RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:

Bid Receiving - PWGSC / Réception des soumissions - TPSGC
11 Laurier St. / 11, rue Laurier
Place du Portage, Phase III
Core 0A1 / Noyau 0A1
Gatineau, Québec K1A 0S5
Bid Fax: (819) 997-9776

REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION

Proposal To: Public Works and Government Services Canada

We hereby offer to sell to Her Majesty the Queen in right of Canada, in accordance with the terms and conditions set out herein, referred to herein or attached hereto, the goods, services, and construction listed herein and on any attached sheets at the price(s) set out therefor.

Proposition aux: Travaux Publics et Services Gouvernementaux Canada

Nous offrons par la présente de vendre à Sa Majesté la Reine du chef du Canada, aux conditions énoncées ou incluses par référence dans la présente et aux annexes ci-jointes, les biens, services et construction énumérés ici sur toute feuille ci-annexée, au(x) prix indiqué(s).

Comments - Commentaires

Title - Sujet R&O SPACE & WATER HEATERS	
Solicitation No. - N° de l'invitation W8486-135865/A	**Date** 2013-05-02
Client Reference No. - N° de référence du client W8486-135865	
GETS Reference No. - N° de référence de SEAG PW-$$HL-420-62665	
File No. - N° de dossier hl420.W8486-135865	**CCC No./N° CCC - FMS No./N° VME**
Solicitation Closes - L'invitation prend fin **at - à 02:00 PM** **on - le 2013-06-12**	**Time Zone** **Fuseau horaire** Eastern Daylight Saving Time EDT
F.O.B. - F.A.B. **Plant-Usine:** ☑ **Destination:** ☐ **Other-Autre:** ☐	
Address Enquiries to: - Adresser toutes questions à: Dumm, Jennifer	**Buyer Id - Id de l'acheteur** hl420
Telephone No. - N° de téléphone (819) 956-9675 ( )	**FAX No. - N° de FAX** ( ) -
Destination - of Goods, Services, and Construction: **Destination - des biens, services et construction:** Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

Vendor/Firm Name and Address
Raison sociale et adresse du fournisseur/de l'entrepreneur

Delivery Required - Livraison exigée See Herein	**Delivery Offered - Livraison proposée**
Vendor/Firm Name and Address **Raison sociale et adresse du fournisseur/de l'entrepreneur** **Telephone No. - N° de téléphone** **Facsimile No. - N° de télécopieur**	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) **Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)** **Signature** **Date**	

Issuing Office - Bureau de distribution

Fuel & Construction Products Division
11 Laurier St./11, rue Laurier
7A2, Place du Portage, Phase III
Gatineau, Québec K1A 0S5

Destination Code - Code destinataire	Destination Address - Adresse de la destination	Invoice Code - Code bur.-comptable	Invoice Address - Adresse de facturation
D - 1	CPO1 ADM (MAT) DGMEPM/DGLEPM/DGAEPM ON Canada	W8486	DEPARTMENT OF NATIONAL DEFENCE 101 COLONEL BY DR. ATT: D. WRIGHT DLP 3-4-6 OTTAWA Ontario K1A0K2 Canada

Item Article	Description	Dest. Code Dest.	Inv. Code Fact.	Qty Qté	U. of I. U. de D.	Unit Price/Prix unitaire FOB/FAM Destination	Plant/Usine	Delivery Req. Livraison Req.	Del. Offered Liv. offerte
1	REPAIR & OVERHAUL SPACE & WATER HE ATHERS	D - 1	W8486	1	SU	XXXXXXXXXX	$	See Herein	

TABLE OF CONTENTS

List of Annexes:

PART 1 - GENERAL INFORMATION

1. Security Requirement

There is no security requirement associated with this bid solicitation.

2. Statement of Work

The Work to be performed is detailed under Annex A - Statement of Work for Free Flow (Field Heaters) for Repair and Overhaul, and Annex B - Logistics Statement of Work for for Repair and Overhaul.

Special Investigation and Technical Studies (SITS), Technical Investigation and Engineering Services (TIES), Field Services Representatives (FSR's), and Mobile Repair Party (MRP's) will be authorized using DND's Task Authorization policy.

Free Flow R&O Work will be performed in accordance with A-LM-184-001/JS-001 as per Annex B - Logistics Statement of Work for Repair and Overhaul.

2.1 Note to Tender (Drawings)

A copy of the technical information referred to herein will be forwarded to you by the Director, Supply Chain Operations, DSCO, National Defence Headquarters.

3. Cash Flow

While the funding for this Contract will be limited to $2,655,500.00, the projected Cash Flow for the duration of the contract is expected to be as follows (including all work/task and excluding the Applicable Taxes):

First two year periods:

2013/2014	$650,000.00
2014/2015	$650,000.00

Option years:

2015/2016	$350,000.00
2016/2017	$350,000.00
2017/2018	$350,000.00

4. Debriefings

Bidders may request a debriefing on the results of the bid solicitation process. Bidders should make the request to the Contracting Authority within 15 working days of receipt of the results of the bid solicitation process. The debriefing may be in writing, by telephone or in person.

PART 2 - BIDDER INSTRUCTIONS

1. Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual (https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) issued by Public Works and Government Services Canada.

Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The 2003 (2012-11-19) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

Subsection 5.4 of 2003, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: sixty (60) days
Insert: one-hundred and twenty (120) days

1.1 SACC Manual Clauses

THE FOLLOWING TERMS AND CONDITIONS ARE INCORPORATED HEREIN

SACC Reference	Section	Date
A9130T	Controlled Goods Program	2011-05-16
B1000T	Condition of Material	2007-11-30

2. Submission of Bids

Bids must be submitted only to Public Works and Government Services Canada (PWGSC) Bid Receiving Unit by the date, time and place indicated on page 1 of the bid solicitation.

3. Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than ten (10) calendar days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the questions or may request that the Bidder do so, so that the proprietary nature of the question is eliminated, and the enquiry can be answered with copies to all bidders. Enquiries not submitted in a form that can be distributed to all bidders may not be answered by Canada.

4. Applicable Laws

Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in Ontario.

Bidders may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of their choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the bidders.

PART 3 - BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

Canada requests that bidders provide their bid in separately bound sections as follows:

Section I: Technical Bid (two (2) hard copies)

Section II: Financial Bid (two (2) hard copies)

Section III: Certifications (two (2) hard copies)

Prices must appear in Annex D - Price Schedule only. No prices must be indicated in any other section of the bid.

Information provided in soft copy format (either through CD/DVD or USB Flash Drive) will not be reviewed and evaluated by DND.

Canada requests that bidders follow the format instructions described below in the preparation of their bid:
(a) use 8.5 x 11 inch (216 mm x 279 mm) paper;
(b) use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process Policy on Green Procurement (http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng. html). To assist Canada in reaching its objectives, bidders should:
1) use 8.5 x 11 inch (216 mm x 279 mm) paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content; and
2) use an environmentally-preferable format including black and white printing instead of colour printing, printing double sided/duplex, using staples or clips instead of cerlox, duotangs or binders.

Section I: Technical Bid

Technical bid preparation instructions are provided at Annex C. In their technical bid, bidders should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability to perform on any resultant contract and describe their approach in a thorough, concise and clear manner for carrying out the work.

The technical bid should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests the bidders address and present topics in the order of the evaluation criteria under the same headings. To avoid duplication, bidders may refer to different sections of their bids by identifying the specific paragraph and page number where the subject topic has already been addressed.

Section II: Financial Bid

Bidders must submit their financial bid in accordance with Annex D - Price Schedule and Annex E - Basis of Payment. The total amount of Applicable Taxes must be shown separately. Price and rate must be firm and in Canadian dollars. All rates quoted are to be all-inclusive of direct and indirect costs, overhead rates, General and Administrative rates and profit.

1.1 SACC Manual Clauses

THE FOLLOWING TERMS AND CONDITIONS ARE INCORPORATED HEREIN

SACC Reference	Section	Date
C3011T	Exchange Rate Fluctuation	2010-01-11

Section III: Certifications

Bidders must submit the certifications required under Part 5.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures

(a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical and financial evaluation criteria.

(b) An evaluation team composed of representatives of Canada will evaluate the bids.

1.1 Technical Evaluation

All bids must be completed in full and provide all of the information requested in the bid solicitation to enable full and complete evaluation.

1.1.1 Mandatory Technical Criteria

Refer to Annex C attached

1.2 Optional Facility Review

Canada retains the option to visit a Bidder's facility prior to Contract award to review a Bidder's capability to perform the potential Work and verify the accuracy of the Bidder's proposal.

1.3 Financial Evaluation

Refer to Annex D attached. Price and rate must be firm and in Canadian dollars.

2. Basis of Selection - Minimum Point Rating

1. To be declared responsive, a bid must:
   a. comply with all the requirements of the bid solicitation;
   b. meet all mandatory technical evaluation criteria; and
   c. obtain the required minimum points for the technical evaluation criteria which are subject to point rating.

2. Bids not meeting (a) or (b) will be declared non-responsive. The responsive bid with the lowest evaluated price per point will be recommended for award of a contract.

PART 5 - CERTIFICATIONS

Bidders must provide the required certifications and related documentation to be awarded a contract. Canada will declare a bid non-responsive if the required certifications and related documentation are not completed and submitted as requested.

Compliance with the certifications bidders provide to Canada is subject to verification by Canada during the bid evaluation period (before award of a contract) and after award of a contract. The Contracting Authority will have the right to ask for additional information to verify bidders' compliance with the certifications before award of a contract. The bid will be declared non-responsive if any certification made by the Bidder is untrue, whether made knowingly or unknowingly. Failure to comply with the certifications, to provide the related documentation or to comply with the request of the Contracting Authority for additional information will also render the bid non-responsive.

1. Mandatory Certifications Required Precedent to Contract Award

1.1 Code of Conduct and Certifications - Related documentation

By submitting a bid, the Bidder certifies that the Bidder and its affiliates are in compliance with the provisions as stated in Section 01 Code of Conduct and Certifications - Bid of Standard Instructions 2003. The related documentation therein required will assist Canada in confirming that the certifications are true.

2. Additional Certifications Precedent to Contract Award

The certifications listed below should be completed and submitted with the bid, but may be submitted afterwards. If any of these required certifications is not completed and submitted as requested, the Contracting Authority will so inform the Bidder and provide the Bidder with a time frame within which to meet the requirement. Failure to comply with the request of the Contracting Authority and meet the requirement within that time period will render the bid non-responsive.

2.1 Federal Contractors Program - Certification

Federal Contractors Program - $200,000 or more

1. The Federal Contractors Program (FCP) requires that some suppliers, including a supplier who is a member of a joint venture, bidding for federal government contracts, valued at $200,000 or more (including all applicable taxes), make a formal commitment to implement employment equity. This is a condition precedent to contract award. If the Bidder, or, if the Bidder is a joint venture and if any member of the joint venture, is subject to the FCP, evidence of its commitment must be provided before the award of the Contract.

   Suppliers who have been declared ineligible contractors by Human Resources and Skills Development Canada (HRSDC) are no longer eligible to receive government contracts over the threshold for solicitation of bids as set out in the Government Contracts Regulations. Suppliers may be declared ineligible contractors either as a result of a finding of non-compliance by HRSDC, or following their voluntary withdrawal from the FCP for a reason other than the reduction of their workforce to less than 100 employees. Any bids from ineligible contractors, including a bid from a joint venture that has a member who is an ineligible contractor, will be declared non-responsive.

2. If the Bidder does not fall within the exceptions enumerated in 3.(a) or (b) below, or does not have a valid certificate number confirming its adherence to the FCP, the Bidder must fax (819-953-8768) a copy of the signed form LAB 1168, Certificate of Commitment to Implement Employment Equity, to the Labour Branch of HRSDC.

3. The Bidder, or, if the Bidder is a joint venture the member of the joint venture, certifies its status with the FCP, as follows:

   The Bidder or the member of the joint venture
   (a) ( ) is not subject to the FCP, having a workforce of less than 100 full-time or part-time permanent employees, and/or temporary employees having worked 12 weeks or more in Canada;
   (b) ( ) is not subject to the FCP, being a regulated employer under the Employment Equity Act, S.C. 1995, c. 44;
   (c) ( ) is subject to the requirements of the FCP, having a workforce of 100 or more full-time or part-time permanent employees, and/or temporary employees having worked 12 weeks or more in Canada, but has not previously obtained a certificate number from HRSDC (having not bid on requirements of $200,000 or more), in which case a duly signed certificate of commitment is attached;
   (d) ( ) is subject to the FCP, and has a valid certificate number as follows: _____ (e.g. has not been declared an ineligible contractor by HRSDC.)

   Further information on the FCP is available on the HRSDC Web site (http://www.hrsdc.gc.ca/eng/labour/equality/fcp/index.shtml).

PART 6 - RESULTING CONTRACT CLAUSES

1. Security Requirement

There is no security requirement applicable to this Contract.

2. Statement of Work

The Work to be performed is detailed under Annex A - Statement of Work for Free Flow (Field Heaters) for Repair and Overhaul, and Annex B - Logistics Statement of Work for for Repair and Overhaul.

Special Investigation and Technical Studies (SITS), Technical Investigation and Engineering Services (TIES), Field Services Representatives (FSR's), and Mobile Repair Party (MRP's) will be authorized using DND's Task Authorization policy.

Free Flow R&O Work will be performed in accordance with A-LM-184-001/JS-001 as per Annex B - Logistics Statement of Work for Repair and Overhaul.

2.1 Repairs

The Contractor shall repair and overhaul only those items for which they have received authorization in accordance with the relevant section of A-LM-184-001/JSA-001 and as detailed in Annex A. The Contractor shall also conform to the direction contained in A-LM-184-001/JSA-001 as applicable and such other supply procedures as may be advised from time to time in the demanding, handling, packaging, storing, shipping and recording, etc. of the DND equipment and stores in his possession. Repair/overhaul priorities will be maintained as per information provided in the Section Notice and Priority Summary (SNAPS).

2.2 Special Investigation and Technical Studies (SITS), Technical Investigation and Engineering Support (TIES), Field Service Representative (FSR) and Mobile Repair Party (MRP)

Services on an as-and-when required basis in accordance with this Contract and the attached SOW. Such services shall be authorized by the Purchasing Authority (PA) only. Such authorization shall be via the issue of a duly executed Requisition on a Contract using form DND 626. This document will be prepared by the Technical Authority (TA) on the basis of work schedules and budget agreed to between the Contract, its subcontractors and the TA. A SOW defining the tasks to be completed shall be forwarded to the PA for authorization and forwarding to the Contractor.

Each DND 626 tasking will authorize the funds, estimated by the PA in consultation with the Contractor, necessary for the completion of the specific task. These authorized funds will include reasonable and proper travel and living expenses when necessary and authorized.

If at any time during the work it becomes evident that the authorized level of expenditure will be exceeded, the Contractor shall immediately submit a revised funding estimate to the PA. When expenditures reach the authorized level of the DND 626, the Contractor shall stop work and await further instructions from the PA. Under NO circumstances shall the authorized level of the DND 626 be exceeded without prior written approval by the PA.

3. Task Authorization Process

The Work or a portion of the Work to be performed under the Contract will be on an "as and when requested basis" using a Task Authorization (TA). The Work described in the TA must be in accordance with the scope of the Contract.

3.1 Task Authorization Process

1. The Procurement Authority will provide the Contractor with a description of the task using the DND 626, Task Authorization Form.
2. The Task Authorization (TA) will contain the details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major activities or submission dates for the deliverables. The TA will also include the applicable basis(bases) and methods of payment as specified in the Contract.
3. The Contractor must provide the Technical Authority, within ten (10) calendar days of its receipt, the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.
4. The Contractor must not commence work until a TA authorized by the Procurement Authority has been received by the Contractor. The Contractor acknowledges that any work performed before a TA has been received will be done at the Contractor's own risk.

3.2 Task Authorization Limit

The Procurement Authority may authorize individual task authorizations up to a limit of $100,000.00, the Applicable Taxes included, inclusive of any revisions.

Any task authorization to be issued in excess of that limit must be authorized by the Contracting Authority before issuance.

3.3 Canada's Obligation - Portion of the Work - Task Authorizations

Canada's obligation with respect to the portion of the Work under the Contract that is performed through task authorizations is limited to the total amount of the actual tasks performed by the Contractor.

3.4 Periodic Usage Reports - Contracts with Task Authorizations

The Contractor must compile and maintain records on its provision of services to the federal government under authorized Task Authorizations issued under the Contract.

The Contractor must provide this data in accordance with the reporting requirements detailed below. If some data is not available, the reason must be indicated. If services are not provided during a given period, the Contractor must still provide a "NIL" report.

The data must be submitted on a quarterly basis to the Contracting Authority.

The quarterly periods are defined as follows:

1st quarter: April 1 to June 30;
2nd quarter: July 1 to September 30;
3rd quarter: October 1 to December 31; and
4th quarter: January 1 to March 31.

The data must be submitted to the Contracting Authority no later than fifteen (15) calendar days after the end of the reporting period.

Reporting Requirement- Details

A detailed and current record of all authorized tasks must be kept for each contract with a task authorization process. This record must contain:

For each authorized task:

(i) the authorized task number or task revision number(s);
(ii) a title or a brief description of each authorized task;

(iii) the total estimated cost specified in the authorized Task Authorization (TA) of each task, Applicable Taxes extra;
(iv) the total amount, Applicable Taxes extra, expended to date against each authorized task;
(v) the start and completion date for each authorized task; and
(vi) the active status of each authorized task, as applicable.

For all authorized tasks:
(i) the amount (exclusive of Applicable Taxes) specified in the contract (as last amended, as applicable) as Canada's total liability to the contractor for all authorized TAs; and
(ii) the total amount, exclusive of Applicable Taxes, expended to date against all authorized TAs.

TASK AUTHORIZATION REPORT						
Contract Number :						
Reporting Period: _____ to _____						
TA Number	TA Amendment Number	Date of TA/TA Amendment	Value of TA/TA Amendment (Applicable Taxes excluded)	Applicable Taxes	Value of TA/TA Amendment (Applicable Taxes included)	Cumulative Amount

If the Contractor does not comply to the above reporting requirements, Canada has the right pursuant to the default provisions of the contract, to terminate the contract for default.

4. Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual (https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) issued by Public Works and Government Services Canada.

4.1 General Conditions

2010A (2013-04-25), General Conditions - Goods (Medium Complexity), apply to and form part of the Contract.

4.2 Supplemental General Conditions

4007 (2010-08-16) Canada to Own Intellectual Property Rights in Foreground Information, apply to and form part of the Contract.

