

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
**Bid Receiving Public Works and Government
Services Canada/Réception des soumissions**
Travaux publics et Services gouvernementaux
Canada
Pacific Region
401 - 1230 Government Street
Victoria, B.C.
V8W 2Z4
Bid Fax: (250) 363-3344

INVITATION TO TENDER
APPEL D'OFFRES

**Tender 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.

**Soumission 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 et sur toute feuille ci-annexée, au(x) prix indiqué(s).

Comments - Commentaires

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

Issuing Office - Bureau de distribution
Public Works and Government Services Canada -
Pacific Region
401 - 1230 Government Street
Victoria, B. C.
V8W 2Z4

Title - Sujet DND - DOCKING & REPAIR YFB316	
Solicitation No. - N° de l'invitation W3555-125825/A	Date 2012-02-23
Client Reference No. - N° de référence du client W3555-125825	GETS Ref. No. - N° de réf. de SEAG PW-\$XLV-177-5823
File No. - N° de dossier XLV-1-34636 (177)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2012-03-12	
Time Zone Fuseau horaire Pacific Standard Time PST	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Quilty, Fintan	Buyer Id - Id de l'acheteur xlvl77
Telephone No. - N° de téléphone (250) 363-0218 ()	FAX No. - N° de FAX (250) 363-3960
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: DEPARTMENT OF NATIONAL DEFENCE SEE HEREIN Canada	

Instructions: See Herein

Instructions: Voir aux présentes

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

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PART 1 - GENERAL INFORMATION

1.1 Introduction

The bid solicitation and resulting contract document is divided into seven parts plus annexes as follows:

Part 1 General Information: provides a general description of the requirement;

Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation and states that the Bidder agrees to be bound by the clauses and conditions contained in all parts of the bid solicitation;

Part 3 Bid Preparation Instructions: provides bidders with instructions on how to prepare their bid;

Part 4 Evaluation Procedures and Basis of Selection: indicates how the evaluation will be conducted, the evaluation criteria that must be addressed in the bid, if applicable, and the basis of selection;

Part 5 Certifications: includes the certifications to be provided;

Part 6 Security, Financial and Other Requirements: includes specific requirements that must be addressed by bidders; and

Part 7 Resulting Contract Clauses: includes the clauses and conditions that will apply to any resulting contract.

The Annexes include the Statement of Work, the Basis of Payment and other annexes.

1.2 Summary

1. The Statement of Work is:

a. To Carry out the docking and repairs of the Department of National Defence (DND) Vessel *YFB 316* in accordance with the associated Technical Specifications detailed in the Statement of Work and Project Management Services attached as Annexes A and H. For specifications, drawings, test sheets, annexes and appendices, bidders are requested to contact the Contracting Authority identified in the bid solicitation.

b. to carry out any approved unscheduled work not covered in the above paragraph a.

2. There is a security requirement associated with this requirement. For additional information, see Part 7 - Resulting Contract Clauses, Article 3.

3. The sourcing strategy related to this work will be limited to suppliers in Western Canada in accordance with Shipbuilding, Refit, Repair and Modernization Policy (1996-12-19), *subject to the Agreement on Internal Trade*. The work is exempt from the North American Free Trade Agreement (NAFTA), see Chapter Ten Annex 1001.2b Paragraph 1, and the World Trade Organization Agreement on Government Procurement (WTO-AGP), see Annex 4.

1.3 Debriefings

After contract award, bidders may request a debriefing on the results of the bid solicitation. Bidders should make the request to the Contracting Authority within 15 working days of receipt of notification that their bid was unsuccessful. The debriefing may be provided in writing, by telephone or in person.

PART 2 - BIDDER INSTRUCTIONS

2.1 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 (<http://ccua-sacc.tpsgc-pwgsc.gc.ca/pub/acho-eng.jsp>) 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 2011-05-16 , Standard Instructions - Goods or Services - Competitive Requirements (2008-12-12), are incorporated by reference into and form part of the bid solicitation.

These Standard instructions have been amended as follows:

Replace 2003 07, subsection 1 (a) and (b) with the following:

1. Canada may reject a bid where any of the following circumstances is present:
 - a. the Bidder is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Corrective Measure Policy, which renders the Bidder ineligible to bid on the requirement;
 - b. an employee, or subcontractor included as part of the bid, is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Corrective Measure Policy, which would render that employee or subcontractor ineligible to bid on the requirement, or the portion of the requirement the employee or subcontractor is to perform.

2.2 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.

2.3 Enquiries - Solicitation Period

All enquiries must be submitted in writing to the Contracting Authority no later than three (3) working day 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.

2.4 Applicable Laws

1. Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in British Columbia _____.
2. The Bidder may, at its discretion, substitute the applicable laws of a Canadian province or territory of its choice without affecting the validity of its bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of its choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the Bidder.

2.5 Bidders' Conference

A bidders conference will be held at Her Majesty's Canadian Dockyard (HMC Dockyard) Esquimalt, BC on the 2nd of March 2012.

The conference will begin at 10:30 local time. The scope of the requirement outlined in the bid solicitation will be reviewed during the conference and questions will be answered. It is recommended that bidders who intend to submit a bid attend or send a representative.

For security reasons Bidders must contact the Contracting Authority before the conference to confirm attendance. Bidders must provide, in writing, the names of the person(s) who will be attending and a list of issues they wish to table at least 3 working days before the scheduled conference.

Any clarifications or changes to the bid solicitation resulting from the bidders' conference will be included as an amendment to the bid solicitation (Questions and Answers). Bidders who do not attend will not be precluded from submitting a bid.

2.6 Optional Site Visit - Vessel

Arrangements have been made for a viewing of the vessel immediately following the Bidders Conference.

2.7 Work Period - Marine

1. Work must commence and be completed as follows:

Commence: 16 March 2012

Complete: 5 April 2012.

2. By submitting a bid, the Bidder certifies that they have sufficient material and human resources allocated or available and that the above work period is adequate to both complete the known work and absorb a reasonable amount of unscheduled work.

2.8. Docking Facility Certification

Before contract award, the Bidder may be required to demonstrate to the satisfaction of Canada that the certified capacity of the docking facility, including any means or conveyance to remove the vessel from the water, is adequate for the anticipated loading in accordance with the related dry docking plans and other document detailed in the Contract. The Bidder will be notified in writing and will be allowed a reasonable period of time to provide detailed keel block load distribution sketches and blocking stability considerations, along with the supporting calculations to clearly show the adequacy of the proposed docking arrangement.

Before contract award and within 24 hours of written notification by the Contracting Authority the Bidder must provide current and valid certification of the capacity and condition of the docking facility to be used for the Work. The certification must be provided by a recognized consultant or classification society and must have been issued within the past two years.

Although a dry docking facility may have a total capacity greater than the vessel to be docked, the weight distribution of the vessel may cause individual block loading to be exceeded. Also, while the physical dimensions of a dry docking facility may indicate acceptability for docking of a specific vessel, other limitations such as spacing of rails on a marine railway, concrete piers or abutments adjoining the dry dock may, preclude the facility from being considered as a possible dry docking site and render the bid non-responsive.

(If the Bidder intends to use the Public Works and Government Services Graving Dock in Esquimalt, B.C., then the certification is not required.)

2.9 List of Proposed Sub-contractors

If the bid includes the use of subcontractors, the Bidder agrees, upon written request from the Contracting Authority, to provide a list of all subcontractors including a description of the things to be purchased, a description of the work to be performed by specification section and the location of the performance of that work. The list should not include the purchase of off-the-shelf items, software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business, or the provision of such incidental services as might ordinarily be subcontracted in performing the Work, i.e. subcontract work valued at less than \$500.00

2.10 Quality Plan - Solicitation

Before contract award and within *five (5)* working days of written notification by the Contracting Authority the Bidder may be required to provide an example of its Quality Plan for the specification item listed below. The Plan must be in the same format that will be used after award of contract. The Quality Plan may reference other documents. Where referenced documents do not already exist, but are required by the Quality Plan, the plan must identify them and also identify when, how and by whom they will be prepared and approved.:

Specification 12-13158 Docking and Undocking

2.11 Inspection and Test Plan

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder may be required to provide an example of its Inspection Plans.

2.12 Vessel Refit and Repair - Cost

The following costs must be included in the evaluation price:

1. Services: include all costs for any ship services not provided on-site such as water, steam, electricity, HP air, etc., required for vessel maintenance for the duration of the Contract. This price must be firm and is subject to increase only if the period of the Contract is extended with the approval of the Contracting Authority.
2. Docking and Undocking
 - a. all costs resulting from drydocking, wharfage, security, shoring, shifting and/or moving of the vessel within the successful Bidder's facility;
 - b. the cost of services to tie up the vessel alongside and to cast off.
Unless specified otherwise, the vessel will be delivered by Canada to the successful Bidder's facility alongside a mutually agreed safe transfer point, afloat and upright, and the successful Bidder will do the same when the Work is completed. The cost of services to tie up the vessel alongside and to cast off must be included in the evaluation price.
3. Field Service Representatives/Supervisory Services: include all costs for field service representatives/supervisory services including manufacturers' representatives, engineers, etc.
These services must not be an extra charge except where unscheduled work requiring these services is added to the Contract.
4. Removals: include all costs for removals necessary to carry out the Work and will be the responsibility of the successful Bidder whether or not they are identified in the specifications, except those removals not apparent when viewing the vessel or examining the drawings. The successful Bidder will also be responsible for safe storage of removed items and reinstalling them on completion of the Work. The

successful Bidder will be responsible for renewal of components damaged during removal.

