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Gatineau

Québec

K1A 0S5

Bid Fax: (819) 997-9776

SOLICITATION AMENDMENT MODIFICATION DE L'INVITATION

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

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

Comments - Commentaires

This document contains a security requirement.

Vendor/Firm Name and Address

Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Informatics Professional Services - EL Division/Services

professionnels en informatique - division EL

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Title - Sujet TBIPS - COBOL software	
Solicitation No. - N° de l'invitation E60ZR-202861/A	Amendment No. - N° modif. 003
Client Reference No. - N° de référence du client 20202861	Date 2020-08-17
GETS Reference No. - N° de référence de SEAG PW-\$\$EL-640-38367	
File No. - N° de dossier 640el.E60ZR-202861	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2020-09-10	Time Zone Fuseau horaire Eastern Daylight Saving Time EDT
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Pui, Ivy	Buyer Id - Id de l'acheteur 640el
Telephone No. - N° de téléphone (613) 858-9873 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone 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

The purpose of Amendment number 003 is to:

- answer bidders' questions;
- extend the Solicitation closing date; and
- amend the Request for Proposal (RFP).

QUESTION AND ANSWER

Question 9

Section 4.4 'Basis of Selection' is currently evaluating companies based on a weighting of 60% Technical Score, 40% Financial Score.

The legacy consulting market (i.e. COBOL services) is one of the most competitive in all of IT. By weighing price this highly, PSPC is at risk of low-cost bids winning the RFP and being unable to deliver the required services. Given the importance of the pay solutions within PSPC, we believe using this basis of selection is putting PSPC and its services at significant risk. Many recent Tier 2 TBIPS RFP's have recognized this risk and issued RFP's with a Basis of Selection of 70% Technical, 30% Financial.

Would the Crown please amend Section 4.4 'Basis of Selection' to a weighting of 70% Technical Score, 30% Financial Score?

Answer 9

Canada has reviewed the request, please refer to the RFP Amendment below for the modification in Article 4.4(a) – Basis of Selection / Evaluation of Bid – Multiple Contracts Awarded

Question 10

Section 4.3 (c) "Financial Evaluation" is currently evaluating companies based on a median band of -20/+30 percent.

The legacy consulting market (i.e. COBOL services) is one a unique IT skillset and shrinking group of capable individuals. The cost of these resources is increasing however having a median band this large is encouraging companies to bid low to win. PSPC is at risk of low-cost bids winning the RFP and being unable to deliver the required services. Many recent Tier 2 TBIPS RFP's have recognized this risk and issued RFP's with median bands of -10/+30 percent.

Would the Crown please amend Section 4.3 'Financial Evaluation' to a median band of -10/+30 percent?

Answer 10

Canada has reviewed the request, please refer to the RFP Amendment below for the modification in Article 4.3 – Financial Evaluation.

Question 11

Section 4.3 (c) "Financial Evaluation" is currently evaluating companies based on resources categories with unequal weighting. This evaluation method encourages vendors to price resources categories based on financial score in order to win, instead of pricing resources categories based on accurate market rates.

Would the Crown consider changing the financial evaluation method to reflect equal weighting of each resource category in the evaluation process, as follows:

Table 1 – MAXIMUM POINTS ASSIGNED					
Resource Categories	Initial year	Option Period 1	Option Period 2	Options Period 3	Total Points
Programmer/Analyst – Level 2	250	125	125	125	625
Programmer/Analyst – Level 3	250	125	125	125	625
Systems Analyst – Level 2	250	125	125	125	625
Systems Analyst – Level 3	250	125	125	125	625
TOTAL	1000	500	500	500	2500

Answer 11

Canada has reviewed the request, however the requirement remains unchanged.

