Canadian Armed Forces Unmanned Aircraft System

Industrial and Technological Benefits (ITB)

Value Proposition

Bidder Instructions

Table of Contents

1 INTRODUCTION

2 GENERAL INSTRUCTIONS

3 CANADA'S ITB OBJECTIVES

4 MANDATORY REQUIREMENTS

5 ASSESSMENT OF MANDATORY REQUIREMENTS

6 RATED CRITERIA

7 BANKING AND POOLING

Appendix A - Mandatory Requirements Certificate
Appendix B – Rated Criteria Certificate

1 INTRODUCTION

1.1 On February 5, 2014, the Government of Canada announced the Defence Procurement Strategy (DPS). One of the objectives of the DPS is to leverage purchases of defence equipment to create jobs and economic growth in Canada. The Industrial and Technological Benefits (ITB) policy has objectives that will be achieved through a weighted and rated Value Proposition (VP) that will form part of the evaluation plan to award the Contract.

1.2 The strategic VP objective for the Canadian Armed Forces Unmanned Aircraft System project (the Project) is to position the Canadian RPAS/AT Sector for future growth and export opportunities, an emerging technology area, by motivating high direct Canadian content and investments in research and development in the Canadian RPAS/AT Sector. This objective has been informed by extensive industry engagement and consultation, as well as by in-depth analyses of capabilities related to the procurement.

1.3 The Bidder must submit a responsive VP Proposal (Proposal) at bid closing. The Proposal will be deemed responsive by the ITB Authority if it meets i) the Mandatory Requirements outlined in Section 4; and ii) the Minimum Assessment Values outlined in Section 3 of the VP Evaluation Plan (Evaluation Plan). Should the Proposal be deemed responsive, it will then be evaluated related to the rated criteria outlined in Section 6 and receive points as outlined in Section 4 of the Evaluation Plan.

1.4 VP evaluation results will be conveyed to the Contracting Authority, who will then integrate them into the overall bid evaluation results, as outlined in Section XXX of the procurement's evaluation plan.

1.5 It is the responsibility of the ITB Authority, in cooperation with the regional development agencies and subject matter experts, to ensure that Proposals are evaluated as outlined in the Evaluation Plan.

2 GENERAL INSTRUCTIONS

2.1 In preparing its Proposal, the Bidder should be guided by these Bidder Instructions, as well as by the Evaluation Plan and the ITB Terms and Conditions. All three documents provide important guidance, definitions and/or contractual provisions related to the ITB policy. 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 these Bidder Instructions are attached.

2.2 The Proposal must be submitted in a separate, self-contained volume. Only the Proposal is reviewed during the evaluation. In order to facilitate the evaluation process, any material contained in another section of the Bid but relevant to the Proposal should be repeated in the Proposal.

2.3 Six (6) hard copies and two (2) electronic copies of the Proposal are required.

2.4 The Proposal, and its receipt, storage and protection by the ITB Authority, is governed by applicable federal laws and processes.

3 CANADA'S ITB OBJECTIVES

3.1 Canada wishes to ensure that its investments in defence-related goods and services generate economic benefit to Canada and have long-term and high-value impacts on Canadian industry, in advanced technology areas. The Proposal should clearly indicate how proposed business activities support Canada's ITB objectives set out below, and how they will be achieved if the Bidder wins the ensuing Contract.

3.2 Defence Sector: A core objective of the ITB policy is to ensure that defence procurement supports the economic development and long-term sustainment of Canada's Defence Sector. The Bidder is encouraged to propose a maximum amount of business activities in Canada involving work directly on the procurement, and work in the Defence Sector more broadly.

3.3 Supplier Development: The development of supplier productivity and competitiveness among Canadian-based suppliers is a key objective of the ITB policy. The Bidder is encouraged to propose meaningful opportunities for growth and supply chain integration to suppliers across Canada.

