



RETURN BIDS TO:

RETOURNER LES SOUMISSIONS À:

Bid Receiving - PWGSC / Réception des
soumissions → TPSGC

11 Laurier St. / 11, rue Laurier

Place du Portage, Phase III

Core 0B2 / Noyau 0B2

Gatineau

Quebec

K1A 0S5

Bid Fax: (819) 997-9776

LETTER OF INTEREST

LETTRE D'INTÉRÊT

Comments - Commentaires

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Rotary Wing Search and Rescue/Recherche et Sauvetage à

Voilure Tournante

455 De la Carrière Blvd - 7SC39

Gatineau

Quebec

K1A 0S5

Title - Sujet CH-149 Cormorant	
Solicitation No. - N° de l'invitation W8485-226481/B	Date 2022-04-25
Client Reference No. - N° de référence du client W8485-226481	GETS Ref. No. - N° de réf. de SEAG PW-\$RWS-002-28649
File No. - N° de dossier 002rws.W8485-226481	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM Eastern Daylight Saving Time EDT on - le 2022-07-26 Heure Avancée de l'Est HAE	
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: Rodricks, Derrick	Buyer Id - Id de l'acheteur 002rws
Telephone No. - N° de téléphone (873) 354-9097 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée See Herein – Voir ci-inclus	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	

Letter of Interest (LOI) / Request for Information (RFI) Template and Management Tips

This page will be populated by Buy and Sell



CH-149 Cormorant Helicopter Fleet Request for Information (RFI) Solicitation Number W8485-226481/B

Contracting Authority:

Derrick Rodricks
Aerospace Equipment Program Directorate
Land and Aerospace Equipment Procurement And Support Sector
Defence and Marine Procurement Branch,
Public Services and Procurement Canada

Email: derrick.rodricks@tpsgc-pwgsc.gc.ca

Tel: 873-354-9097



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1. Title: Notice of Industry Engagement

2. Purpose and Nature of the Request for Information (RFI)

- a. This notice follows the Letter of Interest LOI W8485-226481 for the New Sustainment Enterprise (SE) for the CH-149 Cormorant Helicopter Fleet which was published on the Buy and Sell website and closed on 21 June 2021.
- b. The purpose of this notice is to seek feedback from Industry.
- c. An Industry Engagement will be held during week of 9 May 2022 to 13 May 2022. This event will consist of an optional 2-hour virtual Plenary Session on 9 May 2022, followed by optional one-on-one sessions with Public Services and Procurement Canada (PSPC), Department of National Defence (DND) and Innovation Science Economic Development Canada (ISED).
- d. During the Plenary Session, the Government of Canada (GoC) will describe the proposed Sustainment Strategy and will take questions on the strategy. The one-on-one sessions will be an opportunity for more in depth discussions on the strategy and industry feedback on the specific questions discussed in this notice.
- e. Written feedback is requested by 31 May 2022.
- f. Note: A third-party Fairness Monitor will observe and provide impartial opinion over the entire Industry Engagement process as well as any future solicitations and evaluation processes. (<http://www.tpsgc-pwgsc.gc.ca/se-fm/index-eng.html>)
- g. This RFI is neither a call for tender nor a Request for Proposal (RFP). No agreement or contract will be entered into based on this RFI. The issuance of this RFI is not to be considered in any way a commitment by the GoC, nor as authority to potential respondents to undertake any work that could be charged to Canada. This RFI is not to be considered as a commitment to issue a subsequent solicitation or award contract(s) for the work described herein.
- h. Although the information collected may be provided as commercial-in-confidence (and, if identified as such, will be treated accordingly by Canada), Canada may use the information to assist in drafting performance specifications (which are subject to change) and for budgetary purposes.

