

VOLUME 1
ANNEX F

NAVAL REMOTE WEAPON STATION

Industrial and Technological Benefits (ITB)

Value Proposition Evaluation Plan

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1. INTRODUCTION

- 1.1. The purpose of the Evaluation Plan is to describe the methodology that will be used to evaluate the Value Proposition (i.e. Proposal) submitted by the Bidder.
- 1.2. In Phase 1 of the evaluation process, the Bidder's Proposal will be evaluated as either responsive or non-responsive. In Phase 1, the Bidder's Proposal will be responsive if it meets all of the Mandatory Requirements outlined in Section 2 and achieves the ITB Minimum Assessment Values outlined in Section 3.
- 1.3. In Phase 2 of the evaluation process, the Bidder's Proposal will be evaluated using the rated evaluation criteria, as outlined in Section 4. Phase 2 of the evaluation process only applies to Proposals that have met the Mandatory Requirements and achieved the ITB Minimum Assessment Values in Phase 1 of the evaluation.
- 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 Volume 1, Annex A of the Naval Remote Weapon Station requirement Evaluation Plan.

2. ITB MANDATORY REQUIREMENTS

- 2.1. The chart below details each mandatory requirement and how the ITB Authority will confirm whether each has been met.

Mandatory Requirement	Method to Confirm
1. Bidder commits to achieving Transactions, measured in Canadian Content Value (CCV), valued at 100% of the Contract value (excluding Applicable Taxes and including any Contract options), to be achieved within the Achievement Period.	Mandatory Requirements Compliancy Certificate is duly signed and submitted.
2. Commits to business activities submitted in the Value Proposition under the Value Proposition Criteria becoming contractual obligations managed under the Industrial and Regional Benefits Requirements of the ensuing contract.	Mandatory Requirements Compliancy Certificate is duly signed and submitted
3(a) Bidder has specified its bid price, excluding applicable taxes and rounded to the nearest	Mandatory Requirements Compliancy Certificate section 3 (a).

dollar;	
3(b) Bidder has identified Transactions that meet the Eligibility Criteria which are detailed, fully described and equal in total to not less than 30% of the bid price excluding Applicable Taxes and without including any Contract options, measured in CCV;	Mandatory Requirements Compliance Certificate is duly signed and submitted.
3(c) Bidder commits to identifying one (1) year after Contract award, eligible Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than 60% of the Contract value, measured in CCV(excluding Applicable Taxes and including any Contract options);	Mandatory Requirements Compliance Certificate is duly signed and submitted.
3(d) Bidder commits to identifying two (2) years after Contract award, eligible Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to 100% of the Contract value, measured in CCV(excluding Applicable Taxes and including any Contract options);	Mandatory Requirements Compliance Certificate is duly signed and submitted.
4. Bidder commits to achieving Small and Medium Business Transactions, measured in CCV, valued at no less than 15% of the Contract value (excluding Applicable Taxes and including any Contract options), to be achieved within the Achievement Period.	Mandatory Requirements Compliance Certificate is duly signed and submitted.
5. Bidder accepts all of the ITB Terms & Conditions and agrees to the terms associated with performance guarantees.	Mandatory Requirements Compliance Certificate is duly signed and submitted.
6. Bidder submits all the required components in its Value Proposition: <ul style="list-style-type: none"> • Company Business Plan • ITB Management Plan • Regional Development Plan • Small and Medium Business Development Plan • Detailed Transaction Sheets, accompanied by a summary chart of them • VP Commitments Sheet, • Signed Mandatory Requirements Compliance Certificate 	Presence of each required component in the Proposal.

3. MINIMUM ASSESSMENT VALUES

3.1. Evaluation of Plans

- 3.1.1. The Bidder's four Plans (Company Business, ITB Management, Regional Development, and Small and Medium Business) are evaluated for quality and for risk, using the assessment definitions in Volume 1, Annex F, Tables 3-1 and 3-2.
- 3.1.2. Quality will be evaluated as to whether each plan responds to all 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.
- 3.1.3. Quality will be evaluated on a scale of one (1) to four (4), using the values below in Table 3-1;

Table 3- 1, Plan Quality Assessments

VALUE	PLAN – QUALITY ASSESSMENTS
4	SUPERIOR Plan contains most of the requested items in Section 5 of the Bidder Instructions. Items are very well developed. The Plan demonstrates that most of Canada's ITB Objectives will be met.
3	GOOD Plan contains many of the requested items in Section 5 of the Bidder Instructions. Items are generally well developed. The Plan demonstrates that many of Canada's ITB Objectives will be met.
2	POOR Plan contains some of the requested items in Section 5 of the Bidder Instructions. Items are somewhat developed. The Plan demonstrates that some of Canada's ITB Objectives will be met.
1	VERY WEAK Plan contains very few of the requested items in the Section 5 of the Bidder Instructions. Items are not well developed. The Plan does not demonstrate that Canada's ITB Objectives will be met.