Question 12

Re: Corporate Mandatory Criterion M.1

In an effort to ensure vendors are demonstrating their ability to deliver significant COBOL specific services same or similar to the demand required by PSPC, would the Crown consider amending this requirement as follows:

“The bidder must demonstrate that it was awarded ~~one or more~~ **no more than two (2) contracts** that resulted in a total billed value* of \$1,000,000.00 or more (Canadian including applicable taxes) for services rendered within the last 5 years prior to the issue date of this RFP, where the contract(s), partly or wholly, provided information technology resources responsible for the development and operational support of COBOL applications.” WHERE “...Billed value is defined as the amount that was invoiced for services rendered specific to the development and operational support of COBOL applications.”

Answer 12

Canada has reviewed the request, however the requirement remains unchanged.

Question 13

Re: Corporate Mandatory Criterion M.2

In an effort to ensure vendors are demonstrating recent and relevant delivery of COBOL specific services same or similar to the demand required by PSPC, would the Crown consider amending this requirement as follows:

“The bidder must demonstrate its experience in supplying all the resource categories and levels indicated in the table below. Each of the identified resources must have worked on at least one contract **from M1** for a minimum period of 6 consecutive months within the last **5 years** prior to the issue date of this RFP, involving maintenance of a JCL based COBOL application. The bidder must demonstrate that the resource performed at least 80% of the tasks identified in Article 4 – Tasks, of the Statement of Work by indicating the number of the task performed in the response form.”

Answer 13

Canada do not accept “from M1” insertion but accept the modification to “minimum period of 6 consecutive months within the last **5 years** prior to the issued date of this RFP”. Please refer to the RFP Amendment for details.

Question 14

Re: Corporate Point-rated Criterion R2

In an effort to ensure vendors are demonstrating their ability to deliver significant COBOL specific services same or similar to the demand required by PSPC, would the Crown consider amending this requirement as follows:

“Other than the 2 Programmers/Analysts identified in M.2, **using the same contracts from M.2**, the Bidder should demonstrate its experience in providing additional Programmer(s)/Analyst(s) at Level 2 or Level 3, **within the last 5 years prior to the solicitation issue date, performing one of the following tasks for a minimum 2.5 years (30 months)**.”

Answer 14

Canada has modified Corporate Point-rated Criterion R2 in Solicitation Amendment 002. The modified R2 remains unchanged. Please refer to Solicitation Amendment 002 for details.

Question 15

Re: Corporate Point-rated Criterion R3

In an effort to ensure vendors are demonstrating their ability to deliver significant COBOL specific services same or similar to the demand required by PSPC, would the Crown consider amending this requirement as follows:

“Other than the 2 System Analysts identified in M.2, **using the same contracts from M.2**, the Bidder should demonstrate its experience in providing additional System Analyst(s) at Level 2 or Level 3, **within the last 5 years prior to the solicitation issue date, performing one of the following tasks for a minimum of 2.5 years (30 months)**”

Answer 15

Canada has modified Corporate Point-rated Criterion R3 in Solicitation Amendment 002. The modified R3 remains unchanged. Please refer to Solicitation Amendment 002 for details.

Question 16

Given the complexity of the bid requirements in the subject solicitation, the volume of other Federal Government Solicitations currently undergoing competition, and adjustments for COVID-19 including remote work, we respectfully request a two (2) week extension until September 10th, 2020.

Answer 16

The closing date of this solicitation has been extended to September, 10th, 2020.

Question 17

Due to the large amount of effort required in putting together a bid of this size and complexity, combined with summer holidays, and the large number of tier 2 bids released as of late; we respectfully request a 2 week extension to the closing date to allow bidders sufficient time to put together a competitive proposal.

Answer 17

The closing date of this solicitation has been extended to September, 10th, 2020.

RFP AMENDMENT

1) At RFP cover page:

DELETE: Solicitation Closes on 2020-08-26 at 2:00 PM EDT

INSERT: Solicitation Closes on 2020-09-10 at 2:00 PM EDT

2) At Article 4.3 Financial Evaluation:

DELETE in its entirety.