3.4 Research and Development (R&D): An important objective of the ITB policy is to encourage innovation, as R&D can position Canadian Companies to move up the value chain and capture market opportunities. The Bidder is encouraged to propose R&D investments in Canada and locate high value research and engineering work in Canada, positioning Canadian companies to benefit from its subsequent commercialization.

3.5 Exports: Canada's Defence Sector is export intensive, and a key ITB objective is to strengthen Canada's success in tapping traditional and non-traditional export

markets to share in long-term jobs and growth that result from success in foreign markets. The Bidder is encouraged to demonstrate that it and its suppliers can leverage the Project into future export success from Canada.

3.6 Regional Development: The regional development objectives of the ITB policy are to encourage long-term quality improvements to the capability, capacity, international competitiveness and growth potential of Canadian Companies in those regions where Canada has established specific initiatives to promote economic growth and diversification through procurement. Canadian Companies in all the Designated Regions of Canada should have the opportunity to participate in the Project.

3.7 Small and Medium Businesses (SMB): It is an objective of Canada to encourage the participation of SMB as suppliers on major federal procurements and to increase their competitiveness and export market access. Canadian SMB should have the opportunity to participate in the Project.

4 MANDATORY REQUIREMENTS

4.1 There are six (6) mandatory requirements that the Bidder must meet in its Proposal. The omission of any part of the following six (6) requirements will result in the Proposal being deemed not responsive:

4.1.1 Requirement One: The Proposal must commit to achieving Transactions, measured in Canadian content value (CCV), valued at not less than 100 percent of the Contract Price (including options), to be achieved within the Achievement Period. For the winning Bidder, its commitment to not less than 100 percent will become an Obligation that must be achieved under the Contract.

4.1.2 Requirement Two: The Bidder must commit to achieving not less than 40 percent of the Contract Price (including options) in Direct Transactions, measured in CCV.

4.1.3 Requirement Three: The Bidder must commit to achieving not less than 15 percent of the Contract Price (including options) in SMB Transactions, measured in CCV.

4.1.4 Requirement Four: In its Proposal, the Bidder must:

4.1.4.1 specify its Bid Price, not including taxes and rounded to the nearest dollar;

4.1.4.2 identify Transactions that are detailed, fully described and equal in total to not less than 30 percent of the Bid Price, measured in CCV;

4.1.4.3 commit to identifying, one (1) year after the Effective Date of the Contract, additional Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than 60 percent of the Contract Price (including options), measured in CCV; and

4.1.4.4 commit to identifying, three (3) years after the Effective Date of the Contract, additional Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to 100 percent of the Contract Price (including options), measured in CCV.

4.1.5 Requirement Five: The Bidder must accept and comply with all of the ITB Terms and Conditions.

4.1.6 Requirement Six: The Proposal must contain the following components, each of which is more particularly described in Section 5:

4.1.6.1 Company Business Plan;
4.1.6.2 ITB Management Plan;
4.1.6.3 Regional Development Plan;
4.1.6.4 Small and Medium Business Development Plan;
4.1.6.5 A compliant export target market overview;
4.1.6.6 Detailed sheets for proposed Transactions being submitted by the Bidder, accompanied by a summary chart of them; and
4.1.6.7 Mandatory requirements certificate, as set out in Appendix A, signed by a duly authorized company official.

5 ASSESSMENT OF MANDATORY REQUIREMENTS

5.1 The following section details the content that is expected to be in each of the components of the mandatory requirements referred to above in Section 4.1.6. The Plans will be assessed during the evaluation, based on quality and risk, as outlined in Section 3.1 of the Evaluation Plan. The export target market overview

(Overview) will be assessed during the evaluation as outlined in Section 4.3.2 of the Evaluation Plan.

5.2 Each Plan and the Overview should respond to all of the requested items outlined below. Responses should be detailed and, wherever appropriate, provide an indication of how items will contribute to the Bidder meeting Canada's ITB objectives.

