period <u>for each resulting Contract</u>. If the Bidder commits to achieving greater that one-hundred (100) percent of Contract Price, that Commitment will become an Obligation that must be achieved

under **each** Contract.

Reference: Attachment 2B to Part 4, Stage 5 – DRDC Laboratory Testing, System Requirement Specifications,

At Article **2**, Verification Methodology for the Identification Requirements of Chemical Warfare Agents (CWAs), sub article A,

DELETE: (Volume 2 – Annex A – Appendix AA3)

INSERT: (Volume 2 – Appendix AA1)

At Article 3, Mandatory Requirements, 3.1.2.2 Identification Requirements – CWAs, SysRS ID 14,

DELETE: Appendix AA3 INSERT: Appendix AA1

At Article 3, Mandatory Requirements, 3.1.2.3, Identification Requirements – TICs, M23, SysRS ID 30,

DELETE: Attachment AA3 INSERT: Appendix AA1

At Article 4.2, Point Rated Criteria, Item PR14, SysRS 19,

DELETE: Attachment AA3 INSERT: Appendix AA1

QUESTIONS AND ANSWERS

Reference: Volume 1 – Request for Proposal (RFP), Attachment 2B to Part 4, Stage 5 – DRDC Laboratory Testing

- Q1 The ADIS website is **missing Attachment AA3** only Attachment AA1. Is this only an error or will the Attachment AA3 be provided?
- A1 All instances of Attachment AA3 and Appendix AA3 should read Appendix AA1 List of Chemicals.

 The above modifications refer.
- Q2 ID 19 in SysRS is referencing to "specified Detection Levels". These **specified Detection Levels** are not present in the Attachment AA1. Will these be provided? From technical point of view, the requested detection levels have significant impact on the price of the overall system. At the same time, the requested detection levels are a significant driver of the technical capability of the system and thus an important criteria to be defined in the RFP.
- A2 The detection levels mentioned refer to the nominal signal levels in the verification method of PR 14. This is described in Vol 1 section 2 Verification Methodology for the Identification Requirements of Chemical Warfare Agents (CWAs) and specifically the DRDC Lab testing as described in Volume 1, Attachment 2B to Part 4, Article 2, paragraph C.
- Q3 Previous intention was for DND to use its' own chemical signature library. Is this still valid, and as such, companies would not be required to provide their own library?
- A3 During the bid evaluation process defined in Volume 1, Stage 5, the Bidder is expected to utilize its' own chemical signature library. The intent following contract award is to use the DND chemical signature library.

Reference: Volume 1- RFP, Attachment 1A to Part 4, Industrial and Technological Benefits (ITB) and Value Proposition, Bidder Instructions (BI)

- Q4 Section: ITB Bidder Instruction 4. Mandatory Requirements
 - a. At 4.1 is there a requirement to commit to 100% of the Contract Price
 - At 4.1.2 there is a requirement to commit to 10% Direct of the Acquisition Contract
 Price and 40% of the In-Service Support Contract Price in Direct transactions
 measured in CCV
 - **c.** Would you please clarify what is meant by
 - a) Contract Price
 - b) Acquisition Contract Price
 - c) In-Service Support Contract Price
- a) As defined at article 1.1.9 of both Volumes 2 and 3, Annex D, ITB Terms and Conditions, the Contract Price, for the purposes of ITB Commitments, includes the value of the contract and any exercised options or option periods, but excludes applicable taxes for each individual contract.

b) As defined at article 1.1.9 of Volume 2, Annex D, ITB Terms and Conditions, the Acquisition Contract Price is the total amount that Canada will pay the Contractor to deliver the goods and services required under the Acquisition contract, including payments made under any exercised contract options, and excluding any applicable taxes.

c) As defined at article 1.1.9 of Volume 3, Annex D, ITB Terms and Conditions, In-Service Support, the Contract Price is the total amount that Canada will pay the Contractor to deliver the goods and services required under the In-Service Support contract, including payments made under any exercised contract options, and excluding any applicable taxes.

Q5 4.1.3 Requirement Three

- a. 4.1.3.1 once again Identifies "Acquisition Contract Price and In-Service Support Contract Price" but does not refer to CCV Please clarify what is meant by CCV
- b. 4.1.3.2 calls out the requirement "identify" fully detailed transactions equal to be 30% of the total bid price measured in CCV, Q: The Total Bid Price will include options however the CCV will not, can you please clarify the requirement?
- c. 4.1.3.3 Q: Does the cumulative value of 60% include the commitments made at 4.1.3.2 and 4.1.2?
- d. 4.1.3.4 Q does the 100% represent both "Acquisition Contract Price and In-Service Support Contract Price"
- A5 a. **Article 4.1.3.1**. requires that the bidder provide its total evaluation bid price for the ADIS Acquisition Contract, and its total evaluation bid price for the ADIS In-Service Support Contract.