5. Sheltering, Staging, Cranage and Transportation: include the cost of all sheltering, staging including handrails, cranage and transportation to carry out the Work as specified. The successful Bidder will be responsible for the cost of any necessary modification of these facilities to meet applicable safety regulations.

PART 3 - BID PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

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

Section I: Management Bid (*I* hard copy)

Section II: Financial Bid (*I* hard copy)

Section III: Certifications Requirements (*I* hard copy)

Prices must appear in the financial bid only. No prices must be indicated in any other section of the bid.

Canada requests bidders to 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; and
- (c) include the certifications as a separate section of the bid.

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 are encouraged to :

- 1) use paper containing fiber certified as originating from a sustainably-managed forest and/or 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.

If bids are submitted by facsimile in accordance with 2003 Standard Instructions, Section 08(3) as modified under Part 2, Article 1, then the bid should be provided in the same three section format as for hard copies.

Section I: Management Bid

The Management Bid should be concise and should include all the certifications and other requirements as noted in Parts 5 and 6.

Section II: Financial Bid

Bidders must submit their financial bid in accordance with the Financial Bid Presentation Sheet Annex I and the detailed Pricing Data Sheet, Appendix 1 to Annex I.

Section III: Certification Requirements

Bidders must submit the certifications required in accordance with Part 5. If these certifications do not accompany the bid documents at the time of bid submission, they will be requested by the Contracting Authority as detailed in Part 6.

3.1.2 SACC Manual Clauses

C0417T Unscheduled Work and Evaluation Price 2008-05-12

3.1.3 NOT USED Financial Security

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

Bids will be assessed in accordance with the entire requirement of the bid solicitation including compliance with the mandatory certifications and table of deliverable requirements as detailed in Parts 5 & 6. Any additional information which supports the bid will be requested as required by the Contracting Authority as indicated in Part 6. Only those bids which are found to meet all the mandatory requirements and the submission of acceptable additional information within the specified time frames will be deemed responsive.

4.2 Basis of Selection

4.2.1 SACC Manual Clauses

A0069T Basis of Selection 2007-05-25

4.3 Public Bid Opening

A public bid opening will be held in 1230 Government Street, Victoria, B.C. at 14:30 PST on the date noted on page one (1) of this Bid Solicitation.

PART 5 - CERTIFICATIONS

5.1 General

Bidders must provide the required certifications to be awarded a contract. Canada will declare a bid non-responsive if the required certifications 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 the 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 or to comply with the request of the Contracting Authority for additional information will also render the bid non-responsive.

5.2 Certifications Precedent to Contract Award

The certifications listed below should be submitted with the bid but may be completed and submitted afterwards. If any of these required certifications is not completed or 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.

5.2.1 Federal Contractors Program for Employment Equity - over \$25,000 and below \$200,000

Suppliers who are subject to the Federal Contractors Program (FCP) and have been declared ineligible contractors by Human Resources and Skills Development Canada (HRSDC) are no longer eligible to receive federal 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.

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, 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, 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;
- (d) () has not been declared an ineligible contractor by HRSDC, and has a valid certificate number as follows: _____.

Further information on the FCP is available on the HRSDC Web site.

Signature

Name

Title

Date

PART 6 - FINANCIAL, SECURITY AND OTHER REQUIREMENTS

6.1 NOT USED - Security Requirement

6.2 Financial

6.2.1 NOT USED - Contract Financial Security

6.2.2 Financial Capability Requirement

SACC Manual Clause A9033T Financial Capability 2011-05-16

6.3 Accommodation

Before contract award and within *five (5)* working days of written notification by the Contracting Authority, the Bidder must provide details of the accommodation proposed. This information is to include an accommodation arrangement drawing and details about materials and furnishings.

6.4 Parking

Before contract award and within *five (5)* working days of written notification by the Contracting Authority the Bidder must provide details of the parking proposed.

6.5 Material and Supply Support

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide details of its proposed material and supply support.

6.6 Workers' Compensation Certification - Letter of Good Standing

The Bidder must have an account in good standing with the applicable provincial or territorial Workers' Compensation Board.

The Bidder must provide, within twenty-four (24) hours following a request from the Contracting Authority, a certificate or letter from the applicable Workers' Compensation Board confirming the Bidder's good standing account. Failure to comply with the request may result in the bid being declared non-responsive.

6.7 Welding Certification

1. Welding must be performed by a welder certified by the Canadian Welding Bureau and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:

- (a) CSA W47.1-03 (R2008), Certification of Companies for Fusion Welding of Steel (*Minimum Division Level 2.1*); and

(b) CSA W47.2-M1987 (R2008),, Certification of Companies for Fusion Welding of Aluminum (*Minimum Division Level 2.1*).

2. Before contract award and within twenty-four (24) hours of the written request by the Contracting Authority, the Bidder must submit evidence demonstrating its (or its subcontractor's) certification to the welding standards. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.

6.8 NOT USED - Valid Labour Agreement

6.9 Project Schedule

Before contract award and within twenty-four (24) hours of written notification by the Contracting Authority the Bidder must submit to Canada one (1) copy of its preliminary production work schedule. This schedule is to show the commencement and completion dates for the Work in the available work period, including realistic target dates for significant events. This schedule will be reviewed with the Bidder at the Pre-Refit Meeting.

Before contract award and within twenty-four (24) hours of written notification by the Contracting Authority the Bidder must provide a sample output from its scheduling system including a typical progress report, a quality control inspection report and a milestone event network. (*Derived from - Provenant de: A0011T, 2007-05-25*)

6.10 Safety Measures For Fueling and Disembarking Fuel

Fueling and disembarking fuel from Canadian government vessels must be conducted under the supervision of a responsible supervisor trained and experienced in these operations.

Before contract award and within *five (5) working days* of written notification by the Contracting Authority the Bidder must provide details of its safety measures for fueling and disembarking fuel together with the name and experience of the person in charge of this activity.

6.11 ISO 9001:2008 - Quality Management Systems

Before contract award and within twenty-four (24) hours of written notification by the Contracting Authority the Bidder must provide its current ISO Registration Documentation indicating its registration to ISO 9001:2008. Documentation and procedures of bidders not registered to the ISO standards may be subject to a Quality System Evaluation (QSE) by the Quality Assurance Authority before award of a contract.

6.12 Environmental Protection

Before contract award and within five (5) working days of written notification by the Contracting Authority, the Bidder must submit details of its environmental emergency response plans, waste management procedures and/or formal environmental training undertaken by its employees. In addition, the Bidder must submit samples of its processes and procedures pertinent to the completion of the Work.

6.13 Insurance Requirements

The Bidder must provide a letter from an insurance broker or an insurance company licensed to operate in Canada stating that the Bidder, if awarded a contract as a result of the bid solicitation, can be insured in accordance with the Insurance Requirements specified in Annex C.

If the information is not provided in the bid, 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.

6.14 NOT USED - Controlled Goods

6.15 NOT USED - Jurisdictions-HMC Dockyard

6.16 Tables of Deliverables

6.16.1 Mandatory Deliverables

Notwithstanding deliverable requirements specified anywhere else within this bid solicitation and its associated Technical Specifications, the following are the only mandatory deliverables that must be submitted with the bid documents at the time of bid closing. The following are mandatory and the Bidder must be compliant on each item to be considered responsive.

Item	Description	Completed and Attached
1	<u>Invitation To Tender</u> document part 1 page 1 completed and signed;	
2	<u>Completed Annex "T" Financial Bid presentation Sheet</u>	
3	<u>Completed Appendix 1 to Annex "T" Pricing Data Sheets</u>	

6.16.2 Supporting Deliverables

If the following information which supports the bid is not submitted with the bid; it will be requested by the Contracting Authority and it must be provided within 24 hours of the written request:

Item	Description	Completed and Attached	To be forwarded if requested by the CA
1	Changes to Applicable Laws (if any) as per article 2.4		
2	Docking Facility Certificate, as per article 2.8		
3	Subcontractor List (if any) as per article 2.9		
4	Certification as per article 5.2.1		
5	NOT USED - Financial Security information as per Article 6.2.1		
6	Proof of good standing with Worker's Compensation Board as per article 6.6		
7	Proof of welding certification, as per article 6.7		
8	NOT USED - Proof of valid Labour Agreement or similar instrument covering the work period as per article 6.8		
9	Preliminary Work Schedule as per article 6.9		
10	ISO Registration Certificate or Quality Assurance Documentation, as per article 6.11		
11	Project Management Team Details, as per article H1.4		

6.16.3 Supplementary Deliverables

The following information, which supports the bid, may be requested by the Contracting Authority and it must be provided within 5 working days of the written request:

Item	Description	Completed and Attached	To be forwarded if requested by the CA
1	Docking facility information and calculations, as per article 2.8		
2	Examples of quality and inspections plans, as per articles 2.10 and 2.11		
3	Financial Statements and information, as per article 6.2.2		
4	Details of accommodation, as per article 6.3		
5	Details of parking Arrangements, as per article 6.4		
6	Details of their Material Management Support system, as per article 6.5		
7	Examples of work schedules, tracking and reporting, as per article 6.9		
8	Safety Measures for Fueling and Disembarking Fuel as per article 6.10		
9	Details of environmental emergency response plans and waste management procedures, as per article 6.12		
10	Details of formal environmental training undertaken by employees, as per article 6.12		
11	NOT USED -Proof that the bidder is registered, exempt or excluded under the Controlled Goods Program, as per article 6.14		
12	Either proof of insurance coverage as required by article 7.11 or the letter as per article 6.13.		