5. Term of Contract

5.1 Period of the Contract

The period of the Contract is for two (2) years from the date of Contract award.

5.3 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to three (3) additional one (1) year periods under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least thirty (30) calendar days before the expiry date of the Contract. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

5.3 Termination - Business Volume

Notwithstanding any other termination clauses referred to in this contract, if the business volume of repair and overhauls is less that $50,000 per fiscal year (from April 1 to March 31), Canada may at its sole discretion terminate the Contract. Such a termination will be at no cost to Canada and the Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise, directly or indirectly arising out of the termination. Canada shall pay in accordance with the Contract for all work in progress at the time of the termination under this section.

6. Authorities

6.1 Contracting Authority

The Contracting Authority for the Contract is:

Jennifer Dumm, Supply Specialist
Public Works and Government Services Canada
Acquisitions Branch, Commercial Acquisition & Supply Management Sector
Logistics, Electrical, Fuel & Transportation Directorate
Fuel & Construction Products Division (HL)
11 Laurier Street, 7A2, Place du Portage, Phase III
Gatineau, QC K1A 0S5
Telephone: 819-956-9675 Facsimile: 819-956-5227
E-mail address: Jennifer.Dumm@tpsgc-pwgsc.gc.ca

The Contracting Authority is responsible for the management of the Contract and any changes to the Contract must be authorized in writing by the Contracting Authority. The Contractor must not perform work in excess of or outside the scope of the Contract based on verbal or written requests or instructions from anybody other than the Contracting Authority.

6.2 Procurement Authority

The Procurement Authority for the Contract is:

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone : ___ ___ _____
Facsimile: ___ ___ _____
E-mail address: _____

The Procurement Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Procurement Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority however the Procurement Authority has no authority to authorize changes to the scope of

the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

6.3 Technical Authority

The Technical Authority for the Contract is:

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ___-___-____
Facsimile: ___-___-____
E-mail: _____

The Technical Authority named above is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for all matters concerning the technical content of the Work under the Contract. Technical matters may be discussed with the Technical Authority, however the Technical Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

6.4 Contractor's Representative

Within 15 working days of Contract award, the Contractor shall provide the name(s), address(es), and telephone/fax number(s), of the Contractor's representative(s) to the Authorities listed herein. The contractor shall notify the Authorities of any changes to this information for the duration of the Contract.

Name and telephone number of the person responsible for :

	General Enquiries	**Delivery Follow-up**
Name:	_____	_____
Telephone No.:	_____	_____
Facsimile No.:	_____	_____
E-mail address:	_____	_____

7. Payment

7.1 Basis of Payment - Firm Price

As detailed in Annex D - Price Schedule and Annex E - Basis of Payment

Free Flow R&O

For the Work described in Section 1 of the Statement of Work in Annex A:

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid firm prices as specified in Annex D in Canadian Funds. Customs duties are included, and Applicable Taxes are extra, if applicable.

Canada will not pay the Contractor for any design changes, modifications or interpretations of the Work, unless they have been approved, in writing, by the Contracting Authority before their incorporation into the Work.

Basis of Payment - Limitation of Expenditure - Task Authorizations

The Contractor will be reimbursed for the costs reasonably and properly incurred in the performance of the Work specified in the authorized Task Authorization (TA), as determined in accordance with the Price Schedule in Annex D, to the limitation of expenditure specified in the authorized TA.

Canada's liability to the Contractor under the authorized TA must not exceed the limitation of expenditure specified in the authorized TA. Customs duties are included, and Applicable Taxes are extra.

No increase in the liability of Canada or in the price of the Work specified in the authorized TA resulting from any design changes, modifications or interpretations of the Work will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been authorized, in writing, by the Contracting Authority before their incorporation into the Work.

7.2 Limitation of Expenditure

1. Canada's total liability to the Contractor under the Contract must not exceed $650,000.00. Customs duties are included and Applicable Taxes are extra, if applicable.
2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:
   a. when it is 75 percent committed, or
   b. four (4) months before the contract expiry date, or
   c. as soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work,

   whichever comes first.

3. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

7.3 Method of Payment

7.3.1 Method of Payment Applicable for Free Flow R&O

SACC Manual clause H1001C (2008-05-12) Multiple Payments

7.3.2 Method of Payment for Work Performed Under Task Authorization

SACC Manual clause H1008C (2008-05-12) Monthly Payment

7.4 SACC Manual Clauses

THE FOLLOWING TERMS AND CONDITIONS ARE INCORPORATED HEREIN

SACC Reference	Section	Date
C0705C	Discretionary Audit	2010-01-11
C0711C	Time Verification	2008-05-12
C2608C	Canadian Customs Documentation	2012-07-16
C2800C	Priority Rating	2013-01-28
C2801C	Priority Rating - Canadian-based Contractors	2011-05-16

8. T1204 - Information Reporting by Contractor

1. Pursuant to paragraph 221 (1)(d) of the Income Tax Act, R.S. 1985, c.1 (5th Supp.), payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip.
2. To enable departments and agencies to comply with this requirement, the Contractor must provide the following information within 30 calendar days following contract award:
   a. the legal name of the Contractor, i.e. the legal name associated with its business number or Social Insurance Number (SIN), as well as its address and postal code;
   b. the status of the Contractor, i.e. an individual, a sole proprietorship, a corporation, or a partnership;
   c. the business number of the Contractor if the Contractor is a corporation or a partnership and the SIN if the Contractor is an individual or a sole proprietorship. In the case of a partnership, if the partnership does not have a business number, the partner who has signed the Contract must provide its SIN;
   d. in the case of a joint venture, the business number of all parties to the joint venture who have a business number or their SIN if they do not have a business number.
3. The information must be sent to the person and address specified below. If the information includes a SIN, the information should be provided in an envelope marked "protected".

   Name of person: Procurement Authority
   Address: National Defense Headquarters
   MGen George R. Pearkes Building
   101 Colonel By Drive
   Ottawa, Canada K1A 0K2
   Attention: DLP 3-4-6

9. Capability

The Contractor shall formally advise the Contracting Authority, in writing, of any loss or anticipated loss of capability to perform any or all of the services stipulated in the contract.

10. Volume of Work

The basis of payment in the Contract, including the rates and prices, must remain in force nothwithstanding any variation between the volume of work upon which those rates are based and the volume of work actually received by the Contractor. Further, the Contractor may not claim from Canada any under recovery of fixed overhead expenses as a result of reduced business volume.

11. Invoicing

1. Invoices must be submitted on Contractor's own invoice form and shall include the following information:
   a) the date;
   b) name and address of the consignee;
   c) contract number, serial number and financial codes;
   d) quantity, device type, manufacturer and serial number;
   e) item number, part number, reference number and description;
   f) Client Reference Number (CRN);
   g) Procurement Business Number (PBN).
2. The original invoice will be for forwarded to:

   National Defense Headquarters
   MGen George R. Pearkes Building
   101 Colonel By Drive
   Ottawa, Canada K1A 0K2
   Attention: DLP 3-4-6

   One (1) copy will be forwarded to:

   Department of Public Works and Government Services

Fuel & Construction Products Division, CASMS
7A2, Place du Portage, Phase III
11 Laurier Street, Gatineau, QC K1A 0S5
Attention: Jennifer Dumm, HL Division

Payment will only be made on receipt of satisfactory invoices duly supported by specified release documents and/or other documents called for under this contract. The Contractor shall not submit invoices prior to shipment of the items to which it relates.

12. Certifications

12.1 Compliance

Compliance with the certifications and related documentation provided by the Contractor in its bid is a condition of the Contract and subject to verification by Canada during the term of the Contract. If the Contractor does not comply with any certification, or provide the related documentation or if it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

13. Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in _____.

14. Priority of Documents

If there is a discrepancy between the wording of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list.

(a) the Articles of Agreement;
(b) the supplemental general conditions 4007 (2010-08-16) Canada to Own Intellectual Property Rights in Foreground Information;
(c) 2010A (2013-03-21) General Conditions - Goods (Medium Complexity);
(d) Annex A, Statement of Work for Free Flow (Field Heaters);
(e) Annex B, Logistics Statement of Work for Free Flow (Field Heaters);
(e) Basis of Payment;
(g) the Contractor's bid dated _____, as clarified on _____ or, as amended on_____.

15. Defence Contract

SACC Manual clause A9006C (2012-07-16) Defence Contract

16. SACC Manual Clauses

THE FOLLOWING TERMS AND CONDITIONS ARE INCORPORATED HEREIN

SACC Reference	Section	Date
A1009C	Work Site Access	2008-05-12
A9016C	Hazardous Waste Disposal	2011-05-16
A9131C	Controlled Goods Program	2011-05-16
B4019C	United States Military Specifications and Standards	2007-11-30
B4060C	Controlled Goods	2011-05-16
B8044C	Mobile Repair Parties	2007-05-25
C0307D	Cost Submission	2008-05-12
D2025C	Wood Packaging Materials	2008-12-12
D3015C	Dangerous Goods/Hazardous Products	2007-11-30
D5510C	Quality Assurance Authority (DND) - Canadian-based Contractor	2012-07-16

	NOTE: *The PA, TA, and the QAR may delegate their authority and may act through their duly appointed representatives.*	
D5515C	Quality Assurance Authority (DND) - Foreign-based and United States Contractor ***NOTE***: *The PA, TA, and the QAR may delegate their authority and may act through their duly appointed representatives.*	2010-01-11
D5540C	ISO 9001:2008 Quality Management Systems - Requirements (QAC Q)	2010-08-16
D5604C	Release Documents (DND) - Foreign-based Contractor	2008-12-12
D5605C	Release Documents (DND) - United States-based Contractor	2010-01-11
D5606C	Release Documents (DND) - Canadian-based Contractor	2012-07-16
D6010C	Palletization	2007-11-30
G1005C	Insurance	2008-05-12

17. Contract Start-up Meeting

Within 5 working days of Contract award, the Contractor shall contact the Authorities listed herein to set a date for a Contract start-up meeting within 30 calendar days of Contract award at the Contractor's facility.

18. Release Documents - Distribution

The Contractor must prepare the release documents in a current electronic format and distribute them as follows:

a. One (1) copy mailed to consignee marked: "Attention: Receipts Officer";
b. Two (2) copies with shipment (in a waterproof envelope) to the consignee;
c. One (1) copy to the Contracting Authority;
d. One (1) copy to:
   National Defense Headquarters
   MGen George R. Pearkes Building
   101 Colonel By Drive
   Ottawa, ON K1A OK2
   Attention: DLP 3-4-6
e. One (1) copy to the Quality Assurance Representative;
f. One (1) copy to the Contractor; and
g. For all non-Canadian contractors, one (1) copy to:
   DQA/Contract Administration
   National Defense Headquarters
   MGen George R. Pearkes Building
   101 Colonel By Drive
   Ottawa, ON K1A OK2
   E-mail: ContractAdmin.DQA@forces.gc.ca

19. Shipping Instructions

19.1 Delivery Destinations

Equipment received under this Contract as directed through a Repair Maintenance Account (RMA), Service Location (SLOC) will be repaired/overhauled and delivered to 25 Canadian Forces Supply Depot unless otherwise advised in writing from the Procurement Authority. Unusual circumstances will be called up in a DND 626.

19.2 Shipping Instructions (DND) - Foreign-based Contractors

1. Delivery will be FCA Free Carrier at Contractor's facility Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defense (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Centre by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

Before contract award, choose either shipping option (a), (b), (c), or (d), and delete the unused options and this instruction.

(a) *Insert the following when the Contractor is located in the United States (U.S.):*
Inbound Logistics Coordination Centre (ILCC):
Telephone: 1-877-447-7701 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

OR

(b) *Insert the following when the Contractor is located in United Kingdom (UK) and Ireland:*
Inbound Logistics United Kingdom (ILUK):
Telephone: 011-44-1895-613023, or 011-44-1895-613024, or
Facsimile: 011-44-1895-613047
E-mail: CFSUEDetUKMovements@forces.gc.ca

In addition, the Contractor must send to ILUK the completed form "Shipping Advice and Export Certificate" by e-mail to: CFSUEDetUKMovements@forces.gc.ca.

The shipment of any items above the value of 600 GBP (pound sterling) being exported from the United Kingdom and Ireland will be cleared by DND using Her Majesty's Customs & Excise (HMCE) New Export Systems (NES). The Contractor must comply with HMCE requirements by registering with HMCE or by having a freight forwarder complete the entry. A printed copy of the NES entry Export Declaration clearly displaying the Declaration Unique Consignment Reference Number must be provided by the Contractor and attached to the consignment. The Contractor must ensure that this procedure is carried out for all stores whether they be initial purchase or repair and overhaul export items. HMCE will authorize Canadian Forces Support Unit (Europe) to ship the goods only if the procedure has been adhered to completely and properly by the Contractor.

OR

(c) *Insert the following when the Contractor is located in a country other than Canada, the U.S., the UK and Ireland:*
Inbound Logistics Europe Area (ILEA):
Telephone: +49-(0)-2451-717199 or 717200
Facsimile: +49-(0)-2451-717189
E-mail: ILEA@forces.gc.ca

OR

(d) *Insert the following for U.S. Foreign Military Sales (FMS):*
Inbound Logistics Coordination Centre (ILCC):
Telephone: 1-877-447-7701 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

Canada is responsible for the carrier selection for shipments of the goods supplied under this FMS contract. Instructions on how to obtain carrier selection from Canada are contained in U.S. Department of Defense 4000.25-8-M, Military Assistance Program Address Directory, and

Canadian Special Instructions Indicator (SII). The Contractor must not ship the goods until the SII has been complied with.

4. Following receipt of this information by Canada, Canada will provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, the marking of each piece with a Transportation Control Number and customs documentation.
5. The Contractor must not ship goods before receiving shipping instructions from the DND Inbound Logistics contact.
6. If the Contractor delivers the goods at a place and time that are not in accordance with the given delivery instructions or fail to fulfill reasonable delivery instructions given by Canada, the Contractor must reimburse Canada any additional expenses and costs incurred.
7. If Canada is responsible for delays in delivering the goods, ownership and risk will be transferred to Canada upon expiry of either thirty (30) days following the date on which a duly completed shipping application is received by Canada or by its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.

19.3 Shipping Instructions (DND) - Canadian-based Contractor

1. Delivery will be FCA Free Carrier at Contractor's facility Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defense (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Centre by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

Before contract award, choose either shipping option (a), (b, (c), (d), or (e), and delete the unused options and this instruction.

(a) *Insert the following for all sole source contracts, except repair and overhaul, where the Contractor is located in Canada:*
Inbound Logistics Coordination Centre (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

OR

(b) *Insert the following for all repair and overhaul contracts where the Contractor is located between Kingston inclusive and westward to the Ontario/Manitoba border:*
Inbound Logistics Central Area (ILCA)
Telephone: 1-866-371-5420 (toll free)
Facsimile: 1-866-419-1627 (toll free)
E-mail: ILCA@forces.gc.ca

OR

(c) *Insert the following for all repair and overhaul contracts where the Contractor is located in Manitoba, Saskatchewan, Alberta, British Columbia, and the National Capital Region inclusive to east of Kingston:*
Inbound Logistics Coordination Centre (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

OR

(d) *Insert the following for all repair and overhaul contracts where the Contractor is located in Quebec:*
Inbound Logistics Quebec Area (ILQA)
Telephone: 1-866-935-8673 (toll free), or 1-514-252-2777, ext. 2323, 2852 or 4673
Facsimile: 1-866-939-8673 (toll free), or 1-514-252-2911

E-mail: 25DAFCTrafficQM@forces.gc.ca

OR

(e) *Insert the following for all repair and overhaul contracts where the Contractor is located in Atlantic (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador):*
Inbound Logistics Atlantic Area (ILAA)
Telephone: 1-902-427-1438
Facsimile: 1-902-427-6237
E-mail: FLogILAA@forces.gc.ca

3. The Contractor must provide the following information to the DND Inbound Logistics Coordination Centre when arranging for shipment:
   (a) the Contract number;
   (b) consignee address (for multiple addresses, items must be packaged and labelled separately with each consignee address);
   (c) description of each item;
   (d) the number of pieces and type of packaging (i.e., carton, crate, drum, skid);
   (e) actual weight and dimensions of each piece type, including gross weight;
   (f) full details of dangerous material, as required for the applicable mode of transportation, signed certificates for dangerous material as required for shipment by the International Maritime Dangerous Goods Code, the International Air Transport Association regulations or the applicable Canadian Dangerous Goods Shipping Regulations, and a copy of the materiel safety data sheet.
4. Following receipt of this information by Canada, Canada will provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, and the marking of each piece with a Transportation Control Number.
5. The Contractor must not ship the goods before receiving shipping instructions from the DND Inbound Logistics contact.
6. If the Contractor delivers the goods at a place and time which are not in accordance with the given delivery instructions or fail to fulfill reasonable delivery instructions given by Canada, the Contractor must reimburse Canada any additional expenses and costs incurred.
7. If Canada is responsible for delays in delivering the goods, ownership and risk will be transferred to Canada upon expiry of either thirty (30) days following the date on which a duly completed shipping application is received by Canada or by its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.

STATEMENT OF WORK

for

FREE FLOW (Field Heaters)

for

Repair and Overhaul

TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDICES

LIST OF ATTACHMENTS

1 SCOPE

1.1 Purpose

The Department of National Defence (DND) has a requirement for Repair and Overhaul (R&O) services to be performed on field heaters positioned throughout Canada and at operational sites. This Statement of Work (SOW) defines the work effort required to perform R&O functions. The R&O functions include, but are not limited to handling, repairing, overhauling, modifications, equipment configuration management, technical data management, integrated logistics support and maintenance support. The equipment included in this SOW is listed in TABLE 1:

Table 1: Equipment to be Repaired

ITEM	NSN	DESCRIPTION
1	4520-20-006-2964	Heater, Duct Type, Portable, DEW Model 1176756, 100,000 BTU/Hr
2	4520-20-007-2055	Heater, Water, Portable, DEW Model
3	4520-21-886-2954	Heater, Space, Camfire Model MV125CG, 60,000 BTU/Hr
4	4520-01-550-7748	Heater, Space, Camfire Model MV125DND, 60,000 BTU/Hr
5	4520-21-911-9025	Heater, Space, Herman Nelson BT 400-80, 400 K BTU/Hr
6	2815-01-102-3172	Engine, Diesel, Herman Nelson Model BT 400-80
7	4420-01-104-0264	Heat Exchanger, Herman Nelson Model BT 400-80

Note to Table 1: CF data descriptions of this equipment and graphic representations are included in Attachment I.

