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**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

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Issuing Office - Bureau de distribution

Rotary Wing Search and Rescue/Recherche et Sauvetage
à Voilure Tournante

455 De la Carrière Blvd - 7SC39

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Quebec

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Title - Sujet CH-149 Cormorant	
Solicitation No. - N° de l'invitation W8485-226481/B	Amendment No. - N° modif. 001
Client Reference No. - N° de référence du client W8485-226481	Date 2022-06-01
GETS Reference No. - N° de référence 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:	

Instructions: See Herein

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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



Industry Engagement – Plenary Session

regarding the

CH-149 Cormorant Helicopter Fleet In-Service Support

9 May 2022

Follow on to Letter of Interest (LOI) for CH-149 In-Service Support (ISS)
LOI W8485-226481/B
25 April 2022

GoC Industry Engagement Panel

Public Services and Procurement Canada

- Erica Ciano *Aerospace Division Manager (Maritime)*
- Derrick Rodricks *CH-149 Contract Authority*

Department of National Defence

- LCol Paul Whalen *CH-149 Weapon System Manager*
- Katherine Thompson *CH-149 Deputy Weapon System Manager*
- Chabha Belabid *Directorate of Aerospace Procurement*
- Michel Petitpas *Center of Expertise (Air)*
- Sébastien Thibault *Center of Expertise (Air)*

Innovation, Science and Economic Development Canada

- Jacek Rothbard *CH-149 Project Officer*

Fairness Monitor

- Jocelyne Lafrenière



Agenda

10:00

Welcome participants

10:10 – 10:30

Introduction

- o Security, Information Classification, Rules of Engagement, Fairness Monitor, Disclaimer
- o Engagement Process and Objectives
- o Context CH-149 Cormorant
- o Sustainment Initiative and Sustainment Business Case Analysis

10:30 – 11:30

New Sustainment Strategy

- o High-Level Contracted Outcomes
- o Proposed Scope of Work
- o Additional information
- o Ongoing Development and Next Steps

11:30

Questions & Answers session

12:00

Concluding Remarks and Meeting Adjournment

Continuing Engagement for Registered Participants – One-on-One sessions



Logistics - Security

All industry participants **MUST** have registered through Annex B of the Notice to attend this meeting.

If you, or anyone you know of, is participating in this session that do not meet this requirement, they must disconnect from this session before we will proceed with this session.

Information Classification

All information and presentations communicated in reference to this Industry Day are “**unclassified**”.

Rules of Engagement

All participants are expected to discuss their views and insight concerning the topics discussed in a constructive manner.

All participants will have an opportunity to share their ideas and suggestions.

To ask a question or to share insight, please use the MS Teams function to raise your hand. To encourage maximum participation, there is no requirement to identify yourself or the company you represent if you do not wish to.

All questions and answers will be documented and will be posted on *Buy and Sell* in an amendment to the Lol.

If participants receive a question from the media, they are to direct the media to contact the PSPC Media Relations Office at 819-420-5501 or by e-mail at media@pwgsc-tpsgc.qc.ca

Fairness Monitor

This Industry consultative process will be conducted with the utmost of fairness and equity between all potential suppliers.

No individual or organization shall receive or be perceived to receive any unusual, preferential or unfair advantage over the other.

Fairness Monitor - A third-party contractor who will observe and provide impartial opinion over the engagement process as well as any future solicitations and evaluation processes.
<http://www.tpsgc-pwgsc.gc.ca/se-fm/index-eng.html>

The Fairness Monitor will participate in One-on-One meetings, document review (including RFIs, RFPs, etc.) and future RFP evaluations.

Disclaimer

Nothing in this industry engagement should be construed as being a preference, a commitment or a final decision by Canada regarding this procurement.

Final decisions will only be provided in the final Request for Proposal (RFP) documents.

Industry participants relying on anything stated at this time do so at their own risk.

