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Place du Portage, Phase III

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Quebec

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

Vendor/Firm Name and Address

Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

In-Service Support Marine / Soutien en Service
Maritime

11 Laurier St. / 11, rue Laurier

Place du Portage, Phase III

6C2

Gatineau

Quebec

K1A 0S5

Title - Sujet NETE 3 Naval Engineering Test Establishment (NETE) 3	
Solicitation No. - N° de l'invitation W8482-217850/F	Amendment No. - N° modif. 007
Client Reference No. - N° de référence du client W8482-217850	Date 2022-11-18
GETS Reference No. - N° de référence de SEAG PW-\$ISM-027-28782	
File No. - N° de dossier 027ism.W8482-217850	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 05:00 PM Eastern Standard Time EST on - le 2022-11-25 Heure Normale du l'Est HNE	
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: Beaumier, Julie	Buyer Id - Id de l'acheteur 027ism
Telephone No. - N° de téléphone (613) 851-9981 ()	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

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Amendment 007

This amendment is raised to include the *Annex K – Indigenous Participation Component* to the RFP.

In the RFP:

Insert: **Annex K – Indigenous Participation Component** (see below).

All other terms and conditions remain unchanged.

Annex K – Indigenous Participation Component

1. Indigenous Participation Component (IPC) Transaction Value

- a) Starting on April 1st of the first fiscal year following the Contract Award date and ending on March 31st of the next calendar year and for each fiscal year thereafter, the Contractor must contribute, to the Indigenous community, a minimum annual IPC Transaction Value as follows:
 - i. For the first two years: the minimum IPC Transaction Value is predetermined at \$500,000.00
 - ii. For the third year and following years: the minimum IPC Transaction Value will be 5% of the total value of the work performed under Work Element 1 and Work Element 2 during the prior year as determined in the Performance Measurement defined in SOW Article 47.
- b) The annual IPC Transaction Value is calculated as the total financial contributions (excluding applicable taxes) made by the Contractor through Direct Benefits and Indirect Benefits (refer to article 2 below) throughout each applicable fiscal year.
- c) For the first 3 years of the Contract, a minimum of 30% of the IPC Transaction Value must come from Direct Benefits. From year 4 and year 5 of the contract, a minimum of 40% of the IPC Transaction Value must come from Direct Benefits. If options are exercised, starting at year 6 and for subsequent options years, a minimum of 50% of the IPC Transaction Value must come from Direct Benefits.
- d) In order for a contribution to be considered as an IPC transaction, the recipient of the transaction must either meet the definition of an Indigenous business or Indigenous person in accordance with Annex 9.4 - Requirements for the Set-aside Program for Aboriginal Business", of the *Supply Manual* OR be an Indigenous program within an organization. To qualify as an Indigenous program, the program must provide goods or services specifically aimed at benefiting the Indigenous community.
- e) Contributions made by the Contractor's subcontractor(s) in the category of Direct Benefits – Indigenous Business Development may count towards the Contractor's annual IPC Transaction Value. Other contributions (Indigenous employment, training, skills development) made by the subcontractor(s) will not count. No contributions of any kind made by a subcontractor's supplier will count.

2. Direct Benefits and Indirect Benefits

a) Direct Benefits

Direct Benefits can be any one of the following:

- i. Indigenous Business Development: The Contractor must demonstrate it builds and develops viable Indigenous business capacity (refer to Appendix A to Annex K, Indigenous Business Capacity). The Contractor must contribute and invest in the development and viability of Indigenous businesses by procuring goods and services from Indigenous businesses. The Contractor is also encouraged to demonstrate how

it intends to maximize the use of Indigenous businesses, such as identifying the work intended to be carried out by Indigenous businesses, including contract and supply chain management.

- ii. Indigenous Employment: The Contractor must demonstrate its Indigenous employment and effort made to recruit Indigenous employees. The Contractor may include details pertaining to Indigenous recruitment activities, retention strategies and related job activities such as the work to be carried out by each position.
- iii. Indigenous Training and Skills Development: The Contractor must demonstrate the training opportunities and skills development provided to its Indigenous employees, such as on-the job training, in-house training, as well as succession plans.

b) Indirect Benefits

Indirect Benefits include specialized training, career development, scholarships, grants, and community outreach to help local and Indigenous communities in meeting their economic development needs.

