

Amendment 7 to the IaaS & Native PaaS Prequalification CBS

Solicitation No.	CS-IAAS-2024	Amd: 007
------------------	--------------	----------

The purpose of this amendment is to:

- 1- Provide answers to questions received as detailed in section A.
- 2- Modify the Prequalification CBS as detailed in section B.

Section A - Questions and Answers (set 5)

	Question	Answer
41	<p>Can Canada also confirm that the reason for excluding the parent, subsidiaries or other affiliates from the definition is only to limit the number of submissions for a particular cloud service provider to one, and is not intended to restrict the cloud service provider’s ability to demonstrate compliance/capacity with the prequalification criteria (Attachment 1) as a sole entity, a joint venture or in combination with a company affiliate?</p> <p>Can Canada clarify in Attachment 1 and include language similar to that used in other solicitation such as the ITQ for ITI in Sp of C2: “A Respondent is permitted to demonstrate their compliance/capacity with any of the prequalification criteria in Part A or Part B as a sole entity, a Joint Venture or in combination with a company affiliate (i.e., Company ABC – USA and Company ABC – Canada)”</p>	<p>The reason for excluding the parent, subsidiaries or other affiliates from the definition is not to limit the number of bids for a particular cloud service provider to one, rather because parents, subsidiaries or other affiliates of the Bidder are different legal entities. It is neither intended to restrict the cloud service provider’s ability to demonstrate compliance/capacity with the prequalification criteria (Attachment 1) as a sole entity, a joint venture or in combination with a company affiliate.</p>
43	<p>In the current version of the Prequalification Bid Form, "Additional information and certification" Section and SACC 2003 04 (2007-11-30), as amended by CBS Section 2.2.b, the definition</p>	<p>The originator of a cloud service refers to the company that develops, produces, and delivers the service. They are responsible</p>

	<p>of "Bidder" includes the phrase "originator of the public cloud service." Would Canada please clarify what is meant by the term "originator"?</p>	<p>for creating the infrastructure, software, and architecture required to enable the cloud service to function effectively.</p>
<p>50</p>	<p>The definition of Bidder in SACC 2003 (2023-06-08) Standard Instructions – Goods or Services – Competitive Requirements has been amended as follows: “Bidder” means the person or entity (or, in the case of a joint venture, the persons or entities) that is the originator of the public cloud service in its entirety submitting a bid to perform a contract for goods, services or both. It does not include, the parent, subsidiaries or other affiliates of the bidder, or its subcontractors neither its resellers. The meaning of the requirement that a bidder be the “originator of the public cloud service in its entirety” is unclear. Can Canada please confirm that the bidder can use the experience and references of its relevant corporate affiliates? This is important for Canadian CSPs who may provide public cloud services as affiliates of US corporations.</p>	<p>Since “Bidder” does not include parent, subsidiaries or other affiliates of the bidder, the proper manner for the Bidder to use the experience and references of its relevant corporate affiliates to demonstrate compliance with the criteria is to submit a bid in a joint venture (JV) with the corporate affiliates that has the experience and references the Bidder wishes to avail itself of.</p>
<p>61</p>	<p>Could Canada please: a. Confirm that the bidder’s commercially available terms and conditions, as in effect from time to time, will be applicable to Cloud Services; and b. Modify section 6.13 (h) as follows: <i>Annex F - the Contractor’s bid dated [Date], in response to Solicitation Process No. [xxxxxx] including any terms and conditions incorporated by reference (including by way of a web link) in the bid.</i></p>	<p>As per the note in Amendment 005: “ Questions related to the resulting contract will not be addressed at this time...”</p>
<p>62</p>	<p>Section 6.7.4 requires that CSP’s commercially available online pricing for non-native services are in US dollars. Consistent with the existing practice under the current FA, and with CSP’s commercially-available pricing, SSC should revise section 6.7.4 of</p>	<p>As per the note in Amendment 005: “ Questions related to the resulting contract will not be addressed at this time.”</p>