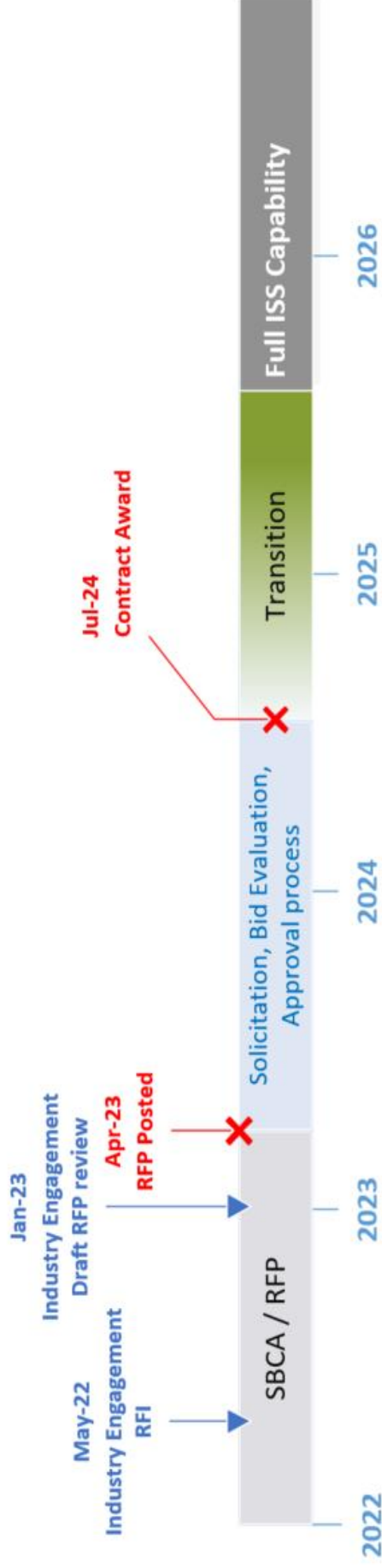


Engagement Process

Public engagement and consultation is part of the usual GoC solicitation process.

Anticipated engagement events are detailed below – *note these are subject to change:*

- 1st Industry Engagement – Letter of Interest May 2021
- **2nd Industry Engagement – Request for Information** May 2022
- 3rd Industry Engagement – Feedback on Draft Request for Proposal (RFP) Jan 2023
- Final RFP posted April 2023
- Contract Award and begin transition to new SE July 2024
- Full Sustainment Enterprise (SE) Capability



Objectives

- Gauge Industry interest in the CH-149 new SE and understand Industry-related offering of goods and services.
- Gain a more profound understanding of best practices and typical performance standards in the heavy rotary wing fleet management and ISS activity domains.
- Receive feedback on the new sustainment solution and timeline.
- Gain further understanding on economic leveraging opportunities relating to this SE.
- Obtain insight and feedback on the Initial Options Analyses completed as part of the SBCA process, including the Contracted Outcomes, Division of Enterprise Scope, Approach to Solicitation, Contracted Services Groupings, Nature of Contract and National Security Interests.
- 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.

Context – CH-149 Cormorant (1 of 2)

DND has a mandate to provide aeronautical Search and Rescue (SAR) services and effective operation of the coordinated SAR system.

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 Original Equipment Manufacturer (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 major subcontractors.

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.

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.

Context – CH-149 Cormorant (2 of 2)

The relative workshare of the current ISS contract work is as follows:

- Airframe OEM Material, Repair and Overhaul: 35%
- Fleet Maintenance, Repair and Overhaul (MRO): 20%
- Engine OEM Material, Repair and Overhaul: 10%
- Other Material / Repair and Overhaul: ≤10%
- Engineering: ≤10%
- Technical Publications, IT and Data Management: ≤10%

