

**RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:**

**Bid Receiving - PWGSC / Réception des
soumissions - TPSGC**

11 Laurier St. / 11, rue Laurier

Place du Portage , Phase III

Core 0A1 / Noyau 0A1

Gatineau

Québec

K1A 0S5

Bid Fax: (819) 997-9776

**REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION**

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

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

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

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

Comments - Commentaires

Title - Sujet R&O SMALL BOATS		
Solicitation No. - N° de l'invitation W8482-129012/B		Date 2013-06-03
Client Reference No. - N° de référence du client W8482-129012		
GETS Reference No. - N° de référence de SEAG PW-\$\$MD-027-23797		
File No. - N° de dossier 027md.W8482-129012	CCC No./N° CCC - FMS No./N° VME	
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-07-15		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: Haydock, mark		Buyer Id - Id de l'acheteur 027mc
Telephone No. - N° de téléphone (819) 956-1397 ()		FAX No. - N° de FAX (819) 956-7725
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

Issuing Office - Bureau de distribution

Ship Construction, Refit and Related Services/Construction
navale, Radoubs et services connexes

11 Laurier St. / 11, rue Laurier

6C2, Place du Portage

Gatineau

Québec

K1A 0S5

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	

Solicitation No. - N° de l'invitation

W8482-129012/B

Amd. No. - N° de la modif.

File No. - N° du dossier

027mdW8482-129012

Buyer ID - Id de l'acheteur

027md

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

W8482-129012

CCC No./N° CCC - FMS No/ N° VME

Request for Proposal (RFP) for the Repair and Overhaul, Maintenance and Engineering Support of Service boats and Related Equipment for the Department of National Defence (DND)

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PART 1 - GENERAL INFORMATION

1. Introduction

The bid solicitation is divided into seven parts plus attachments and 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;
- 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, 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 for Repair and Overhaul of service boats and related equipment, the Task Authorization Form (DND 626) , *the TECHNICAL EVALUATION CRITERIA*, and the Basis of Payment.

2. Summary

The Contractor must provide the Department of National Defence (DND) with Repair and Overhaul (R&O), Maintenance and Engineering support, of inflatable and rigid hull inflatable small boats including related equipment utilized by DND.- **Annex "A"** .

The period of the Contract will be from the date of contract award to March 31, 2016 inclusively with the options to extend by two (2) additional one (1) year periods.

This procurement is subject to the Controlled Goods Program.

There is no security requirement associated with this requirement.

The requirement is exempt from the World Trade Organization Agreement on Government Procurement (WTO-AGP) and the North American Free Trade Agreement (NAFTA). The requirement is subject to the Agreement on Internal Trade (AIT). It is subject to the Canadian Shipbuilding, Repair, Refit and Modernization Policy.

Government Contract Regulations do apply.

The Standard Instructions - Goods or Services 2003 - Competitive Requirements (2012-03-02) are incorporated by reference into and form part of the bid solicitation.

3. 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. Standard Instructions, Clauses and Conditions

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

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

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

1.1 General Conditions:

2035 (2013-04-25) General Conditions - Services (Higher Complexity), apply to and form part of the Contract.

2035 06 (2010-01-11) Subcontracts is deleted and replaced with the following:

2035 06 (2010-01-11) Subcontracts

1. Except as provided in subsection 2, the Contractor must obtain the Contracting Authority's written consent before subcontracting or permitting the subcontracting of any part of the Work. A subcontract includes a contract entered into by any subcontractor at any tier to perform any part of the Work.

2. The Contractor is not required to obtain consent for subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:

- a) purchase "off-the-shelf" items and any standard articles and materials that are ordinarily produced by manufacturers in the normal course of business;
- b) permit its subcontractors at any tier to make purchases or subcontract as permitted in paragraph (a).

3. Nothing in paragraph 2 (a) and (b) prevents Canada from performing its customary contract administration processes to ensure, in advance of the Contractor entering into a subcontract, that the cost payable in respect of the work proposed to be subcontracted, and other subcontract matters of importance to Canada are acceptable to Canada. These contract administration processes will include, without limitation:

- a) requiring the Contractor to provide subcontract price breakdowns, analysis and itemization of costs, and price justifications, price certifications, audits and price support information in respect of subcontracts, including most favoured customer evidence; and

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- b) requiring the Contractor to provide information on proposed subcontractors, including background and experience; and
 - c) specifying specific equipment and its sourcing.

Upon request by Canada in advance of the Contractor entering into a subcontract, the Contractor shall provide all information requested, and if, without limitation, the proposed subcontractor or subcontract cost is not acceptable to Canada, then the subcontract chosen by the Contractor pursuant to section 2 (a), 2 (b), above, shall not be considered to have been consented to by Canada unless and until all Canada's requirements in this respect have been met by the Contractor.

4. In any subcontract other than a subcontract referred to in paragraph 2.(a), the Contractor must, unless the Contracting Authority agrees in writing, ensure that the subcontractor is bound by conditions compatible with and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract.

5. Even if Canada consents to a subcontract, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any subcontractors for any part of the Work they perform.

1031-2 (2012-07-16) Contract Cost Principles, apply to and form part of the Contract.

1.2 Supplemental General Conditions

1029 (2010-08-16) Supplemental General Conditions - Ship Repairs, apply to and form part of the Contract.

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.

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

3. Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than seven (7) calendar days before the bid closing date. Enquiries received after that time may not be answered.

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

4. Applicable Laws

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

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

PART 3 - BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

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

- Section I - Technical Bid (Three(3) hard copies, one (1) soft copy on DVD)
- Section II - Financial Bid(Two(2) hard copies, one (1) soft copy on DVD)
- Section III - Certifications (Two (2) hard copies, one(1) soft copy on DVD)

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 (216 mm x 279 mm) paper;
- (b) use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process [Policy on Green Procurement](http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html)

<http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>). To assist Canada in reaching its objectives, bidders should:

- 1) use 8.5 x 11 inch (216 mm x 279 mm) paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content; and
- 2) use an environmentally-preferable format including black and white printing instead of colour printing, printing double sided/duplex, using staples or clips instead of cerlox, duotangs or binders

Signature of Proposal by Bidder:

- (a) Canada requires that each Proposal be signed by the Bidder or by an authorized representative of the Bidder. Bidders' proposals shall be properly signed when submitted at bid closing.

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- (b) Bidders can sign their Proposals by signing the front page of this solicitation, or by submitting a Proposal letter with their proposal.

Cross-Referencing

Each volume of the Bidder's Proposal should be written to the greatest extent possible on a stand-alone basis so that its contents may be evaluated with minimum of cross-referencing to other volumes of the Proposal. Cross-referencing within a proposal volume is permitted where its use would conserve space without impairing clarity.

Mandatory

The mandatory requirements of the Solicitation are, unless stated otherwise, signified by the words "shall" or "must" or "will" or "is required" or by the phrase "are to" or "is to".

Each Bidder shall comply with every mandatory requirement of this Solicitation. In the event any Bidder fails to comply with any mandatory requirement of this Solicitation, its Bid shall be deemed to be non-responsive and will not be given any further consideration.

Proprietary Information

All information regarding the terms and conditions, financial and technical aspects of the Bidder's Proposal, which in its opinion, are of a proprietary or confidential nature should be clearly marked "PROPRIETARY" or "CONFIDENTIAL" at the relevant clause, page or section.

Section I: Technical Bid

In their technical bid, bidders should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability in a thorough, concise and clear manner for carrying out the work.

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

1.1 Subcontractors

A list of subcontracts proposed for labor and/or material must be included with the Bid stating the name and address of each subcontractor, and a description (Make, Model No.) of the goods or services to be supplied by each, and whether the subcontractor is an affiliate (as defined in the Canada Business Corporations Act) of the Bidder. Résumés of subcontractors' employees performing Work on the Service boats and related equipment may be requested by the Contracting Authority in addition to those that are required pursuant to Annex B, "Evaluation Criteria."

1.2 Emergency/Spill Response Plan

Bidders are to submit with their solicitation response a copy of their Emergency/Spill Response Plan

Section II: Financial Bid

Bidders must submit their financial bid in accordance with the Basis of Payment in *Annex C*. The total amount of Goods and Services Tax or Harmonized Sales Tax must be shown separately, if applicable.

Section III: Certifications

Bidders must submit the certifications required under Part 5.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical and financial evaluation criteria.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

2. Technical Evaluation

2.1 Mandatory Technical Criteria

In order to be compliant, Bidder's proposal must, to the satisfaction of Canada, meet all requirements in Annex B *EVALUATION CRITERIA, SERVICE BOATS AND RELATED EQUIPMENT*.

3. Financial Evaluation

3.1 Price

Bidder must provide rates for each category of work as detailed in *Annex C Basis of Payment - Firm Hourly Rates*, and complete all blanks in every section of *Annex C*.

Annex C sets out the methodology for the financial evaluation.

4. Evaluation of Price

4.1. The price of the bid will be evaluated as follows:

- (a) Canadian-based bidders must submit firm prices, Canadian customs duties and excise taxes included, and Goods and Services Tax (GST) or Harmonized Sales Tax (HST) excluded.
- (b) foreign-based bidders must submit firm prices, Canadian customs duties, excise taxes and GST or HST excluded. Canadian customs duties and excise taxes payable by Canada will be added, for evaluation purposes only, to the prices submitted by foreign-based bidders.

4.2 Bids submitted in foreign currency will be converted to Canadian currency for evaluation purposes. The rate given by the Bank of Canada in effect on the bid solicitation closing date, or on another date specified in the bid solicitation, will be applied as a conversion factor to the bids submitted in foreign currency.

4.3 Although Canada reserves the right to award the Contract either on an FOB plant or FOB destination, Canada requests that bidders provide prices FOB their plant or shipping point and FOB destination. Bids will be assessed on an FOB destination basis.

4.4 For the purpose of the bid solicitation, bidders with an address in Canada are considered Canadian-based bidders and bidders with an address outside of Canada are considered foreign-based bidders.

SACC Manual Clause A0222T (2010-01-11) - Evaluation of Price

5. Basis of Selection

5.1 Basis of Selection

A bid must comply with the requirements of the bid solicitation and meet all mandatory technical evaluation criteria to be declared responsive. The responsive bid with the lowest evaluated overall average rate will be recommended for award of a contract.