5.3 Each Plan should address, wherever appropriate, the Bidder's approach to the following risk areas:

5.3.1 Experience (i.e. practise elsewhere);
5.3.2 Capability (i.e. know-how and tools in place);
5.3.3 Planning (i.e. organized, proactive);
5.3.4 Resources (i.e. team, facilities, information); and
5.3.5 Engagement (i.e. interaction with stakeholders)

5.4 Company Business Plan

5.4.1 The purpose of the company business Plan is to demonstrate the ability of the Bidder to assemble, plan and describe its proposed team to complete the work on the Project. The Plan should also demonstrate the ability of the Bidder and its team to meet the ITB objectives. The anticipated length of the Plan is approximately 7-10 pages, depending on the size of the Bidder's team.

5.4.2 The Bidder's company business Plan should contain the following information:

5.4.2.1 An outline of the structure, conduct and performance of the business operations of the Bidder and each of its proposed Eligible Donors that are performing work on the Project;

5.4.2.2 A detailed overview of the proposed role of each company in delivering the work on the Project, the proposed location of that work, and the key personnel in each company who would be responsible for delivering that work;

5.4.2.3 An organizational chart for each company outlining its worldwide corporate operations, that clearly states the corporate family structure, parent and subsidiary relationships, and the location of key

responsibility centres (i.e. headquarters, manufacturing, service centres, R&D, marketing);

5.4.2.4 A list of each company's existing Canadian facilities, including the location, date of establishment, nature of operations, number of employees, and place within the worldwide corporate structure; and

5.4.2.5 A description of the broad and long-term impacts of the Work on the Canadian economy and how these respond to the ITB objectives in Section 3.

5.5 ITB Management Plan

5.5.1 The purpose of the ITB Management Plan is to demonstrate the Bidder's ability to develop, implement, manage and report on the Obligations for the full duration of the Achievement Period. It is also the place for Bidder to formally list its proposed Eligible Donors. The anticipated length of the Plan is approximately 6-8 pages.

5.5.2 The ITB Management Plan should include the following information:

5.6 A description of the ITB management functions and associated organization that the Bidder envisions necessary to successfully meet the Obligations. It should include a summary of the methods, processes and procedures that the Bidder will use to identify, submit, track, record keep and report on ITB activities. The summary should be presented in a level of detail sufficient to demonstrate that the Bidder fully understands its obligations;

5.7 The name, contact details and biographical information of the Bidder's ITB official(s) assigned to the Project and/or job descriptions for the proposed positions;

5.7.1.1 An explanation of the Bidder's internal processes for ITB organization, advocacy and awareness, both specific to the Project and in general. The Bidder should include a description of how ITB considerations will be factored into the company's broader decision-making processes, along with how these decisions will be documented and tracked;

5.7.1.2 A description of any previous ITB/IRB/offset obligations that have been undertaken by the Bidder over the past ten (10) years, in

Canada and elsewhere, along with a brief overview of the achievement status of each project; and

5.7.1.3 A list of the Bidder's proposed Eligible Donors and contact details for each, along with details and documentation justifying how each company meets the Eligible Donor criteria outlined in the ITB Terms and Conditions.

- All proposed Eligible Donors are subject to review and approval by the ITB Authority during evaluation. Only those proposed Eligible Donors that are found to meet the criteria will be included on the list of Eligible Donors in the ensuing Contract. Any proposed Transaction with a company not meeting the Eligible Donor criteria will be rejected.

5.8 Regional Development Plan

5.8.1 The purpose of the Regional Development Plan is to demonstrate the Bidder's commitment to providing opportunities and assistance for businesses in the Designated Regions of Canada. The anticipated length of the Plan is approximately 5-7 pages.