INSERT:

4.3 Financial Evaluation

- (a) The financial evaluation will be conducted using the firm per diem rates provided by the responsive bid(s).
- (b) There are two possible financial evaluation methods for this requirement. The first method will be used if three or more bids are determined responsive (see (c) Financial Evaluation - Method A below). The second method will be used if fewer than three bids are determined responsive (see (d) Financial Evaluation - Method B below).
- (c) **Financial Evaluation - Method A:** The following financial evaluation method will be used if three or more bids are determined responsive:

- (i) **STEP 1 - ESTABLISHING THE LOWER AND UPPER MEDIAN BAND LIMITS FOR EACH PERIOD AND EACH RESOURCE CATEGORY:** The Contracting Authority will establish, for each period and each Resource Category, the median band limits based on the firm per diem rates provided by the technically responsive bids. For each such Resource Category the median will be calculated using the median function in Microsoft Excel and will represent a range that encompasses any rate to a value of **minus (-) 10%** of the median, and an upper median rate to a value of plus (+) 30% of the median. When an even number of technically responsive bids have been determined, an average of the middle two rates will be used to calculate the median band limits and for an odd number of technically responsive bids, the middle rate will be used.

- (ii) **STEP 2 - POINTS ALLOCATION:** For each period and each Resource Category points will be allocated as follows:

- (A) A Bidder's proposed firm per diem rate that is either lower than the established lower median band limit or higher than the established upper median band limit for that period and Resource Category will be allocated 0 points.
- (B) A Bidder's proposed firm per diem rate falling within the upper and lower median band limits, for that period and Resource Category, will be allocated points using the following calculation, which will be rounded to two decimal places:

$$\frac{\text{Lowest proposed firm per diem rate within the median band limits}}{\text{Bidder's proposed firm per diem rate within the median band limits}} \times \text{Maximum Points Assigned at Table 1 below}$$

- (C) A Bidder's proposed firm per diem rate falling within the established median band limits which is the lowest proposed firm per diem rate will be allocated the applicable maximum points assigned at Table 1 below.

TABLE 1 - MAXIMUM POINTS ASSIGNED					
RESOURCE CATEGORIES	INITIAL (2 YEARS) CONTRACT PERIOD	OPTION PERIOD 1 (1 YEAR)	OPTION PERIOD 2 (1 YEAR)	OPTION PERIOD 3 (1 YEAR)	TOTAL POINTS
Programmer/Analyst - Level 2	300	150	150	150	750
Programmer/Analyst - Level 3	200	100	100	100	500
System Analyst - Level 2	300	150	150	150	750
System Analyst - Level 3	200	100	100	100	500
TOTAL	1,000	500	500	500	2,500

- (iii) **STEP 3 - FINANCIAL SCORE:** Points allocated under STEP 2 for each period and Resource Category will be added together and rounded to two decimal places to produce the Financial Score. Bidders will find below an example of a financial evaluation using Method A.

(iv) **EXAMPLE OF A FINANCIAL EVALUATION USING METHOD A**

TABLE 2 - EXAMPLE OF A FINANCIAL EVALUATION USING METHOD A: any rate to a value of minus (-) 20% of the median, and an upper median rate to a value of plus (+) 30% of the median.

Resource Category	Max. Points	Bidder 1		Bidder 2		Bidder 3	
		Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
Programmer	150 (75 pts. per year)	\$400.00	\$400.00	\$420.00	\$450.00	\$450.00	\$450.00
Business Analyst	100 (50 pts. per year)	\$600.00	\$600.00	\$600.00	\$620.00	\$650.00	\$820.00
Project Manager	50 (25 pts. per year)	\$555.00	\$900.00	\$750.00	\$800.00	\$700.00	\$800.00
TOTAL	300						

STEP 1 - Establishing the lower and upper median band limits for each year and each resource category