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 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

By submitting a bid, the Bidder certifies as per section 01 of Standard Instructions 2003, for himself and his affiliates, to be in compliance with the Code of Conduct and Certifications clause of the Standard instructions. The related documentation therein required will help Canada in confirming that the certifications are true.

2. Additional Certifications Precedent to Contract Award

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

2.1 Federal Contractors Program - Certification

Federal Contractors Program - \$200,000 or more

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

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

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

The Bidder or the member of the joint venture

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

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

2.2 Welding Certification

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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 W47.2-M1987(R2003), Certification of Companies for Fusion Welding of Aluminum division 1 or 2.1.
 2. Before contract award and within five (5) calendar days of the written request by the Contracting Authority, the successful Bidder must submit evidence demonstrating its certification to the welding standards.

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

1. Financial Capability

1.1 Financial Capability Requirement: The Bidder must have the financial capability to fulfill this requirement. To determine the Bidder's financial capability, the Contracting Authority may, by written notice to the Bidder, require the submission of some or all of the financial information detailed below during the evaluation of bids. The Bidder must provide the following information to the Contracting Authority within fifteen (15) working days of the request or as specified by the Contracting Authority in the notice:

(a) Audited financial statements, if available, or the unaudited financial statements (prepared by the Bidder's outside accounting firm, if available, or prepared in-house if no external statements have been prepared) for the Bidder's last three fiscal years, or for the years that the Bidder has been in business if this is less than three years (including, as a minimum, the Balance Sheet, the Statement of Retained Earnings, the Income Statement and any notes to the statements).

(b) If the date of the financial statements in (a) above is more than five months before the date of the request for information by the Contracting Authority, the Bidder must also provide, unless this is prohibited by legislation for public companies, the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement), as of two months before the date on which the Contracting Authority requests this Information.

(c) If the Bidder has not been in business for at least one full fiscal year, the following must be provided:

- (i) the opening Balance Sheet on commencement of business (in the case of a Corporation the date of incorporation); and
- (ii) the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement) as of two months before the date on which the Contracting Authority requests this information.

(d) A certification from the Chief Financial Officer or an authorized signing officer of the Bidder that the financial information provided is complete and accurate.

(e) A confirmation letter from all of the financial institution(s) that have provided short-term financing to the Bidder outlining the total of lines of credit granted to the Bidder and the amount of credit that remains available and not drawn upon as of one

month prior to the date on which the Contracting Authority requests this information.

(f) A detailed monthly Cash Flow Statement covering all the Bidder's activities (including the requirement) for the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures on a monthly basis, for all the Bidder's activities. All assumptions made should be explained as well as details of how cash shortfalls will be financed.

(g) A detailed monthly Project Cash Flow Statement covering the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures, for the requirement, on a monthly basis. All assumptions made should be explained as well as details of how cash shortfalls will be Financed.

1.2 If the Bidder is a joint venture, the financial information required by the Contracting Authority must be provided by each member of the joint venture.

1.3 If the Bidder is a subsidiary of another company, then any financial information in 1. (a) to (f) above required by the Contracting Authority must be provided by the ultimate parent company. Provision of parent company financial information does not by itself satisfy the requirement for the provision of the financial information of the Bidder, and the financial capability of a parent cannot be substituted for the financial capability of the Bidder itself unless an agreement by the parent company to sign a Parental Guarantee, as drawn up by Public Works and Government Services Canada (PWGSC), is provided with the required information.

1.4 Financial Information Already Provided to PWGSC: The Bidder is not required to resubmit any financial information requested by the Contracting Authority that is already on file at PWGSC with the Contract Cost Analysis, Audit and Policy Directorate of the Policy, Risk, Integrity and Strategic Management Sector, provided that within the above-noted time frame:

(a) the Bidder identifies to the Contracting Authority in writing the specific information that is on file and the requirement for which this information was provided; and

(b) the Bidder authorizes the use of the information for this requirement.

It is the Bidder's responsibility to confirm with the Contracting Authority that this information is still on file with PWGSC.

1.5 Other Information: Canada reserves the right to request from the Bidder any other information that Canada requires to conduct a complete financial capability assessment of the Bidder.

1.6 Confidentiality: If the Bidder provides the information required above to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as permitted by the Access to Information Act, R.S., 1985, c.c. A-1, Section 20(1) (b) and (c).

1.7 Security: In determining the Bidder's financial capability to fulfill this requirement, Canada may consider any security the Bidder is capable of providing, at the Bidder's sole expense (for example, an irrevocable letter of credit from a registered financial institution drawn in favour of Canada, a performance guarantee from a third party or some other form of security, as determined by Canada).

SACC Manual clause A9033T (2012-07-16) Financial Capability

2. Controlled Goods Requirement

2.1 As the resulting contract will require the production of or access to controlled goods that are subject to the Defence Production Act, R.S. 1985, c. D-1, bidders are advised that within Canada only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: Controlled Goods Program and registration is carried out as follows:

(a) When the bid solicitation includes controlled goods information or technology, the Bidder must be registered, exempt or excluded under the CGP before receiving the bid solicitation. Requests for technical data packages or specifications related to controlled goods should be made in writing to the Contracting Authority identified in the bid solicitation and must contain the CGP registration number or written proof of exemption or exclusion of the Bidder and of any other person to whom the Bidder will give access to the controlled goods.

(b) When the bid solicitation does not include controlled goods information or technology but the resulting contract requires the production of or access to controlled goods, the successful Bidder and any subcontractor who will be producing or accessing controlled goods must be registered, exempt or excluded under the CGP before examining, possessing or transferring controlled goods.

(c) When the successful Bidder and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the successful Bidder and any subcontractor must, within seven (7) working days from receipt of written notification of contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the successful Bidder has provided proof, satisfactory to the Contracting Authority, that the successful Bidder and any subcontractor are registered, exempt, or excluded under the CGP.

Failure to provide proof, satisfactory to the Contracting Authority, that the successful Bidder and any subcontractor are registered, exempt or excluded under the CGP, within thirty (30) days from receipt of written notification of contract award, will be considered a default under the resulting contract except to the extent that Canada is responsible for the failure due to delay in processing the application.

2.2 Bidders are advised that all information on the Application for Registration (or exemption) Form will be verified and errors or inaccuracies may cause significant delays and/or result in denial of registration or exemption.

SACC Manual clause A9130T (2011-05-16) Controlled Goods Program

3. 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 *Part 7 - Resulting Contract Clause 32 - Insurance Requirements*.

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.

PART 7 - RESULTING CONTRACT CLAUSES

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

1. Requirement

The requirement is for work identified in the Statement of Work attached as Annex "A", including, but not limited to:

Repair and Overhaul, Maintenance and Engineering support of inflatable small boats and related equipment utilized by DND, including:

Repair and Overhaul to extend the operational life and return the boat to its original operating condition;

Periodic Maintenance including provision of Mobile Repair Parties (MRPs); and

Engineering support to include:

Technical Investigations and Engineering Support (TIES);
Special Investigation and Technical Studies (SITS);
Field Service Representative (FSR) Support;
Design Changes;
Modifications.

The Contractor must perform **Work on an as and when requested basis, subject to issuance of Task Authorizations therefore in accordance with Article 6, and subject to the terms and conditions of this Contract.** It is within Canada's absolute discretion whether to issue any Task Authorization.

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 Manual*

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

2.1 General Conditions

2035 (2013-04-25) General Conditions - Services (Higher Complexity), apply to and form part of the Contract.

2035 06 (2010-01-11) Subcontracts is deleted and replaced with the following:

2035 06 (2010-01-11) Subcontracts

1. Except as provided in subsection 2, the Contractor must obtain the Contracting Authority's written consent before subcontracting or permitting the subcontracting of any part of the Work. A subcontract includes a contract entered into by any subcontractor at any tier to perform any part of the Work.

2. The Contractor is not required to obtain consent for subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:

- a) purchase "off-the-shelf" items and any standard articles and materials that are Ordinarily produced by manufacturers in the normal course of business;
- b) permit its subcontractors at any tier to make purchases or subcontract as permitted in paragraph (a).

3. Nothing in paragraph 2 (a) and (b) prevents Canada from performing its customary contract administration processes to ensure, in advance of the Contractor entering into a subcontract, that the cost payable in respect of the work proposed to be subcontracted, and other subcontract matters of importance to Canada are acceptable to Canada. These contract administration processes will include, without limitation:

- a) requiring the Contractor to provide subcontract price breakdowns, analysis and itemization of costs, and price justifications, price certifications, audits and price support information in respect of subcontracts, including most favoured customer evidence; and
- b) requiring the Contractor to provide information on proposed subcontractors, including background and experience; and
- c) specifying specific equipment and its sourcing.

Upon request by Canada in advance of the Contractor entering into a subcontract, the Contractor shall provide all information requested, and if, without limitation, the proposed subcontractor or subcontract cost is not acceptable to Canada, then the subcontract chosen by the Contractor pursuant to section 2 (a), or 2 (b) , above, shall not be considered to have been consented to by Canada unless and until all Canada's requirements in this respect have been met by the Contractor.

4. In any subcontract other than a subcontract referred to in paragraph 2.(a), the Contractor must, unless the Contracting Authority agrees in writing, ensure that the subcontractor is bound by conditions compatible with and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract.

5. Even if Canada consents to a subcontract, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any subcontractors for any part of the Work they perform.

1031-2 (2012-07-16) *Contract Cost Principles*, apply to and form part of the Contract.

2.2 Supplemental General Conditions

1029 (2010-08-16) *Supplemental General Conditions - Ship Repairs*, apply to and form part of the Contract.

3. Term of Contract

3.1 Term of the Contract

The term of the Contract will be from the date of Contract award _____ To March 31, 2016 inclusively.