Please refer to Article 9 of Volumes 2 and 3, Annex D, ITB Terms and Conditions for the definition of Canadian Content Value (CCV).

The value of all Direct and Indirect transactions submitted in the Bidder's ITB Value Proposition proposal, and thereafter to meet the Contractor's ITB Obligation, will be measured using the CCV of the transaction, as outlined in Article 7 of the ITB Terms and Conditions.

b. **Article 4.1.3.2** requires that the bidder submit transactions in its bid submission. Transactions submitted in the bid submission are considered "identified" if they are fully described and complete in providing the information outlined in the transaction sheet template included in Appendix B of the ITB Terms and Conditions (Annex D).

It is at the Bidder's discretion as to whether transactions identified in its bid submission, to meet the requirement in Article 4.1.3.2., are Direct Work transactions or Indirect Work transactions. The value of all transactions is measured in CCV. Please see Article 9 of the ITB Terms and Conditions for an explanation of CCV.

Furthermore, Article 4.1.3.2. requires that the total cumulative CCV of transactions submitted by the bidder in its bid submission equal not less than 30 percent of the total evaluation bid price. The total evaluation bid price includes the Acquisition Contract Price and In-Service Support Contract Price, not including taxes and not including the value of

contract options. The Contractor's ITB Obligation equals the value of the contract; therefore, if the value of the contract increases due to contract option years being exercised by Canada, the Contractor's ITB Obligation will increase accordingly.

c. Article 4.1.3.3 requires that one year after the Effective Date of the Contract, the total cumulative CCV of transactions identified by the Contractor must equal not less than 60 percent of the total Contract Price. For example, if the Contractor (successful bidder) had identified eligible transactions in its bid submission whose CCV equals exactly 30 percent, then one year after the Effective Date of the Contract, the Contractor is required to submit transactions whose cumulative CCV totals an additional 30 percent, resulting in a total cumulative CCV of 60 percent of Contract Price.

It is at the Contractor's discretion as to whether identified transactions to meet the requirement in Article 4.1.3.3. are Direct Work transactions or Indirect Work transactions.

The requirement in Article 4.1.2. is for the bidder to commit to achieving the specified minimum value of transactions for Direct Work. These are not required to be submitted as identified transactions in the bid submission.

d. **Article 4.1.3.4**. requires that three years after the Effective Date of the Contract, the cumulative CCV of all transactions identified by the Contractor must equal 100 percent of the Acquisition Contract Price and 100 percent of the In-Service Support Contract Price.

Reference: Volume 2 and Volume 3 - Annex D, ITB Terms and Conditions,

Q6. At Section 18, Remedies

- a. The ADIS is a limited in scope, short production run project delivering a relatively small number (32 systems) Commercial of the Shelf detector systems to DND. Providing meaningful Canadian Content in response to the RFP will be a challenge. The ITB requirements section directs the bidders to exceed the requested minimum, with "defined ITBs" recognized as a "commitment" under the contract. On review of Section 18 we note that the various withholdings, liquidated damages and a potential requirement for a Letter of Credit are not commensurate with the scale, scope and value of the requirement. This fact was raised during the RFI stage and Industry Canada had committed to review the Remedies and to bring them in line with scope of the project. It is apparent that this review did not take place. While we are committed to maximizing the Canadian Content of our offer, we would not be prepared to expose our firm, nor our partners, to the unreasonable financial risk associated with Section 18 Remedies. The "penalties and incentives" imposed by Section 18 are more in keeping with a Major Crown Project (100 million+), not a relatively small COTS procurement.
- b. We are requesting that Industry Canada revise Section 18 to bring the Remedies in line with the scale, scope and value of the project.
- A6 The Remedies outlined in Article 18 remain standard for all procurements where the ITB Policy applies, irrespective of contract value. As outlined in Article 18.1, Canada has put in place various measures to mitigate the risk of Remedies being exercised under the contract as a last

resort for addressing contract deficiencies. These measures include regular and frequent engagement between Canada and the Contractor over the life of the contract, to track progress in achieving ITB commitments, and to identify challenges and potential solutions at an early stage. The Government of Canada's Regional Development Agencies are also a resource to assist Contractors to plan and achieve their ITB commitments. These measures have proven sufficient in ensuring that challenges are resolved in a collaborative manner, as Canada wants to ensure that Contractors succeed in their commitments to achieving economic benefits. Likewise, bidders are encouraged to make ITB commitments that are reasonable and achievable.

END