- (Median 1) For the Programmer Resource Category, the year 1 median would be \$420.00. The lower median band limit would be \$336.00 and higher median band limit would be \$546.00.
- (Median 2) For the Programmer Resource Category, the year 2 median would be \$450.00. The lower median band limit would be \$360.00 and higher median band limit would be \$585.00.
- (Median 3) For the Business Analyst Resource Category, the year 1 median would be \$600.00. The lower median band limit would be \$480.00 and higher median band limit would be \$780.00.
- (Median 4) For the Business Analyst Resource Category, the year 2 median would be \$620.00. The lower median band limit would be \$496.00 and higher median band limit would be \$806.00.
- (Median 5) For the Project Manager Resource Category, the year 1 median would be \$700.00. The lower median band limit would be \$560.00 and higher median band limit would be \$910.00.
- (Median 6) For the Project Manager Resource Category, the year 2 median would be \$800.00. The lower median band limit would be \$640.00 and higher median band limit would be \$1,040.00.

STEP 2 - Points Allocation:

Bidder 1:

- Programmer Year 1 = 75 points (lowest rate within the lower and upper median band limits)
- Programmer Year 2 = 75 points (lowest rate within the lower and upper median band limits)
- Business Analyst Year 1 = 50 points (lowest rate within the lower and upper median band limits)

Business Analyst Year 2 = 50 points (lowest rate within the lower and upper median band limits)	
Project Manager Year 1 = 0 points (outside the lower and higher median band limits)	
Project Manager Year 2 = 22.22 points (based on the following calculation = (Lowest rate of \$800.00 / Bidder's proposed rate of \$900.00) Multiplied by 25 pts)	
Bidder 2:	
Programmer Year 1 =	71.43 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$420.00) Multiplied by 75 pts)
Programmer Year 2 =	66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts)
Business Analyst Year 1 = 50 points (lowest price within the lower and upper median band limits)	
Business Analyst Year 2 = 48.39 points (based on the following calculation = (Lowest rate of \$600.00 / Bidder's proposed rate of \$620.00) Multiplied by 50 pts)	
Project Manager Year 1 = 23.33 points (based on the following calculation = (Lowest rate of \$700.00 / Bidder's proposed rate of \$750.00) Multiplied by 25 pts)	
Project Manager Year 2 = 25 points (lowest price within the lower and upper median band limits)	
Bidder 3:	
Programmer Year 1 =	66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts)
Programmer Year 2 =	66.67 points (based on the following calculation = (Lowest rate of \$400.00 / Bidder's proposed rate of \$450.00) Multiplied by 75 pts)
Business Analyst Year 1 = 46.15 points (based on the following calculation = (Lowest rate of \$600.00 / Bidder's proposed rate of \$650.00) Multiplied by 75 pts)	
Business Analyst Year 2 = 0 points (outside the lower and higher median band limits)	
Project Manager Year 1 = 25 points (lowest price within the lower and upper median band limits)	
Project Manager Year 2 = 25 points (lowest price within the lower and upper median band limits)	
STEP 3 - Financial Score:	
Bidder 1:	75 + 75 + 50 + 50 + 0 + 22.22 = Total Financial Score of 272.22 points out of a possible 300 points
Bidder 2:	71.43 + 67.67 + 50 + 48.39 + 23.33 + 25 = Total Financial Score of 284.82 points out of a possible 300 points
Bidder 3:	66.67 + 66.67 + 46.15 + 0 + 25 + 25 = Total Financial Score of 229.49 points out of a possible 300 points

(d) **Financial Evaluation - Method B:** The following financial evaluation method will be used if less than three bids are determined responsive:

(i) **STEP 1 - POINTS ALLOCATION:** For each period and each Resource points will be allocated as follows:

(A) Points will be established based on the following calculation, with points rounded to two decimal places:

$$\frac{\text{Lowest proposed firm per diem rate}}{\text{Bidder's proposed firm per diem rate}} \times \text{Maximum Points Assigned at Table 3 below}$$

The Bidder with the lowest proposed firm per diem rate will be allocated the applicable maximum points assigned at Table 3 below.

