

Annex H

LAND C4ISR CAPABILITY Applications

Sustainment Services

Industrial and Technological Benefits (ITB)

Value Proposition Evaluation Plan

TABLE OF CONTENTS

- 1 INTRODUCTION
- 2 MANDATORY REQUIREMENTS
- 3 MINIMUM ASSESSMENT VALUES
- 4 RATED EVALUATION
- 5 PROCESS

1. INTRODUCTION

- 1.1. The purpose of the Value Proposition (VP) Evaluation Plan (Evaluation Plan) is to describe the methodology that will be used to evaluate the VP Proposal (Proposal) submitted by the Bidder.
- 1.2. The Proposal will be evaluated as either compliant or non-compliant. The Proposal will be deemed compliant if it: i) meets all of the mandatory requirements outlined in Section 2; and, ii) meets the minimum assessment values outlined in Section 3 of this document.
- 1.3. All compliant bids will then be evaluated based on the rated criteria, as outlined in Section 4 of this document.
- 1.4. The results of the evaluation will be conveyed to the Contracting Authority. The results will then be integrated into the overall bid evaluation results, as outlined in Part 4 of the LC4ISR Intelligence, Surveillance, Target Acquisition and Reconnaissance In Service Support project's (the Project) RFP.
- 1.5. The Bidder is strongly encouraged to closely review the entire Bidder Instructions document.
- 1.6. Defined terms not otherwise defined in this document have the meaning given to them in the ITB Terms and Conditions and the Request for Proposal, including appendices, to which this Evaluation Plan is attached.

2. MANDATORY REQUIREMENTS

- 2.1. The chart below details each mandatory requirement and how the ITB Authority will assess whether it has been met. The Proposal will be assessed as responsive or not responsive. To be considered responsive, all mandatory requirements must be met.

| Mandatory Requirement | Method to Confirm |
|--|--|
| 1. Bidder commits to achieving Transactions, measured in Canadian Content Value (CCV), valued at not less than ___ percent of the Contract Price [<i>one hundred percent (100%) or the total CCV of identified Transactions, whichever is higher</i>] (including options), to be achieved within the Achievement Period. | Mandatory requirements certificate is duly signed and submitted. |
| 2. Bidder commits to achieving not less than fifteen percent (15%) of the Contract Price (including options) in | |

| | |
|---|--|
| Transactions involving Small and Medium Business Transactions, measured in CCV. | |
| 3. Bidder commits to achieving not less than eighty (percent (80%) of the Contract Price (including options) in Direct Transactions, measured in CCV. | |
| 4. Bidder has specified its Bid Price (not including taxes and rounded to the nearest dollar). | Mandatory requirements certificate is duly signed and submitted, with Bid Price provided. |
| 4(a). Bidder has identified Transactions which are detailed, fully described and equal in total to not less than thirty percent (30%) of the Bid Price, measured in CCV. | CCV value of each Transaction in the Proposal is totalled, then compared against the Bid Price. Mandatory requirements certificate is duly signed and submitted. |
| 4b. Bidder commits to identifying, two (2) years after the Effective Date of the Contract, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than sixty percent (60%) percent of the Contract Price (including options), measured in CCV. | Mandatory requirements certificate is duly signed and submitted. |
| 4c. Bidder commits to identifying four (4) years after the Effective Date of the Contract, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to one hundred percent (100%) of the Contract Price (including options), measured in CCV. | |
| 5. Bidder accepts all of the ITB Terms & Conditions. | |
| 6. Bidder submits all the required components in its Proposal: <ul style="list-style-type: none"> • gender and diversity Plan • company business Plan • ITB management Plan • regional development Plan • Small and Medium Business development Plan • detailed transaction sheets, accompanied by a summary chart of all Transactions; • signed and dated Mandatory requirements certificate; and • signed and dated rated criteria certificate. | Presence of each required component in the Proposal and the Mandatory requirements certificate is duly signed and submitted. |