- i. Respondents are encouraged to identify, in the information they share with Canada, any information that they feel is proprietary, third party or personal information. Please note that Canada may be obligated by law (e.g. in response to a request under the Access of Information) to disclose proprietary or commercially-sensitive information concerning a respondent, for more information: <http://laws-lois.justice.gc.ca/eng/acts/a-1/>.
- j. Respondents are asked to identify if their response, or any part of their response, is subject to the Controlled Goods Regulations.
- k. Participation in this RFI is encouraged, but is not mandatory.
- l. Respondents will not be reimbursed for any cost incurred by participating in this RFI.
- m. The RFI closing date is not the deadline for comments or input. Comments and input will be accepted any time up to the time when/if a follow-on solicitation is published.

3. Background Information

- a. DND has a mandate to provide aeronautical Search and Rescue (SAR) services and effective operation of the coordinated SAR system.
- b. In 1998, the Canadian Armed Forces (CAF) acquired the CH-149 Cormorant, all-weather rotary wing SAR aircraft with an Estimated Life Expectancy (ELE) to 2025. In August 2000, through a competitive process, IMP Group was awarded the In-Service Support (ISS) contract including option years up to 2025. The airframe OEM (Leonardo) and the engine OEM (General Electric) retain the majority of the design Intellectual Property (IP). They support Canada and its ISS provider as a major subcontractors.
- c. The CH-149 fleet currently consists of fourteen (14) model 511 AW101 three-engine helicopters, currently operated out of three (3) RCAF Main Operating Bases (MOB): CFB Comox, CFB Greenwood and CFB Gander. The fleet operates approximately 5600 flying hours annually.
- d. The Cormorant Mid-Life Upgrade (CMLU) project is currently in the definition phase and aims to upgrade and potentially augment the fleet to address obsolescence and regulatory changes including upgraded training capability to allow for operations to at least 2042.

e. The approximate cost breakdown for the current ISS is as follows:

i. Airframe OEM Material, Repair and Overhaul:	35%
ii. Fleet Maintenance, Repair and Overhaul (MRO):	20%
iii. Engine OEM Material, Repair and Overhaul:	10%
iv. Other Material / Repair and Overhaul:	≤10%
v. Engineering:	≤10%
vi. Technical Publications, IT and Data Management:	≤10%

f. Under the Sustainment Initiative launched in 2016, Defence sustainment contracts must be optimized for the four sustainment principles: equipment performance, value for money, economic benefits, and flexibility. A Sustainment Business Case Analysis (SBCA) is used to achieve this goal, and is a standardized methodology that guides sustainment teams to develop a flexible, scalable, and principles-based sustainment solution for materiel. The SBCA reviewed the current sustainment solution and determined there was room for optimization of these four principles. As a result, a new sustainment strategy is being designed. The intent is to transition from the current sustainment solution to the new solution between 2024 and 2025.

4. Objectives of this Industry Engagement

- a. To gauge Industry interest in the CH-149 new SE and understand Industry-related offering of goods and services;
- b. To gain a more profound understanding of best practices and typical performance standards in the heavy rotary wing fleet management and ISS activity domains;
- c. To receive feedback on the new sustainment solution and timeline;
- d. To gain further understanding on economic leveraging opportunities relating to this SE. Canada's primary tool for leveraging economic benefit from defence procurement projects, the Industrial and Technological Benefits (ITB) Policy will apply to this procurement. Under the Policy, companies awarded with defence procurements are required to undertake activities in Canada equal to the value of the contract.
- e. To obtain Industry insight and feedback on the Initial Options Analyses completed as part of this SBCA process, including the Contracted Outcomes, Division of Enterprise Scope, Approach to Solicitation, Contracted Services Groupings and Nature of Contract; and

- f. To obtain Industry insight on key assumptions and considerations that should be taken into account while developing the new Sustainment Strategy via the conduct of the Intermediate Options Analyses, Final Options Analyses, and the Contracting Details. These are the next phases of the SBCA process. Specific questions are available in Annex A.

5. Work Scope and Constraints

a. New Sustainment Strategy

- i. Based on Initial Options Analyses, the Defence Procurement Strategy Governance Committee approved the following new Sustainment Strategy.