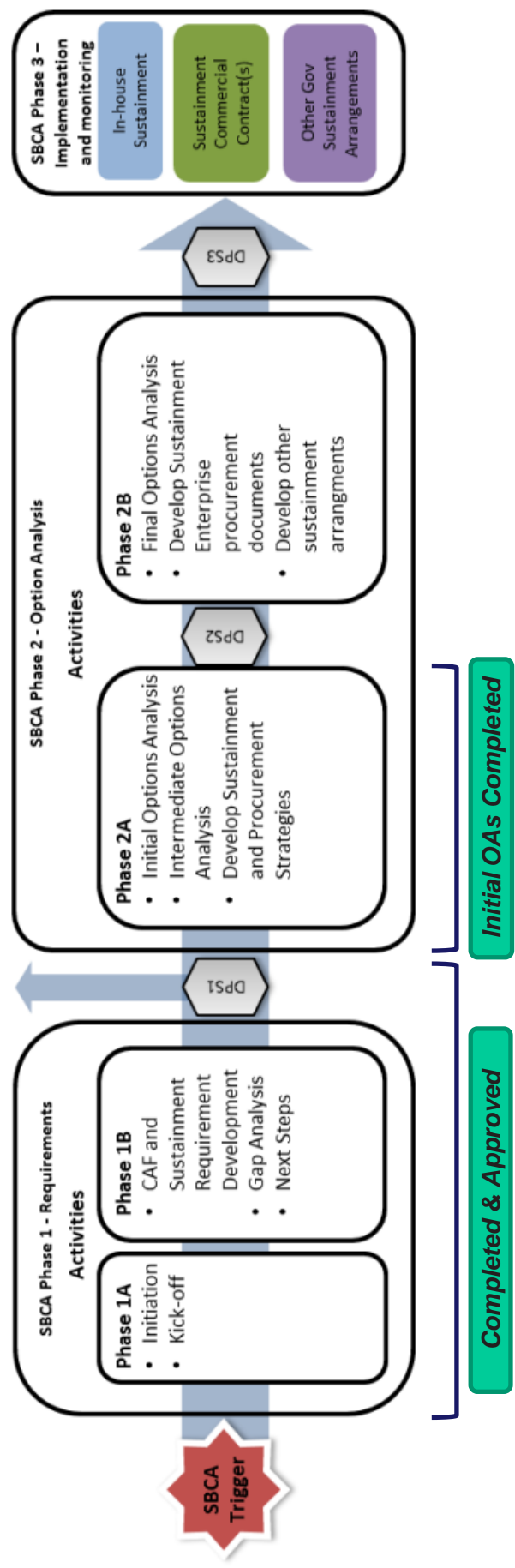
Sustainment Initiative

The Sustainment Initiative (SI) is a joint undertaking by the Department of National Defence (DND), Public Services and Procurement Canada (PSPC), and Innovation, Science and Economic Development Canada (ISED) aimed at evolving how defence equipment is supported to achieve the best value for Canada while fostering innovation from industry. This is achieved by balancing these four principles:

- **Performance** - defence equipment that is operationally ready and mission capable.
- **Value for money** - the required outcomes are procured at a price commensurate with the market rate.
- **Flexibility** - an adaptable and scalable support system that can readily be adjusted to changes in operational requirements and/or operating budgets.
- **Economic benefits** - leveraging industrial benefits from defence procurements to create jobs and economic growth for companies in Canada.

Sustainment Business Case Analysis

In 2016 the Sustainment Initiative introduced the Sustainment Business Case Analysis (SBCA), a business case development process to assist sustainment practitioners to build tailored sustainment solutions for defence equipment. The CH-149 Sustainment Enterprise SBCA is underway.



