Public Works and Government Services Canada

Canadian Surface Combatant

FAIRNESS MONITOR CONTRACTOR’S LETTER OF INTEREST (LOI)/INDUSTRY ENGAGEMENT (IE) REPORT

October 31, 2015

Submitted to:
Director, Fairness Monitoring
Departmental Oversight Branch

Submitted by:
Knowles Consultancy Services Inc. and Hill International Inc. in Joint Venture
Canadian Surface Combatant Project

FAIRNESS MONITOR CONTRACTOR’S LETTER OF INTEREST/INDUSTRY ENGAGEMENT REPORT

As Fairness Monitor (FM), Knowles Consultancy Services Inc. and Hill International Inc. in Joint Venture (hereafter referred to as the Fairness Monitor) hereby submits its Fairness Monitor Contractor’s Letter of Interest (LOI)/Industry Engagement (IE) Report (FM LOI/IE Report) pertaining to the competitive procurement process for the Canadian Surface Combatant (CSC) Project. The LOI/IE Phase for this process was undertaken by Public Works and Government Services Canada (PWGSC) for the Department of National Defence (DND) through the following Letters of Interest (LOIs):

- W847S-130014/A,
- W847S-130014/B,
- W847S-RFICostDriversCSC,
- W847S-BES CSC001,
- W847S-150037/A,
- W847S-Costing CSC00,
- W847S-SRCLCSC001,
- W847S-150033, and
- W847S-CSIWDDEF-CSC001.

This FM LOI/IE Report covers the period from the start of the LOI/IE Phase in October 2012, to the release of the Request for Responses for Evaluation (RFRE). It also includes some industry engagement activities unrelated to the RFRE that took place after the RFRE was released.

Fairness Monitor Summary of Findings on the Letter of Interest/Industry Engagement Phase

It is the professional opinion of the Fairness Monitor that the Letter of Interest/Industry Engagement Phase of the competitive procurement process for the Canadian Surface Combatant project was conducted in a fair manner. Fairness means decisions are made objectively, free from personal favouritism or political influence, and encompasses the elements of openness, competitiveness, transparency and compliance.

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.
FM Activities and Findings during the Letter of Interest / Industry Engagement Phase

At least every few weeks and more often when needed throughout the LOI/IE Phase we observed meetings of the Contracting Authority and his staff and other members of the project team to discuss various aspects of the project including procurement plans, industry engagement rules, evaluation and selection strategy, RFRE contents and the way ahead. Fairness related comments were provided during these meetings and appropriate action was taken by project officials. These routine meetings and discussions are not identified by date in this Report but would have been identified and comments provided if a fairness deficiency had been identified.

Industry Engagement Kick-off

On October 18 and 22, 2012, we reviewed draft versions of Letter of Interest 1 (LOI 1) that invited industry to participate in a multi-phase engagement that was anticipated to result in a final solicitation for the Canadian Surface Combatant. Fairness related comments were provided and appropriate action was taken by project officials. On October 26, 2012 we reviewed LOI 1 (Document 1) as it was posted on the Government Electronic Tendering System (GETS). Also, on October 26, 2012 we reviewed Amendment 1 to LOI (1) (Document 2) and on November 5, 2012 we reviewed Amendment 2 to LOI (1) (Document 3). Amendment 1 corrected an error in an address and Amendment 2 extended the closing date. No fairness deficiencies were identified.

On November 14, 2012 we reviewed background information and the draft presentation deck for the CSC Industry Kick-off Session scheduled for the next day. On November 15, 2012 we observed the CSC Industry Kick-off Session which provided an overview of the project. We also observed pre and post session discussions held by project officials. Fairness related comments were provided and appropriate action was taken by project officials.

On February 15, 2013 we reviewed LOI (2) (Document 4). LOI (2) provided the framework, rules and procedures for Industry Technical Engagement Sessions. On August 15, 2013 and March 24, 2014 we reviewed Amendments 1 and 2 respectively to LOI (2) (Documents 5 and 6) both of which extended the closing date. No fairness deficiencies were identified.

Note: While most of the engagement one-on-one meetings mentioned in the paragraphs that follow were held the day of, or days immediately following, the plenary session, some were held later. Some participants required time to prepare feedback and to obtain company high level approval of the feedback. In other cases, travel considerations especially for international participants impacted the scheduling.
Technical Working Group #1 Common Hull.