Options Analysis Area	Recommendation
Contracted Services Grouping	Single In-Service Support Contract
Nature of Contract	Mix of performance-based and transactional
Solicitation Approach	Competitive
National Security Interests	No National Security Exemption will be requested

- ii. The Sustainment Strategy under consideration is to compete a single ISS contract with the following anticipated high level contracted outcomes.

1. Mission ready aircraft availability
2. Aircraft reliability
3. Sustainment program effectiveness to Canada
4. Sustainment program efficiency (cost containment and reduction) to Canada
5. Technical training to RCAF CH-149 crew

iii. In order to deliver the contracted outcomes, the following scope of work, but not limited to, is anticipated to be contracted to a single ISS contractor.

1. Sustainment program management
2. Sustainment program optimization
3. Airworthiness program management
4. Aircraft maintenance, repair, overhaul and first line servicing as an Accredited Maintenance Organization (AMO)
5. Secure airframe OEM and engine OEM support (i.e.: TIES, R&O, etc.)
6. Material handling, repair and overhaul of: Government Supplied Material (GSM); Government Furnished Equipment (GFE) such as Aircraft Maintenance Support Equipment (AMSE) and specialized tooling
7. Purchasing of GSM and GFE on behalf of the GoC
8. Integrated Logistics Support
9. Obsolescence management
10. Material inventory management in DND SAP system (DRMIS)
11. Engineering services as an Accredited Technical Organization (ATO)
12. Training of DND personnel on general familiarity and maintenance
13. System based technical training of crew
14. Technical publications management
15. Transition between sustainment solutions
16. Transition requirements to support and integrate CMLU aircraft

iv. The new SE will be required to support a fleet of similar size and locations as those described in Section 3.c., although may include other locations, such as Trenton, ON, and a different fleet size.

v. The ITB Policy, with mandatory and rated Value Proposition (VP) requirements, will apply to the new sustainment solution procurement. The successful bidder's VP commitments will become contractual obligations in the resulting contract.

6. Schedule

- | | |
|-----------------|---|
| a. May 2021 | 1 st Industry Engagement – Letter of Interest |
| b. May 2022 | 2 nd Industry Engagement – Request for Information |
| c. January 2023 | 3 rd Industry Engagement – Feedback on draft RFP |
| d. April 2023 | Formal RFP posted |
| e. July 2024 | Contract Award and begin transition to new SE |
| f. July 2025 | Full SE Capability |

7. Legislation, Trade Agreements, and Government Policies

- a. The following is indicative of some of the legislation, trade agreements and government policies that could impact any follow-on solicitation(s):
 - i. Canada Free Trade Agreement (CFTA)
 - ii. World Trade Organization – Agreements on Government Procurement (WTO-AGP)
 - iii. Defence Production Act
 - iv. Defence Procurement Strategy (DPS)
 - v. Controlled Goods Program (CGP)
 - vi. Federal Contractors Program for Employment Equity (FCP-EE)
 - vii. Comprehensive Land Claim Agreements (CLCAs) may apply

8. Industry Day and One-On-One Sessions

- a. A Plenary Session will be held to detail the high level operational and sustainment requirements, the Contracted Outcomes and the proposed new sustainment strategy which is a result of the initial Options Analyses.
- b. Both the Plenary Session and one-on-one sessions will be held virtually using Microsoft Teams.
- c. Please complete the following attached Annex B and return a copy in PDF® format by 2 May 2022 to the Contracting Authority, Derrick Rodricks, by e-mail: derrick.rodricks@tpsgc-pwgsc.gc.ca
- d. Language: Presentations will be provided in both official languages. Please indicate in your registration if you wish the one-on-one session to be held in English or French.
- e. The links, date and time of the Plenary Session and one-on-one sessions will be provided to participants by e-mail.
- f. All participants are responsible for ensuring they have reliable access to the internet and provide an e-mail address for communication.
- g. Participation in this session is not mandatory. Those not participating in this Industry Engagement process will not be prevented from participating in any follow-on activities.