1.2 Background

DND has approximately 3500 space heaters and will have 500 water heaters that periodically require R&O services in an expeditious manner to improve servicability, reliability, safety and functionality.

2 APPLICABLE DOCUMENTS

2.1 Applicability

2.1.1 Order of Precedence

The following documents form part of this SOW to the extent specified herein. In the event of a conflict between the text of this SOW, Annex B and the references stated herein, this SOW shall take precedence.

2.1.2 Discrepencies

The contractor shall notify the Technical Authority (TA) of any discrepancies discovered between the referenced documents, this SOW, and the equipment undergoing repair. If the discrepancies jeopardize the completion of the R&O work, they shall be dealt with on a priority basis. The documents referenced in Table 2 may be provided to the contractor and may be used in their entirety for equipment familiarization information. Repair part numbers contained in the documents may not be current, and it is the contractor's responsibility to verify all parts information.

2.2 Publications

2.2.1 Government Furnished Publications

Table 2: Applicable Reference Documents

ITEM	DOCUMENT NO.	TITLE	ISSUE
1	C-91-996-000/MB-001 C-91-996-000/MS-001 C-91-996-000/MY-001 C-91-996-000/NP-001	Operator's Manual Maintenance Manual Parts Identification List Manual Permissive Repair Schedule and Standard Repair Times Manual	
2	C-91-997-000/MB-001 C-91-997-000/MS-001 C-91-997-000/MY-001 C-91-997-000/NP-001	Operator's Manual Maintenance Manual Parts Identification List Manual Permissive Repair Schedule and Standard Repair Times Manual	
3	C-91-146-000/MS-001 C-91-146-000/CF-001	Portable Duct Heater – Operation – Service – Technical Support Modification Instruction, Electrical Control Box	Nov 02 Feb 01
4	C-91-153-000/MS-000 C-91-153-000/CF-001 C-91-153-000/CF-002	Technical Manual Operations and Maintenance with Parts Breakdown BT400-80 Portable Diesel Heater Modification Instruction – Modification to Fuel System Mod Instruction for BT400 Valve Replacement Kits	Jan 95 Apr 98
All	A-LM-184-001/JS-001	Special Instructions - Repair and Overhaul Contractors	Aug 10
All	CFTO D-01-400-001/SG-000	Engineering Drawing Practices for Class 1 Drawings and Technical Data Lists	

2.2.2 Other Publications

FED-STD-595	Colors Used in Government Procurement
ISO 14000:2001	Environmental Management Systems
DoD-P-15328	Pre-Treatment Wash Primer

3 REQUIREMENTS

3.1 General Requirements

The contractor shall perform R&O only on those space heaters (also referred to as equipment) for which they have authorization to equal or better than original performance parameters. The R&O shall be performed in accordance with this SOW, administrative documents, ALM-184-001/JS-001 R&O Manual, and the Quality Assurance requirements stated herein, such that the CF shall be provided with functional, safe and reliable heaters. Within 30 days after contract award the contractor shall submit Acceptance Test Procedure to be approved by the TA. The contractor shall be responsible for obselesence management of the equipment. All parts and materials shall be as per original equipment manufacturer (OEM) design. Any changes to the parts, equipment configuration, or design shall be approved by the TA.

3.2 Contractor Experience

The Contractor shall possess experience in the repair of diesel fuel fired space heaters.

3.3 Contractor Resources

3.3.1 Engineering and Technical Staff

In order to provide satisfactorily the services, the contractor shall possess a staffed engineering and technical organization for design and qualification work. The engineering staff shall include at least one professional engineer registered with a provincial engineering association.

3.3.2 Test Facilities

The Contractor shall possess in-house testing facilities equipped to perform qualification and aceptance test procedures in accordance with the applicable test procedures specified in CSA – B140 standard . These tests are required to re-qualify heaters after performing repair or upgrade work.

3.3.3 Publication Resources

The Contractor shall have office resources necessary to produce electronic manuals, technical drawings, and other logistics and engineering documentation.

3.4 Performance and Reliability

Equipment repaired or overhauled in accordance with the terms of this contract will be produced to meet the standards of performance and reliability described in applicable engineering orders and test sheets. When such standards are not described or when the standards described are considered by the contractor to be inadequate, the contractor will submit the standards of performance and reliability to which he proposes to repair or overhaul the equipment through the National Defence Quality Assurance Representative (NDQAR) to the TA.

3.5 Maximum Repair Cost (MRC)

The MRC shall not be exceeded without authorization of the Procurement Authority (PA). The anticipated MRCs are listed in Table 3 below:

Table 3: Maximum Repair Cost for Heater Assemblies

ITEM	HEATER TYPE	MRC – $CAD
1	4520-20-006-2964	$4,200.00
2	4520-20-007-2055	$4,800.00
3	4520-21-886-2954	$3,400.00
4	4520-01-550-7748	$3,400.00
5	4520-21-911-9025	$3,700.00
6	2815-01-102-3172	$2,300.00
7	4420-01-104-0264	$1,000.00

3.6 Minimum and Maximum Repair Units

The minimum number of heaters which may be processed through the R&O facility may be zero. The forecast quantity is dependent upon heater type and the quantity in service. Table 4 defines current forecasts and will be updated annually.

Table 4: Yearly Forecasted Repair Quantity

ITEM	HEATER TYPE	FORECAST		
		Year 1	Year 2	Year 3
1	4520-20-006-2964	0	325	325
2	4520-20-007-2055	0	42	85
3	4520-21-886-2954	45	45	45
4	4520-01-550-7748	10	10	10
5	4520-21-911-9025	50	70	12
6	2815-01-102-3172	6	6	6
7	4420-01-104-0264	6	6	6

3.7 Repair / Condemn Decisions

In the event that a heater cannot be repaired within the MRC stated above, the Contractor shall refer relevant data to the TA for a decision. The TA, or a designated representative, will respond in one of three ways:

1) Proceed with the repair with authorization to exceed the MRC by a stated amount;
2) Condemn the heater and return it to the CFSS; or
3) Condemn the heater with authorization to remove and reuse (cannibalize) serviceable parts. The Contractor is responsible to report salvaged parts inventory annually as Government Furnished Overhaul Spares (GFOS).

3.8 Provision of Material

3.8.1 Government Supplied Material

The Government does not intend, in most cases, to provide spare parts to the Contractor. At the request of the contractor, the Government will, if available, provide the parts to the contractor. If the Government provides repair parts to the contractor, the value of the parts shall be deducted from the MRC of the unit for which the parts are intended. The contractor shall provide suitable storage facility and insurance to protect all Government Supplied Materials, included but not limited to equipment, spares, TDP, documentation, software and specialty tools, etc.

3.8.2 Contractor Supplied Parts
The Contractor shall be responsible to provide repair parts required, including locating of sources for the required parts. The Contractor shall be responsible for the obselecense management of the parts. In the event that an original part is no longer available, and the contractor determines that a replacement part will serve with respect to fit, form and function, and reasonable cost, then the use of that part shall be approved by the TA and documented as per para 3.12 below.

3.8.3 Contractor Furnished Parts
The Contractor shall be responsible to provide parts on "as and when" required basis that will be detailed in a DND 626 call-up. The provision of these parts is not intended as a standing offer type arrangement and will be for operational requirements only.

3.9 Extent of Work

3.9.1 Mechanical
All mechanical systems shall be inspected and repaired as required. The combustion system shall be inspected to ensure the integrity of the combustion chamber and heat exchanger. All exhaust stack components shall be inspected and replaced as required. Fuel storage and delivery systems shall be inspected for corrosion, leaks, operation and cleanliness. All filter elements shall be renewed/replaced. Defective components shall be repaired or replaced. The air circulation system shall be inspected and tested for proper operation, presence of exhaust gasses in the heated air outlets, and for efficiency of operation.

3.9.2 Electrical
All electrical components shall be inspected and tested for operational integrity of connections, high voltage leakage and the presence of electrical shock hazards. Required voltage levels shall be tested for combustion motor, blower motor and fuel ignition. Defective parts, electrical wiring and harnesses shall be replaced so as to conform to original wire size and/or wire colours and wiring schematic diagrams.

3.9.3 Safety
All systems and components affecting the safety of the user/operator or those affecting hazardous operation of the heater shall be inspected and tested for correct operation. Defective components shall be replaced. All warning decals and labels and data plates shall be clear and legible, and arrows indicating the direction of rotation of all fan/blower devices shall be clearly visible.

3.9.4 Finish
There is no requirement to refinish heaters to an industrial production standard. The exterior frame and panels shall be inspected for safety hazards (exposed sharp surfaces) bent frames, cut, torn or holed panels. Flanges at air inlets and outlets shall be inspected and repaired as necessary to ensure an easy and quick fit to standard military type ducts. Refinishing of the heaters shall be done to the extent necessary to prevent corrosion damage to exposed metal surfaces. Heaters shall be repainted or touched up (dependant on condition upon receipt) with finish materiel of a colour and type to closely match the existing finish.

3.9.5 Painting

The Contractor shall paint the heaters according to the specification noted in the TDP for the Heaters, or as directed by the TA. Unless otherwise specified, CARC painted heaters shall be repainted or touched up (dependant on condition upon receipt) in accordance with Appendix I to Annex A. Products meeting U.S. specifications for CARC are subject to Controlled Goods Regulations and International Traffic in Arms Regulations (ITAR). Unless otherwise specified, commercial painted heaters shall be repainted or touched up (dependant on condition upon receipt) in accordance with Paint Specifications DOD-P-15328, D-84-001-005/SF-001 and D-84-010-001/SF-001.

3.10 Subcontracting of Repair Services

Subcontracting of repair services by the contractor is authorized. Subcontracting that exceeds 50% of the MRC for any heater shall be approved by the Procurement Authority.

3.11 Technical Investigation and Engineering Support (TIES) / Special Investigation and Technical Studies (SITS) / Field Service Representatives (FSRs) and Mobile Repair Parties (MRPs)

The Contractor shall provide TIES/SITS/FSR/MRP services such as investigations, studies, preparation and incorporation of modification requirements, special testing (or work of similar nature) and the use of expert specialized technical assistance (eg, training requirements, integrated logistics support, manual and technical data updates, etc) on an as and when required basis to DND and will be detailed in an approved DND 626. Requests for TIES work may originate from the Contractor, or be communicated by DND to the Contractor. Recommendations regarding cost reduction, product improvement, failure investigation shall be submitted in proposal format to DND, and shall include cost of the work proposed, justification for the work and the business case to support the work. DND will evaluate the proposals and accept or reject them. If the proposal is accepted by DND the work can only be authorized through the use of a DND 626 form. Contractors are cautioned that no work shall be performed or shall be paid for by the crown without an approved DND 626.

The contractor shall provide engineering data relevant to these investigations including reproducible drawings. When drawings are required, they shall be prepared, processed and approved in accordance with CFTO D-01-400-001/SG-000 Engineering Drawings Practices for Class 1 Drawings and Technical Data Lists.

3.12 Documentation

In the event that any changes to the equipment configuration, integrated logistic support, and/or operating & maintenance procedures are required as a result of parts replacement or equipment modification, the Contractor shall inform the TA, in writing, of all the necessary changes to the equipment Technical Data Package (TDP), the Integrated Logistic Support (ILS) documentation, and to the spare parts cataloguing systems. Changes might include but not be limited to part number; manufacturer; source of supply; NSN if available; circuit references; level 3 drawings; DND CFTOs and O&M manuals; equipment instruction and identification plates; training manuals; and related DND databanks, etc. The contractor shall seek and receive approval from the TA prior to making any changes to related documentation and TDPs. The contractor shall

promulgate changes to DND documentation in accordance with DND documentation style and quality standards. The TDP as maintained by the Contractor shall be referenced and used for maintenance purposes only, and only in relation to the DND equipment under the contract. No other use of TDP by the contractor is authorized unless with written approval issued from DND.

3.13 Unsatisfactory Condition Reports

Upon mutual agreement, the Contractor shall investigate and make recommendations on Unsatisfactory Condition Reports (UCR) submitted by the appropriate DND Authority. The Contractor may be required to originate UCRs in accordance with CFTO C-02-015-001/AG-000.

3.14 Communication and Technical Assistance

The contractor shall provide communication capability that can transmit text and image files concerning repair, overhaul, reports and other project documentation over the Internet among its centres of operation to the TA and to Canadian Forces field units. The contractor shall also provide e-mail and 1-800 telephone technical assistance services during 0800-1600hr, staffed with qualified technical personnel, to provide quick response on technical issues from the TA or CF field units.

3.15 Preparation for Delivery

3.15.1 Preparation and Preservation Instructions

Preparation for Delivery shall be in accordance with A-LM-184-001/JS-001, Part 9. Preservation of mechanical components, fuel lines, oil lines, etc., shall be prepared according to the instructions below:

1) **Metal Surfaces** - Spray metal preservative (LPS all purpose penetrant, lubricant and protectant) on the internal and external components which should help to prevent metal corrosion and rust.
2) **Ports** - Cap all ports with plastic caps, plugs, bags and tape. This should help to prevent water, insects and debris from disrupting the system.
3) **Fuel Lines** - when indicated by the TA, in cases where repaired material is being shipped directly to the unit or is to be stored for short periods, fuel lines shall not require drainage if they can be effectively sealed to prevent leakage. The Contractor shall add preservative fuel in the tank and run the heaters for 10 minutes (the fuel preservative will fill the fuel filter and the lines), turn off the heater and shut-off the fuel filter valve. The fuel will be contained within the fuel line and the filter; this will prevent fuel air locks from developing in the system to allow immediate usage of the equipment as intended. When it is indicated by the TA that heaters will be sent to long term storage, fuel lines shall be purged and preserved according to A-LM-184-001/JS-001, Part 9.
4) **Fuel Tanks** - Drain the fuel tank and purge it dry; but keep all fuel lines filled with fuel and fuel stabilizer which should prevent air locks in system simplify heater restart.
5) **Engine Oil** – For short term preservation of Diesel engines (when applicable), the Contractor is to change the engine oil with the filter and to ship the equipment with the engine block filled with new oil as recommended by the OEM. This will prevent the corrosion to the internal components of the engine. For long term preservation, engine oil valves should be coated with preservative oil to prevent engine components from seizing after long periods of storage.

6) **Batteries** – If applicable, disconnect the battery (-) negative terminal, secure the cable with tie-wrap and protect the terminal with the post with battery terminal grease (silver grease) for corrosion protection.

3.15.2 Packaging

The Contractor shall package the equipment in accordance with Chapter 9, A-LM-184. and/or when provided, use the original manufacturer's packaging. Packaging shall also comply with health, safety and pest controls regulations. The Contractor shall ensure that all equipment leave the Contractor's facility in such condition as to prevent in-transit damage while being returned to the CFSS. The Contractor shall provide warranty against equipment damages during transportation and handling as a result of inadequate packaging by the contractor.

3.16 Progress Review Meetings

Progress Review Meetings (PRM) shall be held to review the total contract status as of the review date, and to present the opportunity for the resolution of all current and unresolved issues known as of that date. PRMs shall be held, as required by the TA at the contractor's plant. The review meetings shall concentrate on management and contractual level issues, and shall address overall program status including resource allocation, priorities, funding levels and the identification of potential risk areas.

4 QUALITY ASSURANCE

4.1 Quality Assurance Representative

All stages of the R&O procedures shall be subject to inspection by a National Defence Quality Assurance Representative (NDQAR). The NDQAR shall monitor for best industrial practises.

4.2 Test and Inspection

Each repaired/overhauled heater shall undergo re-qualification testing that meets or exceeds standard industrial methods. The Contractor shall prepare a test report in DND approved format. A copy of the test report shall be shipped with the equipment and a copy retained for the TA. All completed equipment shall be visually inspected for security of components and hazardous conditions. All deficiencies shall be noted and repaired.

4.3 CSA Certification

When directed by the TA under a TIES tasking, the contractor shall obtain Canadian Standards Association (CSA) safety certification for the equipment that has been modified and/or repaired.

5 ENVIRONMENTAL HEALTH AND SAFETY

5.1 Environmental Management System

The Contractor shall have an Environmental Management System (EMS) in place to control environmental, health and safety impacts resulting from their activities, products or services; Certification to ISO 14001 standards is preferred but not necessary. The Contractor shall, however, have a formalized set of procedures and control measures in place to achieve conformance with the requirements of this work, while ensuring environmental, health and safety protection and pollution prevention. The TA shall have the right to make examinations and such

audits of the work, control processes, procedures and infrastructure with respect to the environment management system.

5.1.1 Applicability

The EMS requirement is applicable to the Contractor and any and all subcontractors that may provide support to the Contract requirements. The Contractor shall make reasonable effort to ensure that all subcontractors are in compliance with applicable environmental laws and regulations.

5.1.2 Compliance with DND Policies

The Contractor shall comply with Department of National Defence (DND) policies, orders, directives, instructions and best practices when accessing DND owned or controlled lands, buildings or equipment.

5.1.3 Compliance of Documentation

It is the Contractor's responsibility to ensure that specifications, standards, support documents and test programs are reviewed for EHS compliance, and appropriate warning included. New or amended support documentation, such as Canadian Forces Technical Orders (CFTOs) shall incorporate appropriate EHS warnings and instructions in direct relation to the EHS risks presented in the contents.

5.1.4 Compliance with Legislation

The Contractor shall comply in all respects with Environmental, Health and Safety legislations, such as the Canadian Environmental Protection Act, Canadian Environmental Assessment Act, Hazardous Products Act, Transportation of Dangerous Goods Act, Canada Labour Code, and their regulations, in force in relation to the provision of Services. Where the provisions of any such legislation are implemented by the use of voluntary agreements or codes of practice, the Contractor shall comply with such agreements or codes of practices as if they were incorporated into Canada law subject to those voluntary agreements being cited in tender documentation. The Contractor is responsible to comply with laws applicable to the performance of the Contract, regardless of them being identified, or not, within the tender. The Contractor shall provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.

5.2 Mercury Regulations

The Contractor shall comply with all Mercury Regulations in effect throughout the conduct of the Work. Environment Canada has also indicated its intent to regulate mercury through its Proposed Products Containing Certain Toxic Substances Regulations, which is anticipated to come into effect in 2012 and will prohibit the import, manufacture and sale of mercury-containing products. Therefore, in preparation for these regulations the Contractor shall comply with the Appendix II to Annex A,.

6 MANAGEMENT

6.1 Project Management

The Contractor shall assign a Project Manager for this R&O contract. The Project Manager shall have the responsibility and authority to manage all aspects of the work and be able to make decisions on behalf of the company. The Project Manager shall be the sole interface with DND's TA.

6.1.1 Cost and Schedule Control

The contractor shall provide cost and schedule control of R&O activities, modifications, special taskings, document changes and all other activities pertaining to the contract.