3.2 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two (2) additional one (1) year period(s) 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 any of these options at any time by sending a written notice to the Contractor at least **30** calendar days before the expiry date of the Contract. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

4. Authorities

4.1 Contracting Authority

The Contracting Authority for the Contract is:

Mark Haydock
Public Works and Government Services Canada
Acquisitions Branch
Marine Systems Directorate
Place du Portage, Phase III -6C2
11 Laurier St.
Gatineau, QC
K1A 0S5
Telephone : 819-956-1397
Facsimile: 819-956-0897
E-mail address: mark.haydock@tpsgc-pwgsc.gc.ca

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

4.2 Requisitioning Authority

The Requisitioning Authority for the Contract is:

Mais Al-Ahmad
National Defence Headquarters
101 Colonel By Drive
K1A 0K2
Attention: D Mar P 4-4-6
email:mais.al-ahmad@forces.gc.ca

phone: 819-939-3816

The Requisitioning Authority is responsible of the administrative aspects of the Contract and is the only authority to authorize DND 626 taskings and amendments thereto within the threshold of the contract.

4.3 Technical Authority

The Technical Authority for the Contract is:

Daniel Farmer, DMSS 4-3-2
National Defence Headquarters
101 Colonel By Drive
K1A 0K2
email: daniel.farmer@forces.gc.ca
phone: 819-939-3449

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

4.4 Quality Assurance Authority (DND) - Canadian-based Contractor

All work is subject to Government Quality Assurance performed at the Contractor's or subcontractor's facility, and at the installation site, by the Director of Quality Assurance, or its designated Quality Assurance Representative (QAR).

Director of Quality Assurance

National Defence Headquarters

MGen George R. Pearkes Building

101 Colonel By Drive

Ottawa, ON K1A 0K2

E-mail: ContractAdmin.DQA@forces.gc.ca

Within forty-eight (48) hours of contract award, the Contractor must contact the QAR. The name, location and phone number of the QAR can be obtained from the nearest National Defence Quality Assurance Region (NDQAR) listed below:

Atlantic - Halifax 902-427-7224 or 902-427-7150
Quebec - Montreal 514-732-4410 or 514-732-4477
Quebec - Quebec City 418-694-5998, ext. 5996
National Capital Region - Ottawa 613-996-1827
Ontario - Toronto 416-635-4404, ext. 6081 or 2754
Ontario - London 519-964-5757
Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
Alberta - Calgary 403-410-2320, ext. 3830

Alberta - Edmonton 780-973-4011, ext. 2276
British Columbia - Vancouver 604-225-2520, ext. 2460
British Columbia - Victoria 250-363-5662

The Contractor is responsible for performing, or having performed, all inspections and tests necessary to substantiate that the material or services provided conform to the requirements of the Contract.

The Contractor must provide, at no additional cost, all applicable test data, all technical data, test pieces and samples as may reasonably be required by the QAR to verify conformity to the requirements of the Contract. The Contractor must forward at its expense such technical data, test data, test pieces and samples to such location as the QAR may direct.

Quality control, inspection and test records that substantiate conformity 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 QAR upon request.

D5510C (2012-07-16) Quality Assurance Authority (DND) - Canadian-based Contractor

4.5 Contractor's Representative

Name: _____

Telephone: _____

Facsimile: _____

Email: _____

5.0 Process for Work approval

5.1 Task Authorization Process

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

Task Authorization Process:

The Technical Authority or the Requisitioning Authority will provide the Contractor with a Statement of Work (SOW).

The SOW will contain the details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major activities or submission dates for the deliverables. The TA or the RA will also include the applicable basis (bases) and methods of payment as specified in the Contract.

The Contractor must provide, within **five (5)** calendar days of its receipt, a proposal to complete the Task, including the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract. This proposal will include, as a minimum:

-
- i) a detailed description of the task to be performed;
 - ii) Sourcing: (indicate if work to be performed by Contractor or sub-contractor). Where the work is to be performed by a sub-contractor, the proposal will include detailed price justification acceptable to Canada. Work to be performed on the west or east coast of Canada at the designated facilities provided for in this Contract or work performed by the Contractor or any affiliate (as defined in the Canada Business Corporations Act) will be priced in accordance with the firm hourly rates and other prices specified in the Basis of Payment of this Contract.
 - iii) a list of deliverables and delivery dates or task milestones with estimated activity start date And completion date;
 - iv) contacts (names, location, telephone numbers);
 - v) any other supporting details.

Generally, within ten (10) working days of receipt of the Contractor's Task Authorization proposal, Canada shall review and either accept the Task Authorization proposal, or may request any clarifications or negotiate any modifications as necessary, resulting in a 'revised Task Authorization proposal' from the Contractor. Canada shall either notify the Contractor that the proposed Task Authorization will not be approved, or approve the Task Authorization as described below. Any Task Authorization proposal shall be subject to the acceptance of Canada.

If Canada accepts the Task Authorization proposal (or revised Task Authorization proposal, as the case may be) provided by the Contractor for the required task(s):

- a) when the Task Authorization is within the DND Requisitioning Authority's approval limit, the Requisitioning Authority will approve and issue the Task Authorization by forwarding the duly signed copy of the Task Authorization, and a copy to the Contracting Authority;

OR

- b) when the Task Authorization exceeds the DND Requisitioning Authority's approval limit, the Requisitioning Authority will recommend the Task Authorization by signing and forwarding the Task Authorization to the Contracting Authority for review and approval. The Contracting Authority will issue the Task Authorization by forwarding a signed copy of the Task Authorization to the Contractor, the Requisitioning Authority, and the TA

The Contractor must acknowledge receipt of the approved Task Authorization by signing and forwarding the Task Authorization to the appropriate Task Authorization Approval Authority and a copy to the Technical Authority.

The Contractor must complete the work under the Task Authorization within the time frame and price stated in the approved Task Authorization.

The Contractor must not commence work until a Task Authorization (form DND 626) attached as **Annex "D"** is approved by authorized by the Requisitioning Authority or the Contracting Authority. The Contractor acknowledges that any work performed before an approved TA has been received will be done at the Contractor's own Risk.

6. Payment

Depending on the type of Task Authorization, one of the following Bases of Payment will apply and will be specified in the Task Authorization:

6.1 For a firm price task authorization:

A Firm Price Task Authorization will be used when the statement of work can define the requirement in sufficient detail to enable the Contractor to establish a firm price.

In consideration of the Contractor satisfactorily completing all of its obligations under the Task Authorization, the Contractor will be paid the firm price stipulated in the applicable Task Authorization document, without any adjustment.

6.2 For a task authorization subject to a ceiling price:

A Ceiling Price Task Authorization will be used instead of firm price only in cases where the Work to be performed is not in sufficient detail to accurately determine a reasonable firm price, through which the Contractor is bound to complete the prescribed Work without additional payment whether or not actual costs exceed the ceiling.

The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work under the Task Authorization, to the ceiling price specified in the applicable Task Authorization document.

The ceiling price is subject to downward adjustment so as not to exceed the actual charges and costs reasonably incurred in the performance of the Work and computed in accordance with the Basis of Payment specified in the Task Authorization document.

6.3 For a task authorization subject to a limitation of expenditure:

A Task Authorization subject to a Limitation of Expenditure will be used for urgent Technical Investigations and Engineering Services (TIES), where the nature of the work cannot be defined in detail for pricing purposes. When goods and/or services are to be furnished under a Limitation of Expenditure Task Authorization, the parties agree on a Limitation of Expenditure for the Contractor to commence work.

The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work under the Task Authorization, in accordance with the Basis of Payment specified herein and in the applicable Task Authorization document.

6.4 Firm hourly rates:

The applicable firm hourly rates set out herein at Article 6.11 shall be used to price any Task Authorization under this Contract.

6.5 Changes to a task authorization

Any change(s) in a Task Authorization must be authorized in writing by the Task Authorization Approval Authority using the procedure specified as above, and incorporated as an amendment to the Task Authorization.

6.6 Work Authorization for Repair and Overhaul (R&O)

Notwithstanding the limitations on issuance of Task Authorizations, above, work Authorizations for R&O will be provided to the Contractor in accordance with the following. The authorizations provided for in this sub-article are Task Authorizations, notwithstanding that their format or procedures differ from the format or procedures for other Task Authorizations provided for under this Contract:

6.7 Authorization (R&O):

The Contractor shall perform the repair and overhaul of only those repairable items for which he has received authorization via the Canadian Forces Supply System (CFSS) Selection Notice and Priority Summary Report (SNAPS) and (or) a Repairable Material Request (RMR) Work Authority Message, in accordance with the relevant section of A-LM-184-001/JS-001 Special Instructions - Repair and Overhaul Contractors, at a cost not to exceed the Maximum Repair Cost (MRC) established by Canada.

The Contractor shall also conform to the direction contained in A-LM-184-001/JS-001 as applicable and such other supply procedures as may be advised from time to time in the demanding, handling, packaging, storing, shipping and recording, etc., of the DND equipment and stores in his possession. Repair/overhaul priorities shall be maintained as per information provided in the Selection Notice and Priority Summary (SNAPS). In the event of inconsistencies between the instruction contained in Annex A or in A-LM-184-000/JS-001 and the provisions of this Contract, the terms and conditions of this Contract shall prevail.

I) Process: The Contractor shall determine the extent of work required, prepare a cost estimate (in accordance with the firm hourly rates specified in the Contract or other basis acceptable to Canada), and if cost to repair is below the MRC (hereinafter defined), proceed with the repair.

II) Cost to repair exceeds MRC or RMR amount: Notwithstanding any provisions set forth in Annex A, or in the A-LM-184-001/JS-001 Special Instructions - Repair and Overhaul Contractors:

a) whenever cost to repair threatens to exceed the established MRC or amount specified in the RMR, and cost to repair is equal to or below the \$25,000.00 limit (GST/HST extra), the Contractor must request authorization from the Requisitioning Authority to proceed with the repair.

b) whenever the cost to repair exceeds the MRC or amount specified in the RMR, and exceeds \$25,000.00 (GST/HST extra), the Contractor must request authorization from the Contracting Authority to proceed with the repair, in accordance with the Task Authorization process specified below.

