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Canada-Manitoba Economic and Regional Development Agreement

Subsidiary Agreement
on Communications
and Cultural
Enterprises

Electronic Publishing Program

Request for Proposals

Canada

Manitoba



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1985



DEPARTMENT OF COMMUNICATIONS

ELECTRONIC PUBLISHING PROGRAM

REQUEST FOR PROPOSALS

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**CANADA-MANITOBA ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT
SUBSIDIARY AGREEMENT ON COMMUNICATIONS & CULTURAL ENTERPRISES**

**ELECTRONIC PUBLISHING PROGRAM
REQUEST FOR PROPOSALS**

1. BACKGROUND

On January 4, 1984, Canada and Manitoba entered into an Economic and Regional Development Agreement (ERDA) which identified the cultural and communications sectors as priorities for a subsidiary agreement. These sectors have been recognized as offering major opportunities for employment creation, productivity improvement and other economic benefits. Encouraging the expansion and development of Electronic Publishing is consistent with the efforts of the agreement to diversify the provincial economy, build on existing strengths and improve the balance of payments between the provinces.

Electronic publishing is a multi-million dollar industry in Canada. This industry encompasses the development, management and distribution of content in the electronic format. Some of the most prominent electronic publishing projects have been located in Manitoba. Field trials for this electronic publishing technology were carried out in Manitoba, at Headingley and at Elie.

The Electronic Publishing Program (EPP) will encourage the utilization and development of many applications. A partial list of these are:

- a) electronic messaging and mail services, especially for those containing graphics
- b) audio-visual presentation systems
- c) computer-aided learning systems
- d) tourist and public information systems
- e) graphical presentation of information stored in databases
- f) teleconferencing which involves the sharing of graphic images as well as voice.

2. PROGRAM DESCRIPTION

2.1 Summary

Under the Electronic Publishing Program (EPP), the Government of Canada will contribute towards costs incurred by projects that develop and produce content for viable applications. These contributions will be available to eligible organizations to stimulate the development of electronic publishing in Manitoba. This Request for Proposal (RFP) invites proposals for content for the EPP. It explains who can apply for EPP contributions and how to apply. It assumes that the applicants know about electronic publishing and its various aspects. However, additional information is available from the Central Regional Office of the Department of Communications (DOC) in Winnipeg. Each project will be evaluated on the basis of its ability to meet the objectives of the programs.

2.2 Objectives

1. To create long-term self-sustaining economic development in Manitoba by stimulating investment in the electronic publishing industry.
2. To increase the availability of high-quality, marketable electronic publishing content and software.
3. To increase the use of electronic publishing technologies by encouraging the development of new and viable applications.
4. To provide a suitable environment to stimulate the propagation of Manitoba-produced content and software.
5. To foster the acceptance in Canada of standards for communications services such as NAPLPS/Telidon.
6. To create content for the social and cultural realities in Manitoba within the fabric of the regional context.

2.3 Mechanism

The program will achieve these objectives by providing funding for a percentage of the eligible costs for approved applications from the \$900,000 allocated to the EPP.

The EPP will proceed according to the following steps:

- a) Issuance of the Request for Proposals (RFP).
- b) Submission by applicants for EPP assistance.
- c) Evaluation of the proposals.

- d) Notification of acceptance and funding level.
- e) Negotiation with accepted applicants and signing of a binding agreement with DOC.
- f) Provision of funding assistance according to the terms of the agreement.

3. ELIGIBILITY

The following will be eligible to receive contributions under the EPP:

1. Companies incorporated in Canada with production facilities in Manitoba;
2. Manitoba Provincial Crown Corporations;
3. Not-for-profit corporations and organizations with production facilities in Manitoba;
4. Incorporated educational institutions with production facilities in Manitoba;
5. Canadian citizens and landed immigrants resident in Manitoba;
6. Partnerships or joint ventures of two or more of the above.
7. Proprietorships owned and/or operated by Canadian citizens and landed immigrants resident in Manitoba.