6.2 Access to Facilities

6.2.1 Government Access to Contractor's Facilities

Authorized DND representatives shall be granted free access to the contractor's facilities, and to those of subcontractors. The contractor is entitled to require that visiting DND personnel be escorted by contractor or subcontractor personnel.

6.2.2 Contractor Access to Government Facilities

If required, access by contractor or subcontractor personnel shall be arranged through the TA.

6.3 Requests for Technical Information/Assistance

All requests for technical information and/or assistance shall be directed to the TA, or to the Life Cycle Materiel Manager (LCMM) as directed.

6.4 Security Classification

All work performed and data provided by the Contractor through this R&O effort shall be UNCLASSIFIED.

7 DELIVERABLES

7.1 Repaired Materiel

All repaired materiel shall be delivered to 25 Canadian Forces Supply Depot or to a location as directed by the PA. Items returned must be accompanied by a properly filled out and signed CF942/CF942A materiel condition Tag/Label when applicable in acc/w A-LM-184. The CF942 Tags will be provided to the Contractor from the QAR.

7.2 Completion of Work Documentation

One copy of the R&O service record and test report shall be attached with the equipment for shipment. The service record shall include a complete list of replaced and reconditioned parts installed and a tabulated list of R&O procedures performed on the equipment. Quantity of documentation resulting from configuration changes shall be provided as directed by the TA.

7.2.1 Identification Markings

All equipment assemblies or components after overhaul or reconditioning shall have the original markings information restored and shall have the following information added immediately adjacent to the original identification markings or previous reconditioning markings:

1) Reconditioner's Identification;
2) Date of Reconditioning;
3) Date of expiration of Warranty; and
4) Inspector's stamp/number.

7.3 Reports

7.3.1 In-inspection Report

Within one week of reception of items to repair, the contractor shall submit to the TA an In-inspection Report for each item in Microsoft Excel format. As a minimum, the In-inspection Report shall contain the following fields:

1) Work Order Number;
2) NSN;
3) Equipment Description;
4) Equipment Serial Number;
5) Receipt Date;
6) Summary of work required;
7) Estimated Labour Hrs;
8) Estimated Part List;
9) Total Estimated Repair and Overhaul cost;
10) Estimated Completion date; and
11) Notes.

7.3.2 Monthly Progress Report

During the first week of every month, the contractor shall submit to the TA a Monthly Progress Report in Microsoft Excel format. As a minimum, the Monthly Progress Report shall contain the following fields:

1) Work Order Number;
2) NSN;
3) Equipment Description;
4) Equipment Serial Number;
5) Receipt Date;
6) Work Status (Waiting for Parts, In- Progress XX% completed, Ready for QA inspection, Completed.....etc.);
7) Estimated date of completion;
8) Total accumulated cost; and
9) Notes.

7.3.3 Other Reports

Other reports shall be provided as and when requested by the TA and/or as detailed in Annex B. A Contractor Held Inventory (CHI) report shall be provided each year (NLT 31 Mar of each year) as detailed in the attached Annex B, Appendix I & II.

STATEMENT OF WORK FOR CHEMICAL AGENT RESISTANT COATING (CARC) SYSTEM

1. Scope

1.1. This document outlines the procedures to be followed in order to paint surfaces with a CARC system. Work shall be performed in accordance with specification MIL-DTL-53072 (latest edition) to the extent specified herein. This document is written with the intent to provide a smooth transition from a conventional corrosion protective system to an enhanced corrosion protective system.

2. Acronyms

CARC	Chemical Agent Resistant Coating
CF	Canadian Forces
CFSS	Canadian Forces Supply System
DGLEPM	Director General of Land Equipment Program Management
DLR	Director Land Requirements
DND	Department of National Defence
LCMM	Life Cycle Materiel Manager
DCDS	Deputy Chief of the Defence Staff
LFCO	Land Forces Command Orders
NBC	Nuclear, Biological and Chemical
NSN	NATO Stock Number
SOW	Statement of Work
SSPC	Steel Structure Painting Council

3. Applicable Documents and Product NSNs

3.1 The following specifications and standards form part of this Statement of Work to the extent specified herein. Copies of these documents are available online from the US Department of Defense web site at https://assist.daps.dla.mil/quicksearch or from the Standardization Document Order Desk, 700 Robbins Avenue, Building 4D, Philadelphia, PA 19111-5094.

Specification	NSN	Description
MIL-DTL-53072		Chemical Agent Resistant Coating (CARC) Application Procedures and Quality Control Inspection
DOD-P-15328	8030-00-281-2726	Primer (Wash), Pre-treatment (Formula 117 For Metals) (Metric) (*NSN is for 1 US Gal size kit*)
TT-C-490 Type III	8030-00-281-2726	Chemical Conversion Coatings and Pretreatments for Ferrous Surfaces (Base for Organic Coatings) (*NSN is for 1 US Gal size kit*)
FED-STD-595		US Federal Standard-Colors Used in Government Procurement
MIL-DTL-53022 Type II	8010-01-309-0328	Primer, Epoxy Coating, Corrosion Inhibiting, Lead and Chromate Free (*NSN is for 1.25 US Gal size kit*)
MIL-DTL-53022 Type IV	8010-01-589-7077	Primer, Epoxy Coating, (Enhanced) Corrosion Inhibiting, Lead and Chromate Free (*NSN is for 1.25 US Gal size kit*)
MIL-DTL-53030	8010-01-193-0520	Primer Coating, Epoxy, Water Reducible, Lead and Chromate Free (*NSN is for 1 US Gal kit*)
MIL-PRF-24667 Type I, II, IV, Comp G	8010-01-397-3806	Coating System, Non-Skid, for Roll, Spray or Self-Adhering Application (*NSN for 5 US Gal kit*)

MIL-DTL-64159 Type II	8010-01-493-3169 8010-01-493-3170 8010-01-493-3177 8010-01-493-3179	Coating, Water Dispersible Aliphatic Polyurethane, Chemical Agent Resistant (*NSNs are for 0.75 and 3 US Gal size colour green #34094 and tan #33446*)
MIL-DTL-64159 Type III	8010-01-596-7862 8010-01-596-7859 8010-01-596-7855	Coating, Water Dispersible Aliphatic Polyurethane, Chemical Agent Resistant (*NSNs are for 30 mL kit colour green #34094, for 30 mL kit colour tan #33446 and 30 mL kit colour black #37030 respectively*)
MIL-PRF-22750	8010-01-419-1164	Performance Specification, Coating, Epoxy, High Solids (*NSN is for 1 US Gal kit colour white #17925*)

4. Requirements

4.1. A CARC system shall be applied on the surfaces in conformance with the following descriptions including conformance with one of the following sub-processes **A** or **B** as applicable per the following direction: Stocks of shelf-life compliant products identified under sub-process **A** that are held at contractor facilities and within the CFSS shall be used as per sub-process **A** until these stocks are depleted, then products identified under sub-process **B** shall be used as per sub-process **B**.

4.1.1 Cleaning (Must be performed prior to process **A** or process **B**)

4.1.1.1. All parts shall be cleaned immediately before surface preparation. Prior to surface preparation, all surfaces shall be freed of corrosion or soil contaminants such as grease, oil, welding flux, scale, adhesives or other foreign matter that may interfere with surface preparation, treatment or coating. For this purpose use a hot alkaline cleaning by immersion, spray or vapour process and/or appropriate organic solvent(s).

4.1.1.2 Precautions shall be taken to ensure that surfaces remain clean and dry until they are pre-treated, primed and painted.

4.1.2. Sub-Process **A** requires surface preparation, surface pre-treatment and a primer as follows:

4.1.2.1 Surface Preparation

4.1.2.1.1 For metal parts surface preparation, perform an abrasive grit blast to a white metal SSPC-SP-5 surface finish imparting to the substrate a profile of 13 microns. For non-metallic parts surface preparation, perform a scuffing of the surface with a 180 grit sand paper.

4.1.2.2 Surface pre-treatment

4.1.2.2.1 Metal components shall receive an organic pre-treatment (wash primer) coating meeting the requirements of specification TT-C-490 type III (DOD-P-15328) (latest edition).

4.1.2.3 Primer

4.1.2.3.1 A primer coating meeting the requirements of specification MIL-DTL-53022 (latest edition) type II, Epoxy Coating, or specification MIL-DTL-53030 (latest edition) Water Reducible Epoxy Coating shall be applied to all equipment surfaces that need to be coated.

(This concludes sub-process **A**)

4.1.3 Sub-Process **B** requires surface preparation, surface pre-treatment when applicable and priming as follows:

4.1.3.1 Surface Preparation

4.1.3.1.1 Heavy metal parts shall be processed by abrasive grit blast to a white metal SSPC-SP-5 surface finish to impart a profile of 38 to 50 microns (1.5 to 2 mils). Lighter delicate metal parts that can not withstand aggressive grit blasting without warping shall be processed in accordance with paragraph 4.1.3.1.2. For non-metallic parts surface preparation, perform a scuffing of the surface with a 180 grit sand paper.

4.1.3.1.2 For delicate metal parts surface preparation, perform an abrasive grit blast cleaning to a white metal SSPC-SP-5 surface finish imparting to the substrate a profile of 13 microns.

4.1.3.2 Surface pre-treatment

4.1.3.2.1 Metal parts and non-metallic parts surfaces prepared as per paragraph 4.1.3.1.1 above do not require pre-treatment.

4.1.3.2.2 Delicate metal part surfaces prepared as per paragraph 4.1.3.1.2 above shall receive an organic pre-treatment (wash primer) coating meeting the requirements of specification TT-C-490 type III (DOD-P-15328) (latest edition).

4.1.3.3 Primer

4.1.3.3.1 A primer coating meeting the requirements of specification MIL-DTL-53022 (latest edition) type IV, Epoxy Coating, Enhanced Corrosion Protection shall be applied to all parts surfaces that need to be coated. The primer manufacturer recommended dry film thickness (DFT) shall be achieved when measuring the DFT of the primer over the highest peaks of the profile.

(This concludes sub-process **B**)

4.1.4 Non-Skid Surface

4.1.4.1 Apply, as per manufacturer's instructions a non-skid coating meeting the requirements of specification MIL-PRF-24667 (latest edition) Type I, II, IV, Composition G colour #36076 (dark grey) in accordance with FED-STD-595C (latest edition) to surface areas intended as walk-on surfaces.

WARNING: Products qualified to MIL-PRF-24667 Type I, II, IV, Composition G are applied in a relatively thick coat and contain solvents that will affect negatively the

adhesion of the primer MIL-DTL-53022 Type II or IV if applied too soon i.e. before the primer "Dry Hard" condition has been reached. Therefore, the non-skid product shall be applied no sooner than the dry hard condition of the primer and its dry hard condition must be reached within a period of time that will allow for the application of the topcoat within 24 hours of the application of the primer.

4.1.5 Topcoats

4.1.5.1 Exterior surfaces. A polyurethane topcoat meeting the requirements of specification MIL-DTL-64159 type II (latest edition), colour #34094 (flat green) as per FED-STD-595 (latest edition) shall be applied to exterior surfaces including exterior walk-on surface areas having non-skid coating.

4.1.5.2 Interior surfaces. An epoxy topcoat meeting the requirements of specification MIL-PRF-22750 (latest edition), colour #17925 (gloss white) as per FED-STD-595 (latest edition) shall be applied to interior surfaces including walk-on surface areas having non-skid coating.

4.1.5.3 Interior surfaces of parts that could be directly exposed to chemical agents such as hatches, ramps and doors shall be coated as per paragraph 4.1.5.1 above.

WARNINGS: The topcoats shall not be applied before the dry hard condition of the non-skid material has been reached and shall be applied within 24 hours after the application of the primer. There shall be no walking on non-skid surfaces for a period of 7 days to allow full cure of the coating system.

4.1.6 Markings and Touch-Up

4.1.6.1 Markings identifying the coating system, the flag, numbering and lettering shall be performed with a touch-up coating kit meeting MIL-DTL-64159 (latest edition) type III and FED-STD-595C (latest edition) colour #37030 (flat black).

4.1.6.2 Touch-up of the topcoat shall be performed with a touch-up coating kit meeting MIL-DTL-64159 (latest edition) type III and FED-STD-595C (latest edition) colour #34094 (flat green).

4.1.7 Selection of Materials

4.1.7.1 Materials used shall be selected from the applicable qualified products list (QPL/QPD) and shall be applied as per manufacturers' instructions in order to meet MIL-DTL-53072 (latest edition). The brand name and QPL/QPD number of the materials used shall be reported to the Technical Authority/Project Configuration Manager for CF configuration, health, and safety purposes after acceptance of First Article Test Report.

4.1.8 Special Measures

4.1.8.1 In any instance where the CARC system specified herein interferes with the design features of specific components that are key to the operation of the equipment, it is the manufacturer's responsibility to identify and propose a

suitable alternative coating system having high chemical agent resistance and corrosion protection properties. The identified alternative coating system, if endorsed by the DGLEPM Land Forces coatings LCMM, shall be used only upon receiving DCDS approval to waive the NBC hardening policy. The brand name of the approved alternative coating system materials shall be reported to the Technical Authority/Project Configuration Manager for CF configuration, health and safety purposes.

5 DND Project Authority responsibilities

5.1 Message AIG 1733 of 180926Z SEP 03 establishes applicable paint policies as per LFCO 21-04 (DLR/DGLEPM). The LFCO indicates that all Land Forces operational vehicles and equipment shall be painted monochromatic mat green on the exterior and monochromatic gloss white on the interior except for hatches, ramps and doors that will be painted monochromatic green on the inside. Derogation to LFCO 21-04 must be authorized by DLR. The identification of colour #33446 (mat beige) CARC finishing products in this SOW is for information purposes.

MERCURY MANAGEMENT PLAN FOR R&O

Mercury and its compounds are listed as a toxic substance in Schedule 1 to the *Canadian Environmental Protection Act, 1999*. Consequently, the Contractor shall comply with the following requirements:

1. The Contractor shall not replace an existing component or add a new equipment component containing mercury, when a mercury-free alternative exists.

2. For each case where the products must contain mercury or its compounds, the Contractor shall submit a statement that it is not technically feasible to use a mercury-free product in its place, and explain why;

3. Products containing mercury or its compounds shall comply with mercury content limits specified in any relevant standard, see table 1;

4. Where the products contain mercury or its compounds, in any shape or form, or where its operation or maintenance requires the use of mercury or its compounds, the Contractor shall provide in tabular format, to the Technical Authority (TA), the following for each occurrence of mercury or its compounds:

    a. Identification of the Products as containing mercury or its compounds;
    b. NATO Stock Number of the Products, if available;
    c. Description of the Products:
        i. Manufacturer of the item or part containing mercury or its compounds;
        ii. Manufacturer part number of the item or part containing mercury or its compounds;
        iii. National Supply Code for Manufacturers (NSCM) / Commercial and Government Entity (CAGE) Code of the item or part containing mercury or its compounds;
        iv. Description of the mercury or its compounds of the item or part containing mercury or its compounds;
        v. The form of mercury or its compounds (*e.g.* liquid, vapour, amalgam, metal halide);
        vi. The location of the mercury or its compounds on or in the item or part containing mercury or its compounds; and
        vii. Material Safety Data Sheet, where possible.

5. The Contractor is responsible to ensure that products containing mercury or its compounds are labelled in a readily visible location identifying that the item contains mercury or its compounds. The label shall be bilingual and in accordance with the following standard:
    a. The information must be in characters that are at least 3 mm in height, legible and indelible and that are impressed, embossed or in a colour that

contrasts with the label's background or the colour of the product as applicable.

b. The label must be enclosed by a borderline and easily distinguishable from other graphic material on the product or its package.

c. The label must be bilingual and shall include following contents:
   i. A statement "CAUTION/MISE EN GARDE" in characters that are at least 4 mm in height;
   ii. A statement that the product contains mercury and the content of mercury in the product in milligrams;
   iii. Information on the action to be taken in case of accidental breakage and a description of the risks associated with the use of the product, the address of a website that contains the information, or contact information for a person who can provide that information;
   iv. Information on the options available for proper disposal and recycling in accordance with the laws of jurisdiction where the disposal or recycling to take place, the address of a website that contains the information, or contact information for a person who can provide that information;
   v. A warning that the product should be managed in accordance with the applicable disposal or recycling laws;
   vi. The "Hg" symbol encircled by a line on a readily visible location on the product where the characters are at least 3 mm in height which are impressed, embossed or in a colour that contrasts with the label's background or the colour of the product as applicable;
   vii. If the product is not large enough to accommodate the information, the information must be:
      1. In a readily visible location on the package in which the product is sold or offered for sale; or
      2. In a notice attached to the product or in a manual that accompanies the product, if there is no package, or if the package is not large enough to accommodate the information;
      3. In both official languages;

6. Technical documentation provided by the Contractor shall contain:

a. Product warning to provide information on the mercury content and other relevant information. The technical document shall also include information on part numbers containing mercury, location, type of mercury, manufacturer's information, mercury content, and MSDS information (refer to Section 4).

b. A written work procedure for processes involving the safe handling of mercury-containing equipment, components and materials, shall be included. It shall identify procedures for mercury spills cleanups and disposal procedures. The work procedure shall identify proper Personal Protective Equipment (PPE) in the case of a spill. A warning indicating

that the product should be disposed of or recycled in accordance with the applicable laws shall also be included.