New Sustainment Strategy

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

Options Analysis Area	Recommendation
Division of Enterprise Scope	Mostly all contracted except for core PM functions to be retained by EMT
Contracted Services Grouping	Single In-Service Support Contract
Nature of Contract	Mix of performance-based and transactional activities
Solicitation Approach	Competitive
National Security Interests	No National Security Exemption will be requested

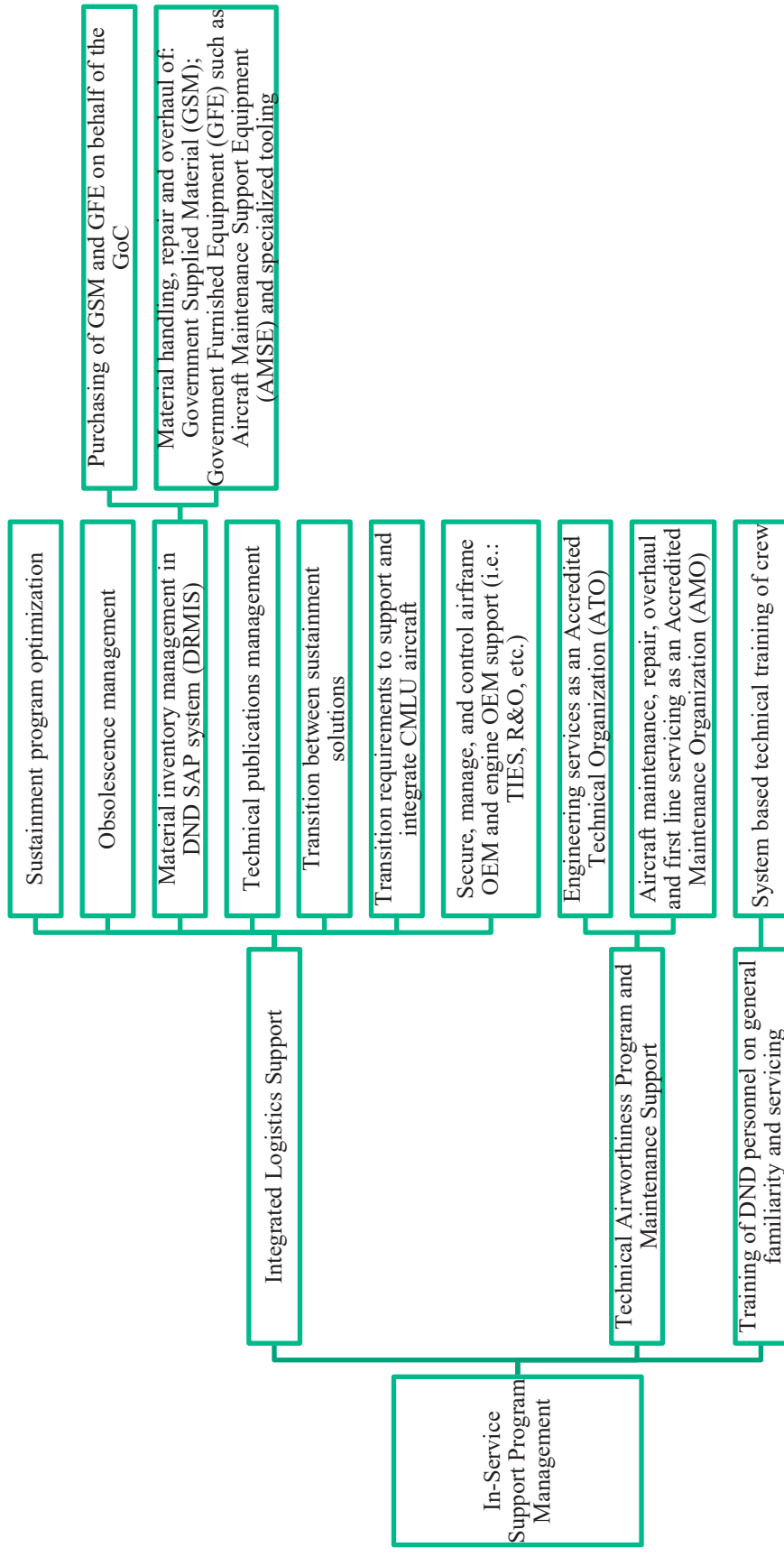
High-Level Contracted Outcomes

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

1. **Mission-Ready Aircraft Availability**
 - The ability to generate the required Mission-Ready aircraft to support the Force Employment (FE) and Force Generation (FG) mission requirements.
2. **Aircraft Overall Reliability**
 - The ability to complete planned and required missions in support of the Force Employment (FE) and Force Generation (FG) mission requirements.
3. **Programmatic Effectiveness to Canada**
 - The ability to ensure overall program effectiveness while minimizing resources and maximizing production throughput.
4. **Efficiency – Cost to Canada**
 - The ability to improve efficiencies over the activities performed in reference to the contracted scope of work in order to achieve Affordability (Cost Containment/Reduction) and Value for Money (Cost Optimization).
5. **Technical and Operational Training**
 - The ability to deliver technical and operational training to CH-149 Pilots and Flight Engineers (FEs).
6. **Economic Benefits**