PART 7 - RESULTING CONTRACT CLAUSES

The following clauses and conditions apply to and form part of any contract resulting from the bid solicitation.

7.1 Statement of Work

The Contractor must:

1. The Statement of Work is:

- a. To Carry out the docking and refit of the Department of National Defence (DND) Vessel *YFB 613* in accordance with the associated Technical Specifications detailed in the Statement of Work and Project Management Services attached as Annexes A and H. For specifications, drawings, test sheets, annexes and appendices, bidders are requested to contact the Contracting Authority identified in the bid solicitation.

- b. Carry out any approved unscheduled work not covered in paragraph a. above.

7.2 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 (<http://ccua-sacc.tpsgc-pwgsc.gc.ca/pub/acho-eng.jsp>) Manual issued by Public Works and Government Services Canada.

7.2.1 General Conditions

2030, 2011-05-16, General Conditions - Higher Complexity - Goods, apply to and form part of the Contract. Section 22 of 2030 is amended in Annex E Warranty.

7.2.2 Supplemental General Conditions

1029, Ship Repairs, 2010-08-16, apply to and form part of the Contract.

7.3 Security Requirement

1. Access to Port Facilities and Government vessels is controlled. The Contractor must comply with applicable requirements. A system of positive identification, sign-in and out, and wearing of identification badges while within Port facilities or on board Government vessels is required.
2. The Contracting and the Technical Authority reserve the right to direct that Contractor's personnel be security cleared as necessary.

7.4 Term of Contract**7.4.1 Work Period -Marine**

1. Work must commence and be completed as follows:

Commence: 16 March 2012

Complete: 5 April 2012.

2. The Contractor certifies that they have sufficient material and human resources allocated or available and that the above work period is adequate to both complete the known work and absorb a reasonable amount of unscheduled work.

7.5 Authorities**7.5.1 Contracting Authority**

The Contracting Authority for the Contract is:

Fintan Quilty, Technical Inspector
 Public Works and Government Services Canada
 Pacific Region, Acquisitions, Marine
 401, 1230 Government Street,
 Victoria, B.C., V8W 3X4
 Telephone: 250-363-0218 Facsimile: 250-363-3960
 E-mail address: fintan.quilty@pwgsc-tpsgc.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.

7.5.2 Technical Authority

The Technical Authority for the Contract is:

Name: Mike Godin
 Title: Contracts Administrator
 Organisation: Department of National Defence, Fleet Maintenance
 Facility-Cape Breton
 Address: Building 250, Dockyard, PO Box 17000 STN
 forces, Victoria, BC V9A7N2
 Telephone: 250-363-5862 Facsimile:
 250-363-1090
 E-mail: Michel.Godin2@forces.gc.ca.

The Technical Authority 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.

7.5.3 Inspection Authority

The Technical Authority is the Inspection Authority, and the Quality Assurance Representative (QAR). All reports, deliverable items, documents, goods and all services rendered under the Contract are subject to inspection by the Inspection Authority or representative. Should any report, document, good or service not be in accordance with the requirements of the Statement of Work and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority will have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment.

7.6 Payment

7.6.1 Basis of Payment - Firm Price . Firm Unit Price(s) or Firm Lot Price (s)

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price as specified in Annex B. Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.

7.6.2 Limitation of Price

SACC Manual clause C6000C, 2011-05-16, Limitation of Price

7.6.3 Method of Payment

SACC Manual Clause H1000C, 2008-05-12, Single Payment

7.6.4 Warranty Holdback

A warranty holdback of 3% will be applied to the final claim for payment. This holdback will be payable by Canada upon the expiry of the 90 day warranty period(s) applicable to the Work. Goods and Services Tax or Harmonized sale Tax (GST/HST), as appropriate, is to be calculated and paid on the total amount of the claim before the 3 percent holdback is applied. At the time that the holdback is released, there will be no GST/HST payable, as it was included in the previous payments.

7.6.5 SACC Manual Clauses

C0711C, 2008-05-12, Time Verification

7.7 Invoicing Address

7.7.1 The Contractor must submit invoices in accordance with the information required in Section 13 of 2030 General Conditions Higher Complexity Goods, article 7.6.2 Method of Payment and request for progress payment section 7.7.3.

7.7.2 Invoices are to be made out to:

Fleet Maintenance Facility- Cape Breton
 Building 250, Dockyard
 Stn Forces PO Box 17000
 Victoria BC, V9A7N2, Canada.
 Attention: Mike Godin

The original invoice is to be forwarded for verification to:

Public Works and Government Services Canada
 Pacific Region
 Acquisitions, Marine
 401-1230 Government Street
 Victoria, B.C. V8W 3X4 Attention: Fintan Quilty

7.8 Certifications**7.8.1 SACC Manual Clause**

SACC Manual clause A3015CCertifications 2008-12-12

7.9 Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in _____. **(To be completed by the Contract Authority at Contract Award)**

7.10 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 1029, 2010-08-16, Ship Repairs;
- c. the General Conditions 2030, 2011-05-16, Higher Complexity - Goods - as modified in Annex E;
- d. Annex A, Statement of Work;
- e. Annex B, Basis of Payment;
- f. Annex C, Insurance Requirements;
- g. Annex D, Inspection/Quality Assurance/Quality Control;
- h. Annex E, Warranty;
- i. **NOT USED** - Annex F, Conditions Precedent to Payment (Progress Claims)
- j. **NOT USED** - Annex G, Security Requirements Check List;
- k. Annex H, Project Management Services;

-
1. the Contractor's bid dated _____ (*insert date of bid*), as amended _____ (*insert date(s) of amendment(s) if applicable*)

7.11 Insurance Requirements/Limitation of Liability

7.11.1 Insurance Requirements

The Contractor must comply with the insurance requirements specified in Annex C. The Contractor must maintain the required insurance coverage for the duration of the Contract. Compliance with the insurance requirements will not release the Contractor from or reduce its liability under the Contract.

The Contractor is responsible to decide if additional insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any additional insurance coverage will be at the Contractor's expense, and for its own benefit and protection.

The Contractor must (if requested) forward to the Contracting Authority within ten (10) days after the date of award of the Contract a Certificate of Insurance including details of the insurance coverage, exclusions, deductibles and conditions and confirming that the insurance policy complying with the requirements is in force. The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

7.11.2 Limitation of Contractor's Liability for Damages to Canada

1. This section applies despite any other provision of the Contract and replaces the section 26 of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.
2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of, or failure to perform the Contract is limited to \$10,000,000.00 per incident or occurrence, to an annual aggregate of \$20,000,000 for damages caused in any one year of carrying out of the Contract, each such year starting on the date of coming into force of the Contract or its anniversary, and to a total maximum liability of \$40,000,000.00. This limitation of the Contractor's liability does not apply to:
 - (a) any infringement of intellectual property rights; or
 - (b) any breach of warranty obligations.
3. Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim against Canada or the Contractor. If Canada is required, as a result of joint and several

liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada for that amount.

7.12 NOT USED Financial Security

7.13 Accommodation

The Contractor must provide accommodations and services in accordance with the Statement of Work for the period of the Contract, commencing two (2) weeks before the work period and completing two (2) weeks after the work period.

7.14 Parking

The Contractor must provide two (2) reserved parking spaces within the confines of the shipyard for Government personnel which are to be clearly designated "for Canadian Government use only" for the period of the Contract, commencing one (1) week before the work period and completing one (1) week after the work period.

7.15 Sub-contracts and Sub-contractor List

The Contracting Authority is to be notified, in writing, of any changes to the list of subcontractors before commencing the work.

When the Contractor sub-contracts work, a copy of the sub-contract purchase order is to be passed to the Contracting Authority. In addition, the Contractor must monitor progress of sub-contracted work and inform the QAR on pertinent stages of work to permit inspection when considered necessary by the Inspection Authority.