On March 6, 2013 we reviewed the agenda and background for Working Group #1. The purpose of Working Group #1 was to obtain feedback from industry on the benefits and disadvantages of using a common hull for both versions of the Surface Combatant. On March 7, 2013 we observed the plenary session and the three (3) Working Group syndicates and on March 8, 2013 we observed ten (10) one-on-one meetings with individual industry participants. On April 24, 2013 we observed another one-on-one meeting with another industry participant. Fairness related comments were provided and appropriate action was taken by project officials.

Procurement Industry Engagement Period 1

On May 12, 2013 we reviewed documents for an Industry Engagement Session on a Procurement Strategy. The purpose of the session was to obtain input from industry on the pros and cons of two procurement approaches: most qualified team, and most capable design. On May 22, 2013 and the morning of May 23, 2013 we observed the plenary sessions and four (4) syndicate sessions. On the afternoon of May 23, 2013 and on May 24, 2013, we observed ten (10) one-on-one meetings. On June 19 and 28, 2013 we observed two (2) more one-on-one meetings. Fairness related comments were provided and appropriate action was taken by project officials.

On August 18 and 19, 2013 we reviewed a series of questions being forwarded to the participants in the engagement session on a procurement strategy as a follow-on to the session. Written responses were requested. No fairness deficiencies were identified.

Technical Working Group #2 Combat System Verification

On June 13 and 25, 2013, we reviewed documents for the Industry Engagement Session on Synthetic Environments. The purpose of the session was to obtain an understanding from industry on the capabilities of and experience with using modelling and simulation environments to verify combat system effectiveness. On June 26, 2013 we observed the plenary sessions and three (3) syndicate sessions. On June 27, 2013 we observed seven (7) one-on-one meetings. Fairness related comments were provided and appropriate action was taken.

Technical Working Group #3 Platform Requirements

On October 1 and 3, 2013 and October 21, 2013, we reviewed documents for the Industry Engagement Session on Platform Requirements. The purpose of the session was to obtain feedback from industry on draft platform requirements for the Surface Combatant. On October 22, 2013 we observed the plenary session and on October 23, 2013 we observed the five (5) syndicate sessions and the wrap-up plenary session. On October 24, 2013 we observed eight (8) one-on-one meetings. Fairness related comments were provided and appropriate action was taken.
Technical Working Group #4 Combat System Requirements

On January 23, 2014, January 27, 2014, and February 6, 2014, we reviewed documents for the Industry Engagement Session on Combat System Requirements. The purpose of the session was to obtain feedback from industry on draft combat system requirements for the surface combatant. On February 10, 2014 and February 11, 2014, we observed the plenary session and four (4) syndicate sessions. On February 12, 2014 we observed eight (8) one-on-one meetings and on February 13, 2014 we observed six (6) one-on-one meetings. On July 30, 2014 we observed one (1) one-on-one meeting. Fairness related comments were provided and appropriate action was taken by project officials.

Activities related to the Defence Procurement Strategy

On February 10, 2014, during the Technical Working Group #4 plenary session, Industry Canada provided a background briefing on the new Value Proposition segment of the Defence Procurement Strategy. On March 5, 2014 we observed a one-on-one meeting related to Value Proposition and on March 24, 2014 we reviewed a draft questionnaire that was released to industry CSC participants on Value Proposition considerations for the CSC project.

On September 5, 2014 we reviewed regional presentations to be provided in Halifax, Vancouver, Montreal and Ottawa to interested industry participants by Industry Canada, PWGSC and DND on the Defence Procurement Strategy and opportunities for engagement on the CSC project. The target audience was lower tier suppliers of equipment and parts to major contractors; the actual presentations were not observed. No fairness deficiencies were identified.

LOI/RFI Solicitation - Cost and Design Drivers

On May 6, 2014 we reviewed a draft version of an LOI on Cost and Design Drivers for the Canadian Surface Combatant and on May 12, 2014 reviewed the version LOI (3) (Document 7) that was released to registered engagement participants. The purpose of LOI (3) was to obtain feedback from industry on the trade space that is perceived to exist for the Canadian Surface Combatant, in particular the cost and design drivers, based on the requirements presented at previous Industry Engagements Sessions. Fairness related comments were provided and appropriate action was taken by project officials.