Table 2-1, Mandatory Requirements Evaluation Chart

3. MINIMUM ASSESSMENT VALUES

3.1. The Plans will be evaluated to determine if they meet the minimum assessment values below.

-
- 3.1.1. The Bidder’s gender and diversity Plan will be assessed to confirm that it is present in the VP Proposal, but will not be scored on quality or risk for the final Plan assessment value.
 - 3.1.2. The Bidder’s other four Plans will be evaluated to confirm that they are present in the Proposal. The Plans are then assessed for quality and for risk, using the assessments in Tables 3-1 and 3-2.
 - 3.1.3. Quality will be assessed as to whether the Plans respond to the requested components outlined in Section 5 of the Bidder Instructions, the level of detail in the component, and how well the content of the Plan meets the ITB Objectives outlined in Section 3 of the Bidder Instructions.
 - 3.1.4. Quality will be assessed on a scale of one (1) to four (4), using the values below in Table 3-1.

| VALUE | PLAN – QUALITY ASSESSMENTS |
|-------|---|
| 4 | SUPERIOR Plan contains detailed responses to four or more of the requested items in Section 5.5 to 5.8, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that many of Canada’s ITB Objectives will be met. |
| 3 | GOOD Plan contains detailed responses to three of the requested items in Section 5.5 to 5.8, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that several of Canada’s ITB Objectives will be met. |
| 2 | POOR Plan contains detailed responses to two of the requested items in Section 5.5 to 5.8, both inclusive, as applicable, of the Bidder Instructions. The Plan demonstrates that some of Canada’s ITB Objectives will be met. |
| 1 | VERY WEAK Plan contains detailed response to one or less of the requested items in the Section 5.5 to 5.8, both inclusive, as applicable, of the Bidder Instructions. The Plan does not demonstrate that Canada’s ITB Objectives will be met. |

Table 3-1, Plan Quality Assessments

- 3.1.5. Risk will be assessed as to whether the Plans respond to the risk areas outlined in Section 5 of the Bidder Instructions and the level of detail provided.

3.1.6. Risk will be assessed on a scale of one (1) to four (4), using the values below in Table 3-2.

| VALUE | PLAN - RISK ASSESSMENTS |
|-------|---|
| 4 | <p>SUPERIOR Plan contains a detailed response to four or more of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is extremely low.</p> |
| 3 | <p>GOOD Plan contains a detailed response to three of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is low.</p> |
| 2 | <p>POOR Plan contains a detailed response to two of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is moderate.</p> |
| 1 | <p>VERY WEAK Plan contains a detailed response to one or less of the risk areas in Section 5.3 of the Bidder Instructions, such that the probability of failure to achieve is significant.</p> |

Table 3-2, Plan Risk Assessments

3.1.7. The quality and risk assessments agreed to by evaluators will be multiplied together and the sums added together to determine the final Plans assessment value for the Proposal.

3.1.8. The Bidder must achieve or exceed a final Plans assessment value of thirty-two (32) (out of a possible sixty-four (64)).

EXAMPLE:

| Plan | Quality (A) | Risk (B) | Assessment Value (C) <i>(C) = (A) x (B)</i> |
|-------------------------------------|--------------------|-----------------|---|
| Company business Plan | 4 | 3 | 12 |
| ITB management Plan | 2 | 3 | 6 |
| Regional development Plan | 4 | 4 | 16 |
| SMB development Plan | 4 | 2 | 8 |
| Final plans assessment value | | | 42 |

Table 3-3 - Example

3.2. Evaluation of proposed Transactions

- 3.2.1. The Bidder’s proposed Transactions will be evaluated to determine whether they comply with the Bidder Instructions and with the ITB Terms and Conditions, with respect to eligibility criteria, valuation, banking and Transaction types.
- 3.2.2. If a proposed Transaction does not meet the criteria outlined in 3.2.1, it will be rejected and will receive no further consideration during the mandatory or rated evaluation, or in the Contract.
- 3.2.3. If a proposed Transaction meets the criteria outlined in 3.2.1, it will then be evaluated using the rated evaluation criteria outlined in Section 4.