5.8.2 The Regional Development Plan should include the following information:

5.8.2.1 Identification and description of the Bidder's proposed Transactions in the Designated Regions of Canada, the total of which will become Obligations to be achieved under Article 3 of the ITB Terms and Conditions. The Plan may also identify any higher regional commitment target to which the Bidder is prepared to commit contractually;

5.8.2.2 A description of the Bidder's business rationale for its regional approach;

5.8.2.3 A description of the activities and approaches undertaken to date by the Bidder and its proposed Eligible Donors that have resulted in the distribution of proposed Transactions to the Designated Regions of Canada;

5.8.2.4 A description of the activities and approaches that will be undertaken after Contract award until the end of the Achievement Period to

improve the opportunities available to the Designated Regions of Canada; and

5.8.2.5 A description of how regional considerations are factored into the Bidder's ITB decision-making processes.

5.9 Small and Medium Business (SMB) Development Plan

5.9.1 The purpose of the SMB Development Plan is to demonstrate the Bidder's commitment to providing opportunities, assistance and encouragement to SMB in Canada. The anticipated length of the Plan is approximately 5-7 pages.

5.9.2 The SMB Development Plan should include the following information:

5.9.2.1 Identification and description of the Bidder's proposed Transactions involving SMB in Canada, the total of which, or 15 percent of the Contract Price, whichever is higher will become Obligations to be achieved under Article 3 of the ITB Terms and Conditions;

5.9.2.2 A description of the activities and approaches undertaken to date by the Bidder and its proposed Eligible Donors that have resulted in the proposed distribution of SMB Transactions;

5.9.2.3 A description of the activities and approaches that will be undertaken after Contract award until the end of the Achievement Period to improve the opportunities available to SMB;

5.9.2.4 A description of how SMB considerations are factored into the Bidder's ITB decision-making processes; and

5.9.2.5 A description of any initiatives and/or assistance (at a broad corporate level or specific to the Project) that would be provided to SMB to help stimulate and promote them, both as potential suppliers to the Project and for their capability to pursue and undertake new business activities. Examples could include financing or special payment provisions.

5.10 Export Target Market Overview

5.10.1 The Proposal must include an Overview, as part of the Bidder's international export strategy, which demonstrates that the Bidder and its suppliers can leverage the Project into future export success.

5.10.2 The Overview should, in as much detail as possible, provide information identifying the international markets that the Bidder and its suppliers intend to target and provide sufficient information to Canada to determine whether a realistic assessment of export potential has been provided and that the Bidder can reasonably achieve this potential. The anticipated length of the Overview is under ten (10) pages.

5.10.3 The Bidder's Overview must contain detailed responses to four (4) or more of the following criteria:

- 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 the related mitigation strategies;
- Identify whether buyers have been identified and whether the Bidder's solution is a procurement priority of potential buyers in targeted markets (e.g. has a Request for Proposal been issued?);
- Describe the direct or indirect market entry approach (e.g. government to government contract, direct commercial contract, agent, local partner, setting up local operations); and,
- Describe the Bidder's competitive advantage (e.g. has the offering already been sold commercially?).

5.11 Detailed transaction sheets

5.11.1 The Proposal will provide a separate and detailed transaction sheet for each Transaction that the Bidder proposes and for which it is prepared to commit contractually. A template of the transaction sheet is attached as Appendix B to the ITB Terms and Conditions. The Bidder is encouraged to use this template, to promote administrative consistency and ease.

5.11.2 In addition to the individual transaction sheets, the Bidder will include a summary chart of all of its proposed Transactions. The summary chart

should clearly identify each Transaction and provide a breakdown, with appropriate sub-totals and percentages, by: direct, indirect, region, SMB and rated criteria. The summary chart should provide a very brief description of how each proposed Transaction aligns with the rated criteria, to compliment the more detailed justifications located in the transaction sheet. The Bidder may use a format of its choice for the summary chart.

5.11.3 The Bidder should include a forecast plan for the Transactions due 1 and 3 years following the Effective Date of the Contract, respectively. The forecast plan should include such information as, but not limited to: a list of any Canadian Companies being considered; and/or, the specific capabilities being sought from Canadian suppliers.

