

# INNOVATIVE SOLUTIONS CANADA

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Government  
of Canada






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du Canada

Canada




# Innovative Solutions Canada

- A Government of Canada program that provides Canadian innovators and entrepreneurs with financial support to help them scale-up and commercialize their R&D.
- The program will offer two streams: the current early-stage challenges will become the **Challenge Stream** and the program will be onboarding the Build in Canada Innovation Program (BCIP) as a late-stage **Testing Stream**
- Through the **Challenge Stream** federal departments and agencies can partner with Canadian small businesses to develop and commercialize R&D to address specific challenges
- Through the **Testing Stream** (formally BCIP) federal departments and agencies can test and buy late-stage R&D prototypes associated with their priorities.

# Challenge stream objectives

-  Development and adoption of technological innovation in Canada
-  Grow Canadian companies
-  Encourage participation from underrepresented groups
-  Provide departments and agencies with opportunities to develop new capabilities
-  Greater business-research collaboration

## Design based on international best practices

-  Mandatory participation to create sufficient demand-pull
-  Flexibility to use grants or R&D contracts as funding instruments
-  Gate process to help departments manage R&D risks

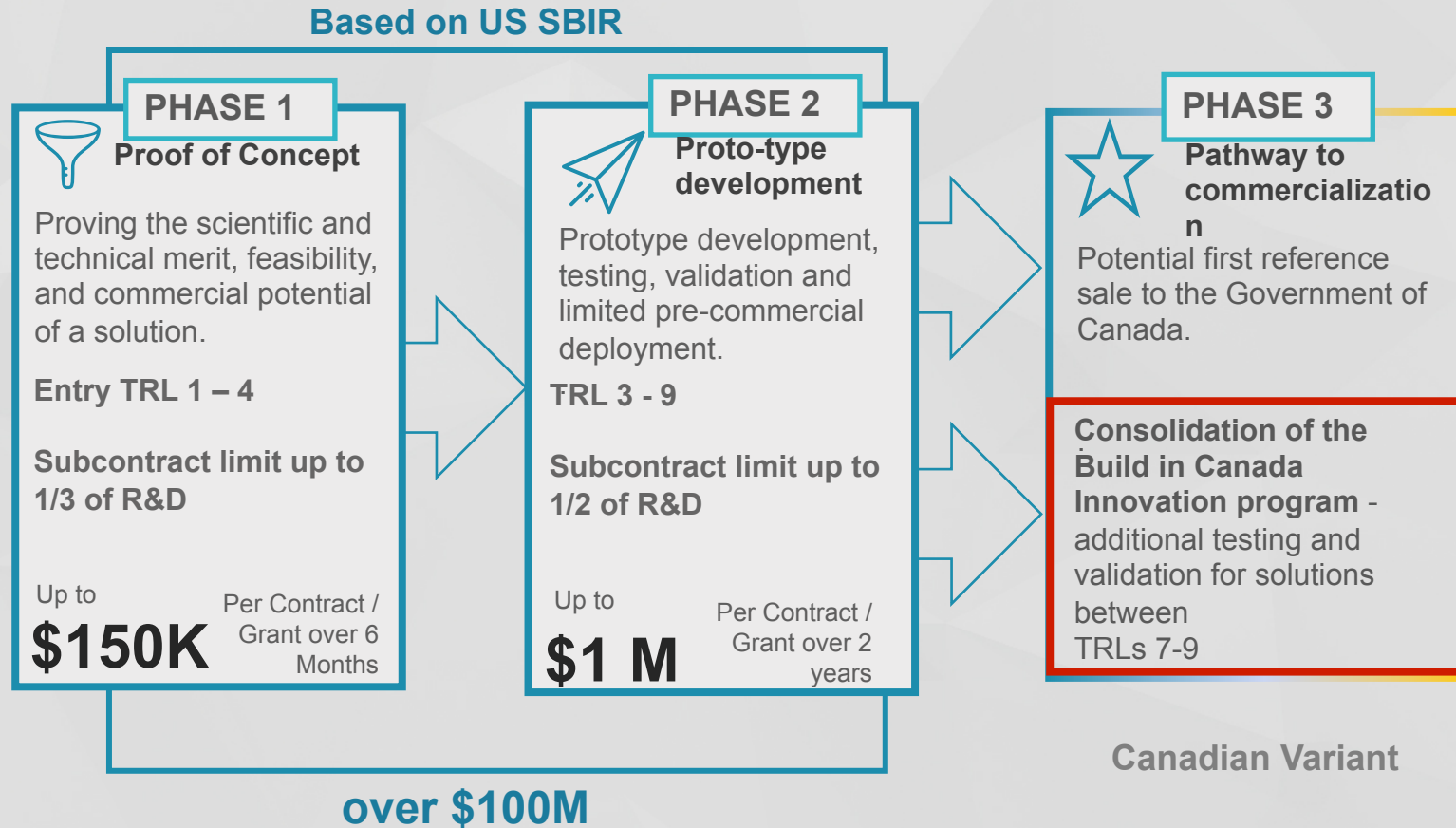
# Challenge stream eligible recipients

- Be for-profit
- Incorporated in Canada (federally or provincially)
- 499 or fewer Full-Time Equivalent (FTE) employees. \*
- Have Research & Development activities taking place in Canada.
- Currently pays at least 50% of its annual wages, salaries, and fees to employees and contractors who spend a majority of their time working in Canada. \*
- 50% or more of its FTE employees located as their ordinary place of work in Canada. \*
- 50% or more of its senior executives (Vice President and above) having Canada as their principal residence.\*

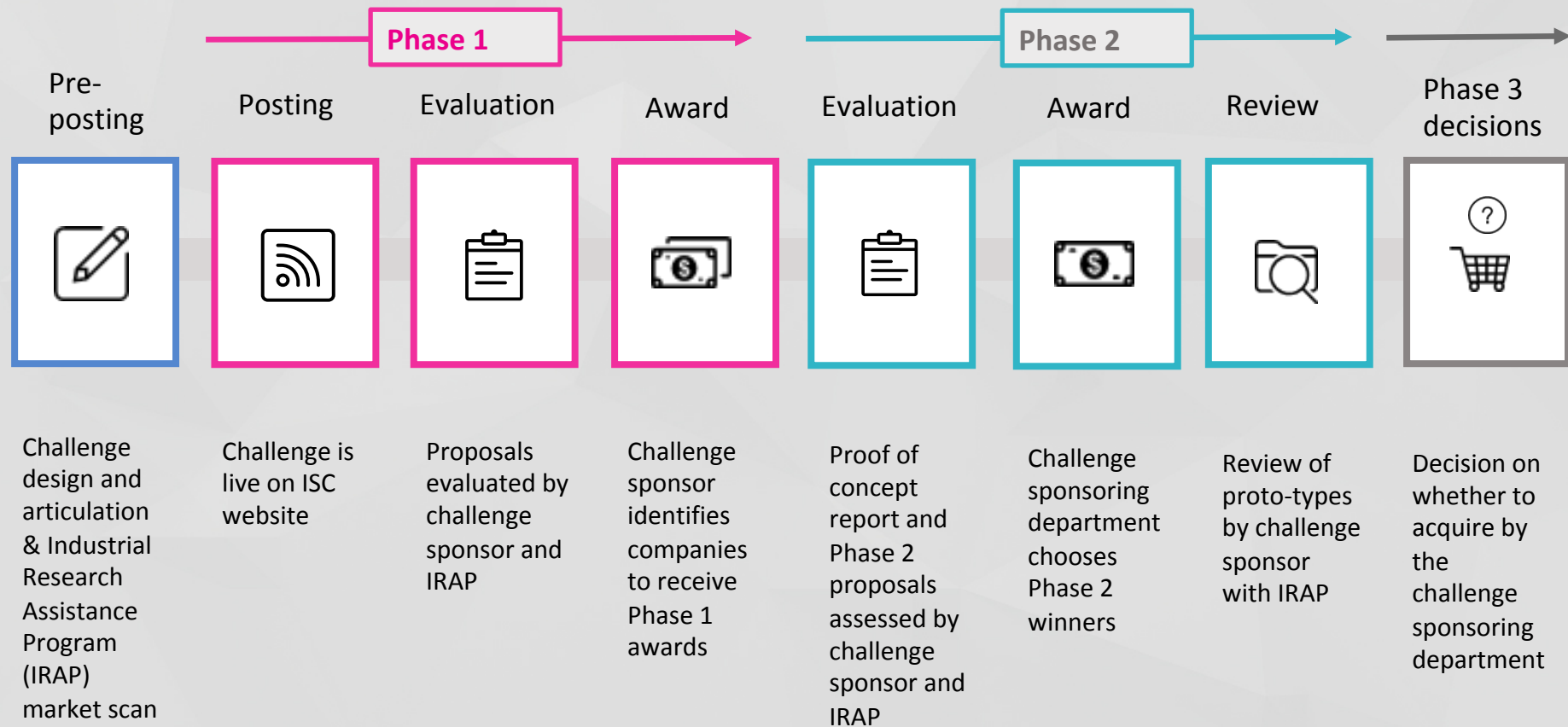
\*Calculations must take into account and include affiliated businesses, such as parent companies and subsidiaries, that are within Canada or outside of Canada.