Table 1: Summary of Proposed Maximum Mercury Content Limits

Product Containing Mercury	Content Limit of Mercury in Product
1. Dental Amalgam	No limit
2. Compact Fluorescent Lamps for general lighting purposes	3.5 mg
3. Linear Florescent Lamp for General Lighting Purposes.	5 mg
4. Non-linear fluorescent lamp for general lighting purposes including a circular or square fluorescent lamp	15 mg
5. Induction fluorescent lamp for general lighting purposes	15 mg
6. Mercury vapour lamp for general lighting purposes ($\geq$ 40 watts and $\leq$ 1000 watts)	(*a*) 50 mg until Dec 31, 2015, (*b*) 0 mg after Dec 31, 2015
7. High pressure sodium vapour lamp	40 mg
8. Metal halide lamp ($\leq$ 300 watts)	40 mg
9. Metal halide lamp ($>$ 300 watts and $\leq$ 700 watts)	65 mg
10. Metal halide lamp ($>$ 700 watts and $\leq$ 1000 watts)	150 mg
11. Automobile headlamp	5 mg
12. Cold cathode fluorescent lamp less than 1.5 m in length	5 mg
13. Cold cathode fluorescent lamp more than 1.5 m in length	13 mg
14. External electrode fluorescent lamp less than 1.5 m in length	5 mg
15. External electrode fluorescent lamp more than 1.5 m in length	13 mg
16. Cold cathode tubing for signage or cove lighting	100 mg per 2.44 m
17. Fluorescent and discharge lamp other than those set out in sub-items (2) to (16)	No limit
18. High tech micro switch and high tech micro relay for monitoring and control equipment	20 mg
19. Thermometer for use in a laboratory for scientific research applications	No limit
20. Scientific instrumentation for the calibration of medical devices or for the calibration of scientific research instruments	No limit
21. A laboratory analytical standard	No limit
22. Scientific instrumentation used as reference for clinical validation studies	No limit
23. Scientific instrumentation for measuring the quantity of mercury in the environment	No limit
24. Radiation and infrared light detector	No limit
25. Low mercury chloride reference electrode, Low mercury sulphate reference electrode and Low mercury oxide reference electrode	No limit
26. Professional, commercial and industrial photographic film and photographic paper	No limit
27. Replacement part for a product if, prior to the coming into force of these Regulations, the product contained the part	No limit

ITEM 1

Heater, Duct Type, Portable
MODEL 1176756

NSN: 4520-20-006-2964

National Défense
Defence nationale

C-91-996-000/MA-001

DATA SUMMARY

FIELD SPACE HEATER

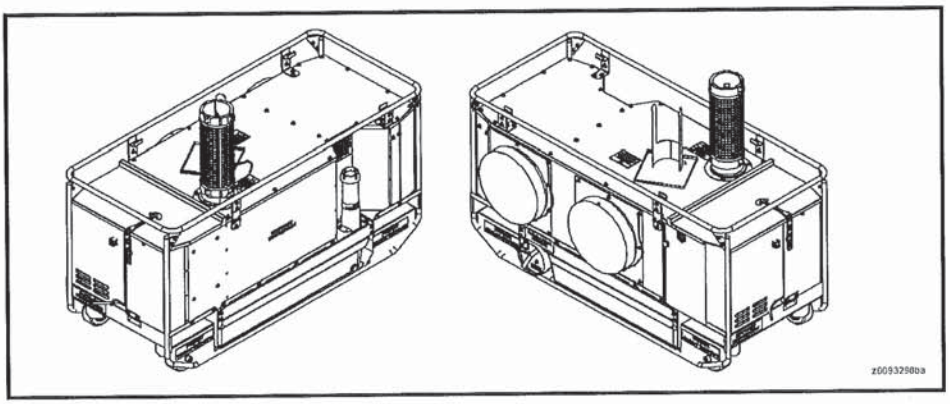
(ENGLISH DRAFT)

Issued on Authority of the Chief of the Defence Staff

Contact Officer: DCSEM-4 4-5

OPI: DCSEM 4

2012-03-13



General View of Equipment

C-91-996-000/MA-001

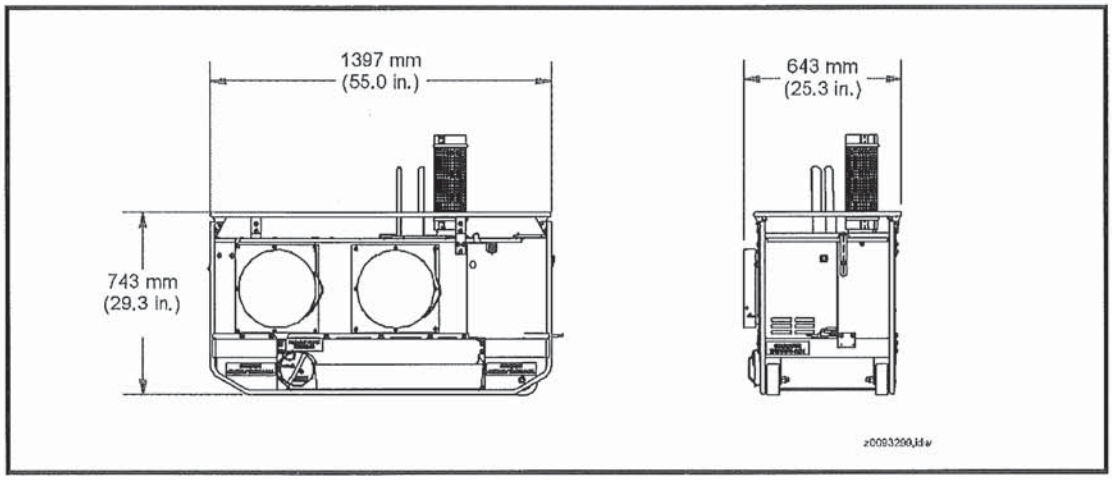


Figure 1 Equipment Dimensions

INTRODUCTION

Role

1. The role of the field heater is to provide unheated air circulation or heat in cold weather environments for work and sleeping areas.

Description

2. The field heater is capable of circulating unheated air as well as heated air for work and sleeping areas in cold environments.

3. Primary components consist of the following:

   a. A blower unit to move heated or unheated air.

   b. A burner unit to provide continuous heat.

   c. A heat exchanger unit to transfer heat.

   d. A control panel accessed from the top for controlling the field heater functions.

   e. A monitoring assembly mounted in the work and sleeping areas consisting of a thermostat and a CO monitor connected by a 30' cord to the field heater.

   f. Fuel for the burner comes either from the onboard fuel tank or from an external source connected by a hose to a three-way valve.

   g. An exhaust stack with a spark suppressor

   h. Two 15 foot air ducts with J-lock connectors.

C-91-996-000/MA-001

IDENTIFICATION

Equipment Identification

Manufacturer	DEW Engineering LLC
Model	FSH, Heater, Duct Type, Portable, 10 KBTU
Part Number	73146
Year of Manufacture	2012
Contract Demand (CD) Number	W8476-091415/001/HL
Equipment Identification Number / Nato Stock Number	4520-20-006-2964
Equipment Configuration Code	TBD
Quantity Purchased	2110

TECHNICAL SPECIFICATIONS

Weight

Weight (Empty)	116 kg (255lbs)

Dimensions

Length

Length	139.7 cm (55 in.)

Width

Width	64.3 cm (25.3 in.)

Height

Height	74.6 cm (29.3 in.)

Shipping Specifications

Volume	96.2 cm (3397.58 cf)
Stacked Height (3 Units)	222.9 cm (7.31 ft)

Performances

Heat Output	100 000 BTU @ 0ºC (32ºF)
Temperature Range	49-95 °C (120-180 °F)
Hot Air Delivery Rate	25 cubic meters per minute (882.9 CFM) minimum

C-91-996-000/MA-001

Fuel System

Types of Fuel

Primary Fuel DL-1, DL-2

Fuel Capacity

Fuel Tank Capacity ..... 72 L (19 US gal)

Operating Time Before Refuelling

Operating Time Before Refuelling ..... Minimum Time 8 Hours

Exhaust System

Type ..... Cylindrical Stainless Steel with Spark Suppression

Exhaust Stack Height

Height ..... 43.0 cm (16.9 in.)

Exhaust Stack Stowage

Stowage ..... In the base beside the fuel tank

Electrical System

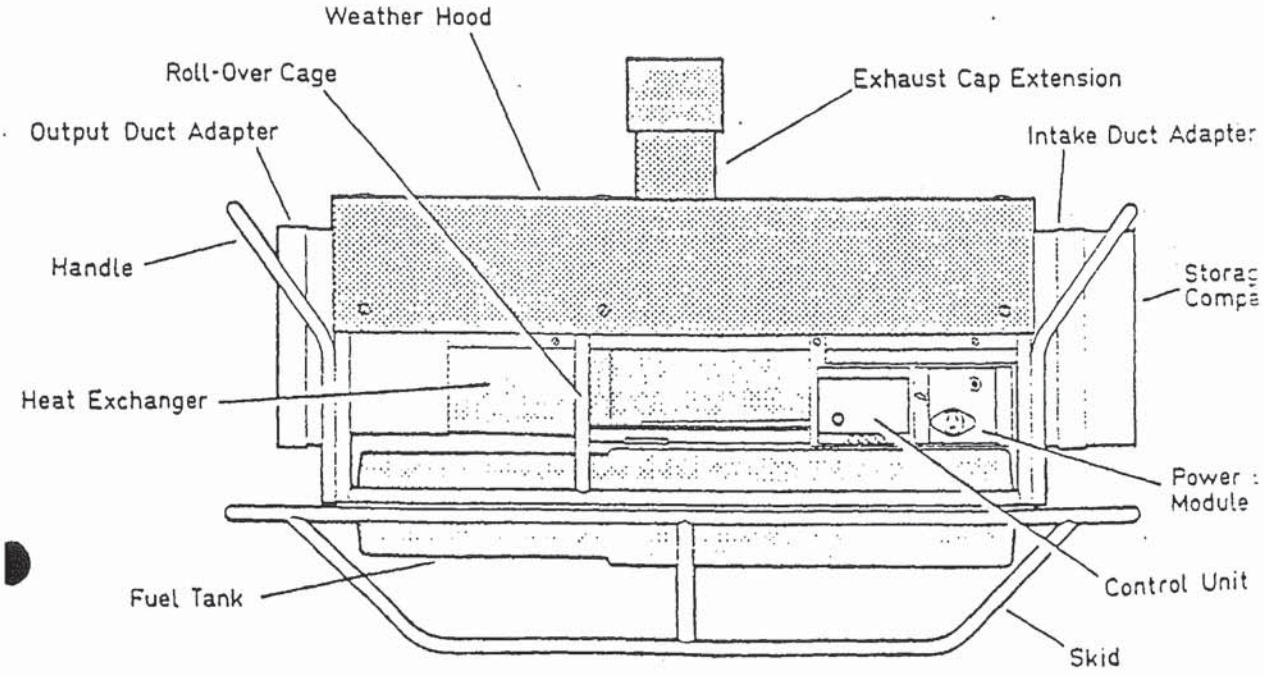
Electrical Rating ..... 120 VAC 50/60 Hz
10.0 Amps Max

Attachment I
To Annex A
To W8486-135865

ITEM 3 & 4

CAMFIRE Heater Specifications
MODEL MV125CG
MODEL MV 125DND

NSN: 4520-21-886-2954
NSN: 4520-01-550-7748



ITEM NAME CODE: 13028 TYPE OF ITEM IDENTIFICATION: K

ITEM NAME: HEATER,DUCT TYPE,PORTABLE

REGISTERED USERS: DF

RNCC	RNVC	Reference Number	NCAGE
5	9	CAM124V	37935
3	2	MV125CG	37935

Description:

HEATER,DUCT TYPE,PORTABLE. 87000 BTU; 115.0 V AC,60.0 HZ,SINGLE PHASE,19 AMPS;

Attachment I
To Annex A
To W8486-135865

COMBUSTION CHAMBER,KEROSENE OR FUEL
OIL TYPE;INTERNAL PUMP FEED; 13.5 US
GAL.INTEGRAL TANK;ELECTRODE IGNI.TIONSKID
AND HAND CARRY;O/A DIM.50.000 IN.LG
NSN: 4520-21-886-2954 Item Name: HEATER,DUCT TYPE,PORTABLE

Unit of Issue:	EA	Price:4250.00
Accountability	Code: B	Quality Assurance: C
Special Supply Info:	BA	Shelf Life: 000
Supply Status	Code: 90	
RAE/A1C/SMC:	67J	
Repairability	Code: B	

EAC: 30A1 8, 30A33, 30A39, 30A43, 30A56, 91146 BY 16.000 IN.W BY 25.000 IN.H,
1 HORIZONTAL
HEAT OUTLET W/12.000 IN.FLANGE FOR
DUCT ATTACHMENT; 1 SINGLE SPEED FAN, MAX
AIR FLOW 317.0 CFM; FUEL CONSUMPTION
0.64 GPH; STEEL INCLOSURE; USE HOSE
ASSY, NSN 4720-00-708-0407 HEATER
IS CLEAN AIR AND EXHAUST GAS IS VENTED

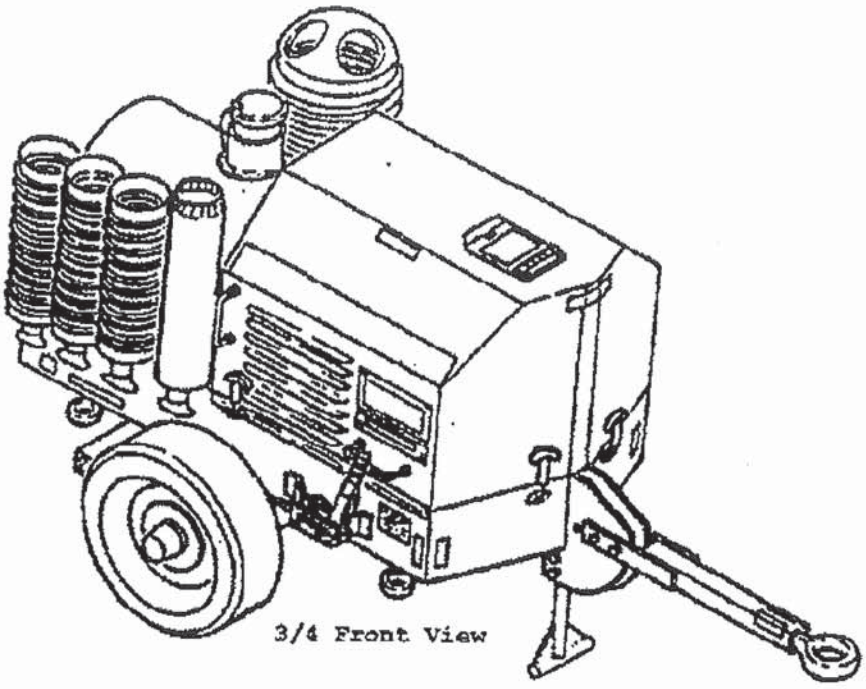
Input Heat Rating	
BTU/Hour	90,000
Output Ratings	
Clean-air Output, BTU/Hour	60,000
Volume, CFM (Approximate)	600
Other Ratings	
Current, starting	6.5 AMPS
Current, running.	3.2 AMPS
Voltage	120 VAC
Frequency	60 Cycle
Fan/Pump Motor	1/4 HP
Air Pump Pressure	4.0 PSI
Fuel Nozzle	
Meter Size	0.65 GPH
Spray Angle	80 DEGREES
Fuel Kerosene, DF1, DF2, Fuel Oil, JP8 Only	
Tank Capacity	8.5 GAL
Duct	(Refer To Venting Instructions)
Dimensions (Without Stack Extenstion)	W15.5" L51" H25"
Weight (Without Fuel)	115 LBS

Attachment I
To Annex A
To W8486-135865

ITEM 5

HERMAN-NELSON Heater Specifications
MODEL BT400-80

NSN: 4520-21-911-9025



DMC: A
STATUS: Item is active
Date CGCS Established: 07-SEP-1994 STATUS Date: 07-SEP-1994
ITEM NAME: HEATER,DUCT TYPE,PORTABLE
Characteristic Reply
HEAT DELIVERY RATE 400000.0 BRITISH THERMAL UNIT
HEATING ELEMENT TYPE COMBUSTION CHAMBER
HEAT MEDIUM TYPE AIR
INTEGRAL FUEL TANK CAPACITY 35.0 GALLONS
FUEL TYPE DIESEL FUEL OIL
MOUNTING TYPE TRAILER
HEAT OUTLET QUANTITY 1

SPECIAL FEATURES
6 1/2 HP LISTER PETTER DIESEL ENGINE MODEL
AC1-11;SINGLE CYLINDER INDIRECT INJECTION
AIR COOLED DIESEL ENGINE RUNNING AT
36000 RPM;C/W ELECTRIC START;LIGHTED
PANEL;HAND SELECTED TEMP CONTROL
PANEL;HEATER DUCT CONNECTOR AT
DISCHARGE END FOR ATTACHING A 12.000 IN.

DIA BY 15.000 FT LG FLEXIBLE DUCT;OLIVE
DRAB COLOUR
USERS: DF
RNCC RNVC Reference Number NCAGE
3 2 BT400-80 38529

CFSS Management Data
Stock Type: A
Stock Classification: X
IM Advisory: 1R
Tracking Indicator: Q
Repairability: G
Entitlement Checking: YES
Batch Lot Managed: NO
Shelf Life (Months): 0
Quality Assurance: Q
Supply Manager: 67J
TA: L33L
Unit of Issue: EA
Unit Price: $6,184.21
ERN Xref Data - from MASIS - Current use 91153000(00001)

Model BT 400-80

Heated Air output :	
Maximum	400,000 BTUH @ -65°F ambient
Minimum	100,000 BTUH @ 70°F ambient
Heated Air Temperature Range:	
Maximum	280°F (138°C)
Minimum	150°F (65.5°C)
Nominal Air Delivery Rate:	1500 CFM @ 280°F
Fuel Mil.Spec MIL-J-5624	
	Fed. Spec VV-F-800
	Or MIL-T-83133
Fuel Tank Capacity:	35 Gallons (nominal)
Overall Dimensions	
Length	68-1/2 inches
Width	44 inches
Height	51-1/2 inches
Weight (dry)	800 lbs
Prime Mover (Diesel Engine	6.5 HP
Engine Speed, Factory Set	3600 RPM
Fuel Injection by Timing (spill)	
3301 to 3600 rev/min	33° before TDC

LOGISTICS

STATEMENT OF WORK

for

FREE FLOW (FIELD HEATERS)

for

Repair and Overhaul

Table of Contents

1.0 GENERAL

1.1 AIM

1.1.1 The Contractor shall repair and/or overhaul only those items for which he has received authorization in accordance with the Selection Notice and Priority Summary (SNAPS) for Repairable Materiel Account (RMA) code(s)_____ and/or an approved Repairable Materiel Request (RMR). The Contractor shall conform to such supply procedures as are advised in this SOW related to the management of DND equipment and stores in his possession. DND reserves the right to exercise surveillance over all aspects of the Contractor's supply operation. Repair and/or Overhaul priorities will be maintained as advised in the SNAPS. Repair priority for RMRs shall be "Routine" unless otherwise stipulated.