 - The ability to maximize Economic Benefits for Canada.



Proposed Scope of Work



Additional information on New Sustainment Strategy

- The new SE will be required to support a fleet of similar size and locations as those described previously, although may include other locations, such as Trenton, ON, and a different fleet size.
- The Industrial and Technological Benefits (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



Economic Benefits

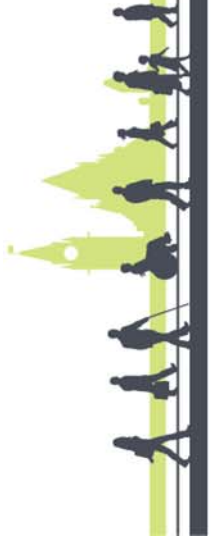
- Drawing from strong Canadian capabilities in the MRO sector, Canada will seek to increase the current level of direct work being performed on the sustainment of the CH-149 in Canada to ensure long-term economic benefits for Canadian industry.
- Direct work and indirect investments will be sought across all VP Pillars:
 - Defense Sector
 - Supplier Development
 - Research and Development
 - Exports
 - Skills Development and Training
- Commitments will be focused in In-Service Support and Aerospace Systems and Components Key Industrial Capabilities (KIC) with other potential KICs leveraged through a tailored VP approach, to be informed through further industry engagement.

Ongoing Development

The Intermediate Options Analyses are being developed by the CH-149 SBCA team:

1. Refinement of Scope (WBS / PWS)
2. Performance Management Framework Structure
3. Basis of Payment Structure
4. Industrial and Technological Benefits & Value Proposition
5. Rewards and Remedies Structure
6. Contract Duration
7. Evaluation Approach

Analyses to be informed by the responses received to questions in Annex A of the RFI.