3. Yearly Management Plan

- a) The Contractor must provide, as part of its yearly Management Plan defined in SOW Article 44 the following information:
 - i. the minimum IPC Transaction Value:
 - a. For the first two years: \$500,000.00
 - b. For subsequent years: 5% of the total value of the work performed under Work Element 1 and Work Element 2 during the prior year.
 - ii. planned activities to achieve the minimum IPC Transaction Value for the year.

4. Annual IPC Reporting

- a) No later than May 30 after the completion of every fiscal year, as part of the Contract Performance Data Submission, the Contractor must deliver to the CA, and the PA, an IPC Report with the following information for the most recent fiscal year:
 - i. the minimum IPC Transaction Value from the most recent fiscal year;
 - ii. the IPC Transaction Value achieved during the most recent fiscal year;
 - iii. a list of all IPC contributions made during the most recent fiscal year, categorized by Direct Benefits and Indirect Benefits.

5. Progress Review Meetings (PRM)

In every PRM, the Contractor must present a summary on present and scheduled Indigenous Business Participation to NETE and the efforts made to reach the minimum IPC Transaction Value.

6. Performance Incentive Fee (PIF)

If the Contractor does not achieve the minimum IPC Transaction Value for a given year, the PIF payment defined in the Basis of Payment at Annex C will be reduced by the percentage not achieved. For the first year, the maximum reduction will be 5% of the PIF value and every following year, the maximum reduction will increase by 5% for the initial contract period and option years if exercised, up to a maximum

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of 50% of the PIF value on year 10 of the Contract and for subsequent option years. There will be no impact on the PIF if the Contractor achieved the minimum IPC Transaction Value during the year.

For example, for the first year of the Contract with a maximum reduction of 5%:

Minimum IPC Transaction Value for year 1: \$500,000.00

IPC Transaction Value achieved for year 1: \$375,000

PIF total value: \$100,000

<i>Calculation for PIF payment</i>
<i>% of the IPC Transaction Value achieved for year 1 = IPC Transaction Value achieved for year 1 / Minimum IPC Transaction Value for year 1</i>
<i>75% = \$375,000 / \$500,000</i>
<i>% for PIF reduction for year 1 = PIF total value – (% of maximum reduction X % IPC Transaction Value achieved for year 1)</i>
<i>1.25% = 5% -(5%*75%)</i>
<i>PIF total payment for year 1 = PIF total value - % for PIF reduction for year 1</i>
<i>\$98,750 = \$100,000 – 1,25%</i>

There will be no impact on the PIF if the contractor achieved the minimum IPC Transaction Value during the year.

7. Certification

- Each IPC Report must include signed and completed certifications (as applicable) as set out in Appendix B to Annex K, Participation Component Certifications.
- Where applicable, the Contractor must provide invoices, pay stubs, receipts, or any other documentation that provide evidence that a transaction was made in the amount claimed.
- The Contractor must keep proper records and documentation relating to the accuracy of the certification provided to Canada

8. Revisions

Throughout the duration of the Contract, Canada may, at its discretion, amend the IPC in order to reflect changes to management emphasis, business capacities, Indigenous communities, or any other changes as required. Amendments may include, but are not limited to, changes to the minimum IPC Transaction Value and/or the contribution percentages of Direct and Indirect Benefits and/or maximum reduction of the PIF. Any recommended changes to the IPC, whether made by the Contractor or Canada, require approval from both parties. Once approved, the

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revised IPC will only go into effect once a contract amendment has been issued to reflect the changes.

Appendix A to ANNEX K, Indigenous Business Capacity

1. Early engagement with Indigenous communities and businesses may help the Contractor meet the desired outcomes outlined in the IPC. Early engagement can benefit by:

- i. enhancing relationships;
- ii. ensuring a common understanding of the project requirements;
- iii. determining Indigenous business capacity for the procurement of goods and services; and
- iv. identifying skills and training gaps for employment of Indigenous peoples.

2. The following list is provided to assist in identification of Indigenous business capacity:

- Indigenous Business Directory (IBD)
http://www.ic.gc.ca/eic/site/ccc_bt-rec_ec.nsf/eng/h_00011.html
- Canadian Council for Aboriginal Business
<https://www.ccab.com/>
- Union Gas
<https://www.uniongas.com/about-us/community/aboriginal/business-list>
- Indigenous Business and Investment Council
<https://www.bcibic.ca/>
- Canadian Aboriginal and Minority Supplier Council
www.camsc.ca
- Province of Manitoba
<https://www.gov.mb.ca/inr/>
- Province of Ontario
<https://www.ontario.ca/page/aboriginal-businesses-bidding-government-contracts>

3. Identifying Indigenous Employment Opportunities

Industry respondents may wish to contact Employment and Social Development Canada (ESDC) to learn more about their Indigenous Labour Programs that may help support the Indigenous Participation Component. ESDC's Indigenous Skills and Employment Training Program is designed to help Indigenous people improve their skills and find employment, visit their website for more information:
<https://www.canada.ca/en/employment-social-development/programs/indigenous-skills-employment-training.html>.