4. RATED EVALUATION

- 4.1. The Bidder’s proposed Commitments and Transactions will be evaluated against the rated criteria as described below.
 - 4.1.1. Supplier Development: The Bidder may identify a Commitment to achieve Transactions involving Supplier Development activities, measured in CCV, as described in Section 6.2 of the ITB Bidder Instructions. The Bidder will be scored on its Commitment involving Supplier Development as follows:

4.1.1.1. The maximum available points for the Bidder’s Commitment in Supplier Development are twenty (20) points, and will be calculated based on Table 4-1 below:

| Interval | Points Awarded |
|------------|---|
| 1% - 15% | 0.2 points per each 1% of Contract Price committed, up to a maximum of 3 points |
| 16% - 30% | 0.6 points per each 1% of Contract Price committed up to a maximum of 9 points |
| 31% - 50% | 0.25 points per each 1% of Contract Price committed up to a maximum of 5 points |
| 51% - 100% | 0.06 points per each 1% of Contract Price committed up to a maximum of 3 points |

Table 4-1 – Supplier Development Scoring Framework

4.1.1.2. No points will be awarded for the Bidder’s Commitment in Supplier Development above one hundred percent (100%) of Contract Price.

4.1.1.3. Points will only be awarded in Supplier Development if the Bidder identifies Transactions that are detailed, fully described, align with Supplier Development, and equal in total to not less than ten percent (10%) of the Supplier Development Commitment, calculated by the Bidder’s Bid Price, measured in CCV. If the Bidder does not meet this requirement, no points in this criterion will be awarded, and a score of zero (0) will be used for evaluation purposes.

Example of scoring for Supplier Development:

| Supplier Development VP Points | Bidder 1 Contractual Commitment | Bidder 2 Contractual Commitment | Bidder 3 Contractual Commitment |
|--|--|---|--|
| Supplier Development Commitment | 60% | 50% | 90% |
| Total point rating for Supplier Development | $(15 \times 0.2) + (15 \times 0.6) + (20 \times 0.25) + (10 \times 0.06) = 17.6$ | $(15 \times 0.2) + (15 \times 0.6) + (20 \times 0.25) = 17$ | $(15 \times 0.2) + (15 \times 0.6) + (20 \times 0.25) + (40 \times 0.06) = 19.4$ |

Table 4-2 – Supplier Development Scoring Example

4.1.2. Research and Development: The Bidder may identify a Commitment to achieve Transactions, measured in CCV, in Research and Development in the Key Industrial Capabilities (KICs) of Artificial Intelligence, Defence

Systems Integration, Cyber Resilience, In-Service Support, Remotely-piloted Systems and Autonomous Technologies, or Training and Simulation, as described in Section 6.3 of the ITB Bidder Instructions. The Bidder will be scored on its Commitment to Research and Development as follows:

- 4.1.2.1. The Bidder with the highest Research and Development Commitment, up to a maximum of thirty percent (30%) of Contract Price, measured in CCV, will receive thirty (35) points. All other Bidders will receive a prorated score against the highest Research and Development Commitment.
- 4.1.2.2. No points will be awarded for the Bidder' Commitment in Research and Development above thirty percent (30%) of the Contract Price.
- 4.1.2.3. Points will only be awarded in Research and Development if the Bidder identifies Transactions that are detailed, fully described, align with Research and Development in the identified KICs, and equal in total to not less than ten percent (10%) of the Research and Development Commitment, measured in CCV. If the Bidder does not meet this requirement, no points in this criterion will be awarded, and a score of zero (0) will be used for evaluation purposes.

| Research and Development | Bidder 1 Contractual Commitment | Bidder 2 Contractual Commitment | Bidder 3 Contractual Commitment |
|---|--|--|--|
| Research and Development Commitment | 10% | 30% | 25% |
| Pro-rated VP score for Research and Development Commitment | 10/30 x 35 = 11.667 | 30/30 x 35 = 35 | 25/30 x 35 = 29.167 |

Table 4-3 – Research and Development Scoring Example

- 4.1.2.4. The Bidder will receive additional points to their Research and Development total point rating if the Bidder identifies Transactions above ten percent (10%) of the Commitment to Research and Development in the identified KICs, measured in CCV.
 - 4.1.2.4.1. One (1) point will be awarded for each one percent (1%) of the Bidder's Commitment to Research and Development in the identified KICs, identified in the Bidder's Transactions, above the minimum of ten percent (10%), measured in CCV, up to a maximum of ten (10) points.

