

**Summary of Feedback and Outcomes**

Request for Information

W6369-180007

**Department of National Defence – Canadian Forces Station (CFS) Alert Site Support Services**

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# 1. Introduction

This document identifies the responses from industry regarding the queries put forth in the RFI from Phase 1 of the Engagement Activities, related to the Request for Information (RFI) for the Department of National Defence – Canadian Forces Station (CFS) Alert Site Support Services.

The objective of the RFI, Phase 1, was to solicit relevant feedback that could facilitate the effective and economical sustainment of the delivery of the required site support services at Canadian Forces Station (CRS) Alert. The RFI was posted on buyandsell.gc.ca by Public Services and Procurement Canada (PSPC) for the purpose of requesting Industry feedback to assist with the potential reformulation of the site support services requirement for the CFS Alert located in Ellesmere Island, Nunavut, on behalf of the Department of National Defence (DND).

# 2. Requirement

In order to support DND as it carries out its operations at CFS Alert, site support services are obtained through contract with the private sector allowing DND to concentrate on its core business.

In general, the services sought from the Contractor are real property site support services including, but not limited to:

* facilities and operations maintenance,
* roads, and grounds maintenance,
* water supply and distribution,
* power supply and generation,
* waste management,
* food services,
* accommodation and janitorial services,
* telecommunication and information system support,
* vehicle and equipment maintenance,
* transport,
* fire services and
* environmental protection services.

# 3. Industry Engagement Process

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| **Phase 1** | * Posting of RFI: August 18, 2018. * Responses to RFI requested: November 1, 2018. |
| **Participants** | * 4 organizations provided written responses to the RFI. |
| **Phase 2** | * Posting of draft RFP. Anticipated Fall 2019 |
| **Phase 3** | * Industry Engagement Presentation and one-on-ones |
| **Phase 4** | * Posting of Summary of Feedback: Spring 2020 |

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# 4. General Overview of the Industry Engagement Process Feedback

The consultative process provided participating Industry with an opportunity to contribute to the procurement process by providing comments, questions and recommendations for improvement as well as seeking clarification on technical issues.

Overall, there was some consistency found in the answers received to the questions. There were some clarifications requested and some suggestions for improvement.

This document details the feedback received during Phase 1 (RFI) of the Industry Engagement activities and the outcomes from Canada. In Article 5 (below), Canada has provided thematic responses to the feedback received from Industry to the best extent possible. Questions received that were not responded to thematically are provided in Annex A, Questions and Answers.

# 5. Summary of Feedback and Outcomes on the CFS Alert Site Support Services RFI

The following represents the questions posed from Canada and the answers received from Industry during the RFI process.