	<p>the Resulting Contract, as follows: All native commercially available Cloud Services must be payable in Canadian dollars. In cases where the CSP's commercially available online pricing for native and non-native services are in US dollars, the CSP must include functionality to allow pricing to be converted to Canadian dollars. The conversion rate must be as favourable as the one offered to the CSP's commercial customers. Would Canada please revise section 6.7.4 accordingly?</p>	
<p>63</p>	<p>In section 6.1.4, Canada reserves the right to open up the contract vehicle to other "Canadian Jurisdictions". This term is not defined - it is not clear what the scope of this reference means. Could Canada please delete section 6.1.4.</p>	<p>This procurement process is designed to meet the needs of both the Government of Canada as a whole and potentially other jurisdictions. The practice of extending competitive contracts to other jurisdictions is intended to enhance the effectiveness of the public service ecosystem. There are several procurement vehicles within the Government of Canada that already provide access to contracts for other jurisdictions. This approach ensures a fully competitive environment. Competition is upfront, allowing Bidders to assess the potential business opportunities from both the Government of Canada and potentially other jurisdictions. Bidders receive the same comprehensive information upfront, allowing them to make an informed decision about their interest and ability to perform the contract. This information forms the basis for their bid/no-bid decision, ensuring fairness and transparency throughout the procurement process. Therefore, Section 6.1.4 will not be deleted and all current FA holders will be required to participate in the competitive process as outlined in the solicitation documents. (response to question 53 in Amendment 005)</p>
<p>64</p>	<p>We respectfully request that Canada remove section 6.6 (c) until such time as bidders may properly assess the Work Allocation Process.</p>	<p>As per the note in Amendment 005: " Questions related to the resulting contract will not be addressed at this time."</p>
<p>70</p>	<p>Considering this, and to reduce duplication and streamline security assessments, will SSC amend this requirement to allow</p>	<p>To ensure a fair and equal opportunity for all Bidders, Canada will only require ISO and SOC information at the Prequalification stage.</p>

	<p>cloud services providers who have completed the CCCS assessment to provide documentation from CCCS in the form of a letter, an email or a report that confirms that they have completed the assessment as a suitable alternative for resending these third-party assurance artifacts that have already been provided to, and assessed by the experts at the CCCS?</p>	<p>As the procurement process moves beyond the Prequalification stage, Canada will require additional documentation in this area. (response to question 47 in Amendment 005)</p>
73	<p>Please confirm that the intent of the solicitation process's Stage 5: Invitation to Refine, Wave 2: Security and Privacy is to review and refine all security and privacy aspects of the proposed contract, including the obligations shared as part of Stage 4 in the following:</p> <ol style="list-style-type: none"> 1. Appendix A – Schedule 1 – Security Obligations for Commercial Cloud Services (up to and including Protected B – High Value Assets Overlays); and 2. Appendix A – Schedule 2 – Privacy Obligations for Commercial Cloud Services (up to and including Protected B). 	<p>Yes, that is the intent. Details of Stage 5 and the subsequent waves will be further discussed with prequalified bidders.</p>
74	<p>Could Canada please:</p> <ol style="list-style-type: none"> 1. confirm that bidders are not required at this time to submit Bidder's Additional Cloud Services Terms at this time, and will be able to submit them at a later phase (and if so, please identify which phase); and 2. amend section 2.3 to align to the change in approach as identified in Amendment 005: 2.3 Terms and Conditions of the CBS: <ul style="list-style-type: none"> • Acceptance by Bidders of SSC – RESULTING CONTRACT CLAUSES (Section 6), including the Annex A – Cloud General Terms and Conditions, is a mandatory requirement of the Final CBS Solicitation following consultation on the RESULTING CONTRACT CLAUSES (Section 6), including the Annex A – Cloud General Terms and Conditions. • Bidder's Additional Cloud Services Terms: Bidder's are not required to submit Additional Cloud Service Terms until Phase [insert] 	<p>Acceptance by Bidders of SSC – RESULTING CONTRACT CLAUSES The acceptance of Cloud General Terms and Conditions will remain a mandatory requirement of the Final CBS Solicitation. At the current prequalification stage, Bidder don't have to accept the Cloud General Terms and Conditions. It will be required at a later stage (After Stage 7 at bid closing). (See note in Amendment 005)</p> <p>Bidder's Additional Cloud Services Terms Bidders are not required to submit their Additional Cloud Services Terms at this time. Bidders will be able to submit their Additional Cloud Services Terms following Prequalification and/or ITR. The ITR will provide the opportunity to discuss the Resulting Contract Clauses (including Annex A) prior to the Final CBS.</p> <p>Section 2.3 will be amended accordingly.</p>