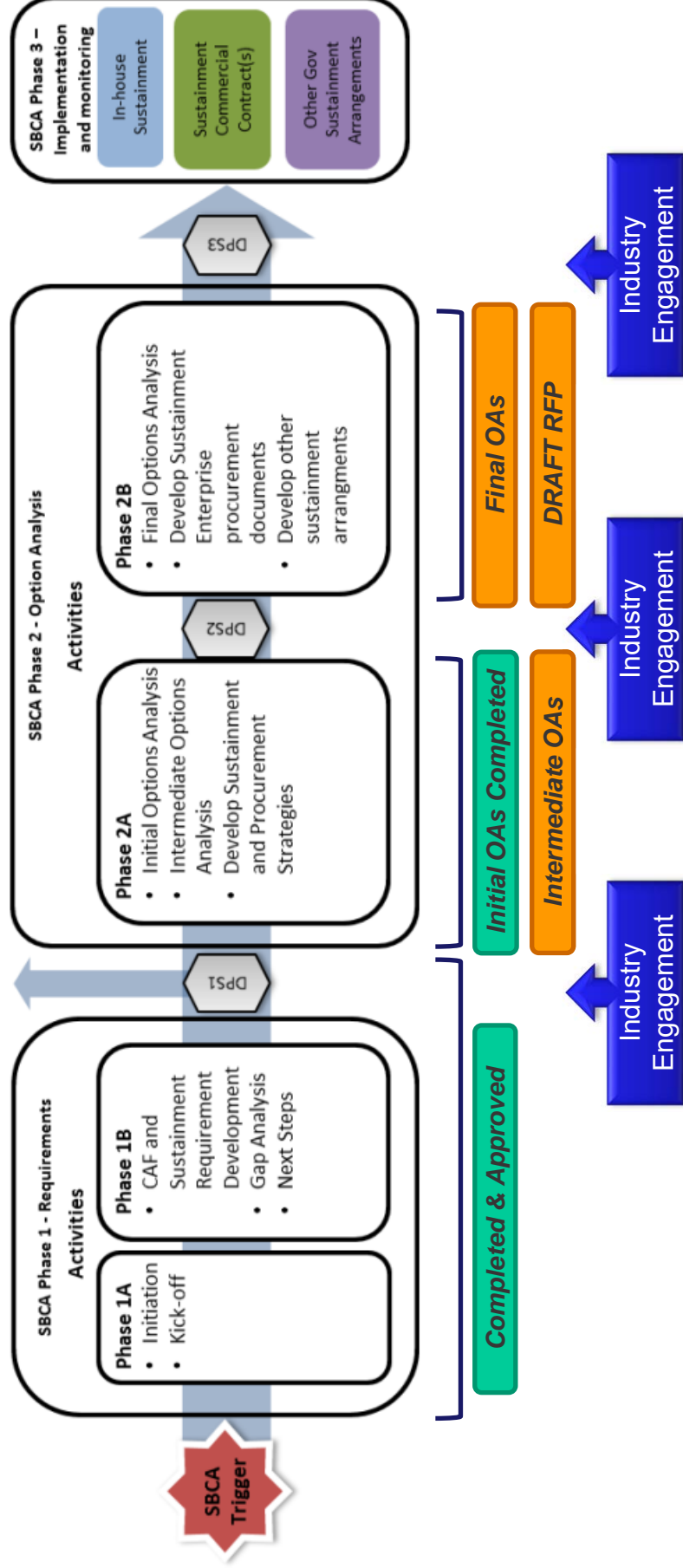


Questions to Industry

- Assumptions:
 - Cooperation from the engine and airframe OEMs in offering technical services related to their retained IP and management of material repair and overhaul requirements;
 - In-country MRO activities, although this does not preclude providing relevant considerations from out of country arrangements.
- Please provide examples with as much details or refinement as possible such that Canada may appreciate the context of your response
- **Please use the Question period today and/or one-on-on sessions to seek clarification on the Annex A questions.**



Next Steps





Serving
GOVERNMENT,
serving
CANADIANS.

Au service du
GOUVERNEMENT,
au service des
CANADIENS.

Questions



Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Canada

One-on-one Questions and Answers (Q&As)

Compiled below is a list of questions and answers that were posed during the one-on-one discussions held with Industry during the week of May 9, 2022. The information provided in these Q&As is based on Canada's knowledge/understanding at the time of this Industry engagement and is subject to change.

1. What argument lead Canada to decide on a single In-Service Support Contract (ISSC)?
 - The complexity of transitioning to a new Sustainment Enterprise (ISS Contract) at the same time as the fleet was undergoing a mid-life upgrade was considered to create too much additional risk to consider another model.
2. What is Canada expecting to gain from keeping the ISSC model as is?
 - Canada is expecting to optimize the new ISSC to meet the new sustainment principles, i.e. Performance, Value for Money, Flexibility and Economic Benefits.
3. Did the current ISSC have any Industrial and Regional Benefits (IRBs) or Industrial and Technological Benefits (ITBs)?
 - No.
4. How much Intellectual Property (IP) does Canada have for the systems on the CH-149?
 - The current IP is very limited. Canada does have some licences to conduct work in Canada on certain systems. More information on what IP Canada has will be made available at or prior to the draft Request for Proposal (RFP).
5. How will phasing of the Cormorant Mid Life Upgrade (CMLU) project and the sustainment enterprise transition be integrated?
 - The ISS scope will include work required to support transition of the enterprise and the fleet. The draft RFP will provide more details as it is anticipated that the CMLU contract will be awarded by then.
6. What will be the contracting term for the new ISSC?
 - This will be determined through phase 2 Options Analysis of the SBCA process.
7. Ensuring a fair and open competition, how does Canada intend to 'level the playing field' considering that there has been an incumbent ISS provider for many years? It is important to both ensure an open competition and the perception of an open competition.
 - Canada is committed to receiving competitive bids. We will provide information on all owned IP with the RFP. Industry is encouraged to advise Canada on what information they would require to bid on this requirement.
8. IP Rights. How is Canada ensuring that the OEM's are appropriately incentivised to assist in achieving high availability and Value for Money (VfM)?
 - Information on IP and the OEM's support to the in-service support provider is in negotiation but will be detailed in the draft RFP.
9. What are the top failures on the CH-149 fleet from the perspectives of vendor Turn Around Time on repairs, cost of repairs and frequency of failure? Recommend this information be provided as part of the RFP and bidders challenges to improvement plans relative to these.
 - This recommendation is noted.

