



Invitation for Formal Applications for New Builders

26 September 2020

1. Overview:

ILCA now invites suitably qualified companies to submit preliminary applications to become approved as a Builder under the ILCA Class Rules.

Applications are to be submitted in electronic form to the ILCA Class Office at FRAND@laserinternational.org.

Preliminary applications for consideration in the current cycle are to be submitted no later than 31st October 2019. There is no cost to submit a preliminary application.

The information to be provided with the preliminary application must include information to allow the panel to assess the applicant against the criteria set out in Appendix A1. To give applicants an idea of how the assessment panel will review applications the general marking criteria that will be used are provided in Appendix B.

Any prospective applicant that has questions on any aspect of this process may send e mail questions to ILCA at FRAND@laserinternational.org until 24th October 2019. All applications will be handled on a confidential basis and ILCA can provide a written confidentiality agreement upon request.

2. Background

The International Laser Class Association (ILCA) is pleased by the recent announcement that the Laser class boat has been confirmed by World Sailing as the Men's and Women's One-Person Dinghy for the 2024 Olympics. The confirmation of this selection was conditional upon the class signing the new Olympic classes contract, which among other things requires the class to comply with World Sailing's Olympic Equipment Policy. In particular, the policy requires that any qualified manufacturer has access to enter the market to supply boats and class equipment on a Fair, Reasonable and Non-Discriminatory (FRAND) basis.

The procedure to implement this 'FRAND policy' has been reviewed and approved by World Sailing and ILCA is now commencing this process with this open invitation for applications.

A cornerstone principle of our class that remains enshrined in the new policy is that all boats and equipment sold by the class builders and used in class racing must be made in strict compliance with the specification of the class construction manual. ILCA is committed to continuing this strict one-design principle and ensuring that all new and existing manufacturers maintain the highest uniform standards. The class will remain what it has always been, a mass-produced one-design boat built within construction tolerances set down to allow for the mass production process. No attempt at optimization of the boat or equipment within the allowable tolerances will be permitted and all boats must be constructed from molds and tooling certified by the class, as they have been in the past.

Providing FRAND access for new builders in accordance with World Sailing's Olympic Equipment Policy required that ILCA address the issues associated with the use of the Laser trademarks. The class has now completed this process, modifying its rules to remove the requirement that all builders must have the right to use the Laser trademarks. The ILCA Class Rules now allow builders and suppliers to manufacture and sell class-legal equipment under alternative trademarks brands, as long as all equipment is compliant with the construction manual.

In order to appoint new class builders ILCA is now commencing a multi-stage formal application process to identify new builders that have the relevant expertise, experience, competence and business strength to meet the class builder requirements.

ILCA sees this process as an opportunity for the class to grow on a worldwide basis and is looking to ensure that affordable, high-quality, one-design boats and equipment are accessible to all sailors of all ages in all parts of the world.

The current process is seeking to appoint new builders only. A process for appointment of new equipment suppliers will follow completion of the current round of the new builder appointment process.

3. New Builder Appointment Process

ILCA will undertake a multi-stage process to assess the suitability of applicants to become approved as ILCA builders or suppliers. Please note that, in accordance with the World Sailing OEP policy, ILCA has no target for the number or location of new builders. The process is intended to ensure that any new builder appointed will be fully conversant with the class builder requirements and will be able to successfully function as a class builder. ILCA takes no position as to the level of competition in any market and will not in any way allocate market areas or restrict the ability of any builder to sell class-legal equipment wherever it chooses.

The new builder appointment process will be conducted on a regular basis, linked to the Olympic cycle in accordance with World Sailing requirements, to ensure that new builders and equipment suppliers are only introduced during non-critical phases of the Olympic cycle.

ILCA anticipates the first round to builder appointments will be complete by early 2020 and builders will be required to commence production no later than 12 months after the 2020 Olympics. ILCA will work with successful applicants to agree appropriate timetables for mold supply, production samples etc.