4. TERMS AND CONDITIONS

4.1 Proposals

Address proposals and enquiries to:

**Electronic Publishing Program
Department of Communications
200 - 386 Broadway Avenue
Winnipeg, Manitoba
R3C 3Y9
Telephone: (204) 949-2967
Telex: 07-587791
Envoy 100: COMM.DEV**

The proposals must be received before the close of business on June 30, 1985. If, due to delivery disruptions, the submissions will not arrive on time, please advise the above office by telephone, electronic mail or telex. The message should clearly state your intent and willingness to comply with the conditions of the project and will be accepted in lieu of a full submission.

If your message was received but the full submission has not been received by June 30, 1985 you will be advised at your normal business address and given five business days to deliver a completed proposal.

NO PROPOSALS WILL BE CONSIDERED IF RECEIVED LATER THAN THE STATED DATE.

Applicants will be notified immediately in writing of the receipt of their proposal and will be notified in writing of the proposal's acceptance or rejection within two months of the RFP closing date.

4.2 Confidentiality of Proposals

5.

The confidentiality of each proposal will be maintained. There will be no divulgence of any part of a proposal except with the written permission of the applicant(s). All files and communications regarding each proposal will be handled with the greatest possible confidentiality and requests for information about any proposal will be cleared with both the Department and the applicant(s).

4.3 Proposal Costs

There will be no payment by the Crown for any costs incurred in the preparation and submission of proposals.

4.4 Cancellation

The Crown reserves the right to cancel and reissue this RFP at any time.

4.5 Proposal Negotiations

This is a Request for Proposals and NOT an Invitation to Tender. We reserve the right to:

- a) accept a proposal without negotiation
- b) negotiate changes in the content of a responsive proposal
- c) reject a proposal.

4.6 Content of Proposals

To be considered for funding, the proposal must include a complete business plan and a complete project description and plan, detailing, among other things, the degree to which project activities to be undertaken will be in, or of benefit to, Manitoba. The forms included in this RFP must be completed and returned with the proposal. Failure to comply will render the proposal ineligible for funding.

4.7 Conditions for the Payment of Contributions

1. The recipients of funds will be required to enter into a formal agreement with the DOC. This agreement will include a project plan based on the proposal received. It will include terms and conditions to cover the following items:
 - a) contribution payments by scheduled installments;
 - b) conditions for dealing with situations where the recipients of funds are in default of the agreement;

- c) provisions to permit the authorized representatives of the Minister of Communications to carry out audits. These are to verify that the conditions of the agreement have been observed;
 - d) provisions for supplying the DOC with information. This would permit a meaningful evaluation of programs to be carried out (for example, progress reports, marketing reports, and societal and behavioural information);
 - e) provisions for modifications to and termination of the agreement.
- 2. Contributions will be paid towards eligible costs incurred for projects included in the agreement.
- 3. Contributions will not exceed 50% of total eligible "people" costs and 30% of total eligible software or firmware costs.
- 4. Eligible project costs are:
 - a) the purchasing or leasing costs of Canadian-produced software or firmware to be used in support of electronic publishing such as database management and NAPLPS software to a limit of 30% of the total costs, and
 - b) the direct "people" costs for persons directly involved in the development and demonstration of content. These costs include the salary costs for full-time and part-time employees, and 50% of per-diem costs of consultants.
- 5. Contributions will be paid on evidence of the costs incurred and results achieved according to the project plan included in the agreement.
- 6. The payment for the lease or purchase of software and firmware will not be made until the system is demonstrated to be operational.
- 7. No contributions will be paid for expenditures incurred prior to a signed agreement between the recipient and DOC.
- 8. All contributions must be expended wholly within Canada.
- 9. Eligible project costs must not include any items funded by other federal government programs.
- 10. Maximum amounts contributed to any one organization, or for any one project, will not exceed \$300,000 per year.
- 11. Projects requiring a contribution of less than \$15,000 will not be eligible for funding from this program.

12. Organizations receiving funding under this program will be required to submit a final report. Ten percent (10%) of all contributions payable by the DOC will be withheld subject to receipt of the final report.

The report should contain the following:

- a) The overall project results.
 - b) A description of the ongoing content that is expected to be available.
 - c) The amount of content produced during the funding period.
 - d) The total value of content produced during the funding period.
 - e) The value of the content in the database that will be available on an ongoing basis.
 - f) The number of jobs created in this project.
 - g) Other relevant market information as available.
13. The Minister will not be responsible for any costs incurred in anticipation of funding for a project, should a decision be made not to fund that project.