TABLE 3 - MAXIMUM POINTS ASSIGNED					
RESOURCE CATEGORIES	INITIAL (2 YEARS) CONTRACT PERIOD	OPTION PERIOD 1 (1 YEAR)	OPTION PERIOD 2 (1 YEAR)	OPTION PERIOD 3 (1 YEAR)	TOTAL POINTS
Programmer/Analyst - Level 2	300	150	150	150	750
Programmer/Analyst - Level 3	200	100	100	100	500
System Analyst - Level 2	300	150	150	150	750
System Analyst - Level 3	200	100	100	100	500
TOTAL	1,000	500	500	500	2,500

- (ii) **STEP 2 - FINANCIAL SCORE:** Points allocated under STEP 1, for each period and each Resource Category, will be added together and rounded to two decimal places to produce the Financial Score.

(e) **Substantiation of Professional Services Rates**

In Canada's experience, bidders will from time to time propose rates at the time of bidding for one or more categories of resources that they later refuse to honour, on the basis that these rates do not allow them to recover their own costs and/or make a profit. When evaluating the rates bid for professional services, Canada may, but will have no obligation to, require price support in accordance with this Article. If Canada requests price support, it will be requested from all otherwise responsive bidders who have proposed a rate that is at least 20% lower than the median rate bid by all responsive bidders for the relevant resource category or categories. If Canada requests price support, the Bidder must provide the following information:

- (i) an invoice (referencing a contract serial number or other unique contract identifier) that shows that the Bidder has provided and invoiced a customer (with whom the Bidder deals at arm's length) for services performed for that customer similar to the services that would be provided in the National Capital Region in the relevant resource category, where those services were provided for at least three months within the eighteen months before the bid solicitation closing date, and the fees charged were equal to or less than the rate offered to Canada;
- (ii) in relation to the invoice in (i), evidence from the Bidder's customer that the services identified in the invoice include at least 50% of the tasks listed in the Statement of Work for the category of resource being assessed for an unreasonably low rate. This evidence must consist of either a copy of the contract (which must describe the services to be provided and demonstrate that at least 50% of the tasks to be performed are the same as those to be performed under the Statement of Work in this bid solicitation) or the customer's signed certification that the services subject to the charges in the invoice included at least 50% of the same tasks to be performed under the Statement of Work in this bid solicitation; and
- (iii) the name, telephone number and, if available, e-mail address of a contact person at the customer who received each invoice submitted under (i), so that Canada may verify any information provided by the Bidder.

Once Canada requests substantiation of the rates bid for any resource category, it is the sole responsibility of the Bidder to submit information (as described above and as otherwise may be requested by Canada, including information that would allow Canada to verify information with the resource proposed) that will allow Canada to determine whether it can rely, with confidence, on the Bidder's ability to provide the required services at the rates bid. If Canada determines that the information provided by the Bidder does not adequately substantiate the unreasonably low rates, the bid will be declared non-responsive.

(f) **Formulae in Pricing Tables**

If the pricing tables provided to bidders include any formulae, Canada may re-input the prices provided by bidders into a fresh table, if Canada believes that the formulae may no longer be functioning properly in the version submitted by a bidder.

3) At Article 4.4 Basis of Selection:

DELETE in its entirety.

INSERT:

4.4 Basis of Selection

(a) Evaluation of Bid – Multiple Contracts Awarded

Selection Process: The following selection process will be conducted:

- (i) A bid must comply with the requirements of the bid solicitation, meet all mandatory evaluation criteria and obtain the required pass marks for the point rated criteria identified in this bid solicitation to be declared responsive.
- (ii) The responsive bid that obtains the highest Total Bidder Score will be recommended for award of a contract. For any given Bidder, the greatest possible Total Technical Score is **70** while the greatest possible Total Financial Score is **30**.