5.11.4 The Bidder is strongly encouraged to fully complete every section of the transaction sheet, as outlined below, so that the proposed Transaction can be properly evaluated. The Bidder should also provide details and documentation within its Proposal, as indicated, in support of Transaction eligibility. Failure to adequately describe and/or document the proposed Transaction may result in it being rejected as not meeting the Transaction eligibility criteria.

5.11.5 Identifying a Transaction for the purposes of Section 4.1.3 means presenting a signed transaction sheet to the ITB Authority, which names both a specific Eligible Donor and a specific Recipient, describes the business activity in detail, provides valuation information, and complies with the Bidder Instructions and the ITB Terms and Conditions with respect to eligibility criteria, valuation, transaction types and banking.

In the event that the Bidder identifies Transactions in its Proposal valued at more than any minimum requirement stated in the Bidder Instructions:

5.11.5.1 no additional points will be scored in the rated evaluation, above those outlined in the Evaluation Plan; and

5.11.5.2 the Obligation values in Article 3 of the Terms and Conditions will be increased to match the total value of those Transactions.

5.11.6 Instructions for transaction sheets:

Overview

- Title and number (*provide a brief title identifying the activity and a unique number in simple, sequential order, for reference purposes*)

- Date of submission *(date of Proposal)*

- Tranche (*the Proposal is tranche 1*)

5.11.6.1 Contractor information *(information regarding the proposed Contractor on the Project)*

5.11.6.2 Donor information *(information regarding the proposed Donor on the Project)*

5.11.6.3 Recipient information *(Notes: i) the company description should include locations, business history and core capabilities; ii) see Article 8.1.5 of the Terms and Conditions for other Recipient requirements.)*

5.11.6.4 Valuation and time phasing *(specify the overall CCV values as applicable, plus the detailed commitment schedule broken out by 12 month periods, which mirror the Reporting Periods)*

- For the purposes of the evaluation process, the multiplied or enhanced value of a proposed Transaction involving a credit multiplier, future sales achievement or CCV enhancement, as described in Article 7 of the Terms and Conditions, will not be considered. Only the face value of the initial investment, or the estimated CCV, in the proposed Transaction will be considered. Any multiplied credit values, future sales achievements or enhanced CCV will be counted after the Effective Date of the Contract.

5.11.6.5 Transaction details

- Type of Transaction *(direct or indirect, pooled, banked)*

- Description of Transaction *(provide a detailed description of the proposed activity, including: nature of work; location of work in Canada, estimated quantities and timelines; any end-use market, platform or program; and, other relevant information)*

- VP activity *(yes or no)*
  - Direct
  - R&D in RPAS/AT Sector(*yes or no)*
  - Supplier development in RPAS/AT Sector (*yes or no*)
  - Export in RPAS/AT Sector (*yes or no*)

- Justification for VP classifications above (*clearly demonstrate and document alignment with VP requirements*)

- Activity type *(i.e. purchase, investment*)

- North American Industry Classification Code System (NAICS) categorizing type of business activity *(enter a primary, secondary, and tertiary NAICS code)*

- Business activity type *(pick <u>one</u> business activity type that applies best)*

- Investment framework (*if applicable)*
  - Allowable investment type *(i.e. cash grant, cash purchase of shares, licence for brand or trademark, licence for IP, loan of employee, transfer of equipment, transfer of software, or transfer of systems)*
  - Type of R&D or commercialization activity *(i.e. test analysis, applied research, business planning, feasibility studies*)
  - Business Plan (*template in Appendix D of Terms and Conditions*)
  - Valuation documentation included (*agreement or in-kind valuation report, as appropriate)*

5.11.6.6 Consortium member information (*if applicable*);

5.11.6.7 Transaction eligibility criteria *(be as specific and detailed as possible in addressing how a proposed Transaction meets each eligibility criteria, which are outlined in the ITB Terms and Conditions. Guidance is provided in the ITB website Info Bulletin "Preparing a transaction sheet". Include all details, documentation and certificates in the Proposal)*