# How the challenge stream works



# Challenge stream process



# Type of ISC challenges

## Enhancing operational Capabilities (Contracts)



Challenges to improve some aspect of a department's operations



Using AI to better manage space assets



Beyond line of sight communication



Ergonomics of night vision goggles

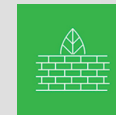


Internet connectivity in remote locations

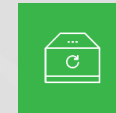
## Addressing marketplace gaps (Grants)



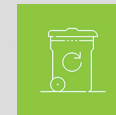
Challenges that advance a department's mandate by filling a marketplace gap



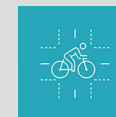
Recycling of plastic construction waste



Improving film food packaging



Separating mixed plastics



Enhancing the safety of vulnerable road users

# Main elements of a challenge













Problem statement	Describes the problem, its complexity and magnitude
Essential (mandatory) outcomes	Describes the outcomes that the solution must meet  Proposals must meet all identified desired outcomes
Additional outcomes	These are the “nice to have” outcomes  Proposals receive points based on meeting these
Background	Provides background information to the problem
Maximum award value	Indicates the maximum award in Phase 1 and 2



# Challenge stream Call for Proposals (CFP)

- One solicitation document is published on Buy and Sell for approx. 1 year
- Challenges are posted throughout the year and reference the CFP
- Does not contain a well-defined Statement of Work
- Bidders are required to submit proposals using a pdf bid submission form submitted through the ISC online submission platform
- An evaluation team comprised of Challenge Sponsor representatives and Industrial Technology Advisors from NRC's Industrial Research Assistance Program (IRAP) evaluate proposals

# Evaluation of challenge stream proposals

-  Scope (Essential and/or Additional outcomes)
-  Technology Readiness Level
-  Innovation
-  Benefits to Canada (i.e., Innovation, Economics, Public)
-  Science and technology risks
-  Phase 1 project plan
-  Phase 1 risks (e.g., financial, human resources, project management)
-  Project implementation team
-  Inclusivity
-  Financial proposal and financial controls
-  Phase 2 strategy
-  Commercialization plan

# Challenge stream Call for Proposals (CFP)

- Bidders who meet all requirements of the evaluation criteria are included in the Pool of Pre-Qualified Proposals
- Inclusion into the Pool does not guarantee a contract
- A Proposal Selection Committee made up of representatives from the Challenge Sponsor Department review pre-qualified proposals and select none, one or more than one for contract negotiations
- Selection is based on:
  - Departmental priorities,
  - Number of investments across Departmental priorities
  - Previous years' investments
  - The strength of individual proposals
  - Similar initiatives being funded by the Department
  - Project types and technology readiness levels

# Challenge stream contract negotiations

- Similar to sole source negotiations
- The Statement of Work is drafted by the client and the bidder based on elements of the proposal
- A financial capability assessment is conducted
- Some bidders may be required to provide financial documents such as cash flow or proof of loans to demonstrate ability to conduct the work
- Applicable contract clauses are selected based on the proposed solution

## Challenge stream Phase 2

- At the end of Phase 1, Contractors must provide a proof of concept report.
- Contractors who successfully complete Phase 1 are invited to submit a proposal for Phase 2.
- The evaluation and selection process for Phase 2 is the same as Phase 1.



# 20 Participating Departments and Agencies

• Department of National Defence (DND)	• Health Canada (HC)
• Public Service and Procurement Canada (PSPC)	• Correctional Service of Canada (CSC)
• Shared Services Canada (SSC)	• Canada Border Services Agency (CBSA)
• National Research Council (NRC)	• Canadian Space Agency (CSA)
• Agriculture and Agri-Food Canada (AAFC)	• Public Health Agency (PHAC)
• Natural Resources Canada (NRCan)	• Indigenous and Northern Affairs Canada (INAC)
• Employment and Social Development (ESDC)	• Global Affairs Canada (GAC)
• Royal Canadian Mounted Police (RCMP)	• Transport Canada (TC)
• Environment and Climate Change Canada (ECCC)	• Innovation, Science and Economic Development Canada (ISED)
• Fisheries and Oceans Canada (DFO)	• Canadian Food Inspection Agency (CFIA)

# Why Use Innovative Solutions Canada?

- ✓ Complete innovation procurement from early stage R&D to later stage testing and acquisition
- ✓ You specify the desired outcomes, let the marketplace worry about the “how”
- ✓ Go, no-go points to de-risk R&D and ensure your needs are met
- ✓ Turn-key process
- ✓ Acquire next generation solutions while helping Canadian small businesses scale-up

**Thank You**

[www.canada.ca/innovative-solutions](http://www.canada.ca/innovative-solutions)