7.16 Project Schedule

No later than *three (3) Working Days* after contract award, the preliminary schedule must be revised and expanded as necessary and resubmitted before commencement of the Work.

The Contractor must provide a detailed work schedule showing the commencement and completion dates for the Work in the available work period, including realistic target dates for significant events. During the work period the schedule is to be reviewed on an ongoing basis by the QAR and the Contractor, updated when necessary, and available in the Contractor's office for review by Canada's authorities to determine the progress of the Work.

The schedules must be revised on a pre-defined basis. The revised schedules must show the effect of progressed work and approved work arisings. Changes in scheduled completion dates due to unscheduled work will not be accepted except as negotiated under Design Change or Additional Work clause 7.26

7.17 Insulation Materials - Asbestos Free

All materials used to insulate or re-insulate any surfaces on board the vessel must meet Transport Canada Marine standards, for commercial marine work, and, for all work, be free from asbestos in any form. The Contractor must ensure that all machinery and equipment located below or adjacent to surfaces to be re-insulated are adequately covered and protected before removing existing insulation.

7.18 NOT USED - Loan of Equipment - Marine**7.19 Trade Qualifications**

The Contractor must use qualified, certificated (if applicable) and competent tradespeople and supervision to ensure a uniform high level of workmanship. The Inspection Authority may request to view and record details of the certification and/or qualifications held by the Contractor's tradespeople. This request should not be unduly exercised but only to ensure qualified trades people are on the job.

7.20 Material and Supply Support

The Contractor must provide Material Management support systems which meet the requirements detailed in the Statement of Work.

7.21 ISO 9001:2008 - Quality Management Systems

In the performance of the Work described in the Contract, the Contractor must comply with the requirements of:

ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of the Contractor's bid with the exclusion of the following requirement:

7.3 Design and Development

It is not the intent of this clause to require that the Contractor be registered to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard.

Assistance for Government Quality Assurance (GQA):

The Contractor must provide the Quality Assurance Representative (QAR) with the accommodation and facilities required for the proper accomplishment of GQA and must provide any assistance required by the QAR for evaluation, verification, validation, documentation or release of product.

The QAR must have the right of access to any area of the Contractor's or subcontractor's facilities where any part of the Work is being performed. The QAR must be afforded unrestricted opportunity to evaluate and verify Contractor conformity with quality system procedures and to validate product conformity with the requirements of the Contract. The Contractor must make available for reasonable use by the QAR the equipment necessary for all validation purposes. Contractor personnel must be made available for operation of such equipment as required.

When the QAR determines that GQA is required at a subcontractor's facilities, the Contractor must provide for this in the purchasing document and forward copies to the QAR, together with relevant technical data as the QAR may request.

The Contractor must notify the QAR of non-conforming product received from a subcontractor when the product has been subject to GQA.

7.22 Quality Plan

No later than five (5) days after the effective date of the Contract, the Contractor must submit for acceptance by the Department of National Defence (DND) a Quality Plan prepared according to the latest issue (at contract date) of ISO 10005:2005 "Quality management systems - Guidelines for quality plans". The Quality Plan must describe how the Contractor will conform to the specified quality requirements of the Contract and specify how the required quality activities are to be carried out, including quality assurance of subcontractors. The Contractor must include a tractability matrix from the elements of the specified quality requirements to the corresponding paragraphs in the Quality Plan.

The documents referenced in the Quality Plan must be made available when requested by Public Works and Government Services Canada or DND.

If the Quality Plan was submitted as part of the bidding process, the Contractor must review and, where appropriate, revise the submitted plan to reflect any changes in requirements or planning which may have occurred as a result of pre-contract negotiations.

Upon acceptance of the Quality Plan by DND, the Contractor must implement the Quality Plan. The Contractor must make appropriate amendments to the Quality Plan throughout the term of the contract to reflect current and planned quality activities. Amendments to the Quality Plan must be acceptable to DND.

7.23 Welding Certification

1. The Contractor must ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:

- a. CSA W47.1-03 (R2008), Certification for Companies for Fusion Welding of Steel (Minimum division level 2.1); and
 - b. CSA W47.2-M1987 (R2008), Certification for Companies for Fusion Welding of Aluminum (Minimum division level 2.1).
2. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.
3. Before the commencement of any fabrication work, and upon request from the Inspection Authority, the Contractor must provide approved welding procedures and/or a list of welding personnel he intends to use in the performance of the Work. The list must identify the CWB welding procedure qualifications attained by each of the personnel listed and must be accompanied by a copy of each person's current CWB welding certification.

7.24 Environmental Protection

The Contractor and its sub-contractors engaged in the Work on a Canadian Government vessel must carry out the Work in compliance with applicable municipal, provincial and federal environmental laws, regulations and industry standards.

The Contractor must have detailed procedures and processes for identifying, removing, tracking, storing, transporting and disposing of all potential pollutants and hazardous material encountered, to ensure compliance as required above.

All waste disposal certificates are to be provided to the QAR, with information copies sent to the Contracting Authority. Furthermore, additional evidence of compliance with municipal, provincial and federal environmental laws and regulations is to be furnished by the Contractor to the Contracting Authority when so requested.

The Contractor must have environmental emergency response plans and/or procedures in place. Contractor and subcontractor employees must have received the appropriate training in emergency preparedness and response. Contractor personnel engaging in activities which may cause environmental impacts or potential non compliance situations, must be competent to do so on the basis of appropriate education, training, or experience.

7.25 Supervision of Fueling and Disembarking Fuel

The Contractor must ensure that fueling and disembarking of fuel from Canadian government vessels are conducted under the supervision of a responsible supervisor trained and experienced in these operations.

7.26 Procedures For Design Change or Additional Work

SACC Manual Clause B5007C Procedures for Design Change or Additional Work 2010-01-11.

7.27 Equipment/Systems: Inspection/Test

Refer to Annex D for details on equipment and systems inspections and testing requirements.

7.28 Inspection and Test Plan

The Contractor must implement an approved Inspection and Test Plan (ITP) in support of its QCP.

The Contractor must provide, at no additional cost to Canada, all applicable test data, all Contractor technical data, test pieces and samples as may reasonably be required by the QAR to verify conformance to contract requirements. The Contractor must forward at his expense such technical data, test data, test pieces and samples to such location as the QAR may direct. Refer to Annex D for details on Inspection and Test Plan Requirements.

7.29 Vessel Custody

1. This work is going to take place with the vessel "out of commission" and therefore in the "care, control and custody" of the Contractor.
2. An "ACCEPTANCE CERTIFICATE - ASSUMPTION OF HMC SHIPS BY SHIPYARDS" (Figure 13-1-3 from C-03-005-012/AM-001 Naval Maintenance Management System Manual Vol. 1 attached as Appendix 1 to Annex C) must be completed as required and the final signed copy passed to the QAR.
3. To facilitate this turnover, representatives of the Contractor and Canada must confirm the condition of the vessel.
4. A vessel condition report (Annex K from C-03-005-012/AM-004 Naval Maintenance Management System Vol. 4 attached as Appendix 3 to Annex C) must be appended to the above noted certificate and must be accompanied by colour photographs or videos in either conventional or digital format.
5. When the vessel is to be returned to the "care, control and custody" of Canada, an ACCEPTANCE CERTIFICATE - "RESUMPTION OF CUSTODY OF H.M.C. SHIPS BY SHIP'S COMMANDING OFFICER" (Figure 13-1-4 from C-03-005-012/AM-001 Naval Maintenance Management System Vol. 1 attached as Appendix 2 to Annex C) must be completed and the final signed copy passed to the QAR for Distribution

7.30 Vessel Unmanned Refits

SACC Manual Clause A0024C Vessel Unmanned Refit 2010-08-16

7.31 Pre-Work Period Meeting

A Pre-Work Period meeting will be convened and chaired by the Contracting Authority prior to the commencement of the work period.

7.32 Meetings

Progress Meetings, chaired by the Contracting Authority, will take place as and when required. Contractor's attendees at these meetings will, as a minimum, be its Contract (Project) Manager, Production Manager (Superintendent) and Quality Assurance Manager.

7.33 Outstanding Work and Acceptance

1. The acceptance of ships and vessels must be done in accordance with the procedures of Naval Maintenance Management System, C-03-005-012/AM-001, Part 13, using form CF 1148, Report of Inspection of (SHIP) and, as applicable, form CF 702, Acceptance of (SHIP) into the Canadian Forces.

The QAR, in conjunction with the Contractor, will prepare a list of outstanding work items towards the end of the vessel Work period. This list will form the annexes to the formal acceptance document for the vessel. A Contract Completion Meeting will be convened by the Contracting Authority on the work completion date to review and sign off the Acceptance Document. In addition to any amount held under the Warranty Holdback Clause, a holdback of twice the estimated value of outstanding work will be held until completion of said work. The Goods and Services Tax or Harmonized Sales Tax (GST/HST), as appropriate, is to be calculated on this outstanding work hold-back amount and not paid as the work has yet to be completed. At the time that the outstanding work holdback is released, GST/HST will be payable, on the amount of the holdback as it was not included in the previous payments.