75	Typically, quantities such as “Cores deployed” in any region is a highly guarded secret. Will Canada consider removing this question? Or perhaps accepting an answer in order of magnitude?	The criterion will remain unchanged. Data provided is classified as Protected B and will not be publicly disclosed. Furthermore, Canada is asking for a daily average number of physical cores for the data centres in element 3, not “cores deployed” by region.
78	Regarding M2 - We would like to confirm that the vendor can submit just 1 common verification letter/statement that confirms the certification status of all 3 certificates/reports (i.e., SOC2 Type 2, ISO 27001 and ISO 27017)	A single letter from a single issuing body about the certification status of all 3 certifications would be acceptable.
81	<p>Regarding rated requirements R1 through R4:</p> <p>While we understand that SSC is approaching this CBSOS from the lens of public-cloud-based IaaS/Native-PaaS only, the industry is able to offer hybrid-cloud capabilities which ultimately allow GC workloads to be able to failover all IaaS & PaaS workloads into on premises (or vice-versa). This also helps SSC make better use of their existing space, investments and capabilities as it related to the on-premise footprint. From a visionary perspective, this will lead to successful technology and cost outcomes for GC in the long run.</p> <p>How is SSC planning to incorporate this (which will ultimately benefit the GC) into the prequalification requirements?</p>	Hybrid-cloud capabilities are beyond the scope of the prequalification phase, which focuses solely on public-cloud-based IaaS/Native-PaaS offerings. Incorporation of hybrid-cloud solutions is unknown at this point but could be considered in subsequent phases of the procurement process.
82	Considering that the expected contract award date and actual workload migration date are well over 1-2 years out from now, we request SSC to provide us with the rationale behind evaluating CSP's current capacity data points (with some of them having a February-2024 time stamp) instead of evaluating the CSP's ability to rapidly scale capacity based on customer demands?	Canada's intention is to assess capacity, and R4 is designed to give a point in time of the bidder capacity for the purpose of prequalification. Canada acknowledges the suggestion. It has been duly noted and will be referred to for future considerations.
84	<p>To ensure that requirements that are relevant to the IaaS / PaaS services being procured are included, and to align with the CCCS policy and practice, we request that:</p> <p>a. Canada removes “processing integrity” from requirement M2.</p>	Canada agrees to amend M2 in order to address 3 of the 5 trust principles. M2 will be amended accordingly.