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| **Questions** | | |
| 1. **Canada is considering including a Performance Incentive Fee (PIF) amount for each year, to reward performance above contract requirements.** | | |
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| **Respondents** | The respondents indicated that a PIF would be welcomed with an appropriate implementation as the industry responds more positively/proactively to incentives than to penalties. | |
| **Outcome** | The crown intends to consider a yearly PIF to be tied to the performance of the contract. | |
| 1. **What SOW elements do you think would lend themselves to measurements of performance?** | | |
| **Respondents** | A clear indication was provided by the respondents that there are many different aspects to the contract that could be employed in the structure of the PIF. It was indicated that SOW elements that require inspections would be ideal for measuring performance as this is already embedded in the contract. The respondents did, however, indicate that a Balanced Score Card approach to the PIF structure would be advisable. Also respondents indicated that any PIF indicators need to be clear, achievable, meaningful and reasonable, and that the successful bidder needs to be afforded time to adjust operations should there be a change in the PIF structure. | |
| **Outcome** |  | |
| 1. **What other areas not directly SOW related should Canada consider within the PIF measurement?** | | |
| **Respondents** | Some areas put forth that are not directly SOW related and that could be enhanced by PIF are:  -Performance on Task Authorizations;  -Innovations in the performance of the work that yields cost savings to the crown.  Other areas identified are in connecting PIF to items such as apprenticeships, Inuit content and community involvement. | |
| **Outcome** | Canada will take into consideration these points should it undertake the development of a PIF framework. | |
| 1. **Is there a PIF model that industry can recommend and if so, please provide examples.** | | |
| **Respondents** | It was identified that perhaps a PIF model similar to those utilized in Public Private Partnership contracts where there is baseline requirements and reactive tasks are evaluated based on response time to effectively respond. | |
| **Outcome** | Canada will review the structure of this type of PIF and will consider this should it decide to move forward with a PIF model. | |
| 1. **Understanding the location of Alert, and the present climate, environmental consideration is a priority. Would industry have any issues or recommendations for linking environmental stewardship to the PIF? If so explain why.** | | |
| **Respondents** | It was considered that this could be reasonable if the successful bidder has full control over all aspects of this element of work. There is an opportunity to provide a grading system (i.e. Gold, Silver, Bronze) if there is a link to a component of the work that is measurable and controllable. It was also put forward that it may be unreasonable to link environmental stewardship to PIF if the successful bidder is not responsible for care, custody and control of the facility. | |
| **Outcome** | Canada will review all options and consider the ideas put forth by respondents. | |
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| 1. **Canada is considering that the first two years of the Contract will be fixed price and for the remaining period of the Contract the prices with exception of PIF will be subject to an economic price adjustment. Canada is proposing to use the Canadian Consumer Price Index (CPI). Can industry provide other suggestions where a different mechanism would be considered for ensuring equitable economic price adjustments over the life of the contract?** | | | |
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| **Respondents** | | It was identified by respondents that it would be appropriate to use CPI for equitable price adjustments. It was identified as an alternative to standardized escalation of wages (Collective Bargaining Agreements). | |
| **Outcome** | | Canada will look at the alternatives but at this point it appears as though CPI will be used. | |
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| 1. **The contract will include provisions to encourage the Contractor to propose mechanisms to reduce the cost of site support services such as generating cost savings through innovation or improving processes.** | | | |
| 1. **How would industry consider managing such initiatives to both the benefit of Canada and the contractor?** | | | |
| **Respondents** | | There was a consensus amongst respondents that in order for there to be an opportunity for innovation the period of the contract is integral. The opportunity for innovative cost savings can generally only be found in longer term contracts as cost saving efficiencies become evident over time. It was also noted that contracted resource empowerment is a vital component in the uncovering of efficiencies. | |
| **Outcome** | | Canada is currently exploring all options as it pertains to the PIF structure potential and tying it, on some capacity, to innovation by the successful bidder. | |
| 1. **Could having such a mechanism have a negative impact from a government perspective (ie: political sensitivities) and from a corporate perspective (ie: impact on labour force or unions)?** | | | |
| **Respondents** | | There is the possibility that there could be a negative impact on a union labor workforce and in turn potentially on Inuit beneficiaries. If finding efficiencies as a result of changing practices results in the reductions in the workforce there could potentially have a negative impact. | |
| **Outcome** | | Canada will consider this in the development of its RFP as it relates to innovation by the successful bidder. | |
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| 1. **Understanding the abridged SOW elements presented in the front of this document.** | | | |
| 1. **Does your company have experience managing similar long term Site Support Services Contracts? and** | | | |
| 1. **If yes does your company intend to bid**? | | | |
| **Respondents** | | All respondents indicated extensive experience in line with the abridged SOW and provided a clear indication of their intent to bid on the resultant Request for Proposal (RFP). | |
| **Outcome** | | Noted | |
| 1. **Based on the above, what length of contract would be considered optimal and how would industry prefer option periods to be managed?** | | | |
| **Respondents** | | The indication provided by the respondents gave an indication of an initial term of 10 years with 1-2 option periods 5 years in length. The general thought communicated is that in order to maximize value on both sides a longer contract is ideal. | |
| **Outcome** | | Canada is still considering the period of the contract however the minimum anticipated period of the contract is estimated at 10 years. | |
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| 1. **Based on the remoteness of CFS Alert:** | | | |
| 1. **What complications can you identify that would prevent you from engaging in this process?** | | | |