2. The form will be distributed by the Contracting Authority as follows:
 - a. original to the Contracting Authority;
 - b. one copy to the Technical Authority;
 - c. one copy to the Contractor.

7.34 Licensing

The Contractor must obtain and maintain all permits, licenses and certificates of approval required for the Work to be performed under any applicable federal, provincial or municipal legislation. The Contractor is responsible for any charges imposed by such legislation or regulations. Upon request, the Contractor must provide a copy of any such permit, license or certificate to Canada.

7.35 Hazardous Waste

SACC Manual Clause A0290C Hazardous Waste - Vessels 2008-05-12

7.36 NOT USED - Canadian Forces Site Regulations

7.37	Scrap and Waste Material			
	SACC Manual Clause	A9055C	Scrap and Waste Material	2008-05-12
7.38	Stability			
	SACC Manual Clause	B6100C	Stability	2008-05-12
7.39	Vessel - Access by Canada			
	SACC Manual Clause	A9066C	Vessel - Access by Canada	2008-05-12
7.40	Title to Property - Vessel			
	SACC Manual Clause	A9047C	Title to Property - Vessel	2008-05-12
7.41	Workers Compensation			
	SACC Manual Clause	A0285C	Workers Compensation	2007-05-25
7.42	Defence Contract			
	SACC Manual Clause	A9006C	Defence Contract	2008-05-12
7.43	NOT USED - Controlled Goods Program			
7.44	NOT USED - Jurisdictions-HMC Dockyard			

Solicitation No. - N° de l'invitation

W3555-125825/A

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

xlv177

Client Ref. No. - N° de réf. du client

W3555-125825

File No. - N° du dossier

XLV-1-34636

CCC No./N° CCC - FMS No/ N° VME

ANNEX A - STATEMENT OF WORK

The entire Statement of Work is a set of separate electronic documents.

To obtain a full copy of the Statement of Work, Bidders must request the documents in writing from the Contracting Authority in Article 7.5.1.

ANNEX B - BASIS OF PAYMENT

Remark to Bidder: *Annex B will form the Basis of Payment for the resulting contract and should not be filled in at the bid submission stage.*

B1 Contract Price

a.	Known Work For work as stated in Part 7 article 7.1, Specified in Annex A and detailed in the attached Pricing Data Sheets at Appendix 1 to this Annex (<i>to be inserted at contract award</i>) for a FIRM PRICE of:	\$_____X_____
b.	GST/HST Estimated at (12%) of Line a. only	\$_____X_____
c.	Total Firm Price GST/HST Included [a + b]: For a FIRM PRICE of :	\$_____X_____

B2 Unscheduled Work

1. Price Breakdown:

The Contractor must, upon request, provide a price breakdown for all unscheduled work, by specific activities with trades, person-hours, material, subcontracts and services.

2. Pro-rated Prices:

Hours and prices for unscheduled work will be based on comparable historical data applicable to similar work at the same facility, or will be determined by pro-rating the quoted work costs in the Contract when in similar areas of the vessel.

3. Payment for Unscheduled Work:

The Contractor will be paid for unscheduled work arising, as authorized by Canada. The authorized unscheduled work will be calculated as follows:

Number of hours (to be negotiated) X \$_____, being the Contractor's firm hourly charge-out labour rate which includes overhead and profit, plus net laid-down cost of materials to which will be added a mark-up of 10 percent, plus Goods and Services Tax or Harmonized Sales Tax, if applicable, calculated at _____ percent of the total cost of material and labour. The firm hourly charge-out labour rate and the material mark-up will remain firm for the term of the Contract and any subsequent amendments.

B2.1 Notwithstanding definitions or usage elsewhere in this document, or in the Contractor's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject work

package. Elements of *Related Labour Costs* identified in B2.2, will not be negotiated, but will be compensated for in accordance with B2.2.

B2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* set out in clause B2.

B2.3: The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. The Contractor will not be entitled to a separate labour component for the purchase and handling of materials or subcontract administration.

B3 Overtime

1. The Contractor must not perform any overtime under the Contract unless authorized in advance and in writing by the Contracting Authority. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the details of the overtime performed pursuant to the written authorization. Payment for authorized overtime will be calculated as follows:

(a) For known work, the Contractor will be paid the Contract Price plus authorized overtime hours paid at the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

(b) For unscheduled work, the Contractor will be paid the authorized overtime hours at the quoted charge-out labour rate, plus the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

2. The above premiums will be calculated by taking the average hourly direct labour rate premiums, plus certified fringe benefit, plus profit of 7.5 percent on labour premium and fringe benefits. These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

B4 Lay Day/Berthage Day Fees

In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

a. Lay day fee for a working day: \$_____

b. Lay day fee for a non-working day: \$_____

c. Berthage Fee per day (40 Feet X \$_____ / Foot): \$_____

A lay day is defined as “a day of delay in port” with the vessel docked (i.e. removed from the water) at the contractor’s facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor’s facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

ANNEX C - INSURANCE REQUIREMENTS

C1 Ship Repairers' Liability Insurance

1. The Contractor must either obtain Ship Repairer's Liability Insurance and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence. (*For annual and maximum liabilities see article 7.11.2 of the Contract.*)
2. The Ship Repairer's Liability insurance must include the following:
 - (a) Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by the Department of National Defence and Public Works and Government Services Canada.
 - (b) Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by the Department of Fisheries and Oceans/Canadian Coast Guard and Public Works and Government Services Canada for any and all loss of or damage to the vessel, however caused.
 - (c) Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of cancellation.
 - (d) Contractual Liability: The policy must, on a blanket basis or by specific reference to the contract, extend to assumed liabilities with respect to contractual provisions.
 - (e) Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.

C2 Commercial General Liability

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence (*For annual and maximum liabilities see article 7.11.2 of the Contract.*)
2. The Commercial General Liability Insurance policy must include the following:
 - (a) Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by the Department of National Defence and Public Works and Government Services Canada.
 - (b) Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
 - (c) Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.

-
- (d) Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
 - (e) Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
 - (f) Employees and, if applicable, Volunteers must be included as Additional Insured.
 - (g) Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
 - (h) Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
 - (i) If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
 - (j) Owners' or Contractors' Protective Liability: Covers the damages that the Contractor becomes legally obligated to pay arising out of the operations of a subcontractor.
 - (k) Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
3. In addition, if the Contractor decides **NOT** to obtain Ship Repairers' Liability Insurance, (*See Article CI*) then the Commercial General Liability Insurance Policy must also include the following:
- (a) Products and Completed Operations: Coverage for bodily injury or property damage arising out of goods or products manufactured, sold, handled, or distributed by the Contractor and/or arising out of operations that have been completed by the Contractor.
 - (b) Broad Form Property Damage including Completed Operations: Expands the Property Damage coverage to include certain losses that would otherwise be excluded by the standard care, custody or control exclusion found in a standard policy.
 - (c) Amendment to the Watercraft Exclusion to extend to incidental repair operations on board watercraft.

APPENDIX 1 To ANNEX C**ACCEPTANCE CERTIFICATE****ASSUMPTION OF CUSTODY OF HMC SHIPS BY SHIPYARDS****ACCEPTANCE OF YFB 316**

1. The undersigned, on behalf of the Department of National Defence and ofacknowledge to have handed over and received respectively YFB 316 for the purpose of refit, all in accordance with the terms and conditions of PWGSC Contract Serial Number..... and such documents which form part of the said contract.
2. It is mutually agreed by all parties that the condition report by compartment or area must be considered as an addendum to this agreement; and must be a valid document in the taking over of the vessel by the Contractor, even if the inspection and signing occur after the signing of the agreement but within the agreed ten (10) day period.

SIGNED AT:, BRITISH COLUMBIA

ON THE:DAY OF..... 2011

AT:HOURS.

FOR:
DEPARTMENT OF NATIONAL DEFENCE

FOR:
CONTRACTOR

WITNESSED BY:
.....
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

APPENDIX 2 To ANNEX C**ACCEPTANCE CERTIFICATE****RESUMPTION OF CUSTODY OF H.M.C. SHIPS BY SHIP'S COMMANDING OFFICER**

1. The undersigned, on behalf of.....and of the Department of National Defence, acknowledge to have handed over and to have received respectively the YFB 316 said vessel having been received By on(date), for the purpose Of refit in accordance with the terms and conditions of PWGSC Contract Serial Number.....
2. It is mutually agreed by all parties that the liabilities and responsibilities of....., as defined in Article 9 of PWGSC 1029 Supplemental General Conditions for Ship Repairs, for a vessel out of commission, must automatically cease as at..... hours on (date).
3. That effective from.....hours on the(date) Article 8 of PWGSC 1029 for a vessel "in commission" Must apply, and that responsibility for the care and protection of the said vessel must revert to the Crown.

SIGNED AT:, BRITISH COLUMBIA

ON THE: DAY OF....., 2011

AT:HOURS.