	<p>b. If Canada will not remove the “processing integrity” trust principle from requirement M2, and in recognition of the fact that different trust principles are addressed by the SOC 2 reports of different CSPs, could Canada please amend requirement M2 to require a SOC 2 Type II report that addresses at least 4 of the 5 trust principles.</p>	
<p>85</p>	<p>To ensure that all Bidders are treated equally, we request that Canada amend sub-requirements 1a and 2a of requirement R2 to read: “3 points: The Bidder has provided a certificate number demonstrating that the module is FIPS 140-3 validated by the CMVP or has provided a module listed on the Modules In Process List by the CMVP at the Prequalification CBS closing date.”</p>	<p>Canada has reviewed the evidence requirements for R2 and agrees to use the CMVP Modules in Process List as evidence. However, to be awarded for full points, the status of the module will remain "In Review" as per the CMVP process. The R2 criterion and the Prequalification Submission Form will be amended to reflect this update. (response to question 67 in Amendment 005) The Criteria will remain unchanged.</p>
<p>86</p>	<p>For R1, would it be acceptable to include the CSP status sheet instead of the address?</p>	<p>In response to numerous requests, Canada has agreed to accept the postal code for requirement R1. However, Bidders are reminded that the complete physical address is required and will be subject to validation at Stage 10 of the procurement process. (response to question 69 in Amendment 005) Not all Bidders have a PSPC Contract Security Status sheet so Canada cannot use the Status Sheet as evidence.</p>
<p>87</p>	<p>Bandwidth capacity in gigabits per second in Canada - We look forward to clarity on criteria #7 on bandwidth capacity to see if we can determine this metric.</p>	<p>We made the clarification in amendment 003: Bidders are expected to provide their Internet bandwidth capacity in gigabits per second in Canada.</p>
<p>88</p>	<p>Total number of cores deployed in Canada. We request that Canada remove this requirement and clarify Rated Requirement #3 to require that the PSPC Contract Security status sheet be included for each of the data centre sites in Canada as proof to avoid challenges. For requirement #3, it would also be important to clarify that the data centres included are only those DC’s that are used to provide public cloud IaaS/Native PaaS services to the Government of Canada and other customers in a public model</p>	<p>Not all Bidders have a security status with PSPC Contract Security Program; therefore, Canada cannot use it as evidence. Canada has defined a data centre in R1 in terms of a region. It has also specified that the information to demonstrate capacity must meet Canada's needs. For this solicitation, Canada's needs are defined as IaaS and native PaaS services.</p>

	rather than through outsourcing arrangements which would significantly and inappropriately skew the results.	
89	Total number of cores in use in Canada similar to challenges with #8, this metric is very subjective and a point in time statement that could lead to varying assumptions and an inability to accurately report on. Ensuring available capacity is a function of robust capacity planning and supply chain management. We request that this metric be removed along with #8.	Refer to response to questions 79, 80 83 and 92. Canada has established a specific period for calculating a daily average for this metric, thus defining a set window of time.
90	CSPs have data centre infrastructure in Canada that is not part of their publicly available commercial cloud offering. To ensure the Government of Canada is comparing the number of data centres that they will be able to leverage and access as part of this IaaS and Native PaaS cloud procurement, please rephrase this question to: "Number of Data Centres (DC) in Canada that serve as part of the bidder's publicly available commercial cloud offering."	Canada has added an additional clarification to R1 regarding the definition of a Data Centre. This clarification states that a Data Centre is further defined as part of the Bidders' publicly available commercial cloud offering.
91	CSPs have data centre infrastructure that is not part of their publicly available commercial cloud offering. To ensure the Government of Canada is comparing the number of data centres that they will be able to leverage and access as part of this IaaS and Native PaaS cloud procurement, please rephrase this question to: "Total number of Data Centres (DC) deployed and in service in the World that serve as part of the bidder's publicly available commercial cloud offering."	
79	Regarding Part A – Rated Criteria R4 - Items 8 & 9: We strongly believe that comparing just the number of cores across different vendors without taking the compute's performance into consideration is a rudimentary evaluation approach which does not portray the real vendor capacity picture to Canada. Thus we urge SSC to drop these two requirements since they do not properly evaluate CSP's ability to meet GC's needs workload capacity needs, and are overly broad & unfair.	Bidders have provided multiple comments, feedback and recommendations around the R4 Elements 8 and 9 "Cores" requirement. To SSC, cores are a measurable and tangible asset and they represent a physical measure of capacity in a Data Centre. Bidders have identified some elements that are perceived as subjective, and Canada has worked to clarify those elements, including adding the term "physical" and "Data Centre" to elements 8 and 9 to help alleviate subjectivity. Additionally Bidders also provided Canada with some additional descriptions of

