

ANNEX K – WORK AUTHORIZATION PROCESS

1.1 Work Authorizations

- 1.1.1 A contract with Work Authorizations (WAs) is a method of supply for services under which all of the work or a portion of the work will be performed on an "as and when requested basis" through predetermined conditions including an administrative process involving Work Authorizations.
- 1.1.2 A Work Authorization is a structured administrative tool enabling Canada, to authorize work, by a contractor on an "as and when requested" basis in accordance with the conditions of the contract.
- 1.1.3 A Work Authorization will be necessary for all Work to be done under this Contract in accordance with the process detailed herein. The Contractor will not commence work until an approved Work Authorization has been received from the Technical Authority. The Contractor acknowledges that any and all Work performed in the absence of the above approved Work Authorization will be done at the Contractor's own risk, and that Canada will not be liable for payment therefore, unless or until an approved Work Authorization is provided by the Technical Authority.
- 1.1.4 The Contractor agrees to provide to the Technical Authority, upon request, any information and estimates that may be required to prepare the Work Authorization.
- 1.1.5 As it is understood and agreed by the Contractor that the Work to be provided under a Work Authorization is:
- (a) an obligation that will come into force only when there is a Work Authorization issued by the Technical Authority and only to the extent designated in the Work Authorization; and
 - (b) any and all authorized Work Authorizations will incorporate all the articles, terms and conditions contained or referenced in the Contract.
- 1.1.6 Services to be provided will be described in the approved Work Authorization Form.
- 1.1.7 Designated Tenant Authorities may issue Work Authorizations directly to the Contractor in accordance with the terms of the Contract. The Designated Tenant Authority shall follow the same process and shall assume the role of the Technical Authority as described herein.
- 1.1.8 The Technical Authority will complete the Work Authorization with a statement of the proposed Work. This statement of proposed Work will contain the following information for the Work period:
- (i.) the details of the Work to be performed within the scope of the Work Authorization;
 - (ii.) a description of deliverables and reports to be submitted;
 - (iii.) a schedule indicating completion dates for major work activities and/or submission dates for deliverables and reports; and,
 - (iv.) an estimate of the number of person-days level of effort identifying the resource category as applicable.
- 1.1.9 A Work Authorization will use the basis of payment described at Annex A, Terms of Payment.

- 1.1.10 The Contracting Authority may terminate all or any part of an authorized Work Authorization for the convenience of the Canada on two (2) days written notice to the Contractor. In the event of such termination, the Contractor agrees that it will be entitled to be compensated only for Work performed and accepted up to the effective date of such termination.
- 1.1.11 The Contracting Authority may terminate all or any part of an authorized Work Authorization due to the default of the Contractor at any time on one (1) days written notice to the Contractor. In the event of such termination, the Contractor and Canada agree that the rights and obligations of the Contractor and of Canada will be governed by the provisions of Article 28, Default by the Contractor, of 2035 (2012-07-16), General Conditions –Higher Complexity—Services.

1.2 Delivery, inspection and acceptance

- 1.2.1 In addition to General Conditions – Higher Complexity – Services 2035 (2012-07-16):
 - 1.2.1.1 All Work done and documents/data delivered as a result of this Contract, will be evaluated by the Technical Authority to determine whether or not it meets the requirements defined in the Contract.
 - 1.2.1.2 On the acceptance of the deliverables by the Technical Authority, such certification will be the basis on which the Technical Authority will recommend payment.
- 1.2.2 The Designated Tenant Authority authorized to issue Work using a Work Authorization Form to the Contractor is responsible for authorizing and issuing Work Authorizations in accordance with the process detailed in the contract.

1.3 Work Authorization Process

- 1.3.1 The Technical Authority will provide the Contractor with a description of the Work using the "Work Authorization Form" specified at Annex L.
- 1.3.2 The Work Authorization (WA) will contain the details of:
 - a) the Work to be performed,
 - b) a description of the deliverables,
 - c) a schedule indicating completion dates for the major Work or submission dates for the deliverables, and
 - d) the Work Authorization will also include the applicable basis and methods of payment as specified in the Contract.
- 1.3.3 The Contractor must provide the Technical Authority, within 10 calendar days of its receipt, or as otherwise directed by the Technical Authority, the proposed total estimated cost for performing the Work and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.
- 1.3.4 The Contractor must not commence work until a Work Authorization authorized by the designated authority has been received by the Contractor. The Contractor acknowledges that any work performed before a Work Authorization has been received will be done at the Contractor's own risk.
 - 1.3.4.1 Unless otherwise stipulated in the Contract or directed by the Technical Authority, the Contractor shall provide an estimate of final costs of completing the Work of each Work Authorization, within 10 calendar days after completing the authorized Work.

1.4 Work Authorization Approval

1.4.1 The Work Authorization Approval Authority will approve the WA based on:

1. the Work Authorization submitted to the Contractor;
2. the Contractor's estimates and supporting information where requested;
3. the Technical Authority's approval of a limit of expenditure;
4. the stipulated WA basis of payment;
5. the stipulated WA method of payment; and
6. the stipulated schedule of milestones.

1.5 Periodic Usage Reports - Contracts with Work Authorizations

1.5.1 The Contractor must compile and maintain records on its provision of services to the Canada under authorized Work Authorizations issued under the Contract.

1.5.2 The Contractor must provide this data in a Periodic Usage Report in accordance with the reporting requirements as described by the Technical Authority and Contracting Authority. 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.

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

1.5.4 The quarterly reporting 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.

1.5.5 The data must be submitted to the Technical Authority and the Contracting Authority no later than 15 calendar days after the end of the reporting period.

1.6 Reporting Requirement- Details

1.6.1 The Periodic Usage Reports described above must contain, as a minimum, the following information for each Work Authorization:

- a) Work Authorization number or Work Authorization Revision number(s);
- b) The title and description of the Work authorized;
- c) the authorized limit of expenditure, GST or HST extra;
- d) the total amount expended to date; GST or HST extra
- e) the start and completion date;
- f) the completion status; and
- g) the name of the authorizing organization and individual.

1.7 Limitation of Expenditure - Cumulative Total of all Work Authorizations

1.7.1 Canada's total liability to the Contractor under the Contract for all Work Authorizations (WAs), inclusive of any revisions, must not exceed the sum of \$ _____. Customs duties are included and the Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.

1.7.2 No increase in the total liability of Canada will be authorized or paid to the Contractor unless an increase has been approved, in writing, by the Contracting Authority.

- 1.7.3 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 sum is inadequate for the completion of the Work required in all authorized Work Authorizations, inclusive of any revisions, whichever comes first.
- 1.7.4 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.

1.8 Emergency Delivery of Services

- 1.8.1 The parties acknowledge that throughout the term of the Contract, situations may arise that necessitate emergency response and unplanned actions which may give rise to an Amendment.
- 1.8.2 The Contractor acknowledges the importance of maintaining the assets in an operational state and agrees to establish emergency plans as set out in the Statement of Work to address such situations.
- 1.8.3 Costs and fees associated with performing the necessary or unplanned Work during emergency situations will be paid by the Crown on the basis of actual Allowable Costs incurred, subject to full audit, and the applicable Fees as set out Annex A, Terms of Payment.