III) Assessment of Repair: As noted above, the Contractor shall assess the repair at the firm hourly rates specified in the contract, and if the repair is not assessable without dismantling the equipment, may, with the written consent of the Requisitioning Authority, strip the equipment so as to assess its repair and/or overhaul potential and to estimate the costs. Unless specified otherwise by the Requisitioning Authority, and regardless of the value of the equipment, the cost of the work involved in estimating this repair is chargeable, at the rates specified in the Contract, to the item whether or not it is subsequently repaired and is limited to 15% of the MRC or \$5,000.00 (GST/HST Extra), whichever is the lesser. The total cost of the repair including the repair estimate must not exceed the current established MRC without prior appropriate authorization, as specified above.

6.8 Limitation of Expenditure - Task Authorizations

The Contractor will be reimbursed for the costs reasonably and properly incurred in the performance of the Work specified in the authorized Task Authorization (TA), as determined in accordance with the Basis of Payment detailed below, to the amount specified in the authorized TA.

Canada's liability to the Contractor under the authorized TA does not exceed the amount specified in the authorized TA. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.

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

6.9 Limitation of Expenditure - Contract

1. Canada's total liability to the Contractor under the Contract must not exceed \$ _____. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable.
2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority.

The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- (a) when it is 75 percent committed, or
 - (b) four (4) months before the contract expiry date, or
 - (c) as soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work, whichever comes first.
3. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

6.10 Task Authorization Limit

The Requisitioning Authority may authorize individual task authorizations up to a limit of **\$25,000.00**, Goods 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 Contracting Authority before issuance.

6.11 Basis of Payment - Firm Hourly Rates

Firm Hourly Rates

The following firm hourly rates shall be used to price work to be performed under a Task Authorization. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra, if applicable.

The rates to be applied are those in effect at the time the Task Authorization is entered into.

For pricing of each Task Authorization, the firm hourly rates apply to the actual hours worked plus an initial half hour minimum charge calculated from the time the Contractor's technician arrives on-site. All additional chargeable time, over and above the first half hour, will be rounded to the nearest quarter hour. There will be no adjustment to the price for a firm price Task Authorization, and ceiling price Task Authorizations will be limited to a maximum of the ceiling price.

The firm hourly rates below include profit, overheads, G&A, fees and expenses.

Any relocation expenses incurred by the Contractor as a consequence of satisfying the Contract are not reimbursable by Canada.

Subcontracts, parts, and material used in the performance of work are reimbursable by Canada, as permitted below.

Work performed by the Contractor, affiliates (as defined in the Canada Business Corporations Act) of the Contractor and by subcontractors at either of the two main facilities listed in the Contract (one on each coast) at Article 41 shall be priced at the firm hourly rates specified below.

Material and Replacement Costs

All prices for material and replacement parts are FOB Bidder's facility.

The prices of material and replacement parts are subject to the Contractor's certification in the Contract as to price. Material and replacement parts will be charged to Canada at the lower of list price and most favoured customer price (or other lower price to which the Contractor's certification relates) for material and replacement parts supplied by the contractor and for parts supplied by any affiliate of the Contractor, at list price. The Contractor will also provide a discount against all such prices, of _____ percent.

Material and replacement parts from other suppliers shall be supplied at the Contractor's laid-down cost of acquiring same, plus mark-up of 10 percent. All prices for parts and material are FOB destination. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra, if applicable.

The mark-up rate will remain firm for the term of the Contract and any subsequent amendments.

Subcontractor

All subcontract costs must be pre-approved by the Contracting Authority. For subcontracts *other than* with affiliates of the Contractor and to the two main facilities as listed in the Contract at Article 41, the Contractor will be paid the laid down cost of the subcontracted work plus mark-up of 10 percent.

However, for payment purposes, subcontracts to affiliates (as defined in the Canada Business Corporations Act) of the Contractor and to the two main facilities listed below at Contract Article 41 will be treated as specified above for Material and Replacement Parts, and for other Work, shall be priced and paid in accordance with the firm hourly rates set out in the Contract at Article 6.11 and in accordance with the basis of payment specified in the applicable Task Authorization. There will be no mark-up/profit to the Contractor.

The mark-up rate will remain firm for the term of the Contract and any subsequent amendments.

Year 1 - FY13/14

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2*** (premium overtime)
Level I Marine Engineer	/hr	/hr	/hr
Level II Mechanic	/hr	/hr	/hr
Level III Technician	/hr	/hr	/hr

* regular time is defined as a 8 hours work day.

** overtime 1 is defined as time in excess of the regular time.

*** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)

Overtime: No premium overtime work will be charged to this Contract unless authorized in Writing by the Contracting Authority prior to the commencement of the Work. Such written Authorization will be a condition precedent for payment of the rate or rates specified herein for Premium overtime work. The Contractor will submit to the Contracting Authority a report with respect to the premium overtime work

Year 2 - FY14/15

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2*** (premium overtime)
Level I Marine Engineer	\$_____/hr	\$_____/hr	\$_____/hr
Level II Mechanic	\$_____/hr	\$_____/hr	\$_____/hr
Level III Technician	\$_____/hr	\$_____/hr	\$_____/hr

* regular time is defined as a 8 hours work day.

** overtime 1 is defined as time in excess of the regular time.

*** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)

Overtime: No premium overtime work will be charged to this Contract unless authorized in Writing by the Contracting Authority prior to the commencement of the Work. Such written Authorization will be a condition precedent for payment of the rate or rates specified herein for Premium overtime work. The Contractor will submit to the Contracting Authority a report with respect to the premium overtime work

Year 3 - FY 15/16

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2*** (premium overtime)
Level I Marine Engineer	\$_____/hr	\$_____/hr	\$_____/hr

Level II Mechanic	\$ ____/hr	\$ ____/hr	\$ ____/hr
Level III Technician	\$ ____/hr	\$ ____/hr	\$ ____/hr

* regular time is defined as a 8 hours work day.

** overtime 1 is defined as time in excess of the regular time.

*** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)

Overtime: No premium overtime work will be charged to this Contract unless authorized in Writing by the Contracting Authority prior to the commencement of the Work. Such written Authorization will be a condition precedent for payment of the rate or rates specified herein for Premium overtime work. The Contractor will submit to the Contracting Authority a report with respect to the premium overtime work

Option Year 1 - FY16/17

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2*** (premium overtime)
Level I Marine Engineer	\$ ____/hr	\$ ____/hr	\$ ____/hr
Level II Mechanic	\$ ____/hr	\$ ____/hr	\$ ____/hr
Level III Technician	\$ ____/hr	\$ ____/hr	\$ ____/hr

* regular time is defined as a 8 hours work day.

** overtime 1 is defined as time in excess of the regular time.

*** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)

Overtime: No premium overtime work will be charged to this Contract unless authorized in Writing by the Contracting Authority prior to the commencement of the Work. Such written Authorization will be a condition precedent for payment of the rate or rates specified herein for Premium overtime work. The Contractor will submit to the Contracting Authority a report with respect to the premium overtime work

Option Year 2 - FY17/18

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2*** (premium overtime)
Level I Marine Engineer	\$ ____/hr	\$ ____/hr	\$ ____/hr
Level II Mechanic	\$ ____/hr	\$ ____/hr	\$ ____/hr
Level III Technician	\$ ____/hr	\$ ____/hr	\$ ____/hr

* regular time is defined as a 8 hours work day.

** overtime 1 is defined as time in excess of the regular time.

*** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)

6.12 Travel and Living Expenses

Contractor personnel may be required to travel to NDHQ or other military establishments, to other Contractor's plants, and to other locations within Canada as may be designated by the Technical Authority.

At such time the Contractor personnel may be provided service transportation and, on a cost reimbursable basis, accommodation and messing equivalent to that of an officer in the Canadian Forces.

If service transportation, accommodation and messing is not provided, the Contractor will be reimbursed for the authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for overhead or profit, in accordance with the meal, private vehicle and incidental expense allowances specified in Appendices B, C and D of the National Joint Council Travel Directive, and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".

There will be no travel time or travel and living expenses payable for services rendered within 75 kilometres from where the Work will be performed.

For services rendered further than 75 kilometres from where the Work is performed, the Contractor will be paid its actual travel time in accordance with the hourly rates detailed above.

All travel must have the prior authorization of the Requisitioning Authority.

All payments are subject to government audit.

6.13 Method of Payment

Eligible Methods of Payments under Task Authorization

A variety of methods of payment are possible under any Task Authorization. The most appropriate Method of payment will be determined at the time a Task Authorization pursuant to the Contract is issued and included therein.

Eligible methods of payments are:

6.13.1 FOR FIRM PRICE TASK AUTHORIZATION

(A) Payment Upon Completion: One lump sum payment shall be made following delivery and acceptance of the work specified in the Task Authorization, provided that an invoice and the monthly progress claim form is submitted to Canada in accordance with the instructions specified herein.

(B) Multiple Deliveries: Payment for each delivery shall be made following delivery and acceptance of the work after the date on which completed units have been delivered at the delivery point specified in the Task Authorization, not the ultimate destination, and all other work required to be performed by the Contractor with respect to these units under the terms of the Task Authorization has been completed, provided an invoice and the monthly progress claim form is submitted to Canada in accordance with the instructions specified herein.

(C) Milestone Payments: The applicability of milestone payments will be specified under each Task Authorization. Milestone payments shall be made in accordance with the Schedule of Milestones attached to the Task Authorization, provided that: the monthly progress claim form is submitted to Canada in accordance with the instructions specified herein; the claim is approved by the Contracting Authority and the Technical Authority; and all the work required for the milestone claimed has been received and accepted by the Technical Authority.

6.13.2 FOR TASK AUTHORIZATION SUBJECT TO A LIMITATION OF EXPENDITURE OR CEILING PRICE

(A) Payment Upon Completion: One payment shall be made following delivery and acceptance of the work specified in the Task Authorization, provided that:

(i) the invoice and progress claim form is submitted to Canada in accordance with the instructions specified herein and it includes a listing of all the expenditures for the work in accordance with the Task Authorization; and

(ii) two sets of backup documentation (receipts, vouchers, timesheets, etc.) to support the invoice are supplied to the Technical Authority designated herein.

(B) Progress Payments/Holdbacks: Progress Payments under a Task Authorization may be permitted in the event that the duration of the work to be completed under such Task Authorization exceeds sixty (60) days. The applicability of progress payments and holdbacks will be specified under each Task Authorization, and payment will be made in accordance with the instructions specified herein.

Unless otherwise authorized by the Contracting Authority in a Task Authorization, Progress Payments are not permitted:

" in the event that the duration of the work to be completed under a Task Authorization is more than thirty (30) days and less than sixty (60) days; and
" for Repair and Overhaul work.

6.13.3 Progress Payments

(A). Progress payments shall be made not more frequently than once a month, upon the following terms and conditions:

(i) progress claims shall be completed in full, on form PWGSC-TPSGC 1111, "Claim for Progress Payment" (CPP), (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>) and submitted to Canada in accordance with the invoicing instructions specified herein;

(ii) all the certificates appearing on the said form are to be signed by the respective persons indicated thereon or their delegate, and

(iii) where holdbacks apply, except as otherwise provided herein, including Annex "B", progress payments shall be made up to 10 percent of the costs and charges incurred in accordance with the Task Authorization, but not in excess of 90 percent of the value of the Task Authorization affected by holdback, or

(iv) where a Task Authorization is subject to hourly ceiling rates, progress payments for such Task Authorization shall be made up to 75% of the Contractor's claimed labour amounts in Accordance with the Task Authorization. Other charges such as subcontractors, materials, etc.

will be paid to 90%.

(v) Any Task Authorization issued during the last six (6) month period of the Contract must include a minimum holdback of ten percent (10%).

(B). The balance of the amount payable for each Task Authorization will be paid upon satisfactory completion of said Task Authorization, provided that a final claim for such payment is submitted.

(C). In the case of a release of holdback under a Task Authorization, a signed statement from the Contractor's authorized quality assurance representative that the outstanding work has been completed or the defective work has been corrected together with a signed statement from the Technical Authority accepting the work.

(D). Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the work. Any overpayment resulting from such progress payments or otherwise shall be refunded promptly to Canada.

(E). Payment by Canada to the Contractor for the work shall be made:

(i) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed form PWGSC-TPSGC 1111;

(ii) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed final form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the work is completed, whichever date is the later.

(F). If Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will not prevent Canada from raising an objection thereafter.

7. Invoicing Instructions

The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the General Conditions and the DND 626. Invoices cannot be submitted until all work identified in the invoice is completed.

7.1 Each invoice must be supported by:

- (a) DND Financial Coding;
- (b) Contract Serial Number;
- (c) details of item(s) repaired including NSN, Description of item, Labour hours, Category of work, material costs, work order numbers; stock holding code change-notification and document number;
- (d) rate of payment;
- (e) number of hours applicable to task, if a ceiling price task;
- (f) approved travel and living expenses related to the task (receipts required).

7.2 Invoices must be distributed as follows:

-
- (a) The original and two (2) copies with attachments must be forwarded to the following address for certification and payment.

Department of National Defence Headquarters
National Defence Headquarters
101 Colonel By Drive
K1A 0K2
Attention: D Mar P 4-4-6

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

Financial coding for work related to CATEGORY 1: N001424-04-01, C113, FC2183DF, 6225
Financial coding for work related to CATEGORY 2: N001424-04-01, C113, FC2183DF, 4201

Category 1 is R & O
Category 2 is MRP and TIES.

8. Direct Request by Customer Department

Pursuant to paragraph 221 (1)(d) of the Income Tax Act, R.S. 1985, c. 1 (5th Supp.), payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip.

To enable departments and agencies to comply with this requirement, the Contractor must provide Canada, upon request, its business number or Social Insurance Number, as applicable. (These requests may take the form of a general call-letter to contractors, in writing or by telephone).

A9117C (2007-11-30) T1204 - Direct Request by Customer Department

9. Cost Submissions

If requested by the Contracting Authority or auditor designated by the Contracting Authority, the Contractor must submit to the Contracting Authority or the auditor as applicable, a cost submission, upon completion of the Contract or annually for multi-year contracts spanning more than one contractor fiscal year.

The cost submission must contain a breakdown of all applicable cost elements as detailed in the Contract and must be signed and certified accurate by the Contractor's Senior Financial Officer, unless stated otherwise in writing.

Supporting information for each cost element must be available in sufficient detail to allow for an in-depth audit.

C0305C (2008-05-12) Cost Submissions

10. Time Verification

Time charged and the accuracy of the Contractor's time recording system are subject to verification by Canada, before or after payment is made to the Contractor. If verification is done after payment, the Contractor must repay any overpayment, at Canada's request.

C0711C (2008-05-12) Time Verification

11. Lien - Section 427 of the Bank Act

11.1 If any lien under section 427 of the Bank Act, S.C.. 1991, c. 46, exists in respect to any materials, parts, work-in-process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless instructed otherwise by the Contracting Authority, either:

- (a) to cause the bank to remove such lien and to provide the Contracting Authority with written confirmation from the bank; or,
- (b) to provide to the Contracting Authority an undertaking from the bank that the bank will not make any claim under section 427 of the Bank Act on materials, parts, work-in-process, or finished work in respect of which payment is made to the Contractor under the Contract.

11.2 Failure to inform the Contracting Authority of such lien or failure to implement paragraph 5.101(a) or 5.101(b) above will constitute default under the default section of the general conditions and will entitle Canada to terminate the Contract.

H4500C (2010-01-11) Lien - Section 427 of the Bank Act

12. Quality Plan

No later than **21** 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 traceability 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.

If the Contract includes the option for software design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2008 "Quality management systems - Requirements", according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2004 "Software engineering - Guidelines for the application of ISO 9001:2000 to computer software".

13. Configuration Control Plan

If the Contractor does not have an established, DND approved Configuration Management Program as requested in the Contract, no later than ten (10) calendar days after the effective date of the Contract, the Contractor must submit for acceptance by the Department of National Defence (DND) a Configuration Control Plan prepared according to the latest issue (at contract date) of the MIL-HDBK-61A - Configuration Management Guidance. The Configuration Control Plan must describe how the Contractor

will conform to the specified requirements of the Contract and specify how the required configuration identification, control and status accounting of all new and/or modified hardware, firmware, software and documentation will be performed.

If the Configuration Management 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 Configuration Control Plan by DND, the Contractor must implement the Configuration Control Plan immediately. The Contractor must make appropriate amendments to the Configuration Control Plan throughout the term of the contract to reflect current and planned configuration activities. Amendments to the Configuration Control Plan must be acceptable to DND.

14. Proofing and Testing

The Contractor is responsible for the conduct of all examinations and tests required to demonstrate full conformance of the work to contract requirements. The Contractor may use his own or any other inspection facility and service acceptable to the Quality Assurance Representative (QAR).

15. Performance and Reliability

Equipment, systems and/or vessels repaired or overhauled in accordance with the terms of this contract must be produced to meet the standards of performance and reliability described in applicable engineering orders and test sheets. When such standards are not described or when the standards described are considered by the Contractor to be inadequate, the Contractor will submit the standards of performance and reliability to which he proposes to repair/overhaul the equipment through the Quality Assurance Representative (QAR) to the Technical Authority for approval.

16. Identification Marking (R&O)

All equipment assemblies or components after overhaul or reconditioning must have the original marking information restored and must have the following information added immediately adjacent to the original identification markings or previous reconditioning markings: reconditioner's identification, date of reconditioning, date of expiration of warranty and QAR's stamp/number.

17. Urgent Requirements

The Contractor must take immediate action to satisfy urgent requirements of the Department of National Defence, as and when authorized by the Requisitioning Authority, provided however, that if such requirements do not comply with the nature of the work set out in this Contract, the Contractor must first obtain the authorization of the Contracting Authority.

18. Classified/sensitive material

Normally the work will be performed in the Contractor's own place of business or offices. Provision will be made for the Contractor to have access to classified/sensitive material as required. Facilities will be provided as necessary by the Technical Authority.

19. Environmental Protection

The Contractor is responsible for ensuring that all work carried out is in compliance with all applicable municipal, provincial, federal and statutory environmental protection laws and regulations.

Prior to the commencement of work each contractor must have in place an Emergency / Spill Response Plan and also processes and procedures for the identification, management, handling and disposal of all substances, pollutants and material covered by the applicable municipal, provincial, federal and statutory environmental protection laws and regulations. Copies of all Hazardous Material Disposal Certificates raised whilst completing any work under the scope of the Contract are to be provided to the Contract Authority.

Furthermore, additional evidence of compliance with municipal, provincial, federal and statutory environmental laws and regulations is to be forthwith furnished by the Contractor to the Contract Authority upon request.

Failure to comply with any of the above will be, of and by itself, grounds for termination of the contract for default.

20. Hazardous Waste Disposal

The Contractor must dispose of any hazardous waste removed or uncovered in the performance of the Work in accordance with the requirements of the Contract and any applicable law.

A9016C (2011-05-16) Hazardous Waste Disposal

21. Mobile Repair Parties

The Contractor's Mobile Repair Parties must comply with the procedures set forth in the latest issue of the Canadian Forces Technical Order (CFTO) C-02-005-011/AM-000, Mobile Repair Parties Manned by Contractor Personnel.

All matters pertaining to the performance of the Work on the site must be referred to the appropriate Base Technical Services Officer (or to its appointed delegate), who must oversee the conduct of the Work and must when appropriate signify satisfactory completion and acceptance of the Work by signing a copy of Appendices "C" and "D" to the CFTO.

On completion of the Work, the Contractor must provide the Contracting Authority with a cost breakdown by category including person hours by trade, travel expenses, living expenses, etc.. Costs must be all inclusive, and must reflect the actual amount being claimed.

B8044C (2007-05-25) Mobile Repair Parties

22. Dangerous Goods/Hazardous Products

22.1 The Contractor must mark dangerous goods/hazardous products material which is classed as dangerous / hazardous as follows:

- (a) shipping container - in accordance with the Transportation of Dangerous Goods Act, 1992, c. 34; and
- (b) immediate product container - in accordance with the Hazardous Products Act, R.S., 1985, c. H-3.

The Contractor must provide bilingual Material Safety Data Sheets, indicating the NATO Stock Number as follows:

- (a) two (2) hard copies:

(i) one (1) copy to be enclosed with the shipment, and

(ii) one (1) copy to be mailed to:

National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, Ontario K1A 0K2
Attention: DSCO 5-4-2

(b) one (1) copy sent by email to the following address: MSDS-FS@FORCES.GC.CA in word processing format (i.e. MS Word or WordPerfect).

