Canadian Armed Forces Unmanned Aircraft System

Industrial and Technological Benefits (ITB)

Value Proposition Evaluation Plan

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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 responsive or not responsive. The Proposal will be deemed responsive if it: i) meets all of the mandatory requirements outlined in Section 2; and, ii) meets the minimum assessment values outlined in Section 3.

1.3. All responsive bids will then be evaluated based on rated criteria, as outlined in Section 4.

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 section 5 of the Canadian Armed Forces Unmanned Aircraft System project's (the Project) evaluation plan.

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 100 percent of the Contract Price or the total CCV of identified Transactions, whichever is higher, to be achieved within the Achievement Period.	Mandatory requirements certificate is duly signed and submitted.

2. The Bidder must commit to achieving not less than 40 percent of the Contract Price (including options) in Direct Transactions, measured in CCV.	Mandatory requirements certificate is duly signed and submitted
3. Bidder commits to achieving not less than 15 percent of the Contract Price in Small and Medium Business Transactions, measured in CCV.	Mandatory requirements certificate is duly signed and submitted.
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.
4a. Bidder has identified Transactions which are detailed, fully described and equal in total to not less than 30 percent 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 one (1) year after Contract award, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to not less than 60 percent of the Contract Price, measured in CCV.	Mandatory requirements certificate is duly signed and submitted.
4c. Bidder commits to identifying three (3) years after Contract award, Transactions that are detailed, fully described and bring the cumulative total of identified Transactions to 100 percent of the Contract Price, measured in CCV	Mandatory requirements certificate is duly signed and submitted.
5. Bidder accepts all of the ITB Terms & Conditions.	Mandatory requirements certificate is duly signed and submitted.
6. Bidder submits all the required components in its Proposal: • Company Business Plan • ITB Management Plan • Regional Development Plan • Small and Medium Business Development Plan • Compliant Export Target Market Overview • Detailed transaction sheets, accompanied by a summary chart of all Transactions. • Signed Mandatory requirements 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 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.

3.1.2. 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.

3.1.3. 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 5.4 to 5.7, 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 5.4 to 5.7, 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 5.4 to 5.7, 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 5.4 to 5.7, 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

3.1.4. 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.

3.1.5. 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	**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.
3	**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.
2	**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.
1	**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.

Table 3- 2, Plan Risk Assessments

3.1.6. 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.

3.1.7. 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) *(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**

Table 3.3 - Example

3.2. Evaluation of Export Target Market Overview

3.2.1. The Bidder's Overview will be evaluated to confirm that it is present in the Proposal. It will then be assessed as compliant or non-compliant. A compliant Overview must contain detailed responses to four (4) or more of the criteria listed in section 5.8.3 of the Bidder Instructions.

3.3. Evaluation of proposed Transactions

3.3.1. 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.

3.3.2. If a proposed Transaction does not meet the criteria outlined in 3.3.1, it will be rejected and will receive no further consideration during the mandatory or rated evaluation, or in the Contract.

3.3.3. If a proposed Transaction meets the criteria outlined in 3.3.1, 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 Direct RPAS/AT Sector: For a Commitment to achieve Transactions involving Direct RPAS/AT Sector work activities, as defined in the ITB Terms and Conditions Article 1.1.10 over and above the mandatory Direct criterion in Section 2.1, and measured in CCV and identified as a percentage, rounded to the nearest whole number, of the resulting Contract Price, the Commitment will be rated as follows:

- The Bidder with the highest Commitment will receive 30 points. All other bidders will be prorated down based on the following formula.

$$Score = \left(\frac{Bidder's\ Commitment}{Highest\ Bidder\ Commitment}\right) * 30$$

*Direct Commitment will be calculated and must be shown as Mandatory 40% + rated percent = Total Commitment. A minimum total commitment of 40% is required to be responsive in this process.

4.1.2 Research and Technological Development in the RPAS/AT Sector:
For a Commitment to achieve Transactions involving Research and Development as defined in the ITB Terms and Conditions Article 1.1.26 and in the RPAS/AT Sector, as defined in the ITB Terms and Conditions Article 1.1.24, and measured in CCV and identified as a percentage, rounded to the nearest whole number, of the resulting Contract Price, the Commitment will be rated as follows:

- The Bidder with the highest Commitment will receive 35 points. All other bidders will be prorated down based on the following formula.

$$Score = \left(\frac{Bidder's\ Commitment}{Highest\ Bidder\ Commitment}\right) * 35$$

For identified transactions involving this criteria, see Section 4.2 and 4.4 of this Evaluation Plan.