Technical Working Group #5 Supportability and Logistics Requirements

On May 20, 2014, June 11 and 16, 2014, we reviewed documents for the Industry Engagement Session #5 on Supportability and Logistics Requirements. The purpose of the session was to obtain feedback from industry on draft supportability and logistics requirements for the CSC Project. On June 17 and 18, 2014, we observed the plenary session and five (5) syndicate sessions. On June 19, 2014 we observed eleven (11) one-on-one meetings, on June 20, 2014 we observed one (1) one-on-one meeting, and on
September 24, 2014 we observed one (1) one-on-one meeting. Fairness related comments were provided and appropriate action was taken by project officials.

**LOI/RFI - Bidder Export Approval Requirements**

On August 14, 2014 we reviewed LOI (4) (Document 8). The objective of LOI (4) was to make potential bidders aware of documentation that may be required to obtain export approval for technical data and information. No fairness deficiencies were identified.

**Ancillary Contract - Prime Contractor**

On September 23, 2014 we reviewed a draft of an Ancillary Contract between Canada and the CSC Prime Contractor that had been selected by the National Shipbuilding Procurement Strategy (NSPS) process. The purpose of the Ancillary Contract was to enable the Project Office to task the Prime Contractor to undertake support activities such as program management, cost-capabilities trade-offs, Statement of Requirement verification, and RFP support by means of a tasking arrangement. As part of this process the Prime Contractor had committed not to compete for the ship design or combat system integrator contracts. Fairness related comments were provided and appropriate action was taken by project officials.

**Procurement Industry Engagement Period 2**

During the period October 26, 2014 to November 5, 2014 and the period December 3, 2014 to December 5, 2014, we reviewed background information for an Assistant Deputy Minister led Industry Engagement Session on a procurement strategy for the CSC. On December 11, 2014 we observed the session. No fairness deficiencies were identified.

**LOI/RFI - Intellectual Property Strategy**

On November 14, 2014 we reviewed a draft LOI on an Intellectual Property (IP) Strategy and on December 2, 2014 we reviewed the version of the LOI (5) (Document 9) posted on GETS. The purpose of LOI (5) was to obtain industry insight on the IP that would be required, generated and/or incorporated by a wide range of potential suppliers, under multiple contracts, during the CSC life cycle. The insight from industry would be used in order to develop an IP strategy to facilitate the economical acquisition and use of IP. On January 13, 2015 we reviewed Amendment 1 (Document 10) to the LOI which allowed for feedback to be received after the closing date. No fairness deficiencies were identified.

**Procurement Industry Engagement Period 3**

On December 17, 2014 we reviewed a notice being forwarded to registered participants advising of an Information Session scheduled for January 20, 2015. The purpose of the Session was to present the proposed procurement strategy to select on a competitive basis the CSC Warship Designer (WD) and Combat System Integrator (CSI) as background for
the upcoming Industry Engagement Session in February. On January 16, 2015 we reviewed the draft presentation for the Information Session and on January 20, 2015 we observed the Session. Fairness related comments were provided and appropriate action was taken by project officials.

**Procurement Industry Engagement Period 4**

On February 2, 2015 we reviewed the notices being forwarded to registered engagement participants for another Procurement Industry Engagement. On February 10, 2015 we observed the plenary sessions and the four (4) workshops for potential warship designers and combat systems integrators. The subjects of the workshops were: Definitions, Value Proposition, Request for RFRE development, and duration of the response period. On February 11, 2015 we observed the same plenary session and workshops provided for equipment suppliers. On February 12 and 13, 2015 we observed thirteen (13) one-on-one meetings, and on February 19, 2015 and March 4, 2015 we observed one (1) one-on-one meetings on each day. Fairness related comments were provided and appropriate action was taken by project officials.

**LOI/RFI – Cost of Key Ship Requirements**

On March 26, 2015 we reviewed LOI (6) (Document 11), the purpose of which was to advise engagement participants that the Prime Contractor and its sub-contractor had been contracted to provide a report on the cost to deliver key ship requirements and that the sub-contractor would be contacting them to provide cost and technical information. No fairness deficiencies were identified.