FOR:
(CONTRACTOR)

FOR:
DEPARTMENT OF NATIONAL DEFENCE

WITNESSED BY:
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

APPENDIX 3 To ANNEX C**STATE OF VESSEL UPON TRANSFER TO AND FROM CONTRACTOR**

HMCS/CFAV _____ PMRS NO. _____ PWGSC CONTRACT NO. _____

NOTE: ALL BLOCKS ARE TO BE COMPLETED OR "N/A" INSERTED	PRE-REFIT CHECK	POST-REFIT CHECK
<p>1.0 The undersigned certify that the ship's condition in respect to the specific items noted is as stated below and that to the best of their knowledge no other conditions exist which would jeopardize the ship or its equipment.</p> <p>2.0 <u>HULL OPENINGS</u></p> <p>2.1 All the underwater and side valves are closed and watertight except as noted below:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>2.2 All speed/distance logs housed and watertight except as noted below:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		

3.0 ALL tanks, bilges, voids and peaks have been sounded and contain the amount and type of liquid indicated below

PRE-REFIT			POST-REFIT	
LOCATION	LIQUID TYPE	QUANTITY	LIQUID TYPE	QUANTITY

4.0 HYDROSTATIC INFORMATION (PRE-REFIT)

4.1 Drafts

4.1.1 FWD _____ FT. _____ IN.

4.1.2 AFT _____ FT. _____ IN.

4.1.3 TRIM _____ BY HEAD OR _____ BY STERN

4.1.4 LIST OFF DEGREES _____ PORT OR _____ STBD

4.2 _____

4.2.1 Vessel's stability is considered adequate based on the "FEEL" of the vessel.

4.2.2 Ballast is required as follows or N/A:

AMOUNT (LT)LOCATION

_____	_____
_____	_____
_____	_____
_____	_____

SIGNATURE CO/MASTER _____ DATE: _____

- NOTE: A. "FEEL" of the vessel is related to the vessel being "STIFF" or "TENDER" as it rolls; i.e., Port to Stbd.
- B. When doubt exists as to the vessel's stability or the requirement for ballast, assistance is to be obtained from NEU-NARC.

4.3 The above information will be considered valid unless altered by weight changes indicated on the "UNDocking CERTIFICATE".

5.0 HAZARDS

All decks, compartments and passageways have been inspected and hazards exist as follows:

<u>Location</u>	Type of Hazard (ladder missing, hatches or deckplates out, etc.)
_____	_____
_____	_____
_____	_____

6.0 STORES AND REMOVABLE FIXTURES

6.1 INFLAMMABLE ITEMS All paint, thinners, outboard motor gasoline, etc., has been landed except as follows

<u>LOCATION</u>	<u>TYPE</u>	<u>AMOUNT</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6.2 PUBLICATIONS AND MANUALS ONBOARD FOR REFIT:

<u>LOCATION</u>	<u>TYPE</u>	<u>AMOUNT</u>

6.3 MISCELLANEOUS STORES: All stores landed except as follows:

<u>LOCATION</u>	<u>TYPE</u>	<u>AMOUNT</u>

6.4 PORTABLE FIRE FIGHTING EQUIPMENT: All equipment landed except as follows:

<u>LOCATION</u>	<u>TYPE</u>	<u>AMOUNT</u>

6.5 All removable fixtures, furnishings and furniture have been removed except as follows:

<u>LOCATION</u>	<u>TYPE</u>	<u>AMOUNT</u>

7.0 KEYS/KEYBOARD

7. The keyboard has been mustered and all compartments are accessible.

Keyboard Location_____
Signature Vessel CO/Master

7.2 Keys/Keyboard received by CFTSD (Pre-Refit)

Signature _____ Dated _____

7.3 Keys/Keyboard received by Vessel (Post-Refit)

Signature _____ Dated _____

8.0 SPECIAL REQUIREMENTSPRE-REFITPOST-REFIT

8.1 Shafts are locked by the following means on docking marks

INITIALS _____

8.2 Rudder locking pins are installed.

INITIALS _____

8.3 Propeller nut wrench is on board.

LOCATION INITIALS _____

8.4 Fuel deck fitting is on board.

LOCATION INITIALS _____

8.5 Pre-Refit V.A. readings for all rotating machinery are:

INITIALS _____

8.6 Main and auxiliary engine logs for last run are located.

LOCATION

INITIALS

9.0 SYSTEMS

The following systems have been tested and are:

	<u>Functional</u>	<u>Defects in PMRS</u>	<u>N/A</u>	<u>POST-REFIT COMMENTS</u>
Sanitary				
Fresh Water				
Fuel Transfer				
Heating				
Refrigeration				
C02				
Firemain				
Bilge Suction				

10.0 STATE OF MACHINERY AND/OR EQUIPMENT

	FUNCTIONAL	NON-FUNCTIONAL	IN PMRS	N/A	COMMENTS	INITIALS
No. 1 Main Engine						
No. 2 Main Engine						
No. 1 Aux. Engine						
No. 2 Aux. Engine						
No. 1 Generator						
No. 2 Generator						
Main Switchboard						
No. 1 MG Set						
No. 2 MG Set						
Fuel Oil Transfer Pump						
Fuel Oil Standby Pump						

10.0 STATE OF MACHINERY AND/OR EQUIPMENT (Continued)

	FUNCTIONAL	NON-FUNCTIONAL	IN PMRS	N/A	COMMENTS	INITIALS
Lube Oil Transfer Pump						
Sanitary Pump						
Fresh Water Pump						
Auxiliary Boiler						
No. 1 Air Compressor						
No. 2 Air Compressor						
No. 1 Gen. Service Pump						
No. 2 Gen. Service Pump						
Steering System						
Shafting						
Propellers						

10.0 STATE OF MACHINERY AND/OR EQUIPMENT (Continued)

	FUNCTIONAL	NON-FUNCTIONAL	IN PMRS	N/A	COMMENTS	INITIALS
Rudders						
Stern Tubers/Glands						
Capstan						
Warping Winch						
Davits						
Fans						
Miscellaneous						

11.0 EQUIPMENT REQUIRED FOR SEA TRIALS

Check () as to state and/or responsibility.

	<u>FUNCTIONAL</u>	<u>MFG/DKYD</u>	<u>PMRS</u>	<u>N/A</u>
11.1 <u>NAVIGATIONAL</u>				
Radios	_____	_____	_____	_____
Radar	_____	_____	_____	_____
Echo Sounder	_____	_____	_____	_____
Nav. Lights	_____	_____	_____	_____
Gyro and Repeats	_____	_____	_____	_____
Magnetic Compass	_____	_____	_____	_____
11.2 <u>LIFE SAVING</u>				
Liferafts	_____	_____	_____	_____
Kisby Floats	_____	_____	_____	_____
Life Jackets	_____	_____	_____	_____
Lifeboats	_____	_____	_____	_____
First-Aid Kit	_____	_____	_____	_____
NOK Forms CF 742	_____	_____	_____	_____
11.3 <u>FIREFIGHTING</u>				
Portable Equipment	_____	_____	_____	_____
CO ₂ System	_____	_____	_____	_____
Storing and Tools	_____	_____	_____	_____
AEL's	_____	_____	_____	_____
Emergency Org. Chart	_____	_____	_____	_____

12.0 CERTIFICATION (Pre-Refit)

I certify the condition of the vessel to be as stated above.

Representing Command

Date

I accept the vessel in the condition stated above.

Representing Contractor

Date

Representing CFTSD

Date**13.0 CERTIFICATION (Post-Refit)**

To be completed only when direct transfer between civilian contractors occurs.

I certify the condition of the vessel to be as stated above.

Contractor

Date

I accept the vessel in the condition stated above.

Command

Date

ANNEX D - INSPECTION/QUALITY ASSURANCE/QUALITY CONTROL

D1 Inspection and Test Plan (ITP):

1. The Contractor must prepare an Inspection and Test Plan (ITP) comprising individual inspection and test plans for each specification item of this project, in accordance with the Quality Standard and their Quality Control Plan. The ITP must be submitted to the TA for review and amended by the Contractor to the satisfaction of the TA.
 - a. Each ITP must contain all inspection points identified in the specification, or in the Manufacturers Instructions, highlighting points that must be witnessed by the TA and other "hold" points imposed by the Contractor to ensure the quality of the work.
 - b. Milestone delivery date for the ITP is given in the Contract, however individual ITPs should be forwarded for review as developed.
2. Inspection and Test Plan Criteria: Inspection criteria, procedures and requirements are stated in the specifications, drawings, technical orders and reference standards invoked by the Specifications. Test and trial documentation is also included or referenced in the Specification. An individual Inspection and Test Plan (ITP) is required for each Specification item.
 - a. All ITPs must be prepared by the Contractor in accordance with the above criteria, their Quality Plan, and must provide the following reference information:
 - i. the ship's name;
 - ii. the Specification item number;
 - iii. equipment/system description and a statement defining the parameter which is being inspected;
 - iv. a list of applicable documents referenced or specified in the inspection procedure;
 - v. the inspection, test or trial requirements specified in the Specification;
 - vi. the tools and equipment required to accomplish the inspection;
 - vii. the environmental conditions under which the inspections are to be conducted and the tolerances on the inspection conditions;
 - viii. a detailed step-by step procedure of how each inspection is to be performed, conformance parameters, accept/reject criteria and recording of results, deficiencies found and description of corrective action(s) required;
 - ix. name and signature of the person who prepared the plan, date prepared and amendment level; and,
 - x. names and signatures of the persons conducting and witnessing the inspection, test or trial.
3. Contractor Imposed Testing: Tests and trials in addition to those given in the Specification must be approved by the TA.

