Public Works and Government Services Canada
Operational Integrity Sector

Mercury Global Anchor Segment and In-Service Support
Procurement Project

FAIRNESS MONITOR CONTRACTOR’S
FINAL REPORT

January 17, 2014

Submitted to:
Director General
Operational Integrity Sector

Submitted by:
Knowles Consultancy Services Inc. and
Hill International Inc. in Joint Venture
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**Background and Introduction**

Knowles Consultancy Services Inc. and Hill International Inc. in Joint Venture was engaged as the Fairness Monitor (FM) to observe the competitive procurement process for the Mercury Global Anchor Segment and In-Service Support project undertaken for the Department of National Defence by Public Works and Government Services Canada (PWGSC) through Solicitation Number W8474-12MGG/B for the Letter of Interest (LOI) and W8474-14MG25/A for the Request for Proposal (RFP).

Knowles Consultancy Services Inc. and Hill International Inc. in Joint Venture is an independent third party with respect to this activity.

We hereby submit our Final Report on the Mercury Global Anchor Segment and In-Service Support project covering our activities commencing in March 2013 through the industry engagement phase, including the release to interested suppliers of draft portions of an RFP, the release of the RFP, the evaluation of bids and the selection of the recommended bidder.

This report includes our attestation of assurance, a summary of the scope and objectives of our assignment, the methodologies applied, and details of our activities, including any relevant findings from the activities undertaken.
Project Requirement

Canada is a partner in the Wideband Global Satellite Communications (SATCOM) System (WGS) and requires a ground segment to obtain assured strategic access to the satellites. The objective of the Mercury Global (MG) procurement project is to design and build ground anchor stations with which to access strategically the WGS satellites and deliver in-service support for the anchor stations and associated equipment throughout their service life. There will be two contracts awarded to one bidder, one for the Design and Build (DAB) and one for the In-Service Support (ISS) for the stations.

The DAB contract will require the delivery and installation of three anchor stations, one in Nova Scotia, one in the National Capital Region and one on Vancouver Island in British Columbia. It is expected that the National Capital Region station will include three ground terminals and the two stations on the coasts will include two ground terminals each. A network management, monitor and control capability must also be provided. Each ground terminal must meet stringent performance and availability requirements and be compatible with the WGS space segment and be certified by the WGS Authority.

The ISS contract will provide for all necessary life cycle support services to the Mercury Global anchor stations and associated equipment, including but not limited to operating support, engineering support, maintenance support, material support, facilities support, and related project management functions necessary to maintain the anchor stations throughout their service life.
Attestation of Assurance

The FM hereby provides the unqualified assurance statement which follows concerning the process monitored for the Mercury Global Anchor Segment and In-Service Support Procurement Project.

It is our professional opinion that the competitive process we observed was carried out in a fair, open and transparent manner.

Note: For all references in this report concerning fairness related comments being provided to project officials, it is confirmed that, as necessary, project officials provided clarification to the Fairness Monitor or took appropriate action to address the comments, and as a result no fairness deficiencies were recorded.

________________________________________  _____________________________
Roger Bridges       Bruce Maynard P. Eng.
President      FM Team Leader
Knowles Consultancy Services Inc.
FM Contractor’s Representative

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Peter Woods
FM Specialist
Objectives of the Fairness Monitor Assignment and Methodology

The overall objective was to provide independent observation of the process and to submit fairness related comments to project officials for the procurement, as early as possible, so that appropriate action could be taken to address the comments before fairness was impacted. The Operational Integrity Sector would be advised of any fairness related concerns that were not addressed promptly. At the conclusion of the procurement process an assurance statement as to its fairness would be provided.

To accomplish the objective we undertook the following activities and, where applicable, provided fairness related comments to the Contracting Authority:

- became familiar with the project governance structure;
- reviewed procurement solicitations in draft and final form;
- reviewed all amendments to the solicitations as well as questions submitted by proponents and answers provided;
- observed Industry Days, One-on-One Meetings with interested firms, and Bidders’ Conferences;
- reviewed the procedures to be used for the evaluation of responses and the guidance provided to the evaluation team;
- observed the evaluation of responses to the RFP to ensure that the specified evaluation and selection procedures and departmental policy were followed and consistently applied during the evaluation and selection process; and
- observed the debriefing of bidders. (This activity will be reported on in an addendum to this report after any debriefings.)
**Fairness Monitor Specific Activities and Findings**

**Fairness Monitor Activities and Findings during the Draft RFP Phase**

During the period April 2, 2013 to April 10, 2013, and the period April 18, 2013 to April 22, 2013, we reviewed background information on the Military Wideband Satellite Communications Project of which the Canadian Mercury Global Anchor Segment will be a part. We also reviewed the Letter of Interest (LOI) posted on December 3, 2012 (Document 1) and Amendments 1 to 3 (Documents 2 to 4) that had been issued prior to the initiation of FM activities that included the rules of engagement and draft parts of an RFP including the Statement of Work and Evaluation Plan. We also reviewed responses submitted by interested suppliers. No fairness deficiencies were identified.