An assessment panel consisting of representatives of the existing builders, ILCA and independent experts (as deemed necessary by ILCA) will be established to undertake review of the applications.

The process set out below details the requirements to become a new builder.

Outline of the Approval Process:

Step 1 – Preliminary Applications

Invitation for preliminary applications from any party interested in becoming an ILCA builder. All applications will be handled on a confidential basis and ILCA can provide a written confidentiality agreement upon request.

Step 2 – ILCA Preliminary Application Assessment

Review by the ILCA panel of preliminary applications against initial acceptance criteria (see appendix A1).

Step 3 – Formal License Applications

Invitation to selected applicants to submit formal license applications after signing a non-disclosure agreement and being issued with detailed information on the requirements of the ILCA Build Manual (IBM) and details of all required licenses, fees etc.

Step 4 – ILCA Formal License Application Assessment

Review by the ILCA panel of formal applications against detailed acceptance criteria (see appendix A2).

Step 5 – Provisional License

Granting of provisional licenses subject to pre-production approval.

Step 6 – Pre-Production Approval

Completion of the pre-production approval. Granting of ILCA Licensed Builder status and approval to commence production and sales (see Appendix A3).

Step 7 – Ongoing Review Compliance

Ongoing production review and compliance audits in accordance with the IBM and the requirements of World Sailing.

Appendix A - Acceptance Criteria

Appendix A1 - Initial Assessment

The initial acceptance criteria for selection of applicants to proceed to a formal license application will include satisfactory information being supplied on the following. Please note that any information provided will be handled on a strictly confidential basis. ILCA can provide a written confidentiality agreement upon request.

1. The size, location, financial strength and experience of the company.
2. The availability of sufficient capital to set up and operate a viable production process.
3. Relevant manufacturing experience
4. Key personnel and their experience.
5. Preliminary information on the companies QA systems, process and procedures.
6. The volume of production envisaged.

The adequacy of the application will be assessed as follows;

For each of the six criterion above the assessment panel will assign a percentage score, out of 100, on a fair and reasonable basis, based on the assessed strength of the applicant in that particular area. This assessment will be based on the panel's assessment of the applicant being likely to be able to meet the detailed requirement and acceptance criteria to become a licensed builder. The panel may seek information on the applicant from the MNA and/or class regional organization appropriate to the proposed manufacturing location.

The applicant will be assessed on the six criteria and assigned a percentage score for each criterion by the panel. In order to progress to the next stage of the process the applicant must score a mark of at least 70% for each of the six criterion. If the applicant does not meet this requirement the application will be rejected.

If the application is rejected the applicant may, at the discretion of the assessment panel, be invited to submit additional specific supporting information on any issues with a view to having their application reconsidered.

Appendix A2 – Formal License Application

If the applicant is successful with their preliminary application they will be invited to sign a non disclosure agreement, following receipt of which ILCA will provide a package of the following;

- The proposed ILCA approved builder licensing agreement.
- The relevant sections of the IBM
- The FRAND procedure for licensing equipment suppliers.
- Class fee schedules and processes
- Approximate costs of the required ILCA supplied moulds and building equipment.

Applicants will then be invited to submit a detailed application including the following information;

1. The extent of relevant composite manufacturing experience of the applicant.
2. Applicants key personnel; their qualifications, training, experience and ability to undertake their proposed roles.
3. The applicant's financial structure and strength. Applicants are to submit a business plan demonstrating their financial ability to execute their proposed Laser construction strategy.
4. Experience in one-design dinghy construction, distribution, promotion and sales including any existing dealer networks.
5. The applicant's quality assurance systems and QA track record and ability to comply in all respects with the quality requirements of the CM.
6. Location and suitability of the proposed production facility.
7. Proposed production rate and staffing levels.
8. Proposed distribution systems.
9. Applicant's compliance processes with World Sailing sustainability policy.
10. Demonstration that applicant is capable of building boats in compliance with the Construction Manual.
11. Staff training programs.
12. Proposed equipment guarantees.
13. Commitment to the expansion, development and long-term success of the class.
14. Confirmation that the proposed licensee agrees to sign the World Sailing Olympic contract, make the appropriate class payments and World Sailing Olympic agreement fee payments.
15. Other factors identified as important by the reviewers.