- a. Amendments: Amendment action for the Inspection and Test Plans must be ongoing throughout the refit and reflect the inspection requirements for unscheduled work. Amendments must be submitted as developed, but not less frequently than once every second week.

D2 Conduct of Inspection

1. Inspections must be conducted in accordance with the ITP as approved by the TA..
2. The Contractor must provide their own staff or subcontracted staff to conduct inspections, tests and trials; excepting that Field Service Representative (FSR), TA or Designated Engineering Authority (DEA) personnel may be designated in the specifications, in which case the Contractor must ensure that their own staff is provided in support of such inspection/test/trial.
3. The Contractor must ensure that the required conditions stated in the ITP prevail at the commencement of, and for the duration of, each inspection/test/trial.
4. The Contractor must ensure that personnel required for equipment operation and records taking during the inspection/test/trial are briefed and available at the start and throughout the duration of the inspection/test/trial. Tradesmen or FSRs who may be required to effect minor changes or adjustments in the installation must be available at short notice.
5. The Contractor is to coordinate the activities of all personnel taking part in each inspection/test/trial and ensure that safe conditions prevail throughout the inspection/test/trial.

D3 Inspection Records and Reports

1. The Contractor on the inspection record, test or trials sheets as applicable must record the results of each inspection. The Contractor must maintain files of completed inspection records consistent with the Quality Standard and their Quality Plan for this project.
2. The Contractor's QC representative (and the FSR when required) must sign as having witnessed the inspection, test or trial on the inspection record. The Contractor must forward originals of completed inspection records, together with completed test(s) and/or trials sheets to the TA.
3. Unsatisfactory inspection/test/trial results, for which corrective action cannot be completed during the normal course of the inspection/test/trial, will require the Contractor to establish and record the cause of the unsatisfactory condition to the satisfaction of the TA. The Crown representatives may assist in identification where appropriate.

4. Corrective action to remove cause of unsatisfactory inspections must be submitted to the TA in writing by the Contractor, for approval prior to affecting such repairs and rescheduling of the unsatisfactory inspection/test/trial.
5. The Contractor must undertake rectification of defects and deficiencies in the Contractor's installation or repair as soon as practicable. The Contractor is responsible to schedule such repairs at their own risk.
6. The Contractor must reschedule unsatisfactory inspections after any required repairs have been completed.
7. Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the TA upon request.

D4 NOT USED - Provisional Acceptance Certificate

ANNEX E - WARRANTY**E1 2030 (2011-05-16) General Conditions Higher Complexity Goods, are hereby amended as follows:**

The warranty clause of the general conditions forming part of the Contract is deleted and replaced by the following:

Section 22 Warranty

1. The Contractor, if requested by Canada, must replace or repair at its own expense any finished work, excluding Government Issue incorporated in the Work, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.

2. Despite acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that the following will be free from all defects and will conform with the requirements of the Contract:

(a) The painting of the underwater portion of the hull for a period of Three hundred and sixty five (365) days commencing from the date of undocking, except the Contractor will only be liable to repair and/or replace to a value to be determined as follows:

Original cost to Canada of the underwater painting work, divided by Three hundred and sixty five (365) days and multiplied by the number of days remaining in the warranty period. The resultant sum would be the "Dollar Credit" due to Canada from the Contractor

(b) All other painting work for a period of Three hundred and sixty five (365) days commencing from the date of acceptance of the Work;

(c) All other items of work for a period of ninety (90) commencing from the date of acceptance of the Work, that:

(i) the warranty on the work related to any system or equipment not immediately placed in continuous use or service will be for a period of ninety (90) days from the date of acceptance of the vessel;

(ii) for all outstanding defects, deviations, and work items listed on the Acceptance Document at Delivery, the warranty will be ninety (90) days from the subsequent date of acceptance for each item.

3. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the materials supplied or held by the Contractor which exceed the periods indicated above."

E2 Warranty Procedures

1. Scope

- a. The following are the procedures which suit the particular requirements for warranty considerations for a vessel on completion of preparation and paint work.

2. Definition

- a. There are a number of definitions of “warranty” most of which are intended to describe their force and effect in law. One such definition is offered as follows:
“A warranty is an agreement whereby the vendor’s or manufacturer’s responsibility for performance of their product is extended for a specific period of time beyond the date at which the title to the product passes to the buyer.”

3. Warranty Conditions

- a. General Conditions 2030, General Conditions - Higher Complexity - Goods are augmented by clauses incorporated into the subject Contract.

4. Reporting Failures With Warranty Potential

- a. The initial purpose of a report of a failure is to facilitate the decision as to whether or not to involve warranty and to generate action to effect repairs. Therefore in addition to identification, location data, etc. the report must contain details of the defect. Warranty decisions as a general rule are to be made locally and the administrative process is to be in accordance with procedures as indicated.
- b. These procedures are necessary as invoking a warranty does not simply mean that the warrantor will automatically proceed with repairs at his expense. A review of the defect may well result in a disclaimer of responsibility, therefore, it is imperative that during such a review the Department is directly represented by competent technical authority qualified to agree or disagree with the warrantor’s assertions. Since the TECHNICAL AUTHORITY has the closest and most active involvement of the contracted work completed, this agency must assume this role.

5. Procedures

- a. Immediately it becomes known to the Staff that an equipment/system is performing below accepted standards or has become defective, the procedures for the investigation and reporting are as follows:
 - i. The vessel advises MARCOM, MARPAC, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate when a defect, which is considered to be directly associated the refit work, has occurred.
 - ii. On review of the CF-720 and the Specification, the appropriate authority in consort with ships engineer (as applicable) is to complete the Tombstone Data and section 1 of the Warranty Claim Form (Copy attached as Appendix 1 to Annex “E”) and forward the original to the appropriate TECHNICAL AUTHORITY for review. The TECHNICAL AUTHORITY checks the claim,

and if deemed justified in accordance with the warranty conditions and refit specifications, actions the form, and forwards it to the pertinent contractor with information copies to NDHQ, FMF PLO, and the PWGSC Contracting Authority. If the TECHNICAL AUTHORITY is unable to support warranty action, the Defect Claim Form is to be returned to the originator with a brief justification. (It is to be noted that in the latter instance NDHQ does not intend to enter into any arbitration between the originator and the TECHNICAL AUTHORITY. Authority for the TA to administer the refit on behalf of NDHQ prevails in respect to decision on the validity of possible warranty items.)

If a potential warranty defect is of an urgent nature, e.g., near the end of the warranty period, SHIP, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate, is to advise the TA by message, followed by submission of the Warranty Defect Claim Form.

- iii.. Assuming the Contractor accepts full responsibility for repair, the Contractor completes Sections 2 & 3 of the Claim Form, returns it to the TA involved who confirms corrective action has been completed, and distributes the form to NDHQ, FMF/PLO, originator, and the PWGSC Contracting Authority.
- b. In the event that the Contractor disputes the claim as a warranty defect, or agrees to share, the contractor is to complete Section 2 of the Claim Form with the appropriate information and forward it to the TA who will distribute copies as necessary.
- c. When a warranty defect claim is disputed by the Contractor, the SHIP, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate, may arrange to correct the defect by FMF through the normal work order routine. FMF costs must be segregated as a possible charge against the contractor by PWGSC action. Material costs and manhours expended in correcting the defect are to be recorded and entered in Section 5 of the warranty defect claim by the TA, who will forward the warranty defect claim to the PWGSC Contracting Authority for action, with a copy to NDHQ for information. Defective parts of equipment are to be retained pending settlement of claim.
- d. Defective equipment associated with potential warranty should not normally be dismantled until the contractor's representative has had the opportunity to observe the defect. The necessary work is to be undertaken through normal FMF channels and costs must be segregated as a possible charge against a contractor by PWGSC action.

6. Liability

- a. Agreement between the Technical Authority and the contractor will result in one of the following conditions:
 - i. The contractor accepts full responsibility for costs to repair or overhaul under the warranty provisions of the contract;

- ii. DND accepts full responsibility for repair and overhaul of item concerned; or
- iii. The contractor and DND agree to share responsibility for the costs to repair or overhaul the unserviceable item, in such cases the PWGSC Contracting Authority will negotiate the best possible sharing arrangement.