22.2 The Contractor will be responsible for any damages caused by improper packaging, labelling or carriage of goods/products.

22.3 The Contractor must ensure they adhere to all levels of regulations regarding dangerous goods/hazardous products as set forth by federal, provincial and municipal laws and by-laws.

22.4 The Contractor must contact the consignee (i.e. Supply Depot Traffic Section) at least 48 hours before shipping dangerous goods/hazardous products in order to schedule a receiving time.

D3010C (2012-07-16) Dangerous Goods/Hazardous Products

23. Quality Management Systems - Requirements (QAC Q)

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 Contractor's bid.

It is not intended that the Contractor be registered to ISO 9001; however, the Contractor's quality management system must address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause 1.2 of ISO 9001 are acceptable.

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.

For the design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2008 "Quality management systems - Requirements", according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2004 "Software engineering - Guidelines for the application of ISO 9001:2000 to computer software".

D5540C (2010-08-16) ISO 9001:2008 Quality Management Systems - Requirements (QAC Q)

24. Progress Meeting

Progress meetings, chaired by the Contracting Authority, will take place at the Contractor's facility and will be scheduled by the Contracting Authority as and when required. Department of National Defence's attendees at these meetings, as a minimum, will be the Requisitioning Authority and Technical Authority. Contractor's attendees at these meetings, as a minimum, will be the Contract Administrator and Project Manager.

The Contractor will prepare a draft copy of the minutes for the Contract Authority approval then distribute written minutes of the Progress Meetings which will constitute the official record of the progress of the Work. Signature blocks will be provided on the minutes for the Contracting Authority and Contractor which will be signed at the subsequent progress meeting.

25. Access to Facilities and Equipment

Canada's facilities, equipment, documentation and personnel are not automatically at the disposal of the Contractor. If access to government premises, computer systems (micro computer network), working space, telephones, terminals, documentation and personnel for consultation is required by the Contractor to perform the Work, the Contractor must advise the Contracting Authority of the need for such access in a timely fashion. If the Contractor's request for access is approved by Canada and arrangements are made to provide access to the Contractor, the Contractor, its subcontractors, agents and employees must comply with all the conditions applicable at the Work site. The Contractor must further ensure that the facilities and equipment are used solely for the performance of the Contract.

26. Condition of Material

Unless provided otherwise in the Contract, material supplied must be new and conform to the latest issue of the applicable drawing, specifications and part number that is in effect on the bid closing date or, if there was no bid solicitation, the date of the Contract.

27. Certifications

27.1 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.

27.2 Welding Certification

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- (A) 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 W47.2-M1987 (R2003), Certification for Companies for Fusion Welding of Aluminum division 1 or 2.1.
- (B) In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.
- (C) 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.

28. Applicable Laws

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

29. 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) 2035 (2013-04-25) General Conditions - Services (Higher Complexity),;
- (d) the general conditions 1031-2 (2012-07-16) Contract Cost Principles;
- (e) Annex "A" - Statement of Work for Repair and Overhaul of service boats and related equipment;
- (f) Annex "D" - Task Authorization (DND 626);
- (g) the Contractor's bid dated, _____.

30. Defence Contract

The Contract is a defence contract within the meaning of the Defence Production Act, R.S.C. 1985, c. D-1, and must be governed accordingly.

Title to the Work or to any materials, parts, work-in-process or finished work must belong to Canada free and clear of all claims, liens, attachments, charges or encumbrances. Canada is entitled, at any time, to remove, sell or dispose of the Work or any part of the Work in accordance with section 20 of the Defence Production Act.

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

31. Warranty

31.1 Despite inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that, for twelve (12) months (or any other period stated in the Contract), the Work will be free from all defects in design, material or workmanship, and will conform to the requirements of the Contract. The warranty period begins on the date of delivery, or if acceptance takes place at a later date, the date of acceptance. With respect to Government Property not supplied by the Contractor, the Contractor's warranty will extend only to its proper incorporation into the Work.

31.2 In the event of a defect or non-conformance in any part of the Work during the warranty period, the Contractor, at the request of Canada to do so, must as soon as possible repair, replace or otherwise make good at its own option and expense the part of the Work found to be defective or not in conformance with the requirements of the Contract.

31.3 The Work or any part of the Work found to be defective or non-conforming will be returned to the Contractor's plant for replacement, repair or making good. However, when in the opinion of Canada it is not expedient to remove the Work from its location, the Contractor must carry out any necessary repair or making good of the Work at that location. In such cases, the Contractor will be paid the fair and reasonable Cost (including reasonable travel and living expenses) incurred in so doing, with no allowance for profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.

31.4 Canada must pay the transportation cost associated with returning the Work or any part of the Work to the Contractor's plant pursuant to subsection 3. The Contractor must pay the transportation cost associated with forwarding the replacement or returning the Work or part of the Work when rectified to the delivery point specified in the Contract or to another location directed by Canada.

31.5 The Contractor must remedy all data and reports pertaining to any correction or replacement under this section, including revisions and updating of all affected data, manuals, publications, software and drawings called for under the Contract, at no cost to Canada.

31.6 If the Contractor fails to fulfill any obligation described in this section within a reasonable time of receiving a notice, Canada will have the right to remedy or to have remedied the defective or non-conforming work at the Contractor's expense. If Canada does not wish to correct or replace the defective or non-conforming work, an equitable reduction will be made in the Contract Price.

31.7 The warranty period is automatically extended by the duration of any period or periods where the Work is unavailable for use or cannot be used because of a defect or non-conformance during the original warranty period. The warranty applies to any part of the Work repaired, replaced or otherwise made good pursuant to subsection 2, for the greater of:

- a. the warranty period remaining, including the extension, or
- b. ninety (90) days or such other period as may be specified for that purpose by agreement between the Parties.

32. Insurance Requirements

The Contractor must comply with the insurance requirements specified in Article **32.1** and **32.2** below. The Contractor must maintain the required insurance coverage for the duration of the Contract. Compliance with the insurance requirements does not release the Contractor from or reduce its liability under the Contract.

The Contractor is responsible for deciding 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 is at the Contractor's expense, and for its own benefit and protection.

The Contractor must forward to the Contracting Authority within ten (10) days after the date of award of the Contract, a Certificate of Insurance evidencing the insurance coverage and confirming that the insurance policy complying with the requirements is in force. Coverage must be placed with an Insurer licensed to carry out business in Canada. The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

32.1 Commercial General Liability Insurance

32.1 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 **\$2,000,000** per accident or occurrence and in the annual aggregate.

32.2 The Commercial General Liability 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 Public Works and Government Services Canada.
- (b) Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
- (c) 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.
- (d) 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.
- (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.
- (f) 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.
- (g) Employees and, if applicable, Volunteers must be included as Additional Insured.
- (h) Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
- (i) 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.
- (j) Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
- (k) 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.

(l) Owners' or Contractors' Protective Liability: Covers the damages that the Contractor becomes legally obligated to pay arising out of the operations of a subcontractor.

(m), (n) and (o) NOT REQUIRED

(p) Amendment to the Watercraft Exclusion to extend to incidental repair operations on board watercraft.

(q) Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.

(r) Litigation Rights: Pursuant to subsection 5(d) of the Department of Justice Act, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgment of receipt.

For the province of Quebec, send to:

Director Business Law Directorate,
Quebec Regional Office (Ottawa),
Department of Justice,
284 Wellington Street, Room SAT-6042,
Ottawa, Ontario, K1A 0H8

For other provinces and territories, send to:

Senior General Counsel,
Civil Litigation Section,
Department of Justice
234 Wellington Street, East Tower
Ottawa, Ontario K1A 0H8

A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

32.2 Environmental Impairment Liability Insurance

32.1 The Contractor must obtain Type 2 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 **\$1,000,000** per accident or occurrence and in the annual aggregate.

32.2 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.

32.3 The Type 2 policy must include the following:

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- (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 Public Works and Government Services Canada.
 - (b) Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
 - (c) Separation of Insureds: 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.
 - (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.

33. Controlled Goods Program

33.1 As the Contract requires production of or access to controlled goods that are subject to the Defence Production Act R.S. 1985, c. D-1, the Contractor and any subcontractor are advised that, within Canada, only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: Controlled Goods Program

33.2 When the Contractor and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the Contractor and any subcontractor must, within seven (7) working days from receipt of written notification of the contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the Contractor has provided proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP.

33.3 Failure of the Contractor to provide proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP, within thirty (30) days from receipt of written notification of contract award, will be considered a default under the Contract except to the extent that Canada is responsible for the failure due to delay in processing the application.

33.4 The Contractor and any subcontractor must maintain registration, exemption or exclusion from the CGP for the duration of the Contract and in any event for so long as they will examine, possess or transfer controlled goods.

33.5 The Contract involves controlled goods as defined in the Schedule to the Defence Production Act. The Contractor must identify those controlled goods to the Department of National Defence.

SACC Manual clause A9131C, 2011-05-16, Controlled Goods Program
SACC Manual Clause B4060C, 2011-05-16, Controlled Goods

34. Limitation of Liability

34.1 This section applies despite any other provision of the Contract and replaces the section 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.

34.2 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 million per incident or occurrence to an annual aggregate of \$20 million for losses or damage caused in any one year of carrying out the Contract, each year starting on the date of coming into force of the Contract or its anniversary. This limitation of the Contractor's liability does not apply to:

- (a) any infringement of intellectual property rights;
- (b) any breach of warranty obligations; or
- (c) any liability of Canada to a third party arising from any act or omission of the Contractor in performing the Contract.

34.3 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.

34.4 The Parties agree that nothing herein is intended to limit any insurable interest of the Contractor nor to limit the amounts otherwise recoverable under any insurance policy. The Parties agree that to the extent that the insurance coverage required to be maintained by the Contractor under this Contract or any additional insurance coverage maintained by the Contractor, whichever is greater, is more than the limitations of liability described in subarticle (2), the limitations provided herein are increased accordingly and the Contractor shall be liable for the higher amount to the full extent of the insurance proceeds recovered.