During the period April 26, 2013 to May 12, 2013, we reviewed plans for an Industry Engagement session and One-on-One meetings with interested suppliers. Fairness related comments were provided and appropriate action was taken by project officials. On May 14, 2013 we observed the Industry Engagement session and during the period May 15, 2013 to May 17, 2013, we observed One-on-One meetings with suppliers. Fairness related comments were provided and appropriate action was taken by project officials.

On June 5, 2013, June 7, 2013, June 20, 2013, July 2, 2013 and July 11, 2013 we observed or monitored by teleconference more one-on-one meetings. Fairness related comments were provided and appropriate action taken by project officials.

Throughout the Draft RFP Phase we reviewed and provided fairness related comments on new draft versions of parts of the RFP. Appropriate action was taken by project officials.

**Fairness Monitor Activities and Findings during the RFP Phase**

On August 16, 2013 we reviewed the RFP (Document 5) that had been posted on the Government Electronic Tendering System (GETS). The RFP consisted of a summary of the solicitation. The detailed solicitation was contained in a compact disc that was provided by the Contracting Authority to each potential bidder upon confirmation that disclosure constraints required for security reasons would be met. On August 23, 2013 we reviewed the solicitation and related documents on the compact disc. No fairness deficiencies were identified.

During the period September 3, 2013 to November 1, 2013, we reviewed draft and final versions of Amendments 1 to 20 (Documents 6 to 25). Fairness related comments were provided to the Contacting Authority and appropriate action was taken.

The RFP closed on November 12, 2013.
**Fairness Monitor Activities and Findings during the Evaluation Phase**

On November 8, 2013 we reviewed the Evaluators Training PowerPoint Presentation that was to be provided to the evaluation teams. Fairness related comments were provided and appropriate action taken by project officials.

On November 14, 2013 we reviewed with the Contracting Authority proposed action regarding the responsiveness to the terms and conditions of the RFP of two proposals. We observed the consensus evaluation of Mandatory Requirements and reviewed the Mandatory Requirements findings during the period November 15, 2013 to November 22, 2013. Fairness related comments were provided and appropriate action taken by project officials.

On November 26, 2013 we were advised by the Contracting Authority of the determination regarding the responsiveness of two proposals. No fairness deficiencies were identified.

We observed the consensus evaluation of Rated Requirements during the period December 2, 2013 to December 10, 2013. Fairness related comments were provided and appropriate action taken by project officials.

On December 16, 2013 we observed the meeting of the Evaluation Review Board (ERB) during which the ERB members examined the results of the evaluation and ensured that the results withstood scrutiny. During the same meeting the results of the technical evaluation were tabulated, financial scores reviewed and the recommended proposal identified. We were satisfied that the basis of selection specified in the RFP had been applied correctly. No fairness deficiencies were identified.
Reference Documents

The following documents are referenced by number in the attached report. Unless otherwise indicated, these documents are available through the Mercury Global Project Office.

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<tr>
<th>No.</th>
<th>Document</th>
<th>Additional information</th>
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<td>1</td>
<td>Letter of Interest LOI)</td>
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ADDENDUM TO THE FINAL REPORT  
December 5, 2014

Addendum to Fairness Monitor Final Report dated January 17, 2014, concerning the Mercury Global Anchor Segment and In-Service Support Procurement Project

This Addendum to the Fairness Monitor Final Report covers the period following the conclusion of the evaluation phase and includes contract award and debriefings to unsuccessful bidders.

The contract was awarded on November 7, 2014. On the same day, letters were forwarded to the unsuccessful bidders informing them of the results of the procurement process. Each letter provided an overview of the evaluation results of the respective bidder along with the total score and price of the successful bidder. The letters also offered a detailed debriefing. On November 18, 2014 and November 19, 2014, at their request, detailed written debriefings were provided to two unsuccessful bidders on the evaluation process and their individual results. The third unsuccessful bidder has not requested a detailed debriefing.

On November 21, 2014 we reviewed the initial letters that had been sent to the unsuccessful bidders and the detailed debriefing presentations that had been provided to two bidders. The debriefing presentations were comprehensive and covered the evaluation process and a detailed explanation of the results of the evaluation of their responses to mandatory and rated requirements. No fairness deficiencies were identified.

Fairness Monitor Attestation of Assurance

It is the opinion of the Fairness Monitor that the post evaluation activities, including the debriefings, were carried out in a fair manner. In this context, fairness is defined as decisions made objectively, free from personal favouritism and political influence, and encompasses the elements of openness, competitiveness, transparency and compliance.

______________________________  _____________________________
Roger Bridges      Bruce Maynard P. Eng.
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