5.11.6.8 Other

- Canadian government assistance (*describe the date and details of any assistance provided -- either to the specific activity, the Eligible Donor, or the Recipient -- from any level of government in Canada*)
- CCV overview (*indicate which CCV calculation method was used)*
- Level of technology *(for Indirect Transactions, indicate whether the level of technology is the same or higher than the Project)*

5.11.6.9 Signature (an authorized official at the Bidder's or proposed Eligible Donor's company)

5.12 Mandatory requirements certificate

5.12.1 The Bidder must submit with its Proposal the mandatory requirements certificate (Appendix A), completed with their company name and Bid Price, and signed and dated by a company official duly authorized to bind the company.

6 RATED CRITERIA

6.1 Value Proposition: The Bidder should provide information and details on its VP commitments, proposed Transactions, and international export strategy, which will be rated as described in Section 4 of the Evaluation Plan. The Bidder should complete and submit the rated criteria certificate (Appendix B), signed and dated by a company official duly authorized to bind the company.

6.1.1 *RPAS/AT Sector Instructions* – The Proposal should include the Bidder's commitment to achieve Direct Transactions as defined in Article 1.1.10 of the ITB Terms and Conditions over and above the mandatory Direct criterion in Section 4.1.2. The commitment should be expressed as a percentage of the Contract Price, including options, measured in CCV. This commitment will become an Obligation to be completed within the Achievement Period.

The Proposal should include the Bidder's proposed Direct Transactions. Direct Transactions identified in the Proposal will become Obligations to be completed within the Achievement Period.

6.1.2 *Research and Technological Development in the RPAS/AT Sector Instructions* – The Proposal should include the Bidder's commitment to achieve Transactions involving Research and Development Activities in the RPAS/AT Sector. The Commitment should be expressed as a percentage of the Contract Price, including options and measured in CCV. This commitment will become an Obligation to be completed within the Achievement Period.

The Proposal should include the Bidder's proposed Transactions involving Research and Development Activities. The Bidder should describe in its Proposal how the proposed Transactions align with Research and Development and should provide supporting details and documentation. Failure to demonstrate this alignment may result in zero points at evaluation. Transactions that align with Research and Development that are identified in the Proposal will become Obligations to be completed within the Achievement Period.

6.1.3 *Supplier Development in the RPAS/AT Sector Instructions* - The Proposal should include the Bidder's Commitment to achieve Transactions involving Supplier Development. The Commitment should be expressed as a percentage of the Contract Price, including options and measured in CCV. This Commitment will become an Obligation to be completed within the Achievement Period.

The Proposal should include the Bidder's proposed Transactions involving Supplier Development. The Bidder should describe in its Proposal how the proposed Transactions align with Supplier Development and should provide supporting details and documentation. Failure to demonstrate this alignment may result in zero points at evaluation. Transactions that align with Supplier Development that are identified in the Proposal will become Obligations to be completed within the Achievement Period.

6.1.4 *International Export Strategy in the RPAS/AT Sector Instructions* – The Proposal should include an international export strategy, demonstrating that the Bidder and its suppliers can leverage the Project into future export success.

The international export strategy should, in as much detail as possible,

provide information on the Bidder's plan to maximize export activities for Canadian industry related to the Project.

6.2 Capacity to Export: The international export strategy should demonstrate that the Bidder and/or its proposed Eligible Donors have the capacity to successfully carry out their export plans and provide sufficient information to enable Canada to determine, at the time of bid evaluation, whether the conditions for success will be in place at the time of Contract award and will remain in place. All the components detailed below are required in order to successfully manage an export program; therefore VP points will only be awarded for the capacity to export section if the Bidder can demonstrate at the time of bid evaluation that all of the capacity of export components will be fulfilled at the time of Contract award. More specifically, the Bidder and/or its suppliers should demonstrate that:

- they have the decision-making authority to pursue exports from Canada, by providing:
  - evidence that the necessary company signing authorities are in place to pursue international sales;
  - details describing the extent of the decision-making authority with regard to pursuing export contracts.