**Prime Contractor Meetings with Interested Warship Designers and Combat Systems Integrators**

On April 1, 2015 we observed discussions among project officials concerning the possibility of the Prime Contractor meeting face to face with interested WDs and CSIs. During the period April 13, 2015 and May 25, 2015, we reviewed planning documents setting out the rules for the one-on-one meetings including acceptable topics for the meetings and the invitations to be sent to the WDs and CSIs registered for CSC Engagements. During the period June 9 to 10, 2015, we observed five (5) one-on-one meetings between WDs and CSIs and the Prime Contractor and during the period July 20 to 21, 2015 we observed six (6) one-on-one meetings with the Prime Contractor. On June 26, 2015 and August 4, 2015, we reviewed summaries of the one-on-one meetings prepared by the Prime Contractor. Fairness related comments were provided and appropriate action was taken by project officials.
Development of Request for Responses for Evaluation (RFRE)

On February 26, 2015 we reviewed an early draft of the RFRE. The objective of the RFRE process was to qualify WDs and CSIs as a first step in the process of selecting a WD and a CSI to be sub-contractors to the Prime Contractor. A review of a later draft of the RFRE was conducted on April 26, 2015. Fairness related comments were provided and appropriate action was taken project officials.

On April 20, 2015 we reviewed LOI (7) (Document 12) that provided a CSC Security Notice in Advance of the RFRE and on May 11, 2015 we reviewed Amendment 1 to the LOI (Document 13). No fairness deficiencies were identified.

On May 13, 2015 we reviewed the invitation forwarded to registered WDs and CSIs inviting them to attend one-on-one meetings with the project team and provide feedback on a draft RFRE. On the same day we also reviewed LOI (8) (Document 14) to which a draft RFRE was attached. On May 28, 2015 we observed four (4) one-on-one meetings with interested WDS and CSIs, and on May 29, 2015 we observed seven (7) one-on-one meetings. Fairness related comments were provided and appropriate action was taken.

On May 14, 2015 we reviewed LOI (9) (Document 15). The purpose of LOI (9) was to obtain feedback on proposed definitions of the terms “Warship Designer” and “Combat System Integrator” for use during the CSC procurement process. On May 15, 2015 we reviewed Amendment 1 to LOI (9) (Document 16) which corrected the closing date and corrected an address. No fairness deficiencies were identified.

On June 23, 2015 we reviewed a presentation “Canadian Surface Combatant Procurement Strategy Update to Industry” which notified industry that a procurement strategy had been approved for CSC and outlined the strategy. No fairness deficiencies were identified.

On June 26, 2015 and July 9, 2015, we reviewed an updated draft version of the RFRE. No fairness deficiencies were identified.

The RFRE was posted on July 10, 2015.

Industry Engagement on CSI Value Proposition Requirements

On July 16, 2015 we reviewed an email invitation forwarded to registered CSI participants inviting them to one-on-one meetings with Industry Canada on draft Value Proposition (VP) requirements for combat system integration. The email included a set of questions and a proposed VP evaluation approach. On August 13, 2015 and August 14, 2015, we observed six (6) one-on-one meetings and on September 24, 2015 we reviewed the summary of the feedback provided by the CSIs prepared by IC. Fairness related comments were provided and appropriate action was taken by project officials.
Original signed by

Roger Bridges
President
Knowles Consultancy Services Inc.
FM Contractor’s Representative

Original signed by

Bruce Maynard P. Eng.
FM Team Leader

Original signed by

Peter Woods
FM Specialist
Reference Documents

The following documents are referenced by number in this report. Unless otherwise indicated, these documents are available through the Canadian Surface Combatant Project Office.

Note: For the purposes of this report each of the LOIs are given a number for reference purposes, e.g. LOI (1). The actual LOI documents do not include these numbers.

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Public Services and Procurement Canada

Departmental Oversight Branch

Canadian Surface Combatant

FAIRNESS MONITOR CONTRACTOR’S
INDUSTRY ENGAGEMENT 2 REPORT

November 27, 2016

Submitted to:
Director, Fairness Monitoring

Submitted by:
Knowles Consultancy Services Inc. and
Hill International Inc. in Joint Venture
Canadian Surface Combatant

Introduction to Industry Engagement 2 report

As Fairness Monitor (FM), Knowles Consultancy Services Inc. and Hill International Inc. in Joint Venture (hereafter referred to as the Fairness Monitor) hereby submits its Fairness Monitor Contractor’s Industry Engagement 2 (IE2) Report pertaining to the competitive procurement process for the Definition Phase of the Canadian Surface Combatant (CSC) project.