1.2 EXTENT OF WORK

1.2.1 The complete overhaul of all arisings (except life items that are time expired) is not permitted under the terms of this Statement of Work. The intent is that repair work will be done and overhaul resorted to only where such is economically and technically justifiable; or where required by technical specifications. The following definitions will apply:

a. **Repair**: The identification and correction of those specific defects which degrade the performance of an item causing it to function below the specifications;

b. **Overhaul**: The restoration of an item to its original condition/near life expectancy. It includes the replacement of worn, damaged or life expired parts; the incorporation of approved modifications; and the rework of components as necessary;

c. **Inter-changeability**: Following repair, the item must remain fully interchangeable (form, fit and function) with articles catalogued under the same reference number, part number and of the same modification status. This concept of inter-changeability must be extended to include internal characteristics such as wave forms and components layout in order to ensure full compatibility with automatic test equipment software and automatic probing;

d. **Serviceable Condition**: The condition of an equipment which allows it to be used, shipped or held in stores without being subjected to any limitations not applicable to new equipment; and

e. **Reliability and Maintainability**: The definitions of MIL STD-721 will apply.

2.0 ADMINISTRATION

2.1 RECEIPT

2.1.1 Upon receipt of DND equipment, the Contractor shall:

a. identify the equipment and ensure authority to repair (SNAPS, RMRs);

b. Open a work order;

c. carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;

d. complete receipt documentation, including any adjustment transactions, work order number; and

e. action warranty materiel.

NOTE: Work order shall be raised within 48 hours of delivery to plant

2.1.2 If the Contractor is missing any information or documentation, he shall request it through the National Defence Quality Assurance Representative (NDQAR).

2.1.3 For those items where the basis of payment is other than firm fixed price, and based upon available information and/or inspection of the item, the Contractor shall determine the extent of work required, prepare a cost estimate, and if cost to repair is below the maximum repair cost (MRC), proceed with the repair. Whenever cost to repair threatens to exceed the MRC, the Contractor shall request authority in writing to proceed with the repair in accordance with PART 2 of A-LM-184-001/JS-001.

2.1.4 Where it is impossible to determine the cost to repair, the Contractor may be granted authority by the Procurement Authority (PA) to strip the equipment so as to assess its repair and/or overhaul potential and to estimate the costs. Unless otherwise specified, and regardless of the value of the equipment, the cost of the work involved in estimating repair is chargeable to the item whether or not it is subsequently repaired.

2.2 DISCREPANCIES IN SHIPMENTS

2.2.1 If upon initial inspection, the Contractor identifies equipment as having the same form, fit and function as other equipment, but as being misidentified, the Contractor shall forward a detailed message to the Consignor and to their National Defence Quality Assurance Region (NDQAR) representative with a recommendation for corrective action. A discrepancy in shipment can consist of any of the following:

a. In-condition

b. Surplus

c. Shortage

2.2.2 The Contractor shall action discrepancies in shipments in accordance with PART 3 of A-LM-184-001/JS-001.

2.3 COMPLETION OF WORK

2.3.1 On completion of Repair and/or Overhaul, the Contractor shall prepare and transmit a stock holding code (SC) change notification in accordance with PART 2 of A-LM-184-001/JS-001.

2.3.2 The following "Contractor Certification" shall be stamped on the CFSS Supply Document and signed prior to the Contractor transmitting the SC Change Notification.

Contractor Certification

I certify that the item(s) listed above have been inspected, tested and conform to all specifications and requirements detailed in the contract or purchase order.

Signature _____ **Date** _____

(Contractor QC)

3.0 WORK CONTROL

3.1 The Contractor shall ensure that the repair of all DND equipment is controlled by a serial numbered work order in accordance with PART 2 of A-LM-184-001/JS-001. Upon completion of work, the work order shall include as a minimum the following:

a. a contract serial number against which all costs incurred are chargeable;

b. the NATO Stock Number (NSN) and/or Part Number (PN), description, quantity and serial number, if any, of item repaired;

c. a cross reference to all Supply Documents. This includes receipt, issues and returns, including scrap activity, finalization of repair, inspection, and final acceptance;

d. reference to the applicable technical data;

e. details of the work performed;

f. a list of all the parts, by part number and description, found unserviceable and requiring repair and/or overhaul, ensuring that the repair scheme is referenced

g. a list of parts required, identifying the stores from which issued (eg, CIS, GFOS, AAS or CFM);

h. repair cost estimate; and

i. the identity of the person opening the work order.

3.2 The Contractor shall provide to the NDQAR, and as necessary amend, a list of Contractor personnel authorized to open work orders.

4.0 ANNUAL REPAIR FORECAST - SNAPs

4.1 The contractor shall notify the PA when the receipt for a selected repairable line item exceeds the current (fiscal) year forecast (CYF) in the SNAPs report. The contractor shall not induct the line item until written approval is received from the PA or the SNAPs forecast is amended.

5.0 COST CONTROL

5.1 The Contractor shall monitor the cost of each repair to ensure that total repair costs remain within approved limits. Appropriate management control procedures must be in place and records maintained. These control procedures and records shall be available for review and/or audit on request.

6.0 COSTING RECORDS

6.1 The Contractor shall prepare forms and maintain records which will provide:

a. a cost listing, by serial number if applicable, of each item or job lot going through the repair line;

b. a detail of the extent of work carried out, in-process inspections completed and materiel embodied at any stage of the repair process;

c. the average cost of repair and/or overhaul, by NSN; and

d. the total repair cost for an item (NSN), by work order.

NOTE: This data shall be provided as requested by the Procurement Authority and/or NDQAR.

7.0 MAINTENANCE SUPPORT

7.1 MINOR REPAIRS

7.1.1 If DND supplied parts are urgently required to effect delivery of Free Flow (components) and are not immediately available from DND, then minor repair may be carried out to the unserviceable part by the prime Contractor, as approved by the PA who will advise NDQAR accordingly.

7.2 MOBILE REPAIR PARTIES (MRPs)

7.2.1 The Contractor shall provide an MRP, when authorized by the Procurement Authority.

There are two types of MRP:

- A scheduled Mobile Repair Party (MRP); for a scheduled MRP, the PA must follow the DND626 Task Authorization process outlined in PAM 3.3.2.2.
- An unscheduled, Immediate Operational Requirement (IOR), extraordinary and exceptional Mobile Repair Party (MRP). The unscheduled IOR MRP happens under exceptional and extraordinary circumstances (for example: pre-deployment preparations for an unexpected extended operational mission) and requires an immediate response from DND.

The process to action an unscheduled IOR MRP is as follows:

- The TA/PM is responsible to:
  - call the PA;
  - describe the work to be done;
  - request that the unscheduled IOR MRP process be used.
- The PA is responsible to:
  - Ensure that the instructions for unscheduled IOR MRPs are contained in the contract;
  - Refer to the "Procedures and Guidelines for Mobile Repair Parties Manned by Contractor Personnel" document (NDID C-02-005-011/AM-000).
    Note: This document is available through the DSCO website;
  - Review the requirement to confirm that it is effectively an unscheduled IOR MRP;
  - Approve the unscheduled IOR MRP;
  - Confirm by e-mail to the TA/PM and the company that the requirement is approved.
    Note: The PA's e-mail is the written agreement that allows the work to proceed.

7.2.2 Upon mutual agreement the Contractor will be required to provide competent engineers and/or technicians to field sites to perform engineering projects and/or to effect repairs or modifications to the installations. All matters pertaining to the performance of the work on the site shall be referred to the cognizant Base Technical Services Officer, and/or Air/Ship's Staff, or their appointed delegate who will be responsible for the conduct of the work and shall signify satisfactory completion and acceptance of the work by signing Appendices C and D to the aforementioned NDID/CFTO. This service shall

be accomplished to the satisfaction of the site Commanding Officer, his authorized representative, or NDHQ as directed.

7.2.3 On completion of work the Contractor will provide the Procurement Authority with a cost breakdown indicating labour hours by trade, travel expenses, living expenses, etc. Costs are to be all inclusive and will be an indication of the actual amount being claimed. Travel costs must not exceed approved TB Guidelines available at http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv-eng.asp unless pre-approved in writing by the Procurement Authority prior to undertaking the travel.

7.2.4 If requested, the Contractor shall submit two (2) copies of a monthly progress report covering MRP activities to the Procurement Authority. The level of detail and format will be stipulated in the individual DND 626 tasking should such a report deemed to be necessary. (Note: such a report is rarely called up).

7.3 EQUIPMENT TURN AROUND TIME (TAT)

7.3.1 Unless specifically identified within the contract, equipment Turn-Around-Time (TAT) to a serviceable state shall be achieved in 60 Calendar days. TAT is defined as that period of time from "date of receipt to date item is reported serviceable". Repair priority is governed by the SNAPS. The principle of "first-in / first-out" (FIFO), shall be observed whenever possible.

7.4 PRIORITY REPAIR REQUEST (PRR)

7.4.1 The Contractor shall be prepared to satisfy PRRs in an expeditious manner. If the Required Delivery Date (RDD) cannot be met, the Contractor shall advise the originator and the consignee for a more realistic Estimated Delivery Date (EDD). This EDD shall be amended as required until the PRR is satisfied.

7.5 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)

7.5.1 When authorized by the Procurement Authority, the Contractor shall undertake special investigation and technical studies and shall provide relevant data to these investigations as and when required. The scope of work normally covered under special investigation and technical studies is to cater for equipment not meeting specification standards or due to repetitive failures. This excludes studies and/or investigations which have or will have fleet fitment application.

7.6 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)

7.6.1 When authorized by the Procurement Authority, the Contractor shall undertake technical investigations and engineering studies. This activity includes the provision of system and maintenance support and management services. It includes the requirement analysis and planning to ensure current reliability availability of specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as

the development of policies and maintenance procedures. It also includes the contract management activities as well as the validation/acceptance of deliverables when maintenance activity in contracted.

8.0 SUPPLY SUPPORT

8.1 TRANSACTION DOCUMENTATION

8.1.1 The Contractor's Document Control Group (DCG) facilities will file and retain the following auditable transaction documentations by applicable account (RMA or RSA) warehouse either by Stock Code or by Requisition Number, in accordance with Part 3 of A-LM-184-001/JS-001:

a. Stock Code sequence followed by requisition number; or

b. Requisition number.

8.2 CONTRACTOR SUPPLY ACCOUNTING

8.2.1 Materiel held on Contractor Repair Parts Account (CRPA), Repair Shop Account (RSA) and Repairable Materiel Account (RMA) shall be accounted for as per the Canadian Forces Supply System (CFSS) automated procedures in accordance with A-LM-184-001/JS-001. Government Furnished Overhaul Spares (GFOS) and Accountable Advanced Spares (AAS) will be accounted for in either a manual or an automated system. Regardless of the system used, the Contractor shall maintain an audit trail acceptable to DND. Further, any automated or manual materiel accounting system shall first be approved by the PA. Supply accounting records for DND materiel shall be maintained separate from other company records.

8.3 MANAGEMENT OF DND-OWNED SPARES

8.3.1 The Contractor is responsible for determining the requirement for spares, obtaining the spares, maintaining custody of the spares, accounting for the spares in an approved manner for use on the R&O repair line and for the disposal (when so directed) of the spares in accordance with A-LM-184-001/JS-001.

8.3.2 Spares shall be used in the following order:

a. Government Furnished Overhaul Spares (GFOS);

b. Contract Issue Spares (CIS);

c. Accountable Advance Spares (AAS); and

d. Contractor Furnished Materiel (CFM).

8.4 SPARES REVIEW

8.4.1 In conjunction with the stocktaking schedule, the Contractor shall carry out a review of CIS to determine if holdings of any particular item:

a. exceed the economic stock retention level. The level is normally equal to an estimated four (4) months stock;

b. have become surplus to requirements as a result of a modification, disposal, obsolescent or transfer of the major equipment; and/or

c. are no longer fit for use in the R&O of DND equipment.

8.4.2 In conjunction with the stocktaking schedule, the Contractor shall carry out a review of GFOS to determine if stock holdings include any item which:

a. has become surplus to requirement as a result of removal of the end item from the Selection Notice and Priority Summary (SNAPS);

b. has become redundant because of a modification change notice, product improvement, etc...;

b. is a catalogued item which should have been transferred to CIS.

8.4.3 The Contractor shall dispose of and/or transfer spares which meet the criteria above and shall prepare and handle the necessary documentation associated with the disposal function in accordance with PART 7 of A-LM-184-001/JS-001.

8.5 STOCKTAKING

8.5.1 The Contractor shall initiate and complete a one hundred per cent (100%) manual stocktaking of RMA, RSA, CRPA(CIS), GFOS and AAS as a minimum once every two years in accordance with PART 6 of A-LM-184-001/JS-001.

8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM)

8.6.1 Contractors wishing to make observations on information contained in the SNAPS, including Maximum Repair Cost (MRC), shall do so by submitting their observations using the Selection Notice Observation Message (SNOM) in accordance with PART 2 of A-LM-184-001/JS-001

8.7 EMBODIMENT FEES

8.7.1 On normal transfer or issue of items (spares) between AAS, CIS or GFOS accounts, any embodiment fees shall only be paid once and only upon actual embodiment. Supply accounting records for DND materiel shall be maintained separate from other company records.

8.7.2 On bulk transfer/disposal of items in CIS, GFOS or AAS accounts, embodiment fees, if applicable, are subject to a separate PWGSC negotiated rate.

8.8 LOSS OR DAMAGE TO DND MATERIEL

8.8.1 The Contractor shall report to the NDQAR all instances of loss or damage to DND owned materiel in his custody within two (2) working days of confirmation of its discovery.

8.8.2 The Contractor may be authorized to make repairs to DND-owned equipment on loan. All requests shall be forwarded to the Procurement Authority for approval. If the Contractor is authorized to repair damaged DND materiel, he shall notify the NDQAR before any repair commences to enable adequate quality assurance of the repair.

8.8.3 Loss or damage of materiel in transit shall be actioned in accordance with Part 8 of A-LM-184-001/JS-001.

8.9 SCRAP - CUSTODY & DISPOSAL

8.9.1 The Contractor shall safeguard, control, and dispose of the scrap materiel in accordance with Part 7 of A-LM-184-001/JS-001.

8.10 PRESERVATION AND PACKAGING FAILURE

8.10.1 Equipment damaged due to preservation and packaging failures in shipments shall be reported to the NDQAR using form CF 777, Unsatisfactory Condition Report(UCR), supported by photographs in accordance with CFTO C-02-015-001/AG-000.

8.11 REUSABLE CONTAINERS

8.11.1 Surplus reusable containers shall be brought on charge (BOC) to the CRPA, in accordance with PART 3 of A-LM-184-001/JS-001.

8.11.2 The Contractor shall inspect, repair and/or repaint reusable metal or wooden containers. If a requirement to repair, replace or provide a reusable container or other packaging materiel has been identified, it will become a charge against the R&O contract at a negotiated rate shown in the "basis of payment" and on the repair work order.

8.12 TRANSPORTATION

8.12.1 The Contractor shall be responsible to action all transportation requirements in accordance with PART 8 of A-LM-184-001/JS-001.

8.13 CUSTOMS & EXCISE

8.13.1 DND is responsible for clearing Customs of all DND materiel consigned to R&O Contractors. If a Contractor sub-contracts to an out of country location, the Contractor is responsible for the preparation of all the necessary customs documentations. Customs Brokers shall not be utilized unless specifically authorized by the Procurement Authority.

9.0 WARRANTY CONSIDERATION

9.1 Materiel which has been returned for warranty consideration will be actioned in accordance with PART 10 of A-LM-184-001/JS-001.

10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS

10.1 The Contractor shall not use DND publications, tools, test-equipment, or jigs and fixtures for commercial work without the written consent of DND. In instances where DND has provided such consent, PWGSC will negotiate suitable compensation for DND. All requests shall be directed to the Procurement Authority through PWGSC.

11.0 STOP REPAIR ACTION

11.1 The Contractor shall comply immediately with all stop repair instructions. Detailed procedures are contained in PART 2 of A-LM-184-001/JS-001.

12.0 PUBLICATIONS

12.1 General procedures with respect to management of publications are contained in PART 11 of A-LM-184-001/JS-001. The Contractor shall document requirements for publications and submit to the NDQAR. The Contractor shall develop procedures to control all DND publications in their possession and be responsible for amending all DND publications in his custody. The Record of amendments shall be maintained as indicated in the applicable area of each publication.

12.2 Unless otherwise specified, publications may be copied and/or extracts taken from them. As these copies/extracts are not subject to follow-up amendment action, they are not valid for use as a reference document and shall be stamped "FOR INFORMATION ONLY". Contractors shall ensure that any classified documents are provided with the appropriate security, consistent with the provisions of A-SJ-100-001/AS-000.

12.3 The Contractor shall respond to any request for "verification of publication holdings" which may be requested periodically by DND.

13.0 OFFICE SERVICES

13.1 The Contractor shall perform the secretarial and clerical work necessary to carry out the terms of this contract with respect to the preparation, filing and transmission of all

forms, reports and correspondence, relating to the movement, accounting, storage, repair, overhaul, quality control and investigation of materiel covered by this contract.

14.0 MINUTES OF MEETINGS

14.1 When minutes of meetings are required, the Contractor shall be responsible for taking them and preparing them in a format approved by the Procurement Authority. The Contractor shall submit the minutes to Public Works and Government Services Canada (PWGSC) or the Procurement Authority as directed at the meeting, within ten (10) working days following the meeting.

15.0 PLANT SHUTDOWN/VACATION PERIOD

15.1 During plant shutdown and/or vacation periods, the Contractor shall ensure that adequate facilities/personnel are available to ensure the satisfaction of High Priority Requirements (HPRs). If contractor personnel are not on site during shutdown, a list of names and home phone numbers of those Contractor personnel to be contacted during plant closure shall be provided to the NDQAR. It is the Contractor's responsibility to ensure that personnel are available to satisfy PRR requirements once identified.

16.0 REPORTS

16.1 MRP PROGRESS REPORTS

16.1.1 The Contractor shall submit one (1) copy of the monthly progress report covering Mobile Repair Party (MRP) activities in accordance with PWGSC Form (7139) to the Procurement Authority, and one (1) copy to the supporting NDQAR.

16.2 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS

16.2.1 Technical Investigations and Engineering Studies may only be authorized by the Procurement Authority. The Contractor shall complete a Technical Investigation Report as stipulated under a DND 626 on an as required basis when so directed.

16.3 ACCIDENT/INCIDENT REPORTS

16.3.1 The Contractor shall submit accident/incident reports in accordance with Chapter 7 Para 32(b) and Chapter 7 Para 41 (f) of CFTO A-GA-135-001/AA-001, through the supporting NDQAR.

16.4 R&O CONTRACTOR EFFECTIVENESS REPORT

16.4.1 The R&O Effectiveness Report is described in PART 2 of A-LM-184-001/JS-001. The Procurement Authority will monitor Contractor's Turn-Around-Time using the R&O Effectiveness Report.