- they have access to the Intellectual Property rights needed to export from Canada to the target market(s), by providing evidence of access such as:
  - proof of access to the Intellectual Property (i.e a copy of a transfer or licensing agreement for the Intellectual Property);
  - proof of ownership of the Intellectual Property (i.e registration number of the Intellectual Property);
  - other evidence proving access and/or ownership
  - description why no Intellectual Property right is required for the implementation of target market exports.

- their Canadian-based operations have and will maintain a to export the product/service outside of Canada, by providing evidence such as:
  - contract or certification or other documentation to illustrate that they have a World Product Mandate for a product or service with exclusive authority to export outside of Canada.

- Details and evidence of the exclusive authority to export the product/service globally, which does not require a World Product Mandate.

- they have a management team in place to pursue international sales from Canada, by providing:
  - details describing the team and its organizational structure.

- they have set aside and are using human and financial resources to pursue international market opportunities from Canada, by providing:
  - a description of the resources and an overview of their use.

6.2.1 Export Commitment/Identified Transactions

- Commitment – The Bidder may identify a Commitment measured in CCV (as a percentage of the Contract Price) to achieve Transactions involving export activity within the Achievement Period.

- Identified Transactions – The Bidder may identify Transactions involving export activity within the Achievement Period.

6.2.2 The Contract will require the Contractor to report on its international export strategy and activities on an annual basis for the duration of the Project, as referenced in Article 4.1.1.4 of the ITB Terms and Conditions. Reporting on the export activities, including the status of the export Transactions, will be an Obligation.

7 BANKING AND POOLING

7.1 Banking and pooling are described in the ITB Terms and Conditions. The Bidder may use bank Transactions, or a pooled portion thereof, as part of its Proposal.

7.2 The Bidder submitting a bank Transaction in its Proposal should include: i) a copy of the approved banked transaction sheet; and, ii) the most recent annual bank statement, authorized by the ITB Authority and dated before the release date of the Request for Proposal (RFP) to which the Proposal responds.

7.2.1 The Bidder submitting a pooled portion of a bank Transaction should include the most recent bank statement for that portion, authorized by the ITB Authority and dated before the release date of the RFP to which the Proposal responds.

7.2.2 In all cases, the value on the bank statement will be the one used during the evaluation process.

7.2.3 A pooled Transaction, or portion thereof, may only be included in the Proposal if it originates from the bank.

7.3 If a bank Transaction is used as part of a Proposal, the evaluation committee will consider the Transaction as accepted for meeting the Transaction eligibility criteria, with the exception of Eligible Donor.

7.3.1 A bank Transaction will be evaluated to confirm that it meets the Eligible Donor criteria for the Project, outlined in Article 8 of the Terms and Conditions.

7.4 Acceptance of a Transaction in the bank does not guarantee Value Proposition points. All bank Transactions will be evaluated to determine Value Proposition scoring, as outlined in the Evaluation Plan.

7.5 The Bidder may submit bank Transactions of any CCV value in its Proposal. The entire CCV value of bank Transactions submitted in the Proposal will become an Obligation to be achieved under Article 3 of the Contract. However, any CCV value of bank Transactions that exceeds 50 percent of the total for all Transactions identified in the Proposal will not be counted in the evaluation.

7.6 The Bidder is encouraged to submit any proposed bank Transactions to the ITB bank well in advance of RFP release. Any bank Transaction, or portion thereof, included in the Proposal where the date of the authorized bank statement falls after the RFP release date for the Project will not be considered in the mandatory or rated evaluation. Further, that bank Transaction will not become a commitment to be achieved under the Contract.