4.8 Audit

Conditions will be included in the agreements with recipients of funds for the DOC to have access to records for the purpose of verifying that all payments have been used in accordance with the agreed-upon project plan.

4.9 Project Monitoring

1. The DOC reserves the right to access all content created within the project, to verify that all conditions of the project plan have been met.
2. The agreement with the recipients of funds will include provision for the collection of data on the implementation of the project and related marketing and societal information. This information will be used to evaluate individual project performance and will also be aggregated to obtain information on the performance of the program as a whole.

4.10 Ownership

All content created in the project will remain the property of the recipient of funds.

4.11 Publicity

All those who are granted contributions must agree to acknowledge the contribution of the DOC to their project. This will form a clause in the agreement.

5. CRITERIA FOR THE EVALUATION OF PROPOSALS

In evaluating the proposals, the Review Committee, while considering the objectives of the program, will take into account the following criteria:

5.1 Applicant Investment

The ratio of investment by the applicant to that requested from the government.

5.2 New Employment

The ratio of jobs created to the requested government funds, with particular emphasis on long-term employment opportunities.

5.3 Value of the Content

The social and economic value of the project to Manitoba, recognizing cultural and regional realities such as:

- a) price at which content will be available
- b) cost of creating content
- c) how soon the content will be introduced into the marketplace
- d) export potential.

5.4 Viability

It is important that proposed projects have ongoing value. Factors such as the following will be taken into account:

- a) long-term economic viability of the service for which this content or software is intended.
- b) previous investment in electronic publishing.

5.5 Business Factors

The following factors will be assessed in the evaluation:

- a) exposure for the created content
- b) past record in electronic publishing
- c) overall credibility.

5.6 Social, Cultural and Regional Value

The program will serve those organizations and individuals who, by the content, nature and intent of the individual proposal, will strengthen, enrich and nourish the social, cultural and regional fabric of Manitoba and Canada.

Factors to be considered are:

- a) new information services in underserved areas of the province and Canada
- b) accessibility of content created by special needs groups.

6.1 Introduction

Each proposal must contain complete and comprehensive information to allow the selection of the projects which have the greatest probability for success:

The information provided must be organized into four sections: Tables, Executive Summary, Business Plan and Project Plan.

6.2 Tables

All parts of tables 1-4 must be completed and returned. A list of these tables appears on page 12. Proposals submitted without completed tables will not be considered.

6.3 Executive Summary

To provide a concise description of the project. Table 1 is the companion table to this summary.

6.4 Business Plan

1. Financial Analysis

Provide the following data as background information relating to Table 2:

- A. Income/Revenues:
1. proposed subscription list, price list;
 2. quantities of each product for sale or lease published in 1985, 1986 and 1987.
- B. Costs:
- A breakdown into:
- (1) materials, including all hardware
 - (2) salaries, including part-time and overtime
 - (3) overhead attributable to the project
 - (4) administrative costs, including financial and sales expenses
 - (5) consultant fees
 - (6) capital investment costs
 - (7) research and development costs exclusive of the above (1) to (6).

In cases where the content is distributed by your organization without an assigned value, a value must be calculated which is the total of direct and non-direct costs incurred.

All operational costs included must be clearly attributable to the project.

The Crown reserves the right to request complete documentation on the sources of funding and other financial information for a project, if necessary for an evaluation of the project.

State any assumptions and methods of calculation relating to Table 2.

2. Eligible Costs

Provide the following supporting data as background information relating to Table 3:

- a) names and addresses of suppliers of software and firmware
- b) country where software and firmware were developed
- c) current price lists relating to all eligible costs
- d) the calculations and assumptions made to arrive at costs.
This must include the number of person-months
and the rates of pay in each quarter.

6.5 Project Plan

1. Objective

State the main objective of your project.

2. Description of the Content

This is a description of the content to be created. Useful items are table of contents, diagrams, flow charts, sample pages.

If your organization has produced material in the electronic format before, please describe it.

3. Description of the System

This is the technical description of the system for the proposed project; some items for this section are:

- a) hardware, firmware and software technical specifications
- b) user-terminal requirements, type, etc.
- c) communications system used to propagate the content/service/information.