4.1.2.4.2. Points will only be awarded for identified Research and Development Transactions in the identified KICs if the Transactions are detailed, and fully described. If the Bidder does not meet this requirement, no points in this criterion will be awarded, and a score of zero (0) will be used for evaluation purposes.

4.1.3. Skills Development and Training: The Bidder may identify a Commitment to achieve Transactions, measured in CCV, in Skills Development and Training in the KICs of Artificial Intelligence, Defence Systems Integration, Cyber Resilience, In-Service Support, Remotely-piloted Systems and Autonomous Technologies, or Training and Simulation, as described in Section 6.4 of the ITB Bidder Instructions. The Bidder will be scored on its Commitment to Skills Development and Training as follows:

4.1.3.1. The Bidder with the highest Skills Development and Training Commitment, up to a maximum of five percent (5%) of Contract Price, measured in CCV, will receive fifteen (15) points. All other Bidders will receive a prorated score against the highest Skills Development and Training Commitment.

4.1.3.2. No points will be awarded for the Bidder’s Commitment in Skills Development and Training above five percent (5%) of the Contract Price.

4.1.3.3. Points will only be awarded in Skills Development and Training if the Bidder identifies Transactions that are detailed, fully described, align with Skills Development in the identified KICs, and equal in total to not less than ten percent (10%) of the Skills Development and Training Commitment, measured in CCV. If the Bidder does not meet this requirement, no points in this criterion will be awarded, and a score of zero (0) will be used for evaluation purposes.

| <u>Skills Development and Training</u> | Bidder 1 Contractual Commitment | Bidder 2 Contractual Commitment | Bidder 3 Contractual Commitment |
|--|--|--|--|
| Skills Development and Training Commitment | 5% | 5% | 3% |
| Pro-rated VP score for Skills Development and Training Commitment | $5/5 \times 15 = 15$ | $5/5 \times 15 = 15$ | $3/5 \times 15 = 9$ |

Table 4-4 – Skills Development and Training Scoring Example

4.1.3.4. The Bidder will receive additional points to their Skills Development and Training total point rating if the Bidder identifies Transactions above ten percent (10%) of the Commitment to Skills Development and Training in the identified KICs, measured in CCV.

4.1.3.4.1. One (1) point will be awarded for each one percent (1%) of the Bidder's Commitment to Skills Development and Training in the identified KICs, identified in the Bidder's Transactions, above the minimum of ten percent (10%), measured in CCV, up to a maximum of ten (10) points.

4.1.3.4.2. Points will only be awarded for identified Skills Development and Training Transactions in the identified KICs if the Transactions are detailed, and fully described. If the Bidder does not meet this requirement, no points in this criterion will be awarded, and a score of zero (0) will be used for evaluation purposes.

4.1.4. Small and Medium Business (SMBs): The Bidder may identify a Commitment to achieve Transactions involving SMBs, measured in CCV, as described in Section 6.5 of the ITB Bidder Instructions. The Bidder will be scored on its Commitment involving SMBs as follows:

4.1.4.1. The maximum available points for the Bidder's Commitment to achieve Transactions involving SMBs, measured in CCV, are ten (10) points, and will be calculated based on Table 4-5 below

| Interval | Points Awarded |
|-----------------|---|
| 16% - 30% | 0.4 points per each 1% of Contract Price committed, up to a maximum of 6 points |
| 31% - 40% | 0.3 points per each 1% of Contract Price committed up to a maximum of 3 points |
| 41% - 50% | 0.1 points per each 1% of Contract Price committed up to a maximum of 1 points |

Table 4-5 – SMBs Scoring Framework

4.1.4.2. No points will be awarded for the Bidder's Commitment to Transactions involving SMBs below fifteen percent (15%) or above fifty percent (50%) of Contract Price.