- h. To allow as many participants as possible to obtain one-on-one session, a maximum of 1 hour 15 minutes will be allowed for each session.
- i. Each one-on-one session will involve representatives of Canada, a fairness monitor and one supplier at a time.
- j. Engagement Schedule

9 May 2022	10:00 – 12:00 EST	Plenary Session
	13:00 – 16:00 EST	One-on-one sessions
10 May 2022 to 13 May 2022	09:00 – 16:00 EST	One-on-one sessions
31 May 2022	Written feedback due to Derrick Rodricks, via e-mail: derrick.rodricks@tpsgc-pwgsc.gc.ca	

- k. The Contracting Authority will directly communicate with the interested suppliers, on or before 2 May, 2022, who will have submitted a duly completed Annex B by the Registration Deadline in order to provide the status of their requests for the Industry Day and/or the exact date and time for the one-on-one session.
- l. Any new information provided by Canada during one-on-one sessions or should there be a requirement for additional Industry Engagement, updates will be posted on the Buy and Sell Canada for all suppliers.

Annex A – Questions to Industry

The following areas of inquiry are selected to meet the objectives stated in the Notice of Industry Engagement main document. You are requested to provide feedback in as many areas as possible in order to aid Canada in its Sustainment Initiative for the CH-149 Cormorant.

In considering these areas of inquiry, you may assume: cooperation from the engine and airframe OEMs in offering technical services related to their retained IP and management of material repair and overhaul requirements; and in-country MRO activities, although this does not preclude providing relevant considerations from out of country arrangements. In all areas, please provide examples with as much details or refinement as possible.

To aid in Canada's review, you are requested to provide references to the paragraph numbers below along with your feedback, in a format of your choosing.

1. Scope

- 1.1. How should GoC resources such as infrastructure (i.e.: hangar space) and specialized services (i.e.: fueling services) be integrated into contractor requirements? Should industry be mandated to use these? If not mandated, how should the scope of work include flexibility to account for degradation/changes to these resources over time?
- 1.2. How would you integrate inventory rationalization and preparedness in the context of affordability, predictability and national security interests (e.g., sustainment resiliency in times of crisis)?

2. Performance Management Framework Structure

- 2.1. How should an ISS contract responsibility and accountability be structured between the prime and key subcontractors to ensure the contracted outcomes, such as serviceable SAR aircraft and costs containment/reduction, be continuously delivered to Canada?
- 2.2. How could accountability of key subcontractors be enforced through a single ISS contract?
- 2.3. How should high-level contractual outcomes be measured to ensure clear division of responsibility?
- 2.4. How should contracted outcomes be delivered and enforced in a single ISS contract? What percentage of aircraft usage is typically attributed to non-mission flying (i.e.: ferry flights to maintenance facility)?
- 2.5. What in your opinion is the optimal work location(s) to carry out MRO activities considering the fleet size and operating locations?
- 2.6. How would you see DND involvement / responsibility in a single ISS contract to ensure Canada's desired outcomes are delivered? For instance, in which areas should Canada retain decision making responsibilities?
- 2.7. What contractual mechanisms would a Prime need to be empowered to manage key sub-contractor performance and cost?

3. Basis of Payment Structure

- 3.1. What factors influence industry mark-up in a single ISS contract?
- 3.2. How can predictability of cost and performance be delivered by a single ISS contract?
- 3.3. How should Industry be paid and/or incentivized in a single ISS contract?
- 3.4. What is the best method of payment such that over time, it would allow flexibility to lower costs while meeting performance objectives?
- 3.5. Please provide examples from commercial or military arrangements of basis of payment structures that have successfully balanced performance, value for money for the customer while maintaining contractual flexibility.
- 3.6. What is your recommendation for basis of payment structure? For instance: along service lines (maintenance, engineering, material management, technical publications management, etc.); purely based on meeting performance objectives for the high level contracted outcomes; grouped by variable vs predictable activities; other?

4. Rewards and Remedies

- 4.1. What should be considered before determining suitable rewards and remedies (either financial or non-financial) in a single performance-based ISS contract?
- 4.2. Which areas of the work should rewards and remedies be applied to that can be successfully measure and tracked to improve performance while reducing cost? Please provide examples of rewards and remedies that have been successfully applied.