- 3.1.4. Risk will be evaluated as to the levels of demonstrated in the plan of experience, capability, planning, resources and engagement.

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

Table 3- 2, Plan Risk Assessments

VALUE	PLAN - RISK ASSESSMENTS
4	SUPERIOR Plan demonstrates a comprehensive level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is extremely low.
3	GOOD Plan demonstrates a good level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is low.
2	POOR Plan demonstrates some level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is moderate.
1	VERY WEAK Plan demonstrates a very limited level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is significant.

- 3.1.6. First, each evaluator will provide a quality and risk assessment score for each plan.
- 3.1.7. Secondly, an average for each of the quality and risk assessment scores for each plan will be calculated.
- 3.1.8. Thirdly, the quality and risk score averages will be multiplied together to determine the assessment value of each plan.
- 3.1.9. Finally, the total assessment values of all plans will be added together to determine the final plans assessment value.
- 3.1.10. The Bidder must achieve a minimum final plans assessment value of thirty-two (32) points out of a possible sixty-four (64) points to be considered responsive.

EXAMPLE:

Plan	Quality (A)	Risk (B)	Assessment Value (C) (C) = (A) x (B)
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

3.2. Evaluation of Unidentified VP Commitments

- 3.2.1. The Bidder's Unidentified VP Commitments will be evaluated to determine whether they align the ITB Terms and Conditions, with respect to the Eligibility Criteria for Unidentified VP Commitments.
- 3.2.2. If a proposed Commitment is found to meet the criteria outlined in 3.2.1, it will then be evaluated using the rated evaluation criteria outlined in Section 4.

3.3. Evaluation of Transactions

- 3.3.1. The Bidder's Proposed Transactions will be evaluated to determine whether they meet the Eligibility Criteria as outlined in Article 7 of the ITB Terms and Conditions.
- 3.3.2. If a Proposed Transaction is found not to meet the criteria outlined in 3.3.1, it will be rejected during the evaluation and will receive no further consideration.
- 3.3.3. If a Proposed Transaction is found to meet the criteria outlined in 3.3.1, it will be then evaluated using the rated evaluation criteria outlined in

Section 4.

- 3.3.4. For the purposes of the first part and second part of the evaluation processes, multipliers, as defined in Volume 2, Annex C, Article 8.4, 8.5, 8.6 and 8.9 of the ITB Terms and Conditions, will not be considered. The Transaction Sheets submitted in the Proposal will only be evaluated based on the actual dollar value of the business activity, measured in CCV. Multipliers must only be considered after Contract award.
- 3.3.5. On completion of Phase 1 of the evaluation process, for each bid evaluated as responsive, Canada will carry out Phase 2 of the evaluation process, which consists of rated requirements as outlined in Section 4.

4. RATED EVALUATION

- 4.1 The Bidder's Proposed Unidentified VP Commitments and Transactions will be evaluated against the rated criteria described below.
- 4.1.1 The extent to which the Bidder provides Unidentified VP Commitments and/or identifies eligible Transactions for activities in the Defence Sector, measured in CCV. For the Naval Remote Weapon Station requirement, the Defence Sector is classified as:
- 4.1.1.1 Direct activities related to the Naval Remote Weapon Station requirement;
- 4.1.1.2 Indirect activities related to other Remote Weapon Station platforms within for land and naval applications; and
- 4.1.1.3 Indirect activities related to the Defence Sector, excluding those activities outlined under Article 4.1.1.1 and 4.1.1.2.
- 4.1.2 The extent to which the Bidder provides Unidentified VP Commitments and/or identifies eligible Transactions for activities involving Supplier Development, measured in CCV. For the Naval Remote Weapon Station requirement, Canadian Supplier Development is classified as:
- 4.1.2.1 Undertaking of activities involving Canadian-based suppliers within defence and non-defence sectors; and