| **Respondents** | | There were no complications put forward that would prevent respondents from participating in the process. | |
| **Outcome** | | Noted. | |
| 1. **How can Canada encourage more participation from suppliers regardless of the logistical difficulties related to the location of the service delivery?** | | | |
| **Respondents** | | It was indicated again that a longer term contract would buoy the participation of suppliers as this would afford them the opportunity to reduce their overhead. It was also brought forward that providing access to high-speed broadband internet in the area could potentially attract suppliers as this can provide an unbroken line of communication for operational purposes. Also it was noted it would be beneficial to encourage contractors to liaise with regional beneficiaries and post-secondary institutions. | |
| **Outcome** | | Canada is still considering the period of the contract at this time. | |
| 1. **What ideas can industry offer on managing environmental issues?** | | | |
| **Respondents** | | It was identified that contractors should be afforded opportunities to recommend and ultimately take on remediation projects of contaminated sites. The facility conditions must also be taken into account as with the Defence Energy and Environment Strategy work should be undertaken to reduce the environmental footprint of the station. As the environmental control of the station is ultimately in the hands of DND it needs to be very clear in the SOW and resultant contract what the requirements of the successful bidder are. | |
| **Outcome** | | Canada is considering opportunities to address environmental issues through the statement of work and PIF structure. | |
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| 1. **The present requirement is subject to the Nunavut Land Claim Agreement (NLCA) and has Inuit considerations as per Article 24 of the Nunavut Land Claim Agreement. What challenges and opportunities does industry identify to increase or enhance Inuit participation in this contact?** | | | |
| **Respondents** | | A commonly referenced challenges is the establishment of a labour pools and increasing Inuit participation. Some of the strategies identified for the enhancement of Inuit participation are: an Inuit Engagement Plan, a Project Advisory Council, reporting, contractors proactively including Inuit firms in their vendor lists, implementation of a Community Needs Plan, Procurement Forums, identification of Community Liaisons, Indigenous awareness training for employees, tracking of career progressions of Inuit staff, increased funding for Inuit staff training outside of the competitive framework of the solicitation and increasing the goods purchased by the contractor allowing for the sub-contracting of goods from Inuit firms. | |
| **Outcome** | | Canada will consider all feedback in the development of its RFP however all aspects of the RFP must comply with the NLCA. Furthermore, Canada is in the final stages of ratifying the current NLCA. Potential bidders should be aware that the new agreement will have changes to the agreement that will need to be adhered to by all bidders. Furthermore, Canada is considering attending the “2019 Nunavut Trade Show & Conference” from September 17th – 19th 2019. This would be a good opportunity for potential bidders to meet/engage directly with Inuit firms prior to any RFP being released. This activity is not mandatory. | |
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| 1. **The contract foresees that any successful bidder will need to be cleared at the Secret level while most contractor resources would need to be cleared at the Enhanced Reliability Level. Based on this:** | | | |
| 1. **Does industry foresee any issues establishing security clearance requirement?** | | | |
| **Respondents** | | It was identified that the streamlining of the clearance process for employees and potential employees needs to be explored. Contractors would like to be provided with a timeline for clearing personnel due to the attrition of personnel that occurs due to the remoteness/isolation of the station. It also needs to be clarified what function “key personnel” will have and as to whether the resources must be cleared at time of proposal submission or at contract award. | |
| **Outcomes** | | Canada is reviewing the Security Requirements Checklist (SRCL) and will review options for the streamlining of the clearance process. At this time Canada is considering having resources cleared at time of contract award. | |
| 1. **Potential bidders may use this RFI process as a means to be sponsored should they not have the appropriate security clearances.** | | | |
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| 1. **The contract will include provisions regarding the Controlled Goods Program (CGP) and will include information about controlled goods that are subject to the Defence Production Act, R.S. 1985, c D-1. Therefore, Bidders must be registered, exempt or excluded under the CGP before receiving the complete bid solicitation. Does industry foresee any issues establishing the controlled goods program?** | | | |
| **Respondents** | | It was noted by all respondents that they do not foresee an issue establishing a controlled goods program. | |
| **Outcomes** | | Noted | |
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| 1. Canada is interested in exploring online bid submission tools (such as Epost) for this submission. Understanding this, is there a tool that industry recommends for submission as well as for bid evaluation? | | | |
| **Respondents** | | There were no concerns expressed by Respondents regarding the use of online bid submission tools. | |
| **Outcomes** | | Noted | |
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| 1. Based on the information provided in this RFI, does your company intend to bid? If not, why? | | | |
| **Respondents** | | Some items identified as being helpful or of concern for potential bidders are the following: a list of inherited assets and their conditions, utilizing a pricing model that incorporates both fixed and variable costs, the incumbents advantage of having infrastructure/assets in place, a clear understanding of potential equipment that will be needed by the successful bidder, a realistic understanding of the transportation difficulties and an accurate description of the environmental condition including liabilities and risks. | |
| **Outcomes** | | Canada will review all proposed improvements to the contracting process. | |

# 6. Conclusion

Phase 1 of the Industry engagement process was a valuable contribution to Canada in informing of potential areas of concern, and clarifying and improving information provided for a future draft RFP. The procurement process will be improved by implementing some changes in the draft RFP that will address the key concerns.

PSPC and DND would like to thank all stakeholders who participated by providing written responses to the RFI. The information that resulted is invaluable in assisting Canada to develop a future draft RFP.

\*Please note that this engagement process is not a pre-qualification to submitting a bid for the upcoming RFP.