5. Contract Duration

- 5.1. How do you see the contract structured? A firm period of performance with options to extend, rolling wave options, with no pre-defined options, or other?
- 5.2. In your view, what are the benefits for Canada and Industry of awarding single option year under a rolling-wave concept (e.g., 5 years), awarding blocks of option years after the firm period? How many years in each block?

6. Evaluation Approach

- 6.1. Mandatory requirements only or combination of mandatory and rated requirements?
- 6.2. Typical deliverables required at bid submission and depth of contents (full contents or abbreviated versions addressing key areas only at bid submission time with finalization X Months After Contract Award (MACA))?
- 6.3. Typical approaches for determining and substantiating firm prices, labour rates, mark-up rates, and levels of efforts?
- 6.4. When should the price and price substantiation (prices, rates, and levels of efforts) be conducted for option years: once at contract bid or re-baseline of price with option years?

7. Contracted Terms and Conditions

- 7.1. What limitation to your liability do you generally accept as a prime versus as a subcontractor?
- 7.2. What warranty does industry typically provide for work completed and accepted?

8. Economic Benefits

- 8.1. What specific sustainment activities and broader enterprise scope, which will inform the final SOW, could be performed in Canada? What percentage of your proposal do you estimate will be direct Canadian content?
- 8.2. How would differences between civilian (Transport Canada) and military (DTAES) airworthiness regulations and standards impact your ability to perform work in Canada?
- 8.3. How will this procurement position your company for long-term growth in Canada?
- 8.4. What are the key issues your company faces in general and within the MRO sector in Canada?
- 8.5. How would you propose partnering with Canadian suppliers, including SMBs, to develop Canada's defence sector?
- 8.6. What R&D opportunities are you currently exploring within Canada's ISS sector?
- 8.7. Do you see opportunities for growth that can position your company and Canadian suppliers for future exports? Please explain.
- 8.8. How does your company address and face employment challenges to attract and retain skilled workers?
- 8.9. Through this procurement, please identify Skills Development and Training opportunities. For example, does/could your company engage in:
 - 8.9.1. Apprenticeship programs;
 - 8.9.2. New or existing skills development programs at or through a post-secondary institution; and
 - 8.9.3. Other activities that align with the ITB objectives for skills development and training.
- 8.10. How would you propose to support government-wide initiatives to support businesses led by Indigenous Peoples, Black and racialized Canadians, women, LGBTQ2+ Canadians and other under-represented groups?
- 8.11. How would you propose to strengthen and secure supply chains, including your own enterprise, to adapt to and combat, rapidly evolving cyber risks and threats?

Annex B – Registration Form

Company's Legal Name _____

Company Address _____

Contact Name _____

Phone number _____

Email address (Main contact) _____

Are you interested in participating in a one-on-one session? Yes/No

If yes, indicate your 1st and 2nd choice of time below:

DATE	Session #	Time (EST)	Choice #1	Choice #2	ENGLISH or FRENCH
9 May	1	1:00 PM to 2:15 PM			
	2	2:30 PM to 3:45 PM			
10 May	3	9:00 AM to 10:15 AM			
	4	10:30 AM to 11:45 AM			
	5	1:00 PM to 2:15 PM			
	6	2:30 PM to 3:45 PM			
11 May	7	9:00 AM to 10:15 AM			
	8	10:30 AM to 11:45 AM			
	9	1:00 PM to 2:15 PM			
	10	2:30 PM to 3:45 PM			
12 May	11	9:00 AM to 10:15 AM			
	12	10:30 AM to 11:45 AM			
	13	1:00 PM to 2:15 PM			
	14	2:30 PM to 3:45 PM			
13 May	15	9:00 AM to 10:15 AM			
	16	10:30 AM to 11:45 AM			
	17	1:00 PM to 2:15 PM			
	18	2:30 PM to 3:45 PM			

For each firm, please fill out the Participant List in the table below:

Name	Function	Organization	Email address