10. What are the key ISS measures/metrics that Canada feels need improvement for the Cormorant Weapons System and will those be shared with industry as part of the RFP?
 - The SBCA process is looking to optimize the next SE based on the four sustainment principles. We are seeking to improve the definition of performance measures and improve value for money.
11. How important is it seen by Canada to return CH-149 SAR capabilities to 8 wing Trenton?
 - The return of CH149 SAR capabilities to 8 Wing Trenton has been identified as part of the desired scope of the CMLU Project. The Main Operating Bases (MOBs) that are to be supported will be defined in the draft RFP.
12. Would Canada consider a support solution that would perform 'heavy maintenance' at the various Cormorant locations rather than requiring ferrying of the aircraft to a central "heavy maintenance" facility? If yes, such an alternate approach would need to have appropriate weighting/scoring in the RFP.
 - Canada is looking to minimize non mission flying hours and is open to any recommendation from industry for an optimal solution.
13. How is Cyber Material Assurance and its associated requirements planned to be addressed in this RFP?
 - Canada is still in early RFP preparation and has not yet specifically considered this.
14. Will you drive indigenous procurement through ISED or through PSPC?
 - An ITB requirement for the benefit of Indigenous communities is an increasingly common element of defence procurements. Industry can expect such a requirement and will have further opportunity to provide feedback as the leveraging strategy is refined. PSPC's Procurement Strategy for Indigenous Business policy may also motivate this activity.
15. Will the fact that this procurement does not have a National Security Exemption (NSE) affect ITBs?
 - The ITB Policy applies on procurements that are not subject to trade agreements or for which the NSE is invoked.
16. Is training a non-mission flight?
 - All Force Generation is considered a mission flight
17. Do you deploy outside of Canada?
 - The CH149 only deploys within the country, including deployments up North.
18. What is the frequency of Northern Operations?
 - Typically, there are Northern deployments 2-3 times per year.
19. What does the pilot and flight engineer training include?
 - The training includes servicing and elementary tasks for which maintenance technicians are not present.
20. How do CMLU and ISS overlap?
 - All scope required from the in-service provider required to support the CMLU project will be detailed in the draft RFP.