The IE stage for this project was undertaken by Public Services and Procurement Canada (PSPC) and the CSC Prime Contractor for the Department of National Defence (DND). The CSC Prime Contractor had been selected through the National Shipbuilding Strategy competitive process and is providing competitive procurement services for the Definition Phase under contract to and with oversight by Canada. Some of the IE activities outlined in this report were hosted by the CSC Prime Contractor.

This FM IE 2 Report covers the industry consultation activities following the initial Letter of Interest/Industry Engagement (LOI/IE) stage including the period from the release of the Request for Responses for Evaluation (RFRE) in July 2015 up to the release of the Request for Proposal (RFP) by the Prime Contractor on October 27, 2016. It does not cover, however, the RFRE process itself which overlaps the first part of the period and has been reported on in the FM RFRE Report dated November 20, 2015 and Addendum to the FM RFRE Report dated November 7, 2016.

Summary of findings on the Industry Engagement 2 stage

It is the professional opinion of the Fairness Monitor that the Industry Engagement 2 stage of the competitive procurement process for the Definition Phase for the Canadian Surface Combatant (CSC) project was conducted in a fair manner. Fairness means decisions are made objectively, free from personal favouritism or political influence, and encompasses the elements of openness, competitiveness, transparency and compliance.

Note: For all references in this report concerning fairness related comments being provided to project officials, the comments were made to PSPC officials, however verbal comments were often made in the presence of Prime Contractor officials or DND officials or both. 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.

The term “project officials” used in this report means both Prime Contractor and Canada project officials unless otherwise stated.
Activities and findings during the Industry Engagement 2 Stage

The RFP was a voluminous size with many annexes, schedules and appendices. Many draft versions of the RFP were developed and we focussed our review of the evolving drafts on the concept for evaluating bids and the contractor selection process. We identified potential fairness issues on an on-going basis concerning the concept and appropriate action was taken by project officials.

In addition we provided fairness related comments as draft versions were developed on other key component parts of the RFP such as the main body, basis of payment, and statement of work, and appropriate action was taken by project officials.

We also monitored the consideration and attention given to fairness by the Prime Contractor and Canada in the development of all parts of the RFP, during and after industry engagement meetings, during the review of comments received from the twelve Short Listed Respondents (SLRs) and in-house review teams, and in the drafting of changes to the RFP, to ensure that fairness was being built into the RFP as it was being developed.

Activities and findings prior to the revised procurement strategy

Development of the Design Reference Point Qualification Solicitation

During the period October 7 to November 6, 2015 we reviewed draft versions of a Design Reference Point Qualification Solicitation (DRPQS) prepared by the Prime Contractor. The objective of the DRPQS was to solicit information on existing warship designs from the SLRs qualified as Warship Designers. This information would be used to down-select to a final group of Respondents with mature platform designs that would be invited to participate in the CSC Warship Design RFP process.

On November 10, 2015 we reviewed a notification sent from the Contracting Authority to the Warship Design SLRs informing them that the Prime Contractor would be sending them a solicitation shortly. On November 19, 2015 we reviewed letters sent by the Prime Contractor to the SLRs to which the DRPQS was attached. Fairness related comments were provided to the Contracting Authority and appropriate action was taken.

Industry Engagement concerning Security Requirements

On November 6, 2015 we were advised that an industry engagement would be held on security requirements for the CSC process and on November 9, 2015 we reviewed the notice sent to the SLRs inviting them to the Industry Engagement. On November 18, 2015 we observed the Industry Engagement. In the plenary session a presentation was provided by PSPC Industrial Security officials. A substantial number of questions were answered on contract security requirements, contract security programs, the Controlled Goods Program.
and CSC specific requirements. In addition, Canada agreed to research other questions and provide answers in writing. No fairness deficiencies were identified.

On November 17 and 18, 2015, we reviewed a draft document entitled “CSC Combat System Integrator Evaluation Plan”. Fairness related comments were provided and appropriate action was taken by project officials.

On February 1, 2016 we reviewed written background material prepared for a High Level Evaluation Strategy Workshop for the Canada Project Team and the Prime Contractor. On February 2 and 3, 2016, we observed the Workshop. A high level evaluation framework was developed. Fairness related comments were provided and appropriate action was taken by project officials.

**Activities and findings while a Revised Procurement Strategy was being considered**

**Industry Information Sessions on Procurement Strategy**

On February 16, 2016 we reviewed invitations being sent to industry to attend Industry Information Sessions. During the period February 23 to 26, 2016, we observed the sessions. On February 23, 2016 a plenary session was held with the SLRs and on February 25 and 26, 2016 one on one meetings were held with each SLR. On February 24, 2016 a plenary session was held for interested Canadian equipment and system suppliers.