- (A) Calculation of Total Technical Score: the Total Technical Score will be computed for each responsive bid by converting the Technical Score obtained for the point-rated technical criteria using the following formula, rounded to two decimal places:

$$\frac{\text{Technical Score}}{\text{Maximum Technical Points (Bidders, please refer to the maximum technical at Attachment "4.2")}} \times 70 = \text{Total Technical Score}$$

- (B) Calculation of Total Financial Score: the Total Financial Score will be computed for each responsive bid by converting the Financial Score obtained for the financial evaluation using the following formula rounded to two decimal places:

$$\frac{\text{Financial Score}}{\text{Total Maximum Points Assigned (Bidders, please refer to the total maximum points assigned)}} \times 30 = \text{Total Financial Score}$$

- (C) Calculation of the Total Bidder Score: the Total Bidder Score will be computed for each responsive bid in accordance with the following formula:

$$\text{Total Technical Score} + \text{Total Financial Score} = \text{Total Bidder Score}$$

- (iii) In the event of identical Total Bidder Scores occurring, then the bid with the highest Total Technical Score will become the top-ranked bidder.

- (b) **Contract Funding Allocation:** Where more than one contract is awarded, each contract issued will be issued with an amount of funding specified in the article titled "Limitation of Expenditure" calculated based on the following:

- (i) in the event that only one contract is awarded, the amount of the Limitation of Expenditure will be determined at Canada's discretion;
- (ii) where two contracts are awarded, the amount of the Limitation of Expenditure of each contract will be determined in accordance with the following:

- (A) the Bidder with the highest Total Bidder Score will receive 55% of the funding initially allocated; and
- (B) the Bidder with the next highest Total Bidder Score will receive 45% of the funding initially allocated.
- (c) Bidders should note that all contract awards are subject to Canada's internal approvals process, which includes a requirement to approve funding in the amount of any proposed contract. Despite the fact that the Bidder may have been recommended for contract award, a contract will only be awarded if internal approval is granted according to Canada's internal policies. If approval is not granted, no contract will be awarded.

4) At Attachment 4.1 – Bid Evaluation Criteria – Corporate Mandatory Requirements – M.2:

DELETE in its entirety.

INSERT:

#	Mandatory Corporate Requirements															
M.2 ^{PB}	<p><u>Corporate Capability</u></p> <p>The bidder must demonstrate its experience in supplying all the resource categories and levels indicated in the table below. Each of the identified resources must have worked on at least one contract for a minimum period of 6 consecutive months within the last 5 years prior to the issue date of this RFP, involving maintenance of a JCL based COBOL application. The bidder must demonstrate that the resource performed at least 80% of the tasks identified in Article 4 – Tasks, of the Statement of Work by indicating the number of the task performed in the response form.</p> <p>Note: To demonstrate compliance with this criterion, the bidder must complete the Bidder Response Table in Appendix B to Attachment 4.1</p> <table><tr><th>Resource Category</th><th>Technology / Specialty</th><th>Level of Expertise</th></tr><tr><td>A7. Programmer/Analyst</td><td>COBOL Application</td><td>2</td></tr><tr><td>A7. Programmer/Analyst</td><td>COBOL Application</td><td>3</td></tr><tr><td>A8. System Analyst</td><td>COBOL Application</td><td>2</td></tr><tr><td>A8. System Analyst</td><td>COBOL Application</td><td>3</td></tr></table>	Resource Category	Technology / Specialty	Level of Expertise	A7. Programmer/Analyst	COBOL Application	2	A7. Programmer/Analyst	COBOL Application	3	A8. System Analyst	COBOL Application	2	A8. System Analyst	COBOL Application	3
Resource Category	Technology / Specialty	Level of Expertise														
A7. Programmer/Analyst	COBOL Application	2														
A7. Programmer/Analyst	COBOL Application	3														
A8. System Analyst	COBOL Application	2														
A8. System Analyst	COBOL Application	3														

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED