

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

REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION

**Proposal To: Public Works and Government
Services Canada**

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

**Proposition aux: Travaux Publics et Services
Gouvernementaux Canada**

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

Comments - Commentaires

Title - Sujet MUAV SYSTEMS		
Solicitation No. - N° de l'invitation W8476-133748/B		Date 2013-05-14
Client Reference No. - N° de référence du client W8476-133748		
GETS Reference No. - N° de référence de SEAG PW-\$\$RA-053-23769		
File No. - N° de dossier 053ra.W8476-133748	CCC No./N° CCC - FMS No./N° VME	
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-06-25		Time Zone Fuseau horaire Eastern Daylight Saving Time EDT
F.O.B. - F.A.B. Specified Herein - Précisé dans les présentes Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input checked="" type="checkbox"/>		
Address Enquiries to: - Adresser toutes questions à: Sprigings(ra div.), Brent		Buyer Id - Id de l'acheteur 053ra
Telephone No. - N° de téléphone (819) 956-7889 ()		FAX No. - N° de FAX (819) 956-0636
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: Specified Herein Précisé dans les présentes		

Instructions: See Herein

Instructions: Voir aux présentes

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

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

Issuing Office - Bureau de distribution
Land Projects and Communication System Support
Division/Div des projets terrestres et support de systèmes
de communication
11 Laurier St. / 11, rue Laurier
8C2, Place du Portage, Phase III
Gatineau
Québec
K1A 0S5

Solicitation No. - N° de l'invitation

W8476-133748/B

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

053ra

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

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

W8476-133748

053raW8476-133748

REQUEST FOR PROPOSAL

MINIATURE UNMANNED AIRCRAFT SYSTEMS

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PART 1 - GENERAL INFORMATION

1.0 Security Requirement

There is no security requirement associated with this requirement

2.0 Requirement - Miniature Unmanned Aircraft Systems (MUAS)

This bid solicitation is being issued to satisfy the requirement of the Department of National Defence of Canada for the Miniature Unmanned Aircraft Systems (MUAS). It is intended to result in the award of two (2) contracts to one successful Bidder: the MUAS Acquisition Contract (MUAS-A) and the MUAS In Service Support Contract (MUAS-S).

The MUAS-A Contract will be for a period of three (3) years plus two (2) one (1) year options for the purchase of a firm quantity of fifteen (15) MUAS along with associated preliminary Integrated Logistics Support (ILS) such as technical documentation and training. There will be an option to purchase up to seventy - five (75) MUAS. All prices under MUAS-A Contract will be firm fixed.

The MUAS-S Contract will be for the In-Service Support (ISS) and spares parts for a period of five (5) years plus five (5) one (1) year irrevocable options. The In-Service Support Scope of Work includes: Program Management, Engineering Support, Materiel Support, Maintenance Support and Airworthiness Support. All prices under the MUAS-S will be firm for the first year with prior years subject to adjustment as identified in the MUAS-S Contract.

3.0 Debriefings

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

PART 2 - BIDDER INSTRUCTIONS

1.0 Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual

(<http://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada.

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

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

1.1 SACC Manual Clause

B1006T (2007-11-30) Condition of Material

A9130T (2011-05-16) Controlled Goods Program

2.0 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.

Due to the nature of the bid solicitation, bids transmitted by facsimile to PWGSC will not be accepted.

3.0 Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than fifteen (15) calendar days before the bid closing date. Enquiries received after that time may not be answered. Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a "proprietary" nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the questions or may request that the Bidder do so, so that the proprietary nature of the question is eliminated, and the enquiry can be answered with copies to all bidders. Enquiries not submitted in a form that can be distributed to all bidders may not be answered by Canada.

4.0 Applicable Laws

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

Bidders may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of

their choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the Bidders.

PART 3 - BID PREPARATION INSTRUCTIONS

1.0 Bid Structure

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

- Section 1: Technical Bid (2 hard copies) and 2 soft copies on CD or 1 DVD
- Section 2: Financial Bid (2 hard copies) and 2 soft copies on CD or 1 DVD
- Section 3: Certification 2 hard copies

If there is a discrepancy between the wording of the soft copy and the hard copy, the wording of the hard copy will have priority over the wording of the soft copy.

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

Canada requests that bidders follow the format instructions described below in the preparation of their bid

- (a) use 8.5 x 11 inch paper;
- (b) use numbering system that corresponds to the bid solicitation;
- (c) include a title page at the beginning of each volume of the bid that includes the title, date, solicitation number, bidder's name and address and contact information of the representative;
- (d) include a table of contents; and
- (e) include a glossary of all abbreviations and acronyms used;

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 use paper containing fibre certified as originating from a sustainably-managed forest and/or containing a minimum of 30% recycled content.

Section I: Technical Bid

In their technical bid, bidders should explain and demonstrate how they propose to meet the requirements and how they will carry out the Work. The bidders must submit a technical bid in accordance with Annex G - Technical Evaluation.

Section II: Financial Bid

Bidders must submit their financial bid in accordance with Annex A - Basis of Payment. The total amount of Goods and Services Tax (GST) or harmonized Sales Tax (HST) must be shown separately, if applicable.

Section III: Certification Bid

Bidders must submit certification required under Part 5.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1.0 Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation
- (b) An evaluation team composed of representatives of Canada will evaluate the proposal(s) on behalf of Canada. Consultants may assist the evaluation team in its work and will sign a non-disclosure agreement preventing conflict of interest situations from occurring.
- (c) The evaluation team will determine first if there are three (3) or more bids with a valid Canadian Content certification. In that event, the evaluation process will be limited to the bids with the certification; otherwise, all bids will be evaluated. If some of the bids with a valid certification are declared non-responsive, or are withdrawn, and less than three responsive bids with a valid certification remain, the evaluation will continue among those bids with a valid certification. If all bids with a valid certification are subsequently declared non-responsive, or are withdrawn, then all the other bids received will be evaluated.

1.1 Technical Evaluation

1.1.1 Mandatory Technical Criteria

Mandatory and point rated technical criteria for the MUAS is provided in Annex G - Technical Evaluation Plan.

1.2 Financial Evaluation

The Financial Evaluation for the Acquisition and In-Service Support of the MUAS is in accordance with the following:

1. Annex A - Basis of Payment (Financial Evaluation); and

2. A9033T (2011-05-16) Financial Capability

2.0 Basis Of Selection

SACC Manual Clause A0027T (2012-07-16) Basis of Selection - Highest Combined Rating of Technical Merit and Price

1. To be declared responsive, a bid must:
 - a. comply with all the requirements of the bid solicitation;
 - b. meet all mandatory criteria; and
 - c. obtain the required minimum of 400 points out of 1250 points specified in Annex G Appendix 5, for the technical evaluation criteria which are subject to point rating.
2. The selection will be based on the highest responsive combined rating of technical merit and price. The ratio will be 70 % for the technical merit and 30% for the price.
3. To establish the technical merit score, the overall technical score for each responsive bid will be determined as follows: total number of points obtained / maximum number of points available multiplied by the ratio of 70%.
4. To establish the pricing score, each responsive bid will be prorated against the lowest evaluated price and multiplied by the ratio of 30%.
5. For each responsive bid, the technical merit score and the pricing score will be added to determine its combined rating.
6. Neither the responsive bid obtaining the highest technical score nor the one with the lowest evaluated price will necessarily be accepted. The responsive bid with the highest combined rating of technical merit and price will be recommended for award of a contract.

The table below illustrates an example where all three bids are responsive and the selection of the contractor is determined by a 70/30 ratio of technical merit and price, respectively. The total available points equals 1810 and the lowest evaluated price is \$50,000.

Bids ranking example:

The following example, which assumes a scenario involving three (3) bids, demonstrates how the Technical merit of 70% and Price of 30%, referred to above, will be applied:

Bidder	Bidder 1	Bidder 2	Bidder 3
Overall Technical Score	1000/1810	900/1810	950/1810
Bid Evaluation Price	\$60,000.00	\$55,000.00	\$50,000.00
Calculation	Bidder 1	Bidder 2	Bidder 3
Technical Merit Score	$1000/1810 \times 70 = 38.67$	$900/1810 \times 70 = 34.81$	$950/1810 \times 70 = 36.74$
Pricing Score	$50/60 \times 30 = 25.00$	$50/55 \times 30 = 27.27$	$50/50 \times 30 = 30$
Combined Rating	63.67	62.08	66.74
Overall Rating	2nd	3rd	1st

3.0 Demonstration Flight Evaluation (DFE)

The ILS portion of the Demonstration Flights will be evaluated based on 500 points. At the start of the Demonstration Flight program bidders will be assigned a score of 500 points. Points will be deducted based on the number of spare parts used and the score value associated with each part. Points will be deducted commencing when spare parts are required from System 1. The maximum number of points that can be deducted is 500 points, leaving a score of zero (0) points for the Demonstration Flight ILS evaluation.

The cost associated with the spare parts repairs or replacements will be calculated based on the bidder's proposal price list. Parts cost calculation will commence with spare parts used from the System 2. The cost associated with parts from the System 2 will be added to the unit system price and extrapolated to provide an overall bid price. Below is an example of ILS scoring and Bidder ranking.

DFE - ILS Scoring And Associated Costs Example:

15 Systems:	\$10,000.00
75 Systems:	<u>\$50,000.00</u>
Total System Cost	\$60,000.00

Original Score 500 points

Scenario I

100 flights completed with no spare parts required from System 1 or System 2. No additional cost as a result of the DFE and no change to the Total System Cost of \$60,000.00. No points deducted from the 500.

Scenario II

100 flights completed but spare parts from System 1 and 2 were required.

<u>Flight Number</u>	<u>Item Damaged</u>	<u>Action: Repair (R) or Exchange(X)</u>	<u>Points Deducted From 1st And 2nd System</u>	<u>Replace Cost As Per Price List From 2nd System</u>
5	Fuselage	X(from system 1)	100	\$0.00
11	Landing Skid Taped	R (from system 1	0	\$0.00
12	Fuselage	X(from system 2)	100	\$5,000.00
35	Missing Payload Screw	R (from system 1	0	\$0.00
36	Turret	X(from system 2)	50	\$2,500.00
78	Wing	X (from system 2)	50	\$2,500.00
TOTAL			300	\$10,000.00

Revised System Costs

Total System Cost \$60,000.00

Additional System Cost \$ 10,000.00

Revised System Cost \$70,000.00

300 points deducted from 500 points for a score of 200 points

Scenario III

100 flights completed but additional spare parts were required from System 2.

<u>Flight Number</u>	<u>Item Damaged</u>	<u>Action: Repair (R) or Exchange(X)</u>	<u>Points Deducted From 1st System and 2nd System</u>	<u>Replace Cost As Per Price List for 2nd System</u>
5	Turret	X (from system 1)	50	\$0.00
10	Turret	X (from system 2)	50	\$2,500.00
11	Landing Skid Taped	R (from system 1)	0	\$0.00
35	Fuselage	X (from system 2)	100	\$5,000.00
36	Missing Payload Screw	R (from system 1)	0	\$0.00
40	Wing	X (from system 2)	50	\$2,500.00
41	EO Camera	X (from system 1)	200	\$0.00
50	EO Camera	X (from system 2)	200	\$5,000.00
60	IR Camera	X (from system 1)	200	\$0.00
70	IR Camera	X (from system 2)	200	\$5,000.00
81	Wing	X (from system 2)	50	\$5,000.00
TOTAL			1,100	\$25,000.00

Revised System Costs

Total System Cost \$60,000.00

Additional System Cost \$ 25,000.00

Revised System Cost \$85,000.00

1100 points deducted from 500 points for a negative score of (600) for a result of zero (0) point score.

Bids Ranking Example After DFE:

Bidder 1

Total Bid Price \$ 60,000.00

Replacement Spare Costs Used From System 1 or 2: \$10,000.00

Revised Total Bid Price \$70,000.00

Technical DFE score of 200 out of 500 points

Initial Overall Score 1000 less 300 lost DFE points = Revised Score of 700

Bidder 2

Bidders Total Price \$ 55,000.00

Replacement Spare Costs Used From System 1 or 2: \$5,000.00

Total Bid Price \$60,000.00

Technical DFE score of 100 out of 500 points

Initial Overall Score 900 less 400 lost DFE points = Revised Score of 500

Bidder 3

Bidders Total Price \$ 50,000.00

No Replacement Spares Used From System 1 or 2: \$0.00

Total Bid Price \$50,000.00

Technical DFE score of 500 out of 500 points

Initial Overall Score 950 No Points Deducted Revised Score 950

The following example, which assumes a scenario involving three (3) bids, demonstrates how the Technical merit of 70% and Price of 30%, will be applied after the DFE:

Bidder	Bidder 1	Bidder 2	Bidder 3
Overall Technical Score Including DFE Evaluation	700/1810	500/1810	950/1810
Bid Evaluation Price	\$70,000.00	\$60,000.00	\$50,000.00
Calculation	Bidder 1	Bidder 2	Bidder 3
Technical Merit Score	$700/1810 \times 70 = 27.07$	$500/1810 \times 70 = 19.34$	$950/1810 \times 70 = 36.74$
Pricing Score	$50/70 \times 30 = 21.43$	$50/60 \times 30 = 25.00$	$50/50 \times 30 = 30$
Combined Rating	48.5	44.34	66.74
Overall Rating	2nd	3rd	1st

PART 5 - CERTIFICATIONS

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.

1 Mandatory Certifications Required Precedent to Contract Award

1.1 Code of Conduct and Certifications - Related documentation

1.1.1 By submitting a bid, the Bidder certifies, for himself and his affiliates, to be in compliance with the Code of Conduct and Certifications clause of the Standard instructions. The related documentation hereinafter mentioned will help Canada in confirming that the certifications are true. By submitting a bid, the Bidder certifies that it is aware, and that its affiliates are aware, that Canada may request additional information, certifications, consent forms and other evidentiary elements proving identity or eligibility. Canada may also verify the information provided by the Bidder, including the information relating to the acts or convictions specified herein, through independent research, use of any government resources or by contacting third parties. Canada will declare non-responsive any bid in respect of which the information requested is missing or inaccurate, or in respect of which the information contained in the certifications is found to be untrue, in any respect, by Canada. The Bidder and any of the Bidder's affiliates, will also be required to remain free and clear of any acts or convictions specified herein during the period of any contract arising from this bid solicitation.

Bidders who are incorporated, including those bidding as a joint venture, must provide with their bid or promptly thereafter a complete list of names of all individuals who are currently directors of the Bidder. Bidders bidding as sole proprietorship, including those bidding as a joint venture, must provide the name of the owner with their bid or promptly thereafter. Bidders bidding as societies, firms, partnerships or associations of persons do not need to provide lists of names. If the required names have not been received by the time the evaluation of bids is completed, Canada will inform the Bidder of a time frame within which to provide the information. Failure to comply will render the bid non-responsive. Providing the required names is a mandatory requirement for contract award.

Canada may, at any time, request that a Bidder provide properly completed and Signed Consent Forms (Consent to a Criminal Record Verification form- PWGSC-TPSGC 229) (<http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html>) for any or all individuals aforementioned within the time specified. Failure to provide such Consent Forms within the time period provided will result in the bid being declared non-responsive.

2. Additional Certifications Precedent to Contract Award

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

2.1 Federal Contractors Program - \$200,000 or more

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

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

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

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

The Bidder or the member of the joint venture

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

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

2.2 Canadian Content Certification

SACC Manual clause A3050T 2010-01-11 Canadian Content Definition.

2.3 Status and Availability of Resources

The Bidder certifies that, should it be awarded a contract as a result of the bid solicitation, every individual proposed in its bid will be available to perform the Work as required by Canada's representatives and at the time specified in the bid solicitation or agreed to with Canada's representatives. If for reasons beyond its control, the Bidder is unable to provide the services of an individual named in its bid, the Bidder may propose a substitute with similar qualifications and experience. The Bidder must advise the Contracting Authority of the reason for the substitution and provide the name, qualifications and experience of the proposed replacement. For the purposes of this clause, only the following reasons will be considered as beyond the control of the Bidder: death, sickness, maternity and parental leave, retirement, resignation, dismissal for cause or termination of an agreement for default.

If the Bidder has proposed any individual who is not an employee of the Bidder, the Bidder certifies that it has the permission from that individual to propose his/her services in relation to the Work to be performed and to submit his/her résumé to Canada. The Bidder must, upon request from the Contracting Authority, provide a written confirmation, signed by the individual, of the permission given to the Bidder and of his/her availability. Failure to comply with the request may result in the bid being declared non-responsive.

2.4 Pre-Certified Radio Frequency (RF) Equipment.

If the Bidder's RF equipment is already certified in Canada, Bidders must provide via email, a copy of their Industry Canada Technical Acceptance Certificate (TAC) to the Contracting Authority as early as possible, but no later than 02:00 PM Eastern Daylight Saving Time, on _____, 2013.

If the Bidder's RF equipment is in use by the United States military, Bidder's must provide a copy of US Department of Defence (DoD) Form 1494 within the same time frame as the TAC. If either of these conditions is applicable, Bidders are not required to provide the information required to complete form DND 552.

PART 6 - RESULTING CONTRACT CLAUSES - ACQUISITION CONTRACT

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- F References

1. Security Requirement

There is no security requirement associated with the requirement.

2 Statement of work

2.1. The Contractor must supply to the Department of National Defence the goods and services described in the Contract in accordance with, and at the prices set out in, the Contract.

2.2. The Contractor must provide a firm quantity of MUAS's totalling fifteen (15) units with accessories, and associated preliminary Integrated Logistics Support (ILS) such as technical documentation, training and initial provisioning of spares.

2.3. Canada has the option to purchase up to an additional seventy five (75) MUAS's in accordance with contract article 3.1.

2.4. Without limiting any of its other obligations under this Contract, the Contractor must:

- a. Perform the Work in accordance with Annex B Statement Of Work of the Contract.

2.5. The Contractor agrees to accept and be bound by Canada's interpretation of the meaning of the specifications.

The MUAS supplied to the Department of National Defence must be the same model as used by the Contractor for the Demonstration Flight Evaluation (DFE).

3. Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual.

<http://buyandsell.gc.ca/policy-and-guidelines/standards-acquisition-clauses-and-conditions-manual>
) issued by Public Works and Government Services Canada (PWGSC).

3.1. General Conditions

2010A 2012-07-16, General Conditions - Medium Complexity - Goods, apply to and form part of the Contract;

4. Term of Contract

The period of the contract is from date of contract till _____2016.

4.1 Delivery of MUAS Acquisition

The complete delivery of all initial MUASs which includes initial spare parts and training must be received on or before ____ (NOTE: Canada to insert, at contract award final delivery in months from contract award date)

4.2 Option to Extend The Contract

The Contractor hereby grants to Canada an irrevocable option to extend the term of the contract, for two (2) one (1) year options and for the purchase of up to an additional seventy-five (75) MUASs. The Contractor agrees that it will be paid in accordance with the same conditions and at the prices stated in the Contract. The purchases are on an if, as, and when requested basis and Canada makes no representation that it will exercise any part of this option.

5. Authorities

5.1. Contracting Authority

The Contracting Authority for the Contract is:

Mr. Brent Sprigings
Supply Team Leader
Public Works and Government Services Canada
Acquisitions Branch
Defence Communication Division
8C2 Place du Portage, Phase III
11 Laurier Street
Gatineau, Québec
K1A 0S5

Telephone: (819) 956-7889
Facsimile: (819) 956-0636
E-mail address: brent.sprigings@pwgsc.gc.ca

The Contracting Authority (CA) 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.

5.2. Requisitioning Authority or Procurement Authority

The Requisitioning Authority, also called Procurement Authority, for the Contract is:

Name Mr Stephan Ayotte, DLP 5-4-1

Address Directorate of Land Procurement
National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa ON K1A 0K2

Telephone: (819) 994-4213

Facsimile: (819) 994-6610

E-mail address Stephen.ayotte@forces.gc.ca

The Requisition Authority of the department or agency for whom the Work is being carried out under the Contract. The Requisition Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters defined in the Contract with the Requisition Authority however the Requisition 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.

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5.3. Project Manager and Technical Authority

The Project Manager and Technical Authority for the Contract is:

Name

Address Directorate of Land Command System Program Management
National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa ON K1A 0K2

Telephone: (819)

Facsimile: (819)

E-mail address

Project Manager 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 Project Manager; however, the Project Manager 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.

5.4. Contractor's Representative(s)

The Contractor has appointed

Name

Address

Telephone:

Facsimile:

E-mail address

(NOTE: Bidders to insert representative) as the only point of contact(s) for all enquiries or issues raised by the Consignees or the Contracting Authority during the execution of the work.

6. Payment

6.1. Basis of Payment

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a Firm Price in accordance with the Basis of Payment in Annex A, for all items identified for a cost of \$_____ (NOTE: Canada to insert the amount at contract award). The Contractor shall be paid firm unit prices in the Contracted funds, DDP Delivered Duty Paid Incoterms 2000, including any applicable Customs/Duties, GST/HST Extra (if applicable).

6.1.2 Limitation of Price

SACC Manual clause C6000C (2011-05-16) Limitation of Price

6.2 Limitation of Expenditure

Canada's total liability to the Contractor under the Contract must not exceed \$_____ (NOTE: Canada to insert the amount at contract award). Customs duties are included and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.

No increase in the total liability of Canada or in the price of the items resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the item. The Contractor must not perform any work or provide any service that would result in Canada's total liability

being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- (a) When it is 75 percent committed, or
- (b) Four (4) months before the contract expiry date, or
- (c) As soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work, whichever comes first.

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

6.3 Multiple Payments H1001C (2008-05-12).

6.4 SACC Manual Clauses

C0305C	(2008-05-12) Cost Submission
C0705C	(2010-01-11) Discretionary Audit
C2000C	(2007-11-30) Taxes Foreign - based Contractor
C2604C	(2010-01-11) Customs Duties, Excise Taxes and GST/HST- non-resident

7. Invoicing Instructions

The Contractor must submit invoices in accordance with the information required in Section 10 of 2010A (2012-07-16), General Conditions - Goods (Medium Complexity). Claims cannot be submitted until all the work identified in the claim is completed.

7.1 The invoice must contain the following information:

- a) date;
- b) name and address of consignee;
- c) item/reference number, deliverable and/or quantity or description of work
- d) contract/purchase order number and financial codes;
- e) all separate charges detailed individually;
- f) the amount invoiced;
- g) the Client Reference Number (CRN);
- h) the Contractor's Vendor Code or Procurement Business Number (PB); and
- i) all invoices must have original signatures and be stamped as original

7.2 Invoices must be distributed as follows:

a) The original and one (1) copy must be forwarded for certification and payment to the following address:

Directorate of Land Procurement 2
National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
Attention: Stephen Ayotte

b) One (1) copy must be forwarded to the "Consignee" identified in this document.

c) One (1) copy must be forwarded to the Contracting Authority identified under section entitled "Authorities" of the Contract.

8. Certification

8.1 Compliance

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

9. Applicable Laws

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

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) Annex D Miniature Unmanned Aircraft Systems (MUAS) Performance Specifications
- (c) Annex B Statement of Work
- (d) the Contractor's bid solicitation, annexes and appendixes dated _____ (NOTE: Canada to insert date of bid at contract award);

11. Defence Contract

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

12. SACC Manual Clauses

A9117C	(2007-11-30), T1204 - Direct Request by Customer Department;
C2000C	(2007-11-30), Taxes - Foreign Based Contractor
H4500C	(2010-01-11) Lien - Section 427 of the Bank Act (Canadian-based Suppliers);
D2000C	(2007-11-30) Marking
D2001C	(2007-11-30) Labeling
D3018C	(2007-11-30) Preparation for Delivery
D6010C	Palletization
D5328C	(2007-11-30) Inspection and Acceptance
D5515C	(2010-01-11) Quality Assurance (DND) - Foreign based and US
D5540C	(2010-08-16), ISO 9001:2008 Quality Management Systems -Req'ments(QAC Q)
D5510C	(2011-05-16), Quality Assurance Authority (DND) - Canadian-based Contractor;
D5606C	(2007-11-30) Release Documents (DND) - Canadian-based Contractor.
D5604C	(2008-12-12) Release Documents (DND) - Foreign-based Contractor; or
D5605C	(2010-01-11) Release Documents (DND) - United States-based Contractor.
D9002C	(2007-11-30) Incomplete Assemblies
G1005C	(2008-05-12) Insurance
A9062C	(2011-05-16) Canadian Forces Site Regulations
B1501C	(2006-06-16) Electrical Equipment
B7500C	(2006-06-16) Excess Goods
A9131C	(2011-05-16) Controlled Goods Program
B4060C	(2011-05-16) Controlled Goods
4001	(2010-08-16) Hardware Purchase, Lease and Maintenance
4002	(2010-08-16) License Software
4004	(2010-08-16) Maintenance and Support Services for Licenced software
D3015C	(2007-11-30) Dangerous Goods/Hazardous Products
D4001C	(2008-12-12) Delivery, Inspection and Acceptance

Goods must be consigned to the destination specified in the Contract and delivered:

Delivered Duty Paid (DDP) _____ (insert the named place of destination) Incoterms 2000 for shipments from a commercial contractor.

PART 7 - RESULTING CONTRACT CLAUSES - IN-SERVICE SUPPORT CONTRACT

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List of Annexes:

- A Basis of Payment (Financial Evaluation)
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1. Security Requirement

There is no security requirement associated with the requirement.

2. Statement of work

The Contractor must supply to the Department of National Defence, Miniature Unmanned Aircraft Systems In Service Support (MUAS-S) in accordance with the terms and conditions of the Contract. The MUAS-S Contract includes: Program Management, Engineering Support, Materiel Support, Maintenance Support, Airworthiness Support and spares provisioning.

With the MUAS Improvement Activities, the Contractor must provide: Engineering Services for DND initiated Improvement Activities consisting of incremental design and implementation of improvements to the initial MUAS configuration, on an if, as, and when requested basis.

Without limiting any of its other obligations under this Contract, the Contractor must:

- a. Perform the Work in accordance with Annex A and Annex C of the Contract.

The Contractor agrees to accept and be bound by Canada's interpretation of the meaning of the specifications.

2.1 Work Authorization (WA)

This Contract contains the requirement for the Department of National Defence (DND) to authorize the Contractor to perform work on an if, as, and when requested basis using the terms and conditions of the contract. DND will issue a different types of work authorizations such as Selection Notice and Priority Summary (SNAPS), Repair Material Request (RMR), DND626 Task Authorization and Spare Parts Order (SPO) to authorize the work to be performed.

2.2 Approval limitation of WAs:

2.2.1 SNAPS & RMR Limit:

DND has full authority to assign Repair work (SNAPS & RMR) to the Contractor. The approval of work by DND will be in accordance with the relevant section of A-LM-184-001/JS-001 Special instructions for Repair and Overhaul Contractors.

2.2.2 Spare Parts Orders (SPO) Limit:

DND is not authorized to issue SPO. The CA will approve all SPOs.

2.2.3 Task Authorization Limit:

DND has individual Task Authorization up to a limit of \$50,000.00 US, Good and Services Tax or Harmonized Sales Tax included, inclusive of any revisions. Any task authorization to be issued in excess of that limit must be authorized by the CA before issuance.

2.2.4 Task Authorization & SPO authorization process:

The process to be followed in the issuance of Task Authorization & SPO is as follows:

- i. The Technical Authority prepares a Statement of Work (SOW) describing the work;
- ii. The DND Requisitioning Authority verifies that the work required is within the scope of the Contract;
- iii. The DND Requisitioning Authority submits the SOW to the Contractor and requests a Task Proposal;
- iv. The Contractor must, within fifteen (15) working days upon receipt of the proposed work, provide a proposal and/or notify the DND Procurement Authority of the status of the proposal for the proposed work. Should the fifteen (15) working days period not be

-
- sufficient the Contractor must submit the proposal within a time period that is mutually acceptable to DND Procurement Authority and the Contractor.
- v. The Contractor reviews, or prepares and submits in writing a proposed SOW, as may be required, which defines the scope of the work, starting and completion dates, phased deliveries of work packages and deliverables and the level of effort (LOE) to complete the work, including details of the labour categories to the DND Requisitioning Authority, using the financial tools available in the Contract. The Contractor will not be paid for providing the quotation or for providing other information required to prepare and issue the WA;
 - vi. The DND Requisitioning Authority reviews the LOE quote, negotiate with the Contractor and insert in the WA form the appropriate "Price and terms of payment" as per contract articles 6.1.3 and 6.2.2.
 - vii. The DND Requisitioning Authority reviews the LOE quote with the Technical Authority and seeks approval to proceed;
 - viii. If the LOE quote is within the DND work approval ceiling, the DND Requisitioning Authority signs the WA form and forward copies to the Contractor and the PWGSC Contracting officer;
 - ix. If the quote exceeds DND Requisitioning Authority 's work approval ceiling, the WA form will be passed to the PWGSC Contracting officer for review and approval/signature prior to DND releasing it to the Contractor;
 - x. Amendments to the WA form require completion of a WA amendment form. The DND Requisitioning Authority approves WA where the amended value is within the threshold established in the Contract article 1.2.2. Any amendment that exceeds the threshold must be passed to the PWGSC Contracting officer for review and approval/signature before the DND Requisitioning Authority releases it to the Contractor.
 - xi. The Contractor must not begin work before receiving the approved WA form.

2.2.5 Task Authorization - Department of National Defence

The administration of the Task Authorization process will be carried out by the Requisitioning Authority. This process includes monitoring, controlling and reporting on expenditures of the contract with Task Authorizations to the Contracting Authority.

3. Standard Clauses and Conditions

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

3.1 General Conditions

2010C (2012-07-16), General Conditions - Medium Complexity - Services, apply to and form part of the Contract;

4. Term of Contract

The period of the Contract is from the date of the Contract plus 5 years. The Contract Starting Date is _____ (NOTE: Canada to insert the Contract Starting Date.). The Contract Starting Date is the same as the date of the MUAS-A contract (Contract number W8476-133748/004/RA).

4.1 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract up to five (5) additional 1 year periods under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least 15 calendar days before the expiry date of the Contract. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

5. Authorities

5.1. Contracting Authority

The Contracting Authority for the Contract is:

Mr. Brent Sprigings
Supply Team Leader
Public Works and Government Services Canada
Acquisitions Branch
Communication Division
8C2 Place du Portage, Phase III
11 Laurier Street
Gatineau, Québec
K1A 0S5

Telephone: (819) 956-7889
Facsimile: (819) 956-0636
E-mail address: brent.sprigings@pwgsc.gc.ca

The Contracting Authority (CA) 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.

5.2. Requisitioning Authority or Procurement Authority

The Requisitioning Authority, also called Procurement Authority, for the Contract is:

Name Mr. Stephan Ayotte

Address Directorate of Land Procurement 5-4-1
National Defence Headquarters
MGen George R. Peakes Building
101 Colonel By Drive
Ottawa ON K1A 0K2

Telephone: 819 994-4213
Facsimile: 819 994-6610
E-mail address stephan.ayotte@forces.gc.ca

The Requisitioning Authority (RA) is responsible for the financial and administrative control of the DND project management for the contract. The terms PA and RA are interchangeable.

5.3. Project Manager and Technical Authority

The Project Manager and Technical Authority for the Contract is:

Directorate Land Command Systems Program Management 4-7
National Defence Headquarters
MGen George R. Peakes Building
101 Colonel By Drive,
Ottawa, ON
K1A 0K2

Telephone: (819) 994-
Facsimile: (819) 997-
E-mail address:

The Project Manager 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 Project

Manager; however, the Project Manager 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.

5.4. Contractor's Representative

The Contractor has appointed Mr./Mrs (Name, Phone & Fax numbers, Internet address)_ as the only point of contact(s) for all enquiries or issues raised by the Consignees or the Contracting Authority during the execution of the work.

6. Payment

6.1. Basis of Payment

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a Firm Price in accordance with the Annex A - Basis of Payment for all items identified in Table 5 Spare Parts For 1000 Flights Basis of Payment in Annex A, for a cost of \$_____. NOTE: Canada to insert the amount at contract award.

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

For Task Authorizations the Contractor will be paid the labour rates in Annex A - Basis of Payment subject to annual economic adjustments.

6.1.1. Basis of Payment for Task Authorizations and SPOs

The Contractor may submit a "Firm Price", a "Ceiling Price" or a "Limitation of Expenditure" quote to the DND Requisitioning Authority. The Contractor shall be paid in accordance with the Annex A Basis of payment of this Contract. For each of the above cases, the following clauses must be completed and added to the work authorization form.

6.1.1.1. For a "Firm Price" quote:

SACC Manual clause C0207C 2011-05-16, Basis of Payment - Firm Price or Firm Lot Price; and SACC Manual clause C6000C 2011-05-16, Limitation of Price;

6.1.1.2. For a "Ceiling Price" quote:

SACC Manual clause C1200C 2008-05-12, Basis of Payment - Ceiling Price; and SACC Manual clause C6000C 2011-05-16, Limitation of Price;

6.1.1.3. For a "Limitation of Expenditure" quote:

SACC Manual clause C0206C 2011-05-16, Basis of Payment - Limitation of Expenditure; and
SACC Manual clause C6001C 2011-05-16, Limitation of Expenditure;

6.2 Method of Payment

6.2.1. Method of Payment - Progress Payments (Without holdback)

6.2.1.1. Canada will make progress payments in accordance with the payment provisions of the Contract, no more than once a month, for cost incurred in the performance of the Work, if:

(a) an accurate and complete claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment, and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;

(b) the amount claimed is in accordance with the basis of payment;

(c) all certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives.

6.2.1.2. Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time during the performance of the Work. Any overpayment resulting from progress payments or otherwise must be refunded promptly to Canada.

6.2.2. Method of Payment for Task Authorizations and SPOs

The Contractor may submit a "Firm Price", a "Ceiling Price" or a "Limitation of Expenditure" quote to the DND Requisitioning Authority. The Contractor shall be paid in accordance with the Annex A Basis of payment of this contract. For each of the above cases, the following clauses must be completed, when applicable, and added to Task Authorization 626.

6.2.2.1. For a "Firm Price" quote, some of the following clauses may apply:

SACC Manual clause H1000C 2008-05-12, Single Payment;

OR

SACC Manual clause H1001C 2008-05-12, Multiple payments;

OR

SACC Manual clause H3010C 2010-01-11, Milestone Payments; and

SACC Manual clause H4012C 2010-01-11, Schedule of Milestones;

6.2.2.2. For a "Ceiling Price" or a "Limitation of Expenditure" quote, some of the following clauses may apply:

SACC Manual clause H1000C 2008-05-12, Single Payment;

OR

SACC Manual clause H1003C 2010-01-11, Progress Payments;

6.3. Limitation of Expenditure

6.3.1. Canada's total liability to the Contractor under the Contract must not exceed \$_____ (NOTE: Canada to insert the amount at contract award). Customs duties are excluded and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.

6.3.2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- (a) When it is 75 percent committed, or
- (b) Four (4) months before the contract expiry date, or
- (c) As soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work, whichever comes first.

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

6.4 SACC Manual Clauses:

C2000C (2007-11-30), Taxes - Foreign-based Contractor; AND
 C2605C (2008-05-12), Canadian Customs Duties and Sales Tax - Foreign-based Contractor;
 C2604C (2010-01-11), Customs Duties, Excise Taxes and GST/HST - Non-resident
 C0305C (2008-05-12), Cost Submission;
 C0307C (2008-05-12), Cost Submission (For R&O);
 C0705C (2010-01-11), Discretionary Audit;
 C0710C (2007-11-30), Time and Contract Price Verification;

6.5. Economic Price Adjustment

The prices applicable for a coming year will be calculated during the last month of the preceding year for which the Contract had firm prices and will be the firm prices from that preceding year

adjusted on account of fluctuations in the Canadian economy over the most recent consecutive 12 months period for which economic indicators are available. The adjusted Price(s) for the coming year shall remain fixed for that period except for the condition at paragraph 6.6.6. In the Contract, a "year" is a period from Contract Starting Date Anniversary to next Contract Starting Date Anniversary minus 1 day. Economic price adjustments will be done as per the following.

6.5.1. Firm Hourly Rates (FHR):

The economic indicator that must be used to account for the actual fluctuations in the economy is the Canadian Consumer Price Index (CPI). For purposes of this article, the most recent Statistics Canada monthly Catalogue "62-001-X" CPI will be used. The relevant CPI shall be from the Statistical Tables, Table 1, namely "The Consumer Price Index, major components and special aggregates, Canada, not seasonally adjusted". The CPI for "All Items (2002=100)" shall be used under column "Percentage change (month z) 201y from (month z) 201x". The indexation is calculated as follows:

- a) Percentage change = "the CPI Percentage change (month z) 201y from (month z) 201x" + 1%;
- b) FHR(s) applicable for the coming 12-month period = The FHR(s) for the preceding 12-month period of the contract multiplied by '(1+ "Percentage change")';
- c) FHR(s) applicable for the coming 12-month period will be rounded up to 2 decimals (Example: \$2.571 or \$2.579 will be rounded up to \$2.58);

6.5.2. Firm Price:

The prices for a coming year shall not exceed the lesser of:

- a) Price indexation:

The economic indicator that must be used to account for the actual fluctuations in the economy is the Canadian Consumer Price Index (CPI). For purposes of this article, the most recent Statistics Canada monthly Catalogue "62-001-X" CPI will be used. The relevant CPI shall be from the Statistical Tables, Table 1, namely "The Consumer Price Index, major components and special aggregates, Canada, not seasonally adjusted". The CPI for "All Items (2002=100)" shall be used under column "Percentage change (month z) 201y from (month z) 201x". The indexation is calculated as follows:

- i) Percentage change = "the CPI Percentage change (month z) 201y from (month z) 201x";
 - ii) Firm Price (s) (FP) applicable for the coming 12-month period = The FP(s) for the preceding 12-month period of the contract multiplied by '(1+ "Percentage change")'; or
 - iii) FP(s) applicable for the coming 12-month period will be rounded up to 2 decimals (Example: \$2.571 or \$2.579 will be rounded up to \$2.58);
- or

b) the Contractor current Commercial Published Price List (CPPL), less discount (s) for the year in question;

6.5.3. Adjustments:

There will be no adjustments made to the prices contained in the Annex A Basis of Payment for the first year.

6.5.4. Economic price adjustments (either upwards or downwards) shall be limited of a maximum of 5% of the previous year's price(s). In the event the change in the chosen index is negative, the price(s) in effect will be adjusted downward accordingly. Economic price adjustments shall be calculated over a consecutive 12 months period.

6.5.5. If the CPI referred to in articles 6.6.1 and 6.6.2 is discontinued, or if the basis for reporting the index is changed from that in existence on or after the award date of the Contract, the Minister shall immediately thereafter establish replacement indices, or formulate adjustments, consistent with the intent of those set forth in these articles.

6.5.6. Should the Contractor publish or publicly announce a price decrease, it shall provide the benefit of the decrease to Canada.

6.6. Price negotiation:

Under some circumstances, firm prices may not be readily available or items may be added in the Contract basis of payment on an on going basis for the purchase of some Goods and Services. A review of the Contractor proposed pricing will be required by Canada. Detailed supporting data may be requested to validate the prices and other charges proposed. Cost and profit negotiations with the Contractor will be in accordance with Canadian Government policy.

6.7. Definitions of "Actual Cost":

6.7.1. For Contractor Manufactured Parts, "actual cost" is the Direct Material, Material Handling, Direct Manufacturing Labour and Direct Manufacturing Labour Overhead, calculated in accordance with Contract Cost Principle 1031-2; Exclusive of G&A and Profit.

6.7.2. For Contractor Acquired Parts, "actual cost" is the laid down cost incurred by the supplier to acquire a specific product for resale to Canada. This includes the invoiced Cost (less trade discounts) plus Freight In, Customs and Duties; Exclusive of G&A, O/H(s), Handling and Profit.

7. Invoicing Instructions

The Contractor must submit invoices in accordance with the information required in Section 10 2010C (2012-07-16), General Conditions - Service (Medium Complexity). Claims cannot be submitted until all the work identified in the claim is completed.

7.1 The invoice must contain the following information:

- a) date;
- b) name and address of consignee;
- c) item/reference number, deliverable and/or quantity or description of work
- d) contract/purchase order number and financial codes;
- e) all separate charges detailed individually;
- f) the amount invoiced;
- g) the Client Reference Number (CRN);
- h) the Contractor's Vendor Code or Procurement Business Number (PB); and
- i) all invoices must have original signatures and be stamped as original

7.2 Invoices must be distributed as follows:

- a) The original and one (1) copy must be forwarded for certification and payment to the following address:

Directoriate of Land Procurement 5-4-1
National Defence Headquarters
M Gen George R. Pearkes Building
101 Colonel by Drive
Ottawa, ON K1A OK2
Attention: Stephen Ayotte

- b) One (1) copy must be forwarded to the "Consignee" identified in this document.
- c) One (1) copy must be forwarded to the Contracting Authority identified under section entitled "Authorities" of the Contract.

Invoicing Instructions - Progress Payment Claim

7.3. The Contractor must submit a claim for payment using form PWGSC- TPSGC 1111, Claim for Progress Payment.

Each claim must show:

- (a) all information required on form PWGSC-TPSGC 1111;

(b) all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;

(c) a list of all expenses, details of the items repaired including NSN, Description of Item, Labour hours, materiel costs, Other applicable Costs, DND 626 or Work order numbers, Stock holding code change notification, and document number;

Each claim must be supported by:

(a) a copy of time sheets to support the time claimed;

(b) a copy of the invoices, receipts, vouchers for all direct expenses, travel and living expenses;

(c) a copy of the monthly progress report;

7.4. The Goods and Services Tax or Harmonized Sales Tax (GST/HST), as applicable, must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no GST/HST payable as it was claimed and payable under the previous claims for progress payments.

7.5. The Contractor must prepare and certify one original and two (2) copies of the claim on form PWGSC-TPSGC 1111, and forward it to the Requisitioning Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.

The Requisitioning Authority will then forward the original and two (2) copies of the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.

7.6. The Contractor must not submit claims until all work identified in the claim is completed.

8. Certifications

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

9. Applicable Laws

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

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) Annex D Miniature Unmanned Aircraft Systems (MUAS) Performance Specifications
- (c) Annex C Statement of Work
- (d) the signed Task Authorizations (including all of their annexes, if any);
- (e) the Contractor's bid solicitation, annexes and appendixes dated _____ (NOTE: Canada to insert date of bid at contract award);

11. Defence Contract

SACC Manual Clause A9006C (2012-07-16) Defence Contract.

12. SACC Manual Clause

B9031C (2011-05-16), Canada's Obligation - Portion of the Work - Task Authorizations;
 C2000C (2007-11-30), Taxes - Foreign Based Contractor
 A9117C (2007-11-30), T1204 - Direct Request by Customer Department;
 H4500C (2010-01-11), Lien - Section 427 of the Bank Act (Canadian-based suppliers);
 C2608C (2010-08-16), Canadian Customs Documentation;
 C2610C (2007-11-30), Customs Duties - DND - Importer;
 4004 (2010-01-11) Maintenance and Support Services For Licensed Software
 4002 (2010-08-16), Software Development or Modification Services
 4003 (2010-08-16), Licensed Software,
 4006 (2010-08-16), Contractor to Own Intellectual Property Rights in Foreground
 Information
 A9006C (2008-05-12) Defence Contract
 C2801C (2011-05-16) Priority Rating - Canadian-based Contractors
 C2800C (2011-05-16) Priority Rating
 A9068C (2010-01-11) Site Regulations
 B1501C (2006-06-16), Electrical Equipment
 B7500C (2006-06-16), Excess Goods
 A9131C (2011-05-16), Controlled Goods Program
 B4060C (2011-05-16), Controlled Goods
 D5540C (2010-08-16), ISO 9001:2008 Quality Management Systems - Requirement (QAC Q)
 D1501C (2006-06-16) Electrical Equipment
 C4001C (2010-01-11) Travel and Living Expenses
 A3010T (2007-11-30) Education and Experience
 A7017C(2008-05-12) replacement of Specific Individuals

Solicitation No. - N° de l'invitation

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Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

053ra

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

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

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Canadian Contractor:

D3015C (2007-11-30) Dangerous Goods/Hazardous Products

D0035C 2010-01-11, Shipping Instructions (DND) - Foreign-based Contractors e before contract award);

OR

D0037C (2011-05-16) Shipping Instructions (DND) - Canadian-based Contractor (NOTE: Canada to complete before contract award);

D5606C (2007-11-30), Release Documents (DND) - Canadian-based Contractor;

D5604C (2008-12-12), Release Documents (DND) - Foreign-based Contractor; or

D5605C (2010-01-11), Release Documents (DND) - United States-based Contractor;

A9016C (2011-05-16), Hazardous Waste Disposal