At the plenary sessions Canada outlined a possible refinement to the procurement strategy that was being considered. With the revised procurement strategy, Canada would not develop a custom ship design but would select through a competitive process an existing ship design which could be customized through a controlled design change process to meet Canada’s requirements and provide an opportunity to incorporate Canadian content. The existing ship would be referred to as the “Total Ship Reference Point” (TSRP) and would have to be a fully integrated warship. Only an SLR, either warship designer or combat system integrator, would be eligible to lead a bidding team.

Canada provided a series of questions to both SLRs and other equipment/system suppliers and asked for feedback on the possible revised strategy. The one on one meetings with SLRs on February 25 and 26, 2016 were used to obtain immediate feedback with written responses to be provided later. In the meantime, the DRPSQ process, which would not be applicable to the revised strategy, was paused. Fairness related comments were provided and appropriate action was taken by project officials.

On April 1, 2016 we reviewed a draft document entitled “Canadian Surface Combatant (CSE) Project Economic Benefits Approach” and on April 4, 2016 we reviewed a revised version. No fairness deficiencies were identified.

**High Level System Requirements Document Engagement Meeting**
On April 25, 2016 we reviewed a draft of a notice to the SLRs inviting them to a High Level System Requirements Document Engagement. On May 9, 2016 we received a revised version which was sent to the SLRs later the same day. On May 18 to 20, 2016 we observed the engagement. Copies of the draft High Level System Requirements were provided to each SLR in separate reading rooms with controlled access and one on one meetings were held with each of the SLRs. The one on one meetings provided an opportunity for each SLR to provide initial verbal feedback. Written comments could be provided later. Fairness related comments were provided and appropriate action was taken by project officials.

Activities and findings after the Revised Procurement Strategy was approved

On June 8 and June 10, 2016, we reviewed draft versions of a presentation entitled “Canadian Surface Combatant Procurement Process Update to Industry” which outlined an approved revised procurement strategy. The strategy was consistent with the strategy that was briefed to industry on February 23, 2016. On June 13, 2016 we reviewed the government announcement on the revised strategy. The presentation was forwarded to each SLR after the government announcement. No fairness deficiencies were identified.

Activities and findings during Prime Contractor hosted Industry Engagement June 2016

On June 15, 2016 we reviewed a notice that was sent the same day to the SLRs from the Prime Contractor for an industry engagement session to be held June 27 to 30, 2016. On June 23, 2016 we reviewed two draft documents which were distributed to the SLRs later the same day: Value Proposition – Proposed Scoring Approach; and Mandatory Selection Criteria - Canadian Surface Combatant. On June 24, 2016 we reviewed a draft overview presentation for the plenary sessions for the upcoming industry engagement with the SLRs and Canadian industry.

On June 27, 2016 we observed the plenary and other sessions for the SLRs as well as the plenary and other sessions for Canadian industry. On June 28 to 30, 2016, we observed twelve one on one meetings with the SLRs. Controlled access classified reading rooms were also available for the SLRs and Canadian industry. Fairness related comments were provided and appropriate action was taken by project officials.

Activities and findings during Combat Management System Software Support Industry Engagement

On July 8, 2016 we reviewed a draft notice from Canada inviting SLRs interested in the Combat Management System (CMS) Software Support requirements to an upcoming industry engagement session. On July 24 and 25, 2016, we reviewed draft versions of the presentation to be provided at the engagement session. The intended procurement approach was to include the CMS Software Support contract requirement in the main RFP to be issued by the Prime Contractor to the SLRs. The CMS Software Support Contract
will be between Canada and the Canadian company that will perform the CMS work under the main contract and which holds the background Intellectual Property rights. A bidder on the main contract would be required to identify in their response their CMS Software Support supplier if they are not the direct supplier. A bidder also would be required to submit responsive bids for both the main CSC Definition Contract and the CMS Software Support Contract or both bids would be declared non-responsive.

On July 15, 2016 we reviewed a notice to the SLRs providing an updated set of Mandatory Selection Criteria for the CSC for the Total Ship Reference Point design reflecting feedback from the SLRs as a result of the industry engagement sessions. No fairness deficiencies were identified.