APPENDIX A - MANDATORY REQUIREMENTS CERTIFICATE

The Bidder, _____, declares and certifies that through this Proposal for the Project, the Bidder satisfies the following requirements:

Mandatory Requirement	Specific Terms and Conditions Commitment
1. Commits to achieving Transactions valued at not less than ___ percent of the Contract Price *(100 percent or the percentage represented by the total of all identified Transactions, whichever is higher)*, (including options) measured in Canadian content value (CCV), to be achieved within the Achievement Period.	Article 3.1.1
2. Commit to achieving no less than 40 percent of the Contract Price (including options) in Direct Transactions, measured in CCV.	Article 3.1.2
3. Commits to achieving not less than 15 percent , of the Contract Price (including options) in Small and Medium Business Transactions, measured in CCV.	Article 3.1.4
4. Identifies its Bid Price (not including taxes and rounded to the nearest dollar) $ _____	
4(a). Identifies Transactions equal in total to not less than 30 percent of its Bid Price (including options) measured in CCV.	Article 3.1.1, 3.1.2, 3.1.3, 3.1.4 and 3.1.6
4(b) Commits to identifying, one (1) year after the Effective Date of the Contract, additional Transactions that bring the cumulative total of identified Transactions to at least 60 percent of the Contract Price (including options), measured in CCV;	Article 3.1.5
4(c) Commits to identifying, three (3) years after the Effective Date of the Contract, additional Transactions that bring the cumulative total of identified Transactions to 100 percent of the Contract Price (including options), measured in CCV.	Article 3.1.5
5. Accepts all of the ITB Terms and Conditions.	All articles and appendices.
6. Has submitted all the following required components of a Proposal: • Company business plan; • ITB management plan; • Regional development plan;	Appendix A

• Small and medium business development plan; • Export target market overview • Detailed Transaction sheets, accompanied by a summary chart of all o them; and, • This mandatory requirements certificate, duly completed, signed and dated.	

IN WITNESS THEREOF THIS MANDATORY REQUIREMENTS CERTIFICATE HAS BEEN SIGNED THIS _____ DAY OF _____ BY A SENIOR COMPANY OFFICIAL WHO IS DULY AUTHORIZED TO BIND THE COMPANY.

_____
SIGNATURE

_____
NAME AND TITLE OF SENIOR COMPANY OFFICIAL

APPENDIX B - RATED CRITERIA CERTIFICATE

The Bidder, _____, declares and certifies that, through this Proposal for the Canadian Armed Forces Unmanned Aircraft System Project, the Bidder makes the following Commitments, in response to the rated criteria outlined in section 6:

Rated Criteria	Bidder Commitment Above Minimum Requirement	Maximum Points Available for Commitment Above Minimum Requirement	Terms and Conditions Commitment
Direct RPAS/AT Sector			
Commitment	Mandatory 40%+ Rated%=Total commitment	30	Article 3.1.2.1
	Article 3.1.2.1 will include the percentage value of either the commitment or the identified Transactions, whichever is higher		
Research and Development			
Commitment		*35*	Article 3.1.2.2
	Article 3.1.2.2 will include the percentage value of either the commitment or the identified Transactions, whichever is higher		
Supplier Development			
Commitment		*15*	Article 3.1.2.3
	Article 3.1.2.3 will include the percentage value of either the commitment or the identified Transactions, whichever is higher		
International Export Strategy			
Capacity to Export		*10*	Article 3.1.2.4
Identified Transactions			
Commitment		*10*	Article 3.1.2.1, 3.1.2.2, 3.1.2.3,3.1.2.4
	Article 3.1.2.4 will include the percentage value of either the commitment or the identified Transactions, whichever is higher		

IN WITNESS THEREOF THIS RATED CRITERIA CERTIFICATE HAS BEEN SIGNED THIS _____ DAY OF _____ BY A SENIOR COMPANY OFFICIAL WHO IS DULY AUTHORIZED TO BIND THE COMPANY.

_____
SIGNATURE

_____
NAME AND TITLE OF SENIOR COMPANY OFFICIAL