34.5. If, at any time, the total cumulative liability of the Contractor for losses or damage suffered by Canada caused by the Contractor's performance of or failure to perform the Contract, excluding liability described under subsection 2(a), (b), and (c) exceeds \$40 million, either Party may terminate the Contract by giving notice in writing to the other Party and neither Party will make any claim against the other for damages, costs, expected profits or any other such loss arising out of the termination. but no such termination or expiry of the Contract shall reduce or terminate any of the liabilities that have accrued to the effective date of the termination.

34.6 The date of termination pursuant to this Article, shall be the date specified by Canada in its notice to terminate, or, if the Contractor exercises the right to terminate, in a notice to the Contractor from Canada in response to the Contractor's notice to terminate. The date of termination shall be in Canada's discretion to a maximum of 12 months after service of the original notice to terminate served by either Party pursuant to sub-article 5, above.

34.7 Canada's notice to the Contractor specifying the date of termination will supersede the provisions of Article entitled "Option to Extend Contract" and the Contract will automatically remain in force subject to all of the same terms and conditions until the date of termination and the Contractor agrees that it will be paid in accordance with the applicable provisions as set out in the Basis of Payment, and that the Contractor's liability remains as specified in sub-articles (1) through (4), above.

34.8 Nothing shall limit Canada's other remedies, including Canada's right to terminate the Contract for default for breach by the Contractor of any of its obligations under this Contract, notwithstanding that the Contractor may have reached any limitation of its liability hereunder

35. Shipping Instructions (DND) - Canadian-based Contractor

-
- a) Delivery will be FCA Free Carrier at _____ (Insert the named place, e.g. Contractor's facility) Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
- b) Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.
- i. the following applies for all repair and overhaul contracts where the Contractor is located between Kingston inclusive and westward to the Ontario/Manitoba border:
Inbound Logistics Central Area (ILCA)
Telephone: 1-866-371-5420 (toll free)
Facsimile: 1-866-419-1627 (toll free)
E-mail: ILCA@forces.gc.ca
 - ii. the following applies for all repair and overhaul contracts where the Contractor is located in Manitoba, Saskatchewan, Alberta, British Columbia, and the National Capital Region inclusive to east of Kingston:
Inbound Logistics Coordination Center (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca
 - iii. the following applies for all repair and overhaul contracts where the Contractor is located in Quebec:
Inbound Logistics Quebec Area (ILQA)
Telephone: 1-866-935-8673 (toll free), or
1-514-252-2777, ext. 2323, 2852 or 4673
Facsimile: 1-866-939-8673 (toll free), or
1-514-252-2911
E-mail: 25DAFCTrafficQM@forces.gc.ca
 - iv. the following applies for all repair and overhaul contracts where the Contractor is located in Atlantic (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador):
Inbound Logistics Atlantic Area (ILAA)
Telephone: 1-902-427-1438
Facsimile: 1-902-427-6237
E-mail: FLogILAA@forces.gc.ca
- c) The Contractor must provide the following information to the DND Inbound Logistics Coordination Center when arranging for shipment:
- i. the Contract number;
 - ii. consignee address (for multiple addresses, items must be packaged and labelled separately with each consignee address);
 - iii. description of each item;
 - iv. the number of pieces and type of packaging (i.e., carton, crate, drum, skid);
 - v. actual weight and dimensions of each piece type, including gross weight;
 - vi. full details of dangerous material, as required for the applicable mode of transportation, signed certificates for dangerous material as required for shipment by the International Maritime Dangerous Goods Code, the International Air Transport

Association regulations or the applicable Canadian Dangerous Goods Shipping Regulations, and a copy of the materiel safety data sheet.

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

36. Shipping Instructions (DND) - Foreign-based Contractors

- a). Delivery will be FCA Free Carrier at _____ (insert the named place, e.g. Contractor's facility) Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility
- b). Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.
 - i. Insert the following when the Contractor is located in the United States (U.S.):
Inbound Logistics Coordination Center (ILCC):
Telephone: 1-877-447-7701 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

OR

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

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

The shipment of any items above the value of 600 GBP (pound sterling) being exported from the United Kingdom and Ireland will be cleared by DND using Her Majesty's Customs & Excise (HMCE) New Export Systems (NES). The Contractor must comply with HMCE requirements by registering with HMCE or by having a freight forwarder complete the entry. A printed copy of the NES entry Export Declaration clearly displaying the Declaration Unique Consignment Reference Number must be provided by the Contractor and attached to the consignment. The Contractor must ensure that this procedure is carried out for all

stores whether they be initial purchase or repair and overhaul export items. HMCE will authorize Canadian Forces Support Unit (Europe) to ship the goods only if the procedure has been adhered to completely and properly by the Contractor.

OR

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

OR

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

Canada is responsible for the carrier selection for shipments of the goods supplied under this FMS contract. Instructions on how to obtain carrier selection from Canada are contained in U.S. Department of Defense 4000.25-8-M, Military Assistance Program Address Directory, and Canadian Special Instructions Indicator (SII). The Contractor must not ship the goods until the SII has been complied with.

Instruction to contracting officers : Insert the following paragraphs 3 through 7 with all options above, except (d) - U.S. FMS, and delete this instruction.

c) The Contractor must provide the following information to the DND Inbound Logistics contact when arranging for shipment:

- i. the Contract number;
- ii. consignee address (if multiple addresses, items must be packaged and labeled separately with each consignee address);
- iii. description of each item;
- iv. the number of pieces and type of packaging (e.g. carton, crate, drum, skid);
- v. actual weight and dimensions of each piece type, including gross weight;
- vi. copy of the commercial invoice (in accordance with clause C2608C, section 4, of the Standard Acquisition Clauses and Conditions Manual) or a copy of the Canada Border Services Agency form CI1 Canada Customs Invoice (PDF 429KB) - (Help on File Formats);
- vii. Schedule B codes (for exports) and the Harmonized Tariff Schedule codes (for imports);
- viii. North American Free Trade Agreement Certificate of Origin (in accordance with clause C2608C, section 2) for the U.S. and Mexico only;
- ix. full details of dangerous material, as required for the applicable mode of transportation, signed certificates for dangerous material as required for shipment by the International Maritime Dangerous Goods Code, or International Air Transport Association regulations or the applicable Canadian Dangerous Goods Shipping Regulations and a copy of the material safety data sheet.

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

37. Wood Packaging Materials

All wood packaging materials used in international shipping must conform to the Guidelines for Regulating Wood Packaging Material in International Trade - ISPM 15 (International Standards for Phytosanitary Measures)

Pertinent additional information on Canada's import and export programs is provided in the following Canadian Food Inspection Agency policy directives:

D-98-08 - Entry Requirements for Wood Packaging Materials Produced in All Areas Other Than the Continental United States

D-01-05 - The Canadian Wood Packaging Certification Program (CWPCP)

D2025C (2008-12-12) Wood Packaging Materials

38. Release Documents (DND) - Canadian-based Contractor

Unless otherwise directed by the Department of National Defence (DND) Quality Assurance Authority, the signature of the DND Quality Assurance Representative on the release document is not required.

Material must be released for shipment using either DND form CF 1280, Certificate of Release, Inspection and Acceptance, or a release document containing the same information. The Contractor must prepare the release document(s).

For return of repair and overhaul material to the Canadian Forces Supply System Upgrade, use forms DND 2227/DND 2228 in lieu of DND form CF 1280.

D5606C (2012-07-16) Release Documents (DND) - Canadian-based Contractor

39. Release Documents - Distribution

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

- (a) Copy 1: mail to consignee marked: "Attention: Receipts Officer";

-
- (b) Copies 2 and 3: with shipment (in a waterproof envelope) to the consignee;
 - (c) Copy 4: to the Contracting Authority;
 - (d) Copy 5: to:

National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2

Attention: DLP 5-3-2

- (e) Copy 6: to the Quality Assurance Representative;
- (f) Copy 7: to the Contractor;

40. Periodic Usage Reports

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

The Contractor must provide this data in accordance with the reporting requirements detailed in the **Articles 40.1, 40.2**. If some data is not available, the reason must be indicated. If services are not provided during a given period, the Contractor must still provide a "NIL" report.

The data requested in the **Articles 40.1** and **40.2** must be submitted on a **monthly basis** to the Contracting Authority and the Requisitioning Authority.

40.1 Financial Reporting Requirement

The data must be submitted to the Contracting Authority and the Requisitioning Authority no later than 14 calendar days after the end of the reporting period.

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

40.1.1 For each authorized task:

- (i) the authorized task number or task revision number(s);
- (ii) a title or a brief description of each authorized task;
- (iii) individual cost for labour, material, travel, profit, etc.;
- (iv) the total estimated cost specified in the authorized Task Authorization (TA) of each task, GST or HST extra;
- (iv) the total amount, GST or HST extra, expended to date against each authorized task;
- (v) the start and completion date for each authorized task; and
- (vi) the active status of each authorized task, as applicable.

For all authorized tasks:

- (i) the amount (GST or HST extra) specified in the contract (as last amended, as applicable) as Canada's total liability to the contractor for all authorized TAs; and
- (ii) the total amount, GST or HST extra, expended to date against all authorized Tasks.

40.2 Other Reporting Requirement

40.2.1 Reports for Category 1 and Category 2

The requirement for progress reports and final reports will be specified in the Statement of Work appended to the DND 626, Task Authorization. In addition to the copies required by the Technical Authority, one copy of all such reports must be delivered to the Requisitioning Authority and the Contracting Authority.

40.2.2 Overall

The Contractor will submit other reports with respect to the Work as requested by Canada.

41. Facilities

The Contractor shall maintain the following two main facilities, one on each coast, available to perform Work under this Contract throughout the Contract term, as extended from time to time:

Name and Address of Facilities:

A) _____ West Coast

B) _____ East Coast

The Contractor must also maintain the following 3 facilities, available to perform minor repair work under this Contract throughout the Contract term, as extended from time to time:

A) _____ Quebec

B) _____ Ontario

C) _____ Alberta

42. Drawings & Models Prepared by Contractor

All drawings, copies of drawings and models, which have been prepared by the Contractor pursuant to the Contract are the sole property of Canada and may be used as Canada sees fit.