4.2. Any identified Transactions in the Proposal will be assessed to determine whether they align with each of the rated evaluation criteria identified in sections

4.1.1 through 4.1.4. The Bidder should provide a level of detail sufficient to support the claim that the Transaction fits within a given criteria.

4.2.1. Transactions where the Bidder does not demonstrate alignment with the rated evaluation criteria will not be included as part of the Bidder's Commitments in the rated evaluation but would be included as a Commitment to be achieved in the Contract.

4.2.2. Transactions where the Bidder demonstrates alignment with the rated evaluation criteria will be included as part of the Bidder's Commitments in the rated evaluation and included as a Commitment to be achieved in the Contract.

4.3. Identified Transactions may align with multiple criteria and will be scored as such, up to the maximum total points. All Transactions and Commitments identified in the Proposal will be included as a Commitment and/or Obligation to be achieved in the ensuing Contract.

4.3.1. In the event that the total of the Bidder's Transactions identified in the Proposal aligning with any of the rated VP criteria, expressed as a percentage of Contract Price, is greater than the Bidder's Commitment in the same VP criteria as indicated on the Rated Criteria Certificate, the higher value will be considered as the Bidder's Commitment in the rated evaluation and be included as an Obligation to be achieved in Article 3 of the ensuing Contract.

4.4. Table 4-6 below summarizes the rated evaluation scoring:

| Criteria | Available Points | Basis of Evaluation |
|--|-------------------------|--|
| Supplier Development | | |
| Commitment to Supplier Development Transactions | 20 | Commitments on signed Rated Criteria Certificate |
| Research and Development | | |
| Commitment to Research and Development Transactions in the identified KICs | 35 | Commitment on signed Rated Criteria Certificate |

| | | |
|---|-----|---|
| Identified Transactions involving Research & Development in the identified KICs, above the 10% minimum identification, up to 20% | 10 | Overall value of identified Transactions which demonstrate alignment to Research and Development in the identified KICs against the Bidder's Commitment to Research and Development in the identified KICs, as a percentage (%), measured in CCV |
| Skills Development and Training | | |
| Commitment to Skills Development and Training Transactions in the identified KICs | 15 | Commitment on signed Rated Criteria Certificate |
| Identified Transactions involving Skills Development and Training in the identified KICs, above the 10% minimum identification, up to 20% | 10 | Overall value of identified Transactions which demonstrate alignment to Skills Development and Training in the identified KICs against the Bidder's Commitment to Skills Development and Training in the identified KICs as a percentage (%), measured in CCV |
| Small and Medium Business | | |
| Commitment to Small and Medium Business Transactions, above the 15% minimum identification, up to 50% | 10 | Commitments on signed Rated Criteria Certificate |
| Total Points | 100 | |

Table 4-6 – Rated Evaluation Scoring

4.5. Total VP Score: The Bidder's scores for Commitments and identified Transactions will be totaled to reach a Total VP Score, which will then be weighted at fifteen percent (15%) of the total available score for the Project's overall bid evaluation.

5. PROCESS

-
- 5.1. The evaluation is led by the ITB Authority, with participation from representatives of the regional development agencies, and, if required, other subject matter experts.
 - 5.2. Evaluation assessments and scoring will be carried out by consensus, wherein the Bidder's Proposal will be read, discussed and each evaluator will agree to a score for each rated element. Consensus on broader issues will be sought, such that evaluators agree on the need for and nature of any clarifying questions or advice sought from outside experts. Where consensus on scoring, issues or other questions cannot be reached following discussion, the ISED lead evaluator will make the final decision.
 - 5.3. The ITB Authority will hold overall responsibility for ensuring that the members of the evaluation team carry out their responsibilities. The ITB Authority will act as the liaison between the evaluation team and outside officials.