21. What is the impact of the crash of 903 in Gander?
 - DND is still conducting an assessment of what is salvageable and the technical investigation is ongoing.
22. Is there an opportunity to respond after May 31st?
 - Canada is requesting responses to the RFI by May 31st however, responses can be provided up until the LOI closing. Responses received after May 31st may not be received in time to help Canada with phase 2 of the Sustainment Business Case Analysis (SBCA).
23. Will Canada know the number of aircraft and operational locations by the time the RFP is published? Will Trenton be involved?
 - Yes, Canada will know the number of aircraft and operational locations by the time the RFP is published.
24. Will CMLU include additional aircraft to the current fleet?
 - The CMLU contract is still in negotiations, although DND does hope to increase size of fleet. Final information on the number of aircraft will be included in the RFP.
25. What is Canada doing with major subcontractors to make sure they are supportive of the ISS providers, or is industry expected to make their own arrangements with those major subcontractors?
 - In the original aircraft acquisition contract with the OEM, there were clauses that detailed OEM support to the ISS provider. While the CMLU contract is still in negotiations it is anticipated that it would contain a similar clause. This information will be, made available as part of the draft RFP if not sooner.
26. Does Canada intend to purchase IP from the OEM? Will there be access to IP? How will it be transferred to the future ISS?
 - Due to concurrent negotiations with CMLU, Canada cannot answer in detail at this time, although Canada does intend to provide details on this topic at or prior to the draft RFP.
27. Will the airframe OEM be precluded from competing for ISS?
 - No such decision has been made at this time.
28. How will Canada manage NSE exemption and how will it impact VP / ITB?
 - The ITB Policy applies on procurements that are not subject to trade agreements or for which the NSE is invoked. The ITB Policy will apply to this procurement.
29. Does Canada intend to apply 100% VP / ITB?
 - 100% of contract price of this procurement will be leveraged through the ITB Policy. Bidders can explore negotiating with offshore OEMs/Tier 1 suppliers to flow down ITB requirements. Canada will not engage with OEM/Tier 1.
30. Are you expecting to have all evaluation criteria shared with the draft RFP?
 - Yes, the draft RFP will contain both the evaluation criteria and associated weightings.
31. Is Canada expecting feedback on the draft RFP in January?
 - The draft RFP is anticipated to be posted in January 2023 with requested feedback to be provided after that.

32. What process/mechanism has Canada put in place so that it sticks to its schedule?
- There isn't a process or mechanism to ensure schedule adherence. We have a current contract that is ending and there is a requirement to have new contract in place prior to the end of that contract.
33. Will the current ISS provider be conducting work for the CMLU?
- The ISS provider will be responsible to supply material to the build line; all scope related to CMLU will be described in the draft RFP.
34. Will the new ISS provider be involved in any of the CMLU modifications?
- No. The ISS provider will not be conducting modifications which are in scope of the CMLU project.
35. What is Canada's plan in case the schedule for CMLU slides? Will it have an impact on the ISS transition?
- Plan is to have the new ISSC in place before the existing contract ends. This is independent of the CMLU project schedule.
36. Is transition between the -511 and -615 variants within scope of the ISS?
- Yes.
37. Will legacy aircraft and CMLU aircraft be supported side by side?
- Yes, there will be transition period between sundown and sunup of both aircraft
38. Will current ISS provider be working side by side with the new ISS provider at legacy sites?
- Not specifically decided, although will be looking at most efficient approach.
39. Is there a potential scenario where the new ISS provider is working side by side with existing provider at the same time as CMLU transition?
- It is possible however we will be looking for efficiencies and optimization. The draft RFP will define all requirements.
40. With the CMLU being completed, when does Canada envision the next requirements for depot level maintenance and does the ISS provider need to bid this work as part of the ISS RFP, or will it be dealt with when needed as an AWR? Please clarify what Industry should assume and bid related to the requirements for 3rd line maintenance on the CMLU aircraft?
- Depot level maintenance will be required under the ISSC. This will be defined in RFP.
41. Will Canada be mandating a specific technical publications platform?
- Not at this time but will look for flexibility to do so in the future.
42. Are technical publications S1000D compliant?
- Yes
43. Will the ISS provider have responsibility for Infrastructure?
- Canada will continue to offer available infrastructure although bidders will be free to suggest their own solution.

44. Is there any program to improve the infrastructure?
- Yes, the RCAF has embarked on infrastructure improvements fleet wide. However, these are independent of the CH149 ISS initiative.
45. Economic benefits: What type of export growth does Canada have in mind?
- An Export Value Proposition requirement is currently being consider for this procurement. Canada will determine the feasibility of this requirement as feedback on economic benefits continues to be provided though ongoing industry engagement.
46. Does the 5600 YFR include simulator hours?
- No.