<p>80</p>	<p>Regarding Part A – Rated Criteria R4 - Items 8 & 9</p> <p>In the current definition of these two requirements (items 8 & 9), can SSC confirm that the information being sought is the number of “physical cores” that are deployed in the regions and not vCPUs?</p> <p>Also, please clarify whether over-subscribed core count is to be included or excluded from the submission (i.e. count of “virtual” cores which is often higher than the actual underlying “physical” core count). In other words is over-subscription allowed to be factored in the response?</p>	<p>capacity that could help Canada to better characterize the complex nature of how a CSP calculates and manages capacity. Furthermore Bidders advised us that cores can come in many varieties which may make one core more effective than another in a given service delivery. Canada acknowledges those suggestions and all of them have been duly noted and will be referred to in future considerations that could be beneficial when developing the selection evaluation framework.</p> <p>With all the information taken into consideration above, Canada has decided that the prequalification R4’s elements 8 and 9 will be kept as part of the prequalification.</p>
<p>83</p>	<p>Regarding Part A – Rated Criteria R4 – Items 4 to 8:</p> <p>Some of the CSPs in this solicitation are more focussed on serving consumer business needs like online gaming, video sharing, search engines, and online marketplaces which demand inherently large content delivery networks and other network capacity metrics because of this global consumer orientation. This skews the rated metrics & scores towards those respondents, while the metrics are themselves not representative of GC’s actual technology & performance needs towards running mission critical Government workloads in the first place. Note that these networks are often over-subscribed and if the Government shares this infrastructure with consumer facing traffic, there could be significant downtime risks when the utilization peaks across tenants.</p> <p>Thus we request SSC to revise this requirement to exclude IaaS and PaaS capacity metrics that are not related to Government-agency specific provision and/or consumption.</p>	<p>Additional recommendations to assess the Bidders capacity will be considered in the development of the final selection framework.</p> <p>In conclusion, in response to the bidder’s concern regarding the verification of self-reported core counts and the enforcement of a consistent approach to counting cores, we emphasize that by submitting a prequalification bid, Bidders are bounded to the terms outlined in the Solicitation. This includes acceptance of Article 16, Conduct of evaluation, as stipulated in the 2003 (2023-06-08) Standard Acquisitions Clauses and Conditions (SACC) Manual – Goods or Services – Competitive Requirements, which Canada may use to verify and evaluate bids.</p>
<p>92</p>	<p>Questions 8 and 9 asking about the capacity and utilization of cores, these are not metrics that the industry or research firms use to compare CSPs. This approach does not consider the power</p>	

<p>of a given core, such as 1Ghz vs 5 Ghz. Further, the quantities are neither public nor 3rd-party audited, so the Government of Canada has no way of verifying the self-reported counts, nor any way to enforce a consistent approach to counting cores.</p> <p>To better measure a CSP's scale, we encourage the Government of Canada to consider changing requirement 8 and 9 to:</p> <ul style="list-style-type: none"> - A public reference with the highest number of peak requests handled within a single day - A public reference with the highest peak of data transfers within a single day <p>These are metrics that demonstrate the size and scale of a CSP, and can be validated, as compared to self-reported estimates that are likely inaccurate.</p>	
---	--

Section B – Modifications to the Solicitation

1- In section 2.3 Terms and conditions of the CBS under Bidder’s Additional Cloud Services Terms

Delete: Paragraph a) in its entirety

Replace by:

- a) Bidders are not required to submit Additional Cloud Service Terms not addressed by SECTION 6 – RESULTING CONTRACT CLAUSES, including Annex A – Cloud General Terms and Conditions, for the Services being offered by the Bidder, i.e., terms that describe how cloud services are provisioned and how they may be ordered, deployed and used, until Stage 5. Proposed supplemental terms must not contradict any term included in SECTION 6 – RESULTING CONTRACT CLAUSES and Annex A – Cloud General Terms and Conditions, and must reflect the same or better terms currently offered to the bidder’s commercial customers for the offered services.