16.5 ANNUAL CONTRACTOR HELD INVENTORY REPORT

16.5.1 The contractor will be required to report annually to the PA on the value of all Accountable Advance Spares (AAS) and Government Furnished Overhaul Spares (GFOS) inventory held on March 31. Annex A provides details on how to report this inventory, and Annex B is a sample copy of the report proforma.

Annex A <> Contractor-Held Inventory Reporting Requirements

The instructions to complete the Contractor-Held Inventory Reporting templates are as follows:

Part A

"DND Owned Inventory Holdings held by Contractors as at 31 Mar 20XX".

Notes:

1. A separate Inventory Holdings report is required for Consumable Inventory and Repairable Inventory. If your inventory cannot be reported or separated on the basis of consumable versus repairable, please state what the majority of the inventory would be classified as repairable or consumable based on the definitions below.
2. Loaned equipment from DND must be authorized through a DND-authorized loan agreement. Reporting shall be as per the conditions of the loan agreement.
3. Whole Capital assets are not to be reported to DND. Whole Capital Assets are equipment that has been purchased by DND for the contractor that are not inventory, such as vehicles, test equipment, etc.
4. The reports provided by the company inventory system are acceptable for reporting purposes to DND, as long as they contain the essential information requested in the template provided.
5. Provide any alternate part number or manufacture part number in addition to the part number listed above. Provide the class also, if available, as well as any additional field information you have that may help to classify the data.
6. Provide the inventory report in **electronic format, MS Excel** being the preferred software, advise Procurement Authority if not available.

Definitions:

Government Furnished Overhaul Spares (GFOS) – Non-catalogued inventory spares which are not purchased by the contractor but arise from: AA spares transferred from another contractor; DND procurement with the US government; spares salvaged from DND equipment; or de-catalogued CIS spares which are for 3rd line use only. GFOS spares are not recorded in the Canadian Forces Supply System (CFSS).

Accountable Advance Spares (AAS) – Non-catalogued inventory spares which the contractor has been authorized by DND to purchase using DND funds, on an exceptional basis. The CFSS does not track AAS.

Bonded Stock – Inventory spares which the Out of Country contractor has been authorized by DND to purchase using DND funds, on an exceptional basis. The CFSS does not track bonded stock.

Repairable Inventory – An item of supply designated as capable of being repaired.

Consumable Inventory – An item of supply that is not repairable.

Part B

"Repairable Template Input/Output Repairable Inventory Report for the Year Ending 31 March 20XX" and "Consumable Template Input/Output Consumable Inventory Report for the Year Ending 31 March 20XX":

Notes:

1. The closing inventory as at 31 Mar 20XX must be equal to the itemized listings provided in the consumable and repairable reports of 'DND Owned Inventory Holdings as at 31 Mar 20XX.'
2. A separate Input/Output Inventory Report is required for Consumable Inventory and Repairable Inventory.
3. It is preferable to provide the data in a part number level format detailing the equipment platform supported, but the summary level report as outlined in the template is acceptable.
4. Report in one currency only and specify the currency if it is not Canadian.

Part C

"Additional Information Requested for Year-End Reporting"

The following information is requested:

1. Description of the activities performed under the Repair and Overhaul (R&O) contract(s)supported by the inventory holdings if not supplied on the Part A spreadsheet (such as R&O on Hercules engines);
2. How often stocktaking is performed on the contractor holdings of DND owned inventory;
3. Date of last stocktaking;
4. The accounting method used by the contractor to value the inventory reported first-in-first-out (FIFO), last-in-first-out (LIFO), historical cost or moving weighted average;

5. Is this a sub-contractor to another company? If so, who?
6. DND and contractor point of contact for the inventory report as at 31 Mar 20XX

THIS PAGE INTENTIONALLY LEFT BLANK

Annex B (GSSC REPORT TEMPLATE)

PART A

DND OWNED INVENTORY HOLDINGS HELD BY CONTRACTORS
AS AT 31 MARCH 20XX

COMPANY	CONTRACT NUMBER	ITEM / PART NUMBER (NOTE 1)	EQUIPMENT PLATFORM THE ITEM SUPPORTS (NOTE 2)	NATO STOCK NUMBER (NSN) (NOTE 3)	STOCK CODE (SC) (NOTE 3)	ITEM DESCRIPTION	QUANTITY	UNIT OF MEASURE	UNIT COST	EXTENDED VALUE	CURRENCY (NOTE 4)	PROGRAM UNDER WHICH THE INVENTORY IS HELD (NOTE 5)	REPAIR FLAG "Y" CONSUMABLE FLAG "N" (NOTE 6)

NOTES

General Note: Inventory reported here should include all items that a contractor holds that belong to DND and that **are not already accounted for** in the CFSS or CAMMS.

Note 1: If you have an alternate part number or manufacture part number in addition to the part number listed, please provide that detail if possible. Also provide the Group Class if available. We would like any additional field information you have that may help to classify the data.

Note 2: Please specify if possible the equipment platform the inventory item supports. For example, if your inventory pertains to three aircraft types, put the specific aircraft type beside each inventory item part number.

Note 3: If the inventory item has a NSN or SC, please provide the number, if you have it readily available in your inventory system.

Note 4: Report in one currency only and specify the currency if it is not Canadian.

Note 5: If known, enter the program under which the inventory is held (e.g., GFOS, AAS, Bonded Stock, etc.).

Note 6: Please identify repair flag Y for a repairable item and N for a consumable item.

PART B

REPAIRABLE TEMPLATE
INPUT / OUTPUT REPAIRABLE INVENTORY REPORT
FOR THE YEAR ENDING 31 MARCH 20XX

Opening Inventory as at 1 April 20XX:	
Plus: Cost of Goods Purchased or Acquired:	
Minus: Consumption / Removals:	
Closing Inventory as at 31 March 20XX:	$ -

NOTES

Note 1: The closing inventory as at 31 March 20XX must be equal to the itemized listing of repairable items provided through Part A, DND Owned Inventory Holdings Held by Contractors as at 31 March 20XX.

Note 2: A separate Input / Output Inventory Report is required for Consumable Inventory and Repairable Inventory.

Note 3: Report in one currency only and specify the currency if it is not Canadian.

PART B

CONSUMABLE TEMPLATE
INPUT / OUTPUT CONSUMABLE INVENTORY REPORT
FOR THE YEAR ENDING 31 MARCH 20XX

Opening Inventory as at 1 April 20XX:	
Plus: Cost of Goods Purchased or Acquired:	
Minus: Consumption / Removals:	
Closing Inventory as at 31 March 20XX:	$ -

NOTES

Note 1: The closing inventory as at 31 March 20XX must be equal to the itemized listing of consumable items provided through Part A, DND Owned Inventory Holdings Held by Contractors as at 31 March 20XX.

Note 2: A separate Input / Output Inventory Report is required for Consumable Inventory and Repairable Inventory.

Note 3: Report in one currency only and specify the currency if it is not Canadian.

PART C

ADDITIONAL INFORMATION REQUESTED FOR YEAR END REPORTING

Description of the activities performed under the Repair & Overhaul (R&O) contract(s) supported by the inventory holdings if not supplied on the Part A spreadsheet (i.e. R&O on Hercules engines).	
How often is a stocktaking performed on the contractor holdings of DND owned inventory?	
What is the date of last stocktaking?	
What accounting method is used by the contractor to value the inventory reported (FIFO, LIFO, historical cost or moving weighted average)?	
Is this a sub-contractor to another company? If so, who?	
DND and Contractor points of contact for the inventory report as at 31 March 20XX.	

NOTES

Note 1: Inventory reports may be subject to audit by the Office of the Auditor General (OAG).

FIELD HEATERS REPAIR AND OVERHAUL

BID EVALUATION

1 BID EVALUATION PLAN

1.1 Introduction

This document outlines the methodology for evaluating a bid. This Evaluation Plan identifies all the mandatory requirements and point-rated criteria to be evaluated, their relative weighting and how they will be scored. **Your proposal shall address, in written narrative, all subjects identified in the evaluation section below.**

1.2 Bid Evaluation Plan

This plan establishes and identifies the evaluation criteria that will be used in the bid solicitation document. Rating factors are assigned to the evaluation criteria. The rated factors reflect the relative importance of the evaluation criteria and their appropriate weighting to each requirement and ensure fair competition. Narrative responses consisting of a simple statement of compliance without clear narrative details could prevent proper assessment of the proposal and result in your proposal being rejected from further consideration.

1.3 Bid Proposal

The bid proposals will be evaluated on the basis of a combination of mandatory and point rated criteria. To be considered responsive, a bid shall meet all the mandatory requirements, and shall obtain the *required minimum score of 75% (or **116** points)* on the point-rated criteria. Bids not meeting all the mandatory requirements will be given no further consideration. Any incomplete submission against any rated elements will result in "0" points for that rated element.

1.4 Compliance with Certification

To be considered responsive, Bidders shall demonstrate compliance with all checklists and certifications requested in the RFP.

1.5 Contractor Selection Methodology

The winning Contractor shall be selected by the **Lowest Cost Compliant Bidder** methodology.

Responsive bids must:

a) comply with all the requirement of the bid solicitation;

b) meets all mandatory requirement of technical evaluation criteria; and

c) lowest submitted price as per Annex D, Evaluation Aggregate price calculation grid.

2 MANDATORY REQUIREMENTS OF THE SOW

Mandatory requirements are evaluated on simple pass/fail basis. The treatment of mandatory requirements is stringent. The Bidder's proposal shall address the mandatory requirements specified within each of the following sections of the Statement of Work (SOW) on R&O of field Heating Equipment. **Proposals not meeting all the mandatory requirements will be given no further consideration.**

2.1 Compliance with the Terms and Conditions of the RFP

1.	**The Bidder shall initial each check-off box indicating the company shall comply with all of the Terms and Conditions in any resulting contract.**	**M**

Description	Compliant
RFP Requisition No.: W8486-135865	

2.2 Compliance to Statement of Work, Annex "A" and Logistic Statement of Work, Annex "B".

Check-off Tables have been provided for each Annex detailed above.

1.	**The Bidder is required to initial each check-off box indicating the company shall comply with all elements of the SOWs in any resulting contract.**	**M**

2.2.1 Mandatory Requirements of the SOW, Annex "A".

Table 1: ANNEX A - SOW Check-Off Table

Section	Mandatory Requirements	Check-Off
3	REQUIREMENTS	
3.1	General Requirements	
3.2	Contractor Experience	
3.3	Contractor Resources	
3.3.1	Engineering and Technical Staff	
3.3.2	Test Facilities	
3.3.3	Publication Resources	
3.4	Performance and Reliability	
3.5	Maximum Repair Cost (MRC)	
3.6	Minimum and Maximum Repair Units	
3.7	Repair / Condemn Decisions	
3.8	Provision of Material	
3.8.1	Government Supplied Material	
3.8.2	Contractor Supplied Parts	
3.8.3	Contractor Furnished Parts	

3.9	Extent of Work	
3.9.1	Mechanical	
3.9.2	Electrical	
3.9.3	Safety	
3.9.4	Finish	
3.9.5	Painting	
3.10	Subcontracting of Repair Services	
3.11	Technical Investigation and Engineering Support (TIES) / Special Investigation and Technical Studies (SITS) / Field Service Representatives (FSRs) and Mobile Repair Parties (MRPs)	
3.12	Documentation	
3.13	Unsatisfactory Condition Reports	
3.14	Communication and Technical Assistance	
3.15	Preparation for Delivery	
3.15.1	Preparation and Preservation Instructions	
3.15.2	Packaging	
3.16	Progress Review Meetings	
4	QUALITY ASSURANCE	
4.1	Quality Assurance Representative	
4.2	Test and Inspection	
4.3	CSA Certification	
5	Environmental Health and Safety	
5.1	Environmental Management System	
5.1.1	Applicability	
5.1.2	Compliance with DND Policies	
5.1.3	Compliance of Documentation	
5.1.4	Compliance with Legislation	
5.2	Mercury Regulations	
6	MANAGEMENT	
6.1	Project Management	
6.1.1	Cost and Schedule Control	
6.2	Access to Facilities	
6.2.1	Government Access to Contractor's Facilities	
6.2.2	Contractor Access to Government Facilities	
6.3	Requests for Technical Information/Assistance	
6.4	Security Classification	
7	DELIVERABLES	
7.1	Repaired Materiel	
7.2	Completion of Work Documentation	
7.2.1	Identification Markings	

7.3	Reports	
7.3.1	In-inspection Report	
7.3.2	Monthly Reports	
7.3.3	Other Reports	

Appendix I to Annex A	Statement of Work for CARC system	
Appendix II to Annex A	Mercury Management Plan for R&O	
Attachment I to Annex A	Item Description and data	

2.2.2 Mandatory requirements of the Logistics SOW, Annex "B".

Table 2: ANNEX B - Logistic SOW Check-Off Table

Section	Mandatory Requirements	Check- Off
1.0	GENERAL	
1.1	Aim	
1.2	Extent of Work	
2.0	ADMINISTRATION	
2.1	Receipt	
2.2	Discrepancies in Shipments	
2.3	Completion of Work	
3.0	WORK CONTROL	
4.0	ANNUAL REPAIR FORECAST - SNAPs	
5.0	COST CONTROL	
6.0	COSTING RECORDS	
7.0	MAINTENANCE SUPPORT	
7.1	Minor Repairs	
7.2	Mobile Repair Parties	
7.3	Equipment Turn Around Time (TAT)	
7.4	Priority Repair Request	
7.5	Special Investigations & Technical Studies (SITs)	
7.6	Technical Investigations & Engineering Studies (TIES)	
8.0	SUPPLY SUPPORT	
8.1	Transaction Documentation	
8.2	Contractor Supply Accounting	
8.3	Management of DND-Owned Spares	
8.4	Spares Review	
8.5	Stocktaking	
8.6	Selection Notice Observation Message (SNOM)	
8.7	Embodiment Fees	
8.8	Loss or Damage to DND Materiel	
8.9	Scrap – Custody & Disposal	
8.10	Preservation and Packaging Failure	
8.11	Reusable Containers	
8.12	Transportation	
8.13	Customs & Excise	
9.0	WARRANTY CONSIDERATION	
10.0	CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS	
11.0	STOP REPAIR ACTION	
12.0	PUBLICATIONS	
13.0	OFFICE SERVICES	
14.0	MINUTES OF MEETINGS	
15.0	PLANT SHUTDOWN/VACATION PERIOD	
16.0	REPORTS	

16.1	MRP Progress Reports	
16.2	Technical Investigation and Engineering Studies (TIES) Reports	
16.3	Accident/Incident Reports	
16.4	R&O Contractor Effectiveness Report	
16.5	Annual Contractor Held Inventory Report	

2.3 Company Profile

Outline the company's history and provide details of experience and expertise as they relate to the work that will be performed under any resulting contract for the Repair and Overhaul of diesel Fuel Fired Field Heaters and associated equipment.

1.	The company and facilities at which the work will be performed shall have directly related experience including contracts for work on diesel Fuel Fired Field Heaters and associated equipment. The narrative provided shall include details to establish capabilities regarding volume, quality and expertise.	**M**

2.4 Quality Assurance

a) Provide a Quality Assurance Plan that meets the requirement of the contract.

1.	A copy of a Quality Assurance Plan, with references to Quality Assurance Procedures, which shall show how work, including subcontractors, shall be monitored for adherence to contract quality assurance requirements as detailed in ISO 9001/2008.	**M**

b) Provide the job description and major responsibilities of the in-house Quality Assurance/Control representative. Provide an Organizational Chart for the Company that clearly shows the position and reporting structure of the QA representative in your organization.

1.	The job description shall reflect direct responsibility with respect to performing quality assurance work	**M**
2.	The job description shall reflect an Organization Chart showing the position of the QA representative in your organization	**M**

c) Provide adequate in-house office to the DND QAR.

1.	Propose an office type facility that shall satisfy the requirement imposed by a DND QAR to perform his/her duties while at the Bidder's facility	**M**

2.5 Hazardous Material

1.	The Bidder shall certify that it will handle, transport, and dispose of all waste and hazardous waste generated as a result of the contract in accordance with current federal and provincial environmental legislation	**M**
2.	The company shall adequately explain how this is to be monitored and managed.	**M**

2.6 The following is a list of Mandatory Plans, Certifications and Checklists that the Bidder shall provide as part of the Technical Evaluation. This list may not be all inclusive.

(i) Initialed Checklists for RFP, Annex "A" and Annex "B".

(ii) Quality Assurance Plan or copy of ISO 9001/2000 Certification.

(iii) Hazardous Material Certification.

2.7 Point Rated Criteria

Bid Proposals shall achieve a total score of 75% (116 of 155 points). Proposals that score 0 points in one criteria can still be considered compliant, if they achieve the required total score of 116 points. **Proposals that fail to score a total of 116 points shall be considered non-compliant.** The Points rated criteria are listed in the table below, along with their individual points values.

1.	Proposals will be evaluated against the criteria listed in Table 3~~Table 3~~. Achieving a minimum total score of **116** is required to be considered compliant.	**M**

Table 3: Scoring Table for Points Rated Criteria

Item	Criteria	Max Points
1	Contractor Qualification Requirement	20
2	Organizational Responsibilities	10
3	Cost and Control Management	10
4	Logistical Procedures	20
5	Sub-contracting	10
6	Risk Management Plan	10
7	Technical Data Management	10
8	Engineering Personnel	15
9	Configuration Management	10
10	Facility	20
11	Capability	20
	Maximum Points scored	**155**

3 SCORING METHODOLOGY FOR RATED CRITERIA

3.1 Contractor Qualification Requirements (Max 20 points)

The Bidder should provide specific qualifications and experience of the personnel expected to perform work under the contract. Information should include the individual's name and any relevant training and expertise in the area required relating to repair and overhaul of diesel fuel fired field heaters and associated equipment. The response should also include how many in-house personnel will be licensed technicians and OEM certified trade-personnel that could be allocated to perform this contract. Bidders should indicate resources available to produce electronic manuals, technical drawings and other logistic and engineering documentation. Curriculum Vitae (CV) should be included as substantiation for one Professional Engineer, one Shop Foreman, one Technical writer and one Draftsman.