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- 4.1.2.2 Undertaken within the Canadian facilities excluding Bidder and Eligible Parties as defined in Article 7 of the ITB Terms and Conditions.
- 4.1.3 The extent to which the Bidder provides Unidentified VP Commitments and/or identifies eligible Transactions for activities involving Research and Development, measured in CCV. For the Naval Remote Weapon Station requirement, Research and Development is classified as:
- 4.1.3.1 Undertaking of Research and Development activity in Canada; and
- 4.1.3.2 Undertaking of Research and Development activity with Canadian Post-Secondary Institutions.
- 4.1.4 The extent to which the Bidder's international export strategy provides information on the Bidder's plan to maximize export activities for Canada industry within the procurement area by identifying the international markets that the Bidder and its Eligible Parties intend to target, and the extent to which the international export strategy demonstrates that the Bidder has the capacity to successfully carry out its plans. For the Naval Remote Weapon Station requirement, demonstration of capacity to carry out plans is classified as:
- 4.1.4.1 Target Markets**
- Identify the specific markets that are targeted, including an assessment of the size of the market potential;
 - Describe any barriers affecting market entry from Canada and mitigation strategies;
 - Identify whether a buyer has been identified and whether the bidder's solution is a procurement priority of potential buyers in target markets;
 - Describe the direct or indirect market entry approach (e.g. government to government contract, direct commercial contract, agent, local partner, setting up local operations);
 - Describe the bidder's competitive advantage (e.g. has the offering already been sold commercially).
- 4.1.4.2 Capacity to Export**
- Demonstrate that they have the decision-making authority to export from Canada;
 - Demonstrate that they have access to the Intellectual Property rights needed to export from Canada;

- Demonstrate that their Canadian-based operations have a World Product Mandate;
- Demonstrate that they have an appropriate management team in place to pursue international sales from Canada;
- Demonstrate that they have set aside sufficient human and financial resources to pursue international market opportunities from Canada.

4.2 The Bidder is eligible to receive up to one hundred (100) Value Proposition Points (VPP) based on the criteria above, which will be weighted using the following formulae:

Criteria	Points	Weighting Percentage
<u>Defence Sector (1)</u> - Direct activities related to the Naval Remote Weapon Station requirement.	50	5
<u>Defence Sector (2)</u> - Indirect activities related to other Remote Weapon Station products within land and naval applications.		
<u>Defence Sector (3)</u> - Indirect activities related to the Defence Sector, excluding Defence Sector (1) and (2).		
<u>Canadian Supplier Development</u> - Undertaking of activities involving Canadian-based suppliers within defence and non-defence sectors; - Excluding work undertaken within the Canadian facilities of the Bidder and Eligible Parties.	10	1
<u>Research and Development</u> - Undertaking of Research and Development activity in Canada; - Undertaking of Research and Development activity with Canadian Post-Secondary	10	1

Schools.		
<u>International Export Strategy</u>	30	3
- Target Markets discussion; - Demonstration of Capacity to Export.		
Total Score	100	10%

- 4.2.1 0.25 VPP for every 1% of bid price, measured in CCV, for Direct Unidentified VP Commitments in the Defence Sector (1);
- 4.2.2 0.5 VPP for every 1% of the Contract value, measured in CCV, identified within Direct Transactions in the Defence Sector (1);
- 4.2.3 0.2 VPP for every 1% of bid price, measured in CCV, for Indirect Unidentified VP Commitments in the Defence Sector (2);
- 4.2.4 0.4 VPP for every 1% of bid price, measured in CCV, identified within Indirect Transactions in the Defence Sector (2);
- 4.2.5 0.15 VPP for every 1% of bid price, measured in CCV, for Indirect Unidentified VP Commitments in the Defence Sector (3);
- 4.2.6 0.3 VPP for every 1% of bid price, measured in CCV, identified within Indirect Transactions in the Defence Sector (3);
- 4.2.7 0.05 VPP for every 1% of bid price, measured in CCV, for Direct or Indirect Unidentified VP Commitments in Canadian Supplier Development;
- 4.2.8 0.1 VPP for every 1% of bid price, measured in CCV, identified within Direct or Indirect Transactions in Canadian Supplier Development;
- 4.2.9 1.0 VPP for every CAD\$200,000, measured in CCV, for Direct or Indirect Unidentified VP Commitments in Research and Development;
- 4.2.10 2.0 VPP for every CAD\$200,000, measured in CCV, identified within Direct or Indirect Transactions in Research and Development;