In addition to ESDC, there are numerous provincial Indigenous employment and skills development programs. For more information contact: aadnc.saea-psab.aandc@canada.ca

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Appendix B to ANNEX K, Indigenous Participation Component Certifications

1. Indigenous Participation Component – Subcontractor Certification

This certification is delivered to the Contractor pursuant to Annex K of the NETE 3 Contract. Capitalized terms used herein, if not otherwise defined have the same meaning as described to them in the Contract.

- a. The Indigenous business subcontracted to provide goods and/or services to the Contractor certifies that it meets the definition of an Indigenous business in accordance with Annex 9.4 of the *Supply Manual* entitled "Requirements for the Set-aside Program for Aboriginal Business".
- b. The Indigenous subcontractor certifies that it meets, and will continue to meet, throughout the duration of any subcontract with the Contractor, the requirements described in article a. above.
- c. The Indigenous subcontractor must check the applicable box below:

() The subcontractor is an Indigenous business that is a sole proprietorship, band, limited company, co-operative, partnership or not-for-profit organization.

OR

() The subcontractor is either a joint venture consisting of two or more Indigenous businesses or a joint venture between an Indigenous business and a non-Indigenous business.
- d. The Indigenous subcontractor must check the applicable box below:

() The Indigenous business has fewer than six full-time employees

OR

() The Indigenous business has six or more full-time employees
- e. The Indigenous subcontractor must, upon request by Canada, provide all information and evidence supporting this certification. It must ensure that this evidence will be available for audit during normal business hours by a representative of Canada, who may make copies and take extracts from the evidence. The Indigenous subcontractor must provide all reasonably required facilities for any audits.
- f. The Indigenous subcontractor acknowledges having had the full opportunity to review Annex 9.4 of the *Supply Manual*.
- g. The Indigenous subcontractor certifies that the information herein is accurate and complete.

Date

Signature

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Name

Title (Duly authorized business representative)

Name of Business

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2. Indigenous Participation Component – Partnering Organization/Program Certification

This certification is delivered to the Contractor pursuant to Annex K of the NETE 3 Contract. Capitalized terms used herein, if not otherwise defined have the same meaning ascribed to them in the Contract.

- a. The recipient of Indirect Benefits contributions from the Contractor certifies that it meets the definition of an Indigenous business in accordance with Annex 9.4 of the *Supply Manual* entitled “Requirements for the Set-aside Program for Aboriginal Business”.

OR

The recipient of Indirect Benefits contributions from the Contractor certifies that the contributions received will specifically go towards benefiting members of the Indigenous community.

- b. The recipient of Indirect Benefits contributions from the Contractor certifies that it meets, and will continue to meet, throughout the duration of any partnership with the Contractor, the requirements described in article a. above.
- c. The recipient of Indirect Benefits contributions from the Contractor must, upon request by Canada, provide all information and evidence supporting this certification. It must ensure that this evidence will be available for audit during normal business hours by a representative of Canada, who may make copies and take extracts from the evidence. The partnering Indigenous organization/program must also provide all reasonably required facilities for any audits.
- d. The recipient of Indirect Benefits contributions from the Contractor acknowledges having had the full opportunity to review Annex 9.4 of the *Supply Manual*.
- e. The partnering Indigenous organization/program certifies that the information herein is accurate and complete.

Date

Signature

Name

Title (Duly authorized business representative)

Name of Business

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3. Indigenous Participation Component – Employee Certification

This certification is delivered to the Contractor pursuant to Annex K of the NETE 3 Contract. Capitalized terms used herein, if not otherwise defined have the same meaning ascribed to them in the Contract.

- a. I certify that I am an Indigenous person, as defined in Annex 9.4 of the *Supply Manual* entitled "Requirements for the Set-aside Program for Aboriginal Business".
- b. I certify that I am a full-time employee of _____ (*insert name of business*).
- c. I acknowledge having had the full opportunity to review Annex 9.4 of the *Supply Manual*.
- d.
- e. Upon request, I agree to provide all information and evidence supporting this certification.

Printed name of employee

Signature of employee

Date