1.	The engineering staff includes at least one professional engineer registered with a provincial Professional Engineering association.	**5**
2.	The engineering staff includes at least one professional engineer registered with a provincial Professional Engineering association. The technical staff includes at least one technician in each field registered with a provincial association: ▪ Mechanical ▪ Electrical	**10**
3.	The engineering staff includes at least one professional engineer registered with a provincial Professional Engineering association. The technical staff includes at least one technician in each field registered with a provincial association: ▪ Mechanical ▪ Electrical The staff also includes a Shop foreman, with a minimum of 5 years experience and at least one year of supervisory experience relating to R&O of Field Heaters.	**15**
4.	The engineering staff includes at least one professional engineer registered with a provincial Professional Engineering association. The technical staff includes at least one technician in each field registered with a provincial association: ▪ Mechanical ▪ Electrical The staff also includes a Shop foreman, with a minimum of 5 years experience and at least one year of supervisory experience relating to R&O of Field Heaters and technical writers able to produce electronic manuals, technical drawings and other engineering documentation	**20**

3.2 Organization Responsibilities (Max 10 points)

The Bidder should provide a list of organizational roles and responsibilities and name a Project Manager as the single point of contact for the project. **A CV for the Bidder's Project Manager should be provided.** This is for experience assessment purposes only.

1.	The Bidder provides the company organizational chart and identifies a Project Manager.	**2**
2.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of two years of experience in R&O contracts.	**5**
3.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of five years of experience in R&O contracts.	**7.5**
4.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of five years of experience in R&O contracts of which three years have been in military R&O projects.	**10**

3.3 Compliance with Special Instructions for Repair and Overhaul Contractors, A-LM-184-001/JS-001 (Max 30 points)

3.3.1 Cost and Control (Max 10 points)

Bidders should indicate how R&O costs and schedules will be controlled and how modifications and additional tasks will be met and managed.

1.	The Bidder provides details of: -the interrelationship between the company cost accounting system and the cost control system.	**2.5**
2.	The Bidder provides details of: -the interrelationship between the company cost accounting system and the cost control system, and -how cost and schedule control of the contracted tasks will be met and managed.	**5**
3.	The Bidder provides details of: -the interrelationship between the company cost accounting system; -the cost control system and how cost and schedule control of the contracted tasks will be met and managed, and -the interrelationship between the tasks and various role of personnel involved in the cost control process.	**7.5**
4.	The Bidder provides details of: -the interrelationship between the company cost accounting system; -the cost control system and how cost and schedule control of the contracted tasks will be met and managed; -the interrelationship between the tasks and various role of personnel involved in the cost control process, and -their capability to collect and segregate actual costs on an ongoing basis.	**10**

3.3.2 Logistical Procedures (Max 20 Points)

The Bidder should state specifically in a narrative and provide evidence that their company has the ability to meet, or is performing, or has performed all procedures applicable to the contract in accordance with A-LM-184-001/SJ-001.

1.	The Bidder has basic awareness of the logistic issues	**5**
2.	The Bidder has stated the logistics issues and provided evidence of abilities.	**10**
3.	The Bidder has stated the logistics issues and cited past experience in implementing DND logistic procedures.	**15**
4.	The Bidder has stated the logistics issues, has cited past experience in implementing DND logistic procedures and currently has a well-established in-house logistical team implementing the DND procedures.	**20**

3.4 Sub-contracting (Max 10 Points)

The Bidder should identify potential subcontractors and identify which work should be performed by these subcontractors. The Bidder should provide details on how quotes will be solicited, how subcontractors will be selected and how the quality and delivery schedules of subcontracted work will be monitored to ensure compliance with the terms and conditions of the SOW. The Bidder should outline any previous experience with the proposed subcontractors.

1.	The Bidder identifies its potential subcontractors, but does not demonstrate the company has knowledge of subcontracting processes.	**1**
2.	The Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOW, and states the issues involved in the subcontracting process.	**5**
3.	The Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOW, and states the issues involved in the subcontracting process, based on cited past experience in resolving or mitigating the issues involved in the subcontracting process.	**7.5**
4.	The Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOW, and states the issues involved in the subcontracting process, based on cited past experience in resolving or mitigating the issues involved in the subcontracting process and there is little or no reliance on subcontractors in the production plan.	**10**

3.5 Risk Management Plan (Max 10 Points)

The Bidder should provide a risk management plan that addresses the risks inherent in the program, and includes a risk assessment, risk prioritization and risk mitigation strategies. The plan should include how the risks will be managed through the contract and the frequency of updates.

1.	The Bidder has basic knowledge of the risk issues.	**2.5**
2.	The Bidder understands risks involved in an R&O contract and: -has identified and prioritized the risks.	**5**
3.	The Bidder understands the risks in an R&O contract, and: -has identified and prioritized the risks, and -has included a risk mitigation plan.	**7.5**
4.	The Bidder understands the risks in an R&O contract, and: -has identified and prioritized the risks; -has included a risk mitigation plan, and -has provided an example risk mitigation plan currently implemented on another R&O project.	**10**

3.6 Technical Data Management (Max 10 points)

The Bidder should demonstrate his capability to manage and update technical data for the contract.

1.	The Bidder does not have any in-house technical data capability, or Computer Aided Design (CAD) systems and uses Subcontractors for this requirement.	**1**
2.	The Bidder has in-house technical data capability and a CAD system.	**5**
3.	The Bidder has in-house technical data and a CAD system and has at least two years experience in production of technical data for various contracts.	**7.5**
4.	The Bidder has in-house technical data capability and a CAD system, and has more than 2 years experience in providing technical data for military projects.	**10**

3.7 Engineering Personnel (Max 15 Points)

The Bidder should demonstrate that they have access to qualified in-house Engineering personnel to support the contract.

1.	The Bidder has one Professional Engineer on staff.	**2.5**
2.	The Bidder has at least one Professional Mechanical Engineer and one Professional Electrical Engineer on staff.	**5**
3.	The Bidder has engineering and design staff of more than two and up to five personnel including at least one Professional Mechanical Engineer and one Professional Electrical Engineer.	**10**
4.	The Bidder has engineering and design staff of more than five personnel including at least one Professional Mechanical Engineer and one Professional Electrical Engineer.	**15**

3.8 Configuration Management (Max 10 Points)

Bidders should provide a Configuration Management (CM) Plan demonstrating how they intend to manage the configuration of Field Heaters.

1.	The Bidder has a basic awareness of configuration management requirements.	**2.5**
2.	The Bidder has a CM plan but the plan provided does not completely address the four fundamental parts of configuration management, which are organization, responsibilities, reports and control	**5**
3.	The Bidder has a CM plan that addresses the four aspects of configuration management and how it will be handled for the project, including organization, responsibilities, reports and control.	**7.5**
4.	The Bidder has a CM plan that addresses the four aspects of configuration management and how it will be handled for the project, including organization, responsibilities, reports and control. In addition, the Bidder has at least one year of experience in CM on military Diesel Fuel Fired Field Heaters and associated equipment.	**10**

3.9 Facility (Max 20 Points)

This evaluation applies to the overall facility and equipment capacity notwithstanding of location or status (in-house or sub-contracted).

Bidders should identify their owned/leased facilities and location where the work will be performed. Provide description, size and layout of work areas, storage facilities and a list of machinery, repair, tooling and test equipment that will be available for work to be performed at the time of bid closing.

Bidders should provide details confirming the facilities meet regulations governed by all levels of government and environmental requirements imposed by award of a repair & overhaul contract.

1.	The Bidder provides a facility area of 999 sq. ft or less and a minimum list of machinery and equipment capable of performing the following tasks: - precision metal machining; - welding capability for repairing and fabricating with stainless steel, aluminum and steel - precision metal drilling - special tools and test equipment to perform the specified acceptance test procedure, and - Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.	**1**
2.	The Bidder provides a facility area of 1000 to 4999 sq. ft. and has a minimum list of machinery and equipment capable of performing the following tasks: - precision metal machining and surface milling - welding capacity for repairing and fabricating with stainless steel, aluminum and steel - precision metal drilling - Storage capability for incoming and outgoing heaters (up to 15 units) and	**10**

	Spare parts - special tools and test equipment to perform the specified acceptance test procedure, and - Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.	
3.	The Bidder provides a facility area of 5000 sq. ft. or greater and has a minimum list of machinery and equipment capable of performing the following tasks: - precision metal machining, surface milling and Computer Numerically Controlled (CNC) milling - welding capacity for repairing and fabricating with stainless steel, aluminum and steel - precision metal drilling - Storage capability for incoming and outgoing heaters (up to 25 units) and spare parts - special tools and test equipment to perform the specified acceptance test procedure, and - Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.	**15**
4.	The Bidder provides a facility area of 5000 sq. ft. or greater and has a minimum list of machinery and equipment capable of performing the following tasks: - precision metal machining, surface milling and Computer Numerically Controlled (CNC) milling - welding capacity for repairing and fabricating with stainless steel, aluminum and steel - precision metal drilling - Storage capability for incoming and outgoing heaters (up to 50 units) and spare parts - Diagnostic equipment for testing diesel engines. - performing in-house CARC painting - special tools and test equipment to perform the specified acceptance test procedure, and - Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.	**20**

3.10 Production Capability (Max 20 Points)

The Bidder should provide a written production plan which outlines the startup, production, ordering of parts and corresponding time required for each task from time of contract award. The production plan should demonstrate that the routine 60 calendar day turnaround time (TAT) from the date equipment received and the in-inspected at the Bidder's facility and authorized by the TA.

The Bidder should provide a narrative to indicate how they intend to monitor the R&O process to ensure the routine TAT is met throughout the contract. The Production Plan should show the process of how each operation is to be conducted (Bidders may choose to submit a flow chart in the explanation).

1.	The Bidder provides only a production management plan.	**3**
2.	The Bidder provides a production management plan and: - explanation of the process and how each operation is executed and the	**6**

	respective organizational responsibilities.	
3.	The Bidder provides a production management plan and: - explanation of the process and how each operation is executed and the respective organizational responsibilities, and - has at least 24 months of experience in the last five years in executing a production plan with processes for each operation on Military equipment.	**10**
4.	The Bidder provides a production management plan and: - explanation of the process and how each operation is executed and the respective organizational responsibilities; - the production plan details procedures for handling urgent requirements including priority repair requests (PRR), and - the Bidder has at least 24 months of experience in the last five years in executing a production plan with processes for each operation on Military equipment.	**15**
5.	The Bidder provides a production management plan and: - explanation of the process and how each operation is executed and the respective organizational responsibilities; - the production plan details procedures for handling urgent requirements including priority repair requests (PRR); - the production plan details of procedures in place for handling workload surges while continuing to meet TAT, and - the Bidder has at least 24 months of experience in the last five years in executing a production plan with processes for each operation on Military equipment.	**20**

Annex D
W8486-135865

FIELD HEATERS REPAIR AND OVERHAUL

PRICING SCHEDULE

The Contractor is to provide costs based on hourly labour rates, mark-ups, etc. The hourly rates are to be firm, all-inclusive of direct & indirect costs, overhead rates, G&A rates and profit. The Contractor is to provide costs for any additional types of services required (e.g. Environmental costs).

BASIS OF PAYMENT	YEAR 1	YEAR 2	OPTION YEAR 1	OPTION YEAR 2	OPTION YEAR 3
1. Firm hourly rates for in-plant **Repair and Overhaul.** The Contractor shall be Paid a firm hourly rate for in-plant R&O. This blended R&O rate shall include all rates to complete the R&O tasks including management, (e.g. PM, QA, logistics, administrative & workshop supervisor)	$	$	$ CPI	$ CPI	$ CPI
2. **Firm hourly rates for Special Investigation and Technical Studies (SITS). Contractor shall be paid the hourly rate indicated for each of the following categories.**					
Project Manager	$	$	$	$	$
Engineer	$	$	$	$	$
Electrician	$	$	$	$	$
Technician	$	$	$	$	$
Quality Assurance	$	$	$	$	$
Draftsman	$	$	$	$	$
Other	$	$	$	$	$
Average Hourly Rate	**$**	**$**	**$**	**$**	**$**
3. Firm hourly rate for Technical Investigation and Engineering support (TIES). Contractor shall be paid the hourly rate indicated for each of the following categories					
Project Manager	$	$	$	$	$
Engineer	$	$	$	$	$
Electrician	$	$	$	$	$
Technician	$	$	$	$	$
Quality Assurance	$	$	$	$	$
Draftsman	$	$	$	$	$
Other	$	$	$	$	$
Average Hourly Rate	**$**	**$**	**$**	**$**	**$**

4. Firm Hourly rate for Field Service Representative (FSR)/Mobile Repair Party (MRP). Contractor shall be paid the hourly rate indicated.	$	$	$	$	$
Average Hourly Rate	**$**	**$**	**$**	**$**	**$**
5. For in-plant Repair & Overhaul Subcontracting work (including Mark-up) (not to exceed 50% of MRC) The contractor shall be paid the actual Laid Down Cost plus the firm mark-up indicated.	%	%	%	%	%
6. For contractor Supplied/furnished Spares and material - The contractor shall be paid the actual Laid Down Cost plus the firm mark-up indicated	%	%	%	%	%

Laid down cost is defined as the cost incurred by the Contractor to acquire the parts for resale to the Crown or for subcontractor work. This includes the suppliers invoice price (less trade discounts) plus any applicable charges for transportation, foreign exchange, custom duties and brokerage charges, but excludes GST/HST. Mark up includes the applicable purchasing expense, internal handling and general and administrative overhead expenses plus profit excluding GST/HST. Costs are to be all inclusive, e.g. Environmental costs, but **shown as separate items on invoices.**

ANNEX D
To W8486-135865

EVALUATED AGGREGATE PRICE CALCULATION GRID

Bidder:

							Weighted Price
R&O Labour Catogory	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**		
	Bidders Labour Rates						
(Sum of yearly labour rates)	**R&O Evaluation Price**						X 85% = $
SITS/TIES Labour Catogory	Bidders Labour Rates						
(Sum of yearly labour rates)	**SITS/TIES Evaluation Price**						X 3% = $
FSR/MRP Labour Catogory	Bidders Labour Rates						
(Sum of yearly labour rates)	**FSR/MRP Evaluation Price**						X 12% = $
Mark-up on Spares & Materials	Bidders Labour Rates						
	Mark-up on Spares and Material Evaluation Price					(Average)	
(Basis for Evaluation = 30% of the Sum of the three (3) labour Categories Weighted Price):							
Mark-up on Sub-contractors	Bidders Labour Rates						
	Mark-up on Sub-contractors Evaluation Price					(Average)	
(Basis for Evaluation = 50% of the Sum of the three (3) labour Categories Weighted Price):							
(Average Mark-up rate X Basis for Evaluation)	**sub-contractor Evaluation Price**						=> $

Aggregate Evaluation Price = $

BASIS OF PAYMENT

1. For the satisfactory performance of the work/tasks as specified in this agreement, the Contractor shall be paid as detailed in Annex D and defined as follows:

1.1 In-Plant Repair:
For all authorized repairs performed in-plant (in-house), the Contractor shall be paid for the actual hours incurred times the applicable Firm hourly rates specified in the Contract. These rates include the time spent inspecting, evaluating and estimating the cost of repairs as well as management, logistics, administrative activities. The Firm hourly rates are subject to the "Not to Exceed" amount specified as the Maximum Repair Cost (MRC) for the item as detailed in the SOW.

1.2 Repairs Beyond Economical Repair (BER)
For authorized evaluation or reduction to spares of BER items at the Contractor's plant or subcontractor's plant, the Contractor shall be paid for the actual hours incurred, times the applicable firm hourly rates as specified in the Contract.

1.3 Technical Investigation and Engineering Support (TIES), Special Investigations and Technical Studies (SITS), Field Service Representative (FSR), and Mobile Repair Party (MRP)
For authorized TIES, SITS, FSR, and MRP's when tasked to do so by a duly signed and completed DND 626, the Contractor shall be paid for the actual hours incurred times the applicable firm hourly rates as specified in the Contract.

1.4 Storage as and when required
For Storage, as and when required, the rate is to be negotiated with the Contracting Authority on a case by case basis. The Contractor shall supply a detailed estimate.

1.5 Contractor Supplied Spares (CSS) and Material
For authorized direct materials embodied in-plant, Contractor Supplied Spares (CSS) and material, the Contractor shall be paid the actual Laid Down Cost of the embodied material plus a firm mark-up as specified in the Contract. Outgoing transportation charges to the consignee is at actual cost and is excluded from this mark-up.

1.6 Contractor Furnished Spares
For authorized requests to provide spares for emergency/operational requirements, when tasked to do so by a duly signed and completed DND 626, the Contractor shall be paid the actual Laid Down Cost of the material plus a firm mark-up as specified in the Contract. Outgoing transportation charges to the consignee is at actual cost and is excluded from this mark-up.

1.7 Subcontracting
For authorized in-plant R&O subcontracted work, the contractor shall be paid the actual Laid Down Cost of the Subcontracted tasks plus a firm mark-up as specified in the contract. Details of subcontracted tasks to be identified separately on the invoice.

1.8 Overtime Work Authorization
Emergency repairs/work which is specifically requested to be performed at other than normal working hours shall be charged at the rate of 1.5 times normal time for overtime on normal days and weekends. Emergency repairs required on statutory holidays shall be charged a two times the normal rate. NO premium overtime shall be charged unless authorized in writing by the Requisitioning Authority.

1.9 Travel & Living (T&L)
The Contractor shall be paid actual T&L costs without any allowance for mark-up or profit. T&L shall be calculated and charged in accordance with TB Guidelines except for in-flight rate.

BASIS OF PAYMENT

2. OPTION YEARS

If the Option Years are exercised, the labour rate will be established as detailed below. The decision to exercise Option Year 1, 2 and 3 will be determined by the following conditions being met: there is no significant change in the scope of the work and there is a continuing need for the work to be performed.

The labour rate for each Option Years must be determined using the following formulae:

2.1 Option year 1

Increases or decreases for labour costs must be adjusted to reflect the average change in the Consumer price Index (CPI), Catalogue No. 72-002-X Employment Earnings and Hours, Table 3-2, for the Region/Province in which the majority of the work is performed. The average monthly increase/decrease for the 12 months-period six months prior to the contract end date is the factor that must be used. This change must be applied to the Period 2 labour rate to arrive at the Option Year 1 labour rate.

2.2 Option Year 2

Increases or decreases for labour costs must be adjusted to reflect the average change in the Consumer Price Index (CPI), Catalogue No. 72-002-X Employment Earnings and Hours, Table 3-2, for the Region/Province in which the majority of the work is performed. The average monthly increase/decrease for the 12 months-period six months prior to the contract end date is the factor that must be used. This change must be applied to the Option Year 1 labour rate to arrive at the Option Year 2 labour rate.

2.3 Option Year 3

Increases or decreases for labour costs must be adjusted to reflect the average change in the Consumer Price Index (CPI), Catalogue No. 72-002-X Employment Earnings and Hours, Table 3-2, for the Region/Province in the majority of the work is performed. The average monthly increase/decrease for the 12 months-period six months prior to the contract end date is the factor that must be used. This change must be applied to the Option Year 2 labour rate to arrive at the Option Year 3 labour rate.