2- In Attachment 1—Prequalification Evaluation Grid

In Part A – Mandatory Criteria

Delete: M2 in its entirety;

Replace by:

M2	<p>Capacity of the Bidder to secure Canada’s Data The Bidder must have the following current, latest version and valid industry certifications and audit reports:</p> <ol style="list-style-type: none"> 1. ISO/IEC 27001: Information technology — Security techniques—Information security management systems — Requirements; 2. ISO/IEC 27017: Information technology — Security techniques—Code of practice for information security controls based on ISO/IEC 27002: for cloud services; 3. AICPA Service Organization Control (SOC) 2 Type II for a minimum of 3 of the 5 following trust principles: Security, availability, processing integrity, privacy and confidentiality. <p>*Only certifications issued by an independent third party qualified under AICPA, CPA Canada, or conforming to the ISO/IEC 17020 quality system standard will be accepted.</p>	<p>The Bidder should provide the following evidence:</p> <ol style="list-style-type: none"> a) For each certification: copies of the certifications and audit reports including the date of issuance and expiration (where applicable). Should a certification have expired or be due to expire prior to the Prequalification CBS closing date and the bidder is in the process of renewal, a verification letter or a statement from the issuing body confirming the certification’s current and valid status should be provided. b) For SOC 2: copy of the audit reports, the trust principles, date of issuance and expiration (as applicable). 	<p>To be compliant the Bidder must demonstrate they have current:</p> <ol style="list-style-type: none"> a) latest version and valid certifications and audit reports of the following: ISO/IEC 27001 and ISO/IEC 27017; b) AICPA Service Organization Control (SOC) 2 Type II that includes a minimum of 3 of the following trust principles: <ul style="list-style-type: none"> • Security; • Availability; • processing integrity; • privacy; • confidentiality.
----	---	--	---

In Part B – Rated Criteria

In R1, in the first column (Criteria) below “For the purpose of this Solicitation:”

Insert: “Data Centre is part of the Bidders’ publicly available commercial cloud offering.”

In R4, in the second column (Information to be provided by Bidders):

Delete: Elements 8 and 9 in its entirety;

Replace by:

8. Daily average number of physical cores deployed in the Data centres identified in element 3 from February 1, 2024 to February 29, 2024.
9. Percentage of available capacity in terms of physical cores.

The Bidder should provide the data associated with the following calculation: The percentage of available capacity in terms of physical cores is calculated by [1-daily average number of physical cores in use in the Data centres identified in element 3 from February 1, 2024 to February 29, 2024/by the daily average number of physical cores deployed in the Data centres identified in element 3 from February 1, 2024 to February 29, 2024 (item 8)]*100.

3- In the Prequalification Documents

Delete: Bid Document 1—Prequalification Bidding Form V1.2, in its entirety;

Replace by: New version of the Prequalification Bidding Form V1.3.

4- In Annex A Cloud General Terms and Conditions:

Delete the Section on Security Obligations in its entirety;

Replace by:

“At the contracting stage, the Contractor will need to fully satisfy the Government of Canada’s PBMM HVA (Protected B, Medium Integrity, Medium Availability – High Value Asset) security requirements. In case of a JV, each member of the JV will need to fully satisfy the Government of Canada’s PBMM HVA (Protected B, Medium Integrity, Medium Availability – High Value Asset) security requirements. The language and full list of requirements will be further refined during the solicitation development state.”

5- In Annex E Defined Terms

Add the following definition of “Originator”

“The originator of a cloud service refers to the company that develops, produces, and delivers the service. They are responsible for creating the infrastructure, software, and architecture required to enable the cloud service to function effectively.”

All other terms and conditions remain unchanged.