4.2.11 VPP for Capacity to Export Criteria. Breakdown of how the 30 VPP are assigned is outlined below.

4.2.11.1 VPP for the response to the Target Markets Criteria up to a maximum of 10 VPP.

4.2.11.2 VPP for the response to the Capacity to Export Criteria up to a maximum of 20 VPP.

Rated Criteria	Score to be assigned based on the following criteria	
Target Markets	Demonstrates a comprehensive level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is extremely low.	100 percent of available points (10 points)
	Demonstrates some level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is moderate.	50 percent of available points (5 points)
	Demonstrates a very limited level of experience, capability and planning, resources and engagement such that the probability of failure to achieve is significant.	0 percent of available points (0 points)

Rated Criteria	Score to be assigned based on the following	
Capacity to Export	Successfully demonstrated that they meet all 5 of the listed capacity to export criteria	100 percent of available points (20 points)
	Does not successfully demonstrate that they meet all 5 of the listed capacity to export criteria	0 percent of available points (0 points)

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- 4.2.12 Bidders will not receive VPP points for Value Proposition activities, measured in CCV, Committed in excess of their bid price.
- 4.2.13 For evaluation purposes the scoring of Unidentified VP Commitments and identified Transactions are mutually exclusive of one another.
- 4.2.14 Bidder activities, either as Unidentified VP Commitments and identified Transactions, may be double or triple counted for VPP should they respectively fall within two or three of the Evaluation Criteria (i.e. Defence Sector, Canadian Supplier Development and R&D) as outlined in Section 4.
- 4.2.15 The Bidder's VPP score will be weighted at ten (10) percent of the total available score for the Navel Remote Weapon Station requirement bid evaluation.

NAVAL REMOTE WEAPON STATION VALUE PROPOSITION:
DRAFT BIDDER EVALUATION SCENARIOS

Value Proposition Criteria	Bidder 1		Bidder 2		Bidder 3		Bidder 4	
	Percentage of Bid Price for Transactions Identified and Export Criteria Discussed/ Demonstrated (A)	Percentage of Bid Price for Unidentified Commitment (B)	Percentage of Bid Price for Transactions Identified and Export Criteria Discussed/ Demonstrated (A)	Percentage of Bid Price for Unidentified Commitment (B)	Percentage of Bid Price for Transactions Identified and Export Criteria Discussed/ Demonstrated (A)	Percentage of Bid Price for Unidentified Commitment (B)	Percentage of Bid Price for Transactions Identified and Export Criteria Discussed/ Demonstrated (A)	Percentage of Bid Price for Unidentified Commitment (B)
Defence Sector (1)	65	0	20	10	10	0	5	0
Score	32.5	0	10	2.5	5	0	2.5	0
Defence Sector (2)	5	2	3	10	5	5	20	0
Score	2	0.4	1.2	2	2	1	8	0
Defence Sector (3)	10	0	20	10	30	10	55	0

Score	3	0	6	1.5	9	1.5	16.5	0
Canadian Supplier Development	30	1	20	20	10	3	30	0
Score	3	0.05	2	1	1	0.15	3	0
R&D	\$1M	\$0K	\$400K	\$600K	\$200K	\$0K	\$0K	\$0K
Score	10	0	4	3	2	0	0	0
International Export Strategy – Target Market	Comprehensive Level of Capability/Low Failure Risk	N/A	Some Level of Capability/Moderate Failure Risk	N/A	Limited Level of Capability/Significant Failure Risk	N/A	Limited Level of Capability/Significant Failure Risk	N/A
Score	10		5		0		0	
International Export Strategy – Capacity to Export Strategy	Yes	N/A	Yes	N/A	No	N/A	No	N/A
Score	20		20		0		0	
Total Points for Bidder (Scores A + Scores B)	80.95		58.2		21.65		30	
Total Value Proposition Weighting (Total Points for Bidder / 10)	8.1%		5.82%		2.17%		3.0%	

4.2.16 The Bidder should note that although Unidentified VP Commitments and identified Transactions are rated distinctly from one another and are to be expressed as a percentage of the bid price (excluding Applicable Taxes and including any Contract options), it will be the sum total of both the identified Transactions and Unidentified VP Commitments provided by the Bidder that will form the Bidder’s Commitment for the specified Value

Proposition Criteria which will be captured under Volume 2, Annex C, Article 2 of the ITB Terms and Conditions.

5. EVALUATION PROCESS

- 5.1 Evaluation is led by the ITB Authority, with participation from representatives of the Regional Development Agencies (RDAs), and, if required, the Department of Foreign Affairs, Trade and Development, the Canadian Commercial Corporation, Public Works and Government Services Canada, the Department of National Defence and other Subject Matter Experts.
- 5.2 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 the Contracting Authority.