- b. In the event of a disagreement as in Para 5c, PWGSC will take necessary action with the contractor while the TA informs NDHQ including pertinent data and recommendations.
- c. It will be appreciated that the total cost of processing warranty claims must include accommodation and travel costs of the contractor's employees as well as equipment/systems down time and operational constraints. Accordingly, where the cost in manhours and material is readily identifiable as less than \$10,000 dollars and an operational requirement precludes delaying corrective action, the repair will be undertaken using DND resources regardless of responsibility at no cost to the contractor. The above situation is the only juncture at which DND will normally waive contractor responsibility.
- d. In the following instances, warranty outlined in Para 5.a.ii will be followed:
 - i. Warranty items under 10,000 dollars that can be delayed and accumulated;
 - ii. Warranty items exceeding 10,000 dollars requiring immediate attention due to operational commitments; and
 - iii. Warranty items over 10,000 dollars that can be delayed.

7. Alongside Period For Warranty Repairs and Checks

- a. If at all possible, an alongside period for the vessel is to be arranged just prior to the expiration of the 365 day warranty period. This alongside period is to provide time for warranty repair and check by the contractor.

Solicitation No. - N° de l'invitation

W3555-125825/A

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

xl177

Client Ref. No. - N° de réf. du client

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

W3555-125825

XLV-1-34636

APPENDIX 1 to ANNEX EPublic Works and Government
Services CanadaTravaux publics et Services
gouvernementaux Canada

Warranty Claim Réclamation De Garantie

Crane Name – Nom de navire	File No. – N° de dossier	Contract No. - N ° de contrat								
Customer Department – Ministère client		Warranty Claim Serial No. Numéro de série de réclamation de garantie								
Contractor – Entrepreneur		Effect on Vessel Operations Effet sur des opérations de radoub								
		<table style="width: 100%; text-align: center;"> <tr> <td>Critical Critique</td> <td>Degraded Dégradé</td> <td>Operational Opérationnel</td> <td>Non-operational Non-opérationnel</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Critical Critique	Degraded Dégradé	Operational Opérationnel	Non-operational Non-opérationnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Critical Critique	Degraded Dégradé	Operational Opérationnel	Non-operational Non-opérationnel							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							

1. Description of Complaint – Description de plainte

Contact Information – l'information de contact

Name – Nom

Tel. No. - N ° Tél

Signature – Signature

Date

2. Contractor's Investigative Report – Le rapport investigateur de l'entrepreneur

Solicitation No. - N° de l'invitation

W3555-125825/A

Amd. No. - N° de la modif.

File No. - N° du dossier

XLV-1-34636

Buyer ID - Id de l'acheteur

xlvl77

Client Ref. No. - N° de réf. du client

W3555-125825

CCC No./N° CCC - FMS No/ N° VME

3. Contractor's Corrective Action – La modalité de reprise de l'entrepreneur

Contractor's Name and Signature – Nom et signature de l'entrepreneur

Date of Corrective Action - Date de modalité de reprise

Client Name and Signature - Nom et signature de client

Date

4. PWGSC Review of Warranty Claim Action – Examen d'action de réclamation de garantie par TPSGC

Signature – Signature

Date

5. Additional Information – Renseignements supplémentaires

Canada

PWGSC-TPSGC

Solicitation No. - N° de l'invitation

W3555-125825/A

Amd. No. - N° de la modif.

File No. - N° du dossier

XLV-1-34636

Buyer ID - Id de l'acheteur

xlv177

Client Ref. No. - N° de réf. du client

W3555-125825

CCC No./N° CCC - FMS No/ N° VME

NOT USED - ANNEX F - CONDITIONS PRECEDENT TO PAYMENT (PROGRESS CLAIMS)

NOT USED - ANNEX G - SECURITY REQUIREMENTS CHECK LIST

ANNEX H - PROJECT MANAGEMENT SERVICES

H1. Contractor's Project Management Services

1. Intent

- a. Job titles used in this Annex are for clarity within this document only. The Contractor is free to choose job titles that suit their organization.
- b. The Contractor, through their Project Management Team, is responsible to discharge the duties and supply the deliverables required in the Contract and the Specifications.
- c. Project Management is considered to encompass the direction and control of such functions as engineering, planning, purchasing, manufacturing, assembly, overhauls, installations and test and trials.

2. Project Manager

- a. The Contractor must supply an experienced Project Manager (PM) dedicated to this project only and delegate to him/her full responsibility to manage the project.
- b. The PM must have experience in managing a project of this nature.

3. Project Management Team

- a. Other than the Project Manager, the Contractor may assign and vary other job descriptions to suit their organization; provided however that the collective resume of their Project Management Team must provide for effective control of the project elements including but not limited to:
 - i. Project Management
 - ii. Quality Assurance
 - iii. Material Management
 - iv. Planning and Scheduling
 - v. Estimating
 - vi. Safety and Environmental Management
 - vii. Subcontracts Management

4. Tender Deliverables

- a. Names, brief resumes, and a list of duties for each of the team members that ensures that each of the project elements listed in article 3 above have been addressed.
- b. A schedule indentifying the PM or representative including phone/pager numbers must be provided.

5. Reports

- a. The following Management Reports and Documentation are to be prepared and maintained by the Contractor and submitted to the Crown in accordance with the Contract or upon request by the Contracting Authority:
 - i. Production Work Schedule
 - ii. Inspection Summary Report
 - iii. Growth Work Summary

ANNEX I - FINANCIAL BID PRESENTATION SHEET

I0 Work Period Location: _____

I1 Evaluation of Price

The price of the bid will be evaluated in Canadian dollars, the Goods and Services Tax or the Harmonized Sales Tax excluded.

a.	Known Work For work as stated in Part 1 article 1.2, specified in Annexes A and H and detailed in the attached Pricing Data Sheet Annex I , Appendix 1 for a FIRM PRICE of:	\$ _____
b.	Unscheduled Work <i>Labour Cost:</i> Estimated labour hours at a firm <i>Charge-out Labour Rate</i> , including overhead and profit: 100 person hours X \$ _____ per hour for a PRICE of: See articles I2.1 and I2.2 below.	\$ _____
c.	Lay day/ Berthage Fees As per article I4 i) Five (5) working lay days X \$ _____ = \$ _____ ii) two (2) non-working lay days X \$ _____ = \$ _____ iii) three (3) berthing days X \$ _____ = \$ _____	\$ _____
d.	Sub-total (a + b + c)	\$ _____
e.	ISO 9001 Registration Deduction [Registered deduct 5% of line d; not registered, enter 0]	(-\$ _____)
f.	EVALUATION PRICE GST/HST Excluded, (d - e): For an EVALUATION PRICE of \$ _____ :	

I2 Unscheduled Work

Unscheduled work arising, as authorized by the Minister, will be calculated in the following manner:

"Number of hours (to be negotiated) X \$_____ your firm hourly *Charge-out Labour Rate* which includes *Overhead* and profit, plus net laid-down cost of materials to which will be added a 10% mark-up, plus Goods and Services Tax or Harmonized Sales Tax as applicable, of the total cost of material and labour. The firm hourly *Charge-out Labour Rate* and the material mark-up will remain firm for the duration of the Contract and any subsequent amendments."

- I2.1:** Notwithstanding definitions or useage elsewhere in this document, or in the Bidder's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject work package.

Elements of *Related Labour Costs* identified in I2.2 will not be negotiated, but will be compensated for in accordance with I2.2 It is therefore incumbent upon the Bidder to enter values in the above table which will result in fair compensation, regardless of the structure of their Cost Management System.

- I2.2:** Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* entered in Table I1 line I1b) above.

- I2.3:** The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. A separate labour component for the purchase and handling of materials or subcontract administration is not allowable.

I3 Overtime

- The Contractor must not perform any overtime under the Contract unless authorized in advance and in writing by the Contracting Authority. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the details of the overtime performed pursuant to the written authorization. Payment for authorized overtime will be calculated as follows:

- For known work, the Contractor will be paid the Contract Price plus authorized overtime hours paid at the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

(b) For unscheduled work, the Contractor will be paid the authorized overtime hours at the quoted charge-out labour rate, plus the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

2. The above premiums will be calculated by taking the average hourly direct labour rate premiums, plus certified fringe benefit, plus profit of 7.5 percent on labour premium and fringe benefits. These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

(Derived from - Provenant de: C0503C, 2008-05-12)

I4 Lay Day/Berthage Fees

The following fees are to be provided by the Bidder. In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

(a) Lay day fee for a working day: \$_____

(b) Lay day fee for a non-working day: \$_____

(c) Berthage Fee per day (75 Feet X \$_____ / Foot): \$_____

A lay day is defined as "a day of delay in port" with the vessel docked (i.e. removed from the water) at the contractor's facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor's facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

I5 NOT USED - Vessel Transfer Costs

Solicitation No. - N° de l'invitation

W3555-125825/A

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

xl1v177

Client Ref. No. - N° de réf. du client

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

W3555-125825

XLV-1-34636

APPENDIX 1 TO ANNEX I DETAILED PRICING DATA SHEETS

Will be supplied to Bidders as a separate Electronic Document entitled:

W3555-125825 YFB 613 PDS.xls