The panel will review the application and request any additional information they consider necessary to comprehensively assess the application. The class is committed to recruiting strong, stable, supportive long-term builders and suppliers on a FRAND basis. The adequacy of the application will therefore be assessed as follows;

For each of the 15 criterion the assessment panel will assign a percentage score, out of 100, on a fair and reasonable basis, based on the assessed strength of the applicant in that particular area.

The marks for each criterion will then be collated and averaged. If the applicant scores more than 50% on every criterion and scores an average of 75% or more they will be invited to proceed to pre-production approval.

If the applicant has achieved the required 75% average but failed to score over 50% on one or more criterion they will be given one opportunity to resubmit their application, readdressing any failed criteria. If the applicants average initial score is less than 75% or they are unable to satisfactorily address any failed criterion their application will be rejected.

All applicants will be required to pay a fee of US\$5000 to ILCA at the time of lodging their formal application to cover the costs of the application review process.

Appendix A3 – Pre-Production Approval

If the applicant has been successful with their formal application, they will be invited to proceed to the Pre-Production approval process and be issued with full details of the IBM.

This will require purchase by the applicant of the necessary moulds and equipment produced from the master plugs, preliminary training of staff by the existing builders nominated representatives on the IBM requirements and techniques and then construction of 10 pre-production boats to prove to the ILCA and WS technical staff that the builder is capable of meeting all the requirements of the IBM.

The cost of all supplied moulds and equipment and the costs of the existing builders and ILCA technical personnel required for training and assessment during the Pre-Production Approval process will be payable by the applicant. A pre-paid deposit against these costs will be required.

The details of this process are set out in the IBM, which will be provided to applicants at stage 2 of the process as outlined above upon entering into a non-disclosure agreement.

Upon completion of this process the ILCA Technical Officer will submit a report to the assessment panel and if the applicant has satisfactorily met the IBM requirements they will be invited to become an ILCA builder and will be able to commence production as soon as all required contracts are completed.

Appendix B – Application Assessment Criteria

| ILCA New builder application assessment | | |
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| Rating | Defenition | Score Range Guide |
| EXCELLENT | | |
| Significantly exceeds the requirements | Significantly exceeds the basic criterion requirements. Exceptional demonstration by the applicant of the relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value. | 90%+ |
| GOOD | | |
| Exceeds the requirements in some aspects | Applicant satisfies the basic criterion requirements with some additional benefits. Above average demonstration by the applicant of the relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion. | 80%+ |
| ACCEPTABLE | | |
| Meets the criterion in full | Satisfies the basic criterion requirements. Demonstration by the applicant of the relevant ability, understanding, experience, skills, resource, or quality measures required to meet the criterion, with supporting evidence. | 70%+ |
| MINOR RESERVATIONS | | |
| Marginally deficient | Generally satisfies the basic criterion requirements but with minor deficiencies identified. Minor deficiencies which should be readily addressable of the applicants relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion. | 50% to 70% |
| SERIOUS RESERVATIONS | | |
| Significant issues that need to be addressed | Major reservations about the applicants ability to satisfy the criterion requirements. Significant reservations of aspects of the applicants relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion, or serious lack of supporting evidence. | <50% |
| UNACCEPTABLE | | |
| Significant issues not capable of being resolved | Does not meet the criterion and appears unable to do so. Does not comply and/or insufficient information provided to demonstrate that the applicant has the ability, understanding, experience, skills, resource or quality measures required to meet the criterion. | <30% |