4.1.1. Supplier Development in the RPAS/AT Sector:
For a Commitment to achieve Transactions involving Supplier Development as defined in the ITB Terms and Conditions Article 1.1.30 and in the RPAS/AT Sector, as defined in the ITB Terms and Conditions Article 1.1.24, and measured in CCV and identified as a percentage, rounded to the nearest whole number, of the resulting Contract Price, the Commitment will be rated as follows:

- The Bidder with the highest Commitment will receive 15 points. All other bidders will be prorated down based on the following formula.

$$Score = \left(\frac{Bidder's\ Commitment}{Highest\ Bidder\ Commitment}\right) * 15$$

For identified transactions involving this criteria, see Section 4.2 and 4.4 of this Evaluation Plan.

4.1.2 International Export Strategy

The capacity to export as part of the International Export Strategy and outlined in section 6.1.4.1 of the Bidder Instructions will be scored on a pass/fail as follows: To achieve a pass score, the bidder must successfully demonstrate that they meet all five of the capacity to export criteria in Section 6.1.4.1 of the Bidder Instructions.

Failure to successfully demonstrate this will result in a fail score for this section and the export commitment and any value proposition points related to export activity will not be rated.

If you receive a pass score, this criterion will be scored as follows:
For a Commitment to achieve Transactions involving export sales in the RPAS/AT Sector, as defined in the ITB Terms and Conditions Article 1.1.12 and Article 1.1.30, and measured in CCV and identified as a percentage, rounded to the nearest whole number, of the resulting Contract Price, the Commitment will be rated as follows:

- The Bidder with the highest Commitment will receive 10 points. All other bidders will be prorated down based on the following formula.

$$Score = \left(\frac{Bidder's\ Commitment}{Highest\ Bidder\ Commitment}\right) * 10$$

4.1.3 Identified Transactions

Transactions that are identified by the Bidder in its VP proposal, which are determined to be eligible under Section 8 of the ITB Terms and Conditions will be assessed to determine whether they align with the evaluation criteria identified in Sections 4.2 through 4.4. For Transactions identified, the Bidder will be scored on Transactions that exceed the minimum 30% Identified Transactions requirement in Section 2. The Bidder should describe how each Transaction aligns with the VP Activity, provide supporting details and documentation sufficient to support the claim that the Transaction fits within a given criteria.

Capacity to Export Scoring Criteria (*10* Points)	**Points**
Successfully demonstrates that they meet all five of the capacity to export criteria in Section 6.1.4.1 of the Bidder Instructions.	100 percent of available points (*10* points)
Did not successfully demonstrate that they met all five of the capacity to export criteria in Section 6.1.4.1 of the Bidder Instructions.	0 percent of available points 0 points)

4.1.1.1. Up to 10 Points for the export commitment/identified Transactions.

Export Commitment and Transactions (*10* Points)	**Points**
The Bidder with the highest commitment, measured in CCV as a percentage of the Contract Price, to achieve Transactions involving export activity within the Achievement Period.	Bidder with the highest commitment will receive10 points. All other Bidders will be prorated down. Formula: Bidder's commitment divided by the highest bidder commitment, multiplied by 10.
The Bidder may identify Transactions measured in CCV involving export activity within the Achievement Period.	Bidder with the highest percentage of identified Transactions will receive *10* points. All other Bidders will be prorated down. Formula: Bidder's percentage of identified Transactions divided by the highest bidder percentage, multiplied by 10.

Table 4.2 – Export Commitment/Transactions

4.2. Any identified Transactions in 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 receive zero points in the rated evaluation, 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 scored as outlined below in section 4.4, included as part of the Bidder's Commitments in the rated evaluation and included as a Commitment to be achieved in the Contract.

4.2.2.1. In the event that the Bidder identifies Transactions in its Proposal valued at more than 100 percent of the Contract Price, no additional points will be earned in the rated evaluation, above those outlined in the Evaluation Plan. Additionally in this event, the Obligation values in Article 3.1.1 of the Terms and Conditions would be increased to match the total value of those Transactions.

4.3. One identified Transaction may be aligned 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.

Table 4.3 below summarizes the rated evaluation scoring:

Criteria	**Available Points**	**Basis of Evaluation**
Direct	**30**	
Commitment	**30**	Commitment on signed rated criteria certificate
Research and Development	**35**	
Commitment	**35**	Commitment on signed rated criteria certificate
Supplier Development	**15**	
Commitment	**15**	Commitment on signed rated criteria certificate
Export Strategy	**10**	
Capacity to export	**10**	Content of international export strategy Commitments on signed rated criteria certificate
Identified Transactions	**10**	

Identified Transactions	**10**	Justification and CCV on transaction sheets Percentage on signed rated criteria certificate
Total Points	**100**	

Table 4.3 – Transaction Scoring

4.4. 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 15 percent 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 Evaluation Lead 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.