On July 26, 2016 we observed the plenary sessions and one on one meetings of the Combat Management System Software Support engagement. Fairness related comments were provided and appropriate action was taken by project officials.

**Activities and findings during Prime Contractor Hosted Industry Engagement during August 2016**

On August 2, 2016 we reviewed a notice sent by the Prime Contractor to the SLRs inviting them to an industry engagement on August 15 and 16, 2016. The purpose of the engagement would be to provide an opportunity for the SLRs to provide comments on the revised draft of portions of the RFP to be distributed in the meantime. On August 10, 2016 we reviewed the revised draft of the main body of the RFP. On August 15 and 16, 2016, we observed twelve one on one meetings, one with each SLR.

During the period August 17 to 19, 2016, we observed a joint review of the draft RFP by the Prime Contractor and Canada. This review included a discussion of each of the findings of a Comprehensive Review Team organized by Canada that had conducted a rigorous review of the draft RFP during the previous week. The findings were comprehensive with many involving aspects of the RFP that impacted transparency and clarity of the document. Action was assigned by the Prime Contractor and officials of Canada to incorporate appropriate changes in the RFP. We provided fairness related comments which emphasized the need for transparency and clarity improvements.

On August 23, 2016 we reviewed a proposed addition to the Draft Mandatory Selection Criteria for CSC. No fairness deficiencies were identified.

On August 29, 2016 we provided fairness related comments on the current draft RFP and stated that we agreed with the results of the Comprehensive Review Team concerning fairness deficiencies of the draft RFP and summarizing the improvements required. On September 2, 2016 we were advised that our comments had been forwarded to the Prime Contractor.

**Activities and findings related to the finalization of the RFP**
On September 2, 2016 we reviewed a draft notice from the Prime Contractor to the SLRs advising them that revisions were being made to the RFP based on comments from the SLRs and that a revised draft would be provided and comments would be requested on it. On September 14, 2016 we reviewed a spreadsheet listing the comments provided by the SLRs on the previous draft of the RFP and changes that would be made as a result of the comments. Also, on September 14, 2016 we were provided with a revised draft of the RFP and initiated a review of it. Fairness related comments were provided and appropriate action was taken by project officials.

On September 26, 2016 we reviewed a revised version of the Draft Mandatory Selection Criteria for CSC. No fairness deficiencies were identified.

On October 3, 2016 we reviewed a draft note from the Prime Contractor to the SLRs advising that a final draft RFP would be provided to them in a few days and asked that the SLRs advise the Prime Contractor of any issues with the draft RFP that would impact their ability to respond to the RFP. No fairness deficiencies were identified.

On October 4, 2016 we reviewed a draft communication to be sent to the SLRs that provided questions and answers that had been received on the Draft Mandatory Selection Criteria for CSC. No fairness deficiencies were identified.

On October 10, 2016 we received the final draft of the RFP that was provided to the SLRs. On October 18, 2016 we reviewed an email to us from the Contracting Authority summarizing the changes to the RFP since August 29, 2016 when we had forwarded an email summarizing our fairness related comments. All of the latter fairness related comments had been addressed satisfactorily. The email from the Contracting Authority included spreadsheets identifying comments on subsequent versions that had been made by an in-house review team as well as by the SLRs and the actions taken as a result of the comments. We had noted these improvements in our reviews of the most recent draft of the RFP. On October 20, 2016 we received an updated Annex D “Evaluation Plan” which we reviewed. No fairness deficiencies were identified in the final draft of the RFP or the Evaluation Plan.

On October 26, 2016 we reviewed emails between Canada and the Prime Contractor concerning the release of the formal RFP later that night. On the same day we received and reviewed the formal RFP. The formal RFP was made available to the SLRs on AWARD on October 27, 2016. No fairness deficiencies were identified with respect to the RFP published on AWARD© evaluation tool being used by the Prime Contractor to conduct the competition.
Original signed by

Roger Bridges
President
Knowles Consultancy Services Inc.
FM Contractor's Representative

Original signed by

Bruce Maynard P. Eng.
FM Team Leader

Original signed by

Peter Woods
FM Specialist
Reference Documents

During the period of this Report, no documents were posted on buyandsell.gc.ca. Documents, notices and other communications were forwarded directly to the SLRs qualified during the RFRE and, where appropriate, to Canadian equipment/system suppliers identified during the earlier LOI/IE period.