4. Markets and Marketing

Provide some supporting information as background to the market to be addressed. This should describe the following:

- a) overall marketing strategy
- b) market and sectors targeted. Indicate the size and geographical location(s)
- c) expected market share and rate of penetration

- d) export markets
- e) the number of people who will be employed on the project and the duration of their employment
- f) the schedule for implementing the project, which must include all major milestones
- g) the locations where the project will be implemented, as well as the location of the host database containing the published information
- h) the degree of project activities to be undertaken in Manitoba.

NOTES

NOTES

7. TABLES

12.

The following section contains the tables that must accompany your proposal.

Please print or type all information and include all that is applicable to your proposal.

Table 1	Project Summary
Table 2	Financial Analysis
Table 3	Eligible Costs
Table 4	Project Schedule

TABLE 1 - PROJECT SUMMARY

Name of Applicant: _____

Address: _____

Postal Code: _____

Project Contact Name: _____

Telephone No(s): _____

ELIGIBILITY

Canadian-controlled firm ☐
 Provincial Crown Corp. ☐
 Not-for-profit organization ☐

Educational institution ☐
 Partnership/joint venture ☐
 Canadian citizen or landed immigrant ☐

INDICATORS

Proposed Start Date: _____

REQUESTED
GOVERNMENT CONTRIBUTION

\$

PROJECT
INVESTMENT
 (from Table 2)
 ELIGIBLE
PROJECT COSTS
 (from Table 3)

As of:	1985 June/Nov	1985/86 Dec/May	1986 June/Nov	1986/87 Dec/Mar	TOTAL
No. of Users					
No. of User Terminals					
Revenues (\$000's)					
Costs (\$000's)					

Signing Authority:

Name: _____

Title: _____

Telephone No: _____

Authorized signature _____

Date _____

TABLE 2 - FINANCIAL ANALYSIS (\$000'S)

		1985 <u>June/Nov</u>	1985/86 <u>Nov/May</u>	1986 <u>June/Nov</u>	1986/87 <u>Dec/Mar</u>	<u>TOTAL</u>
Section A	Income/Revenue	_____	_____	_____	_____	_____
	Costs	_____	_____	_____	_____	_____
	Gross Profit/ (Deficit)	_____	_____	_____	_____	_____
<p><u>Notes:</u> 1. Please fill in values which cover the period June 1985 to March 1987. The values in each column must cover 6-month calendar-year periods beginning June 1, 1985 and ending March 31, 1987.</p> <p>2. Include all project capital investment and project on-going operational costs in "Costs".</p>						
Section B	<p>1. PROJECT CASHFLOW IS EXPECTED TO SHOW POSITIVE VALUES IN _____/_____ month year</p>					
	<p>2. PROJECT BREAKEVEN POINT IS EXPECTED TO OCCUR IN _____/_____ month year</p>					
<p><u>Note:</u> All types of applicants must complete this section, basing it on the information prepared for Section A.</p>						

**** NOTE** - Costs must not include those funded by other federal departments, agencies, and programs of federal origin.

- Do not include funding from provincial, municipal, private and industrial programs and projects.

ELECTRONIC PUBLISHING PROGRAM

TABLE 3 - ELIGIBLE COSTS (\$000)

TYPE OF ELIGIBLE COSTS*	ELIGIBLE COSTS BY QUARTERS							
	YEAR BY QUARTERS 1986				1987		REQUESTED	
	Aug	Nov	Feb	May	Aug	Nov	Feb	Apr
1. Software Purchase/ Lease (30%)								
2. Direct People Costs								
3. Consultants Fees (50%)								
4. Firmware Lease/ Purchase								

\$

For insertion in Table 1

* See Section 4.7

TABLE 4 - PROJECT SCHEDULE*

INDICATE KEY EVENTS WITH AN "X" BELOW

YEAR AND PROGRAM MONTH MILESTONES	YEAR 1 9 8 5								1 9 8 6												1 9 8 7				
	MONTH																								
	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	
1. Software Operational																									
2. Database Operational																									
3. First Market Sale																									
4. First End-User On Line																									
5. Expected First Payment																									
Fill in other milestones as appropriate																									
6.																									
7.																									
8.																									
9. Final payment																									

* These milestones will be considered during the evaluation process. DOC reserves the right to negotiate them upon funding approval.