Approval of the drawings, whether express or implied, does not relieve the Contractor of its responsibility under the Contract to deliver a vessel that will meet the performance requirements in the Specifications.

**STATEMENT OF WORK FOR REPAIR AND OVERHAUL, MAINTENANCE AND
ENGINEERING SUPPORT OF SERVICE BOATS AND RELATED EQUIPMENT**

1. SCOPE

1.1. Purpose

The Department of National Defence (DND) has a requirement for the Repair and Overhaul (R&O), Maintenance and Engineering support, of inflatable and rigid hull inflatable small boats including related equipment utilized by DND. The purpose of this Statement of Work (SOW) is to define the technical scope in order to fulfill the requirements of DND.

1.2. Repairables

This SOW is to cover a combined total of over 800 DND inflatable's listed below:

BOAT, INFLATABLE	NSN 1940-21-909-1012
RIB	NSN 1940-21-904-5497
RIB AJ	NSN 1940-21-913-8063
RIB P (C)	NSN 1940-21-904-5219
RIB 440-OB	NSN 1940-21-904-5473
RIB 472-OB	NSN 1940-21-910-6907
RIB 530-OB	NSN 1940-21-904-5423
RIB 540-OB	NSN 1940-21-909-5354
RIB 590-CUDDY-OB	NSN 1940-21-904-5608
RIB 590-T/OB	NSN 1940-21-904-5475
RIB H753	NSN 1940-20-A0D-1642
RIB RB6RC	NSN 1940-21-913-8046
RIB SEA RESCUE (SR2)	NSN 1940-21-921-0169
BOAT, RIGID INF, SR2A	NSN 1940-21-006-3089
RIB HMCS QUEST	NSN 1940-21-920-8822
10 MAN SEA RESCUE	NSN 1940-21-896-1378
6 MAN INFLAT, MAT	NSN 1940-21-896-1379
12 MAN ASSAULT BOAT	NSN 1940-21-900-2845

1.3. Requirement

This Statement of Work (SOW) addresses possible effort required in the Repair and Overhaul, Maintenance and Engineering support of inflatable small boats and related equipment utilized by DND:

- Repair and Overhaul to extend the operational life and return the boat to its original operating condition;

- Periodic Maintenance including provision of Mobile Repair Parties (MRPs); and
- Engineering support to include:

Technical Investigations and Engineering Support (TIES);
 Special Investigation and Technical Studies (SITS);
 Field Service Representative (FSR) Support;
 Design Changes;
 Modifications and;

Note* As fitted drawings may be limited, in which case the contractor, shall if required by the TA, lift off any critical dimensions in order to produce any detailed schematic for the approval of the Technical Authority before the work is carried out.

2. APPLICABLE DOCUMENTS

The following documents form part of the SOW to the extent specified herein. Unless otherwise specified the amendment of documents effective for a particular contract shall be as stated in the applicable data list, the request for proposal or the contract.

C-23-343-000/MB-001	Operating Instructions - 24 Ft. Rigid Inflatable Boat
C-23-343-000/MS-001	Maintenance Manual Rigid Inflatable Boat
C-28-020-001/TB-001	Test of Shipboard Lifting Appliances
D-LM-008-036/SF-000	Minimum Requirements For Manufacturer's Standard Pack
A-LM-187-001/JS-001	Packaging and Preservation General Procedures
D-02-006-008/SG-001	The Design Change, Deviation and Waiver Procedure.
CSA (W 47.2)	Certification of Companies for Fusion Welding of Aluminum
DRWG No. 73650 Rev B –	Hoisting Arrangement for the RIB P (C)

3. DELIVERABLES

The Contractor must deliver the following:

- R&O services as detailed; and
- Maintenance and Engineering support services as detail

3.1. Service Locations

The Contractor must have a minimum of two certified service centers. A minimum of one within 100 km of Halifax/Dartmouth, Nova Scotia, and one within 100 km of Esquimalt, British Columbia. The location of the repair facility may be promulgated by the Technical Authority based on the extent of repairs needed, TAT (turn around time) and operational requirements. The Contractor must also have certified service facilities to carry out specialized work such as, but not limited to, engine overhauls and repairs/inspection of fire suppression systems.

The contractor must have access to service facilities elsewhere in Canada to carry out minor repairs to boats distributed throughout Canada.

It is also a requirement for having the capability to service all Canadian Naval Small Boats throughout the globe, by subcontracting repair facilities on an as needed and when required basis.

3.2. Receipt Inspection

Each boat must be inspected on arrival at the repair facility. The vessel will be inspected for defects, approved, incomplete and unauthorized modifications as well as missing equipment. Upon receipt of the vessel, the Contractor must, as a minimum, inspect and record the following equipment and systems:

- **Deck and Hull components** - A general inspection of the deck, hull and peripheral equipment/structures, including seating and all non-buoyancy tube components ;
- **Console** - A general inspection of the console, including functional testing of all instrumentation and controls;
- **Inflatable collar (buoyancy tube)** - The tube set must be inspected for its general condition and pass a collar inflation test as stipulated in 4.4 of this SOW;
- **Propulsion system** - The propulsion system, including but not limited to inboard/outboard engines, stern and jet drives must be inspected by a mechanic/technician that has a certification for the system/engines being evaluated;
- **Electrical System** - A complete inspection of electrical wiring and components. All electrical wiring and components must be within tolerances of the current configuration baseline.
- **Ancillary equipment** - An inspection of all remaining components and safety equipment not covered above, including functional testing where applicable; and

Receipt Report: As part of the receipt inspection, the Contractor must verify the identification plate on the console or transom and record the data on the receipt report. The Contractor must document all results of the receipt inspection.

- The Contractor must forward to the TA the documented results of the receipt inspection including the estimated cost for R&O. The Report must include the following:
- The list of deficient material from the check list in accordance with Annex A with an itemized replacement cost;
- The list of materials, part numbers and repairs required to bring the boat to the correct design and operating condition including an assessment of the required engine repairs;
- A list of the unauthorized modifications and the cost to bring the boat to the approved configuration;
- For the RIB P(C), the contractor will verify the equipment check list in accordance with Appendix A to this SOW and record any deviations.

3.3. Repair and Overhaul

For full overhauls, the Contractor must re-baseline the vessels to a "like-new" condition, as specified in the current configuration baseline specification, in order to extend their service life. It is the prime requirement that each vessel detailed above is maintained to the current configuration in accordance with the applicable drawing and the approval of the Technical/Design Authority. The Contractor must return each vessel to the approved configuration baseline in accordance with current Naval standard and changes as last authorized by the TA. The Contractor must carry out repairs at their facility, or at a third party location as applicable, to include (but not limited to) the following;

- Glass reinforced plastic (GRP) fabrication and repair, to include the gel coat and all structural components;
All GRP components will be cleaned and inspected for defects. The defects shall be repaired, using new and current materials to ensure the boats watertight integrity and aesthetics are maintained. Defects to be repaired shall include deeply scratched and chipped gel coat, holes, fractures and removal of stains and non-approved paint coatings. The color of the GRP components shall be in accordance with the original shade.
- Aluminum hull, deck and internal structure when applicable:
- Buoyancy tubes, both rigid (foam filled) and fully inflatable, complete with valves, baffles, rub strakes, bolting flange and other attachments;
- All components of various propulsion systems including (but not limited to) inboard/outboard motors, stern drives, jet drives;
- Ancillary and safety equipment replenishment IAW appendix A
- Cradles
- Paint (including bottom coatings/antifouling)
- All electronic equipment/radios/navigation systems.
- Engine repairs/Overhauls and;
- Applicable towing, sling/hoist arrangements

Material Requirements. Except as specifically noted in the contract, the contractor will provide all materials, machinery and equipment required to repair the boats. All material, equipment and machinery incorporated in the boats for R&O shall be new and meet or exceed current configuration. Where material quality is not specified in contract documents, the material provided will be of the latest equal or better Naval marine quality. All material, machinery, equipment and supplies, will be incorporated or installed in the boat by the contractor.

Approved Modifications. Each boat must be inspected for status of modifications as applicable and as directed in para 3.2 above. The contractor must bring the boat to the latest approved configuration. The modification status will be forwarded to the TA.

Manufacturer's Warranty. Manufacturer's warranty for items installed (e.g. new engines, instruments and any other new components) will be in accordance with the contract. The contractor must give to DND said warranty for each boat. The warranty period begins on the date of delivery, or if acceptance takes place at a later date, the date of acceptance. It should be noted that it is possible some repaired and overhauled boats may be held in storage by DND prior to being put into service. Unless otherwise specified by the TA, it is the contractor's responsibility to winterize all overhauled boats prior to shipping regardless of the time of year that the boat is shipped. Boats that are being repaired (rather than fully overhauled) and are known to be immediately returned to DND's end user for service are to be winterized according to the season.

3.4. Tests and Trials

For rigid hulled inflatables defined by DND as sea going rescue boats and/or marshalling craft, whereas a propulsion system exists, the Contractor must conduct the following tests and trials as a minimum following the R&O. The tests and trials must be conducted prior to shipping of each overhauled boat or boat that has had repairs conducted to any portion of the power train. The test(s) must ensure that the repairs have returned the vessel to the normal operating parameters as specified in naval specifications/ equipment operating manuals as defined by the TA..

- Functional system test for basin trial prior to sea trial;
- Weight
- Sea trial
- Static load test during overhaul or any time designated by the TA
- Deflection test upon repairs or modifications to hull structural integrity.
- Collar inflation test
- Functional operating test to encompass any repair made to any part of the boat

3.4.1. Basin Trial Prior to Sea Trials

Pre Launch Trials - The tests detailed in the following paragraphs must be carried out before launching. The Contractor will compose and produce the required test sheets for each trial.

System Tests - All of the boat systems (i.e., mechanical, electrical, lighting, etc.) must be tested for correct functioning including confirmations that all components are properly serviced with fluids, coolants, and lubricants; and

Weight - The Contractor must weigh and record the complete boat at full operational load (i.e., all fluids, etc.) less payload;

3.4.2. Sea Trials

Upon overhaul, the Contractor must conduct a full series of sea trials witnessed, at DND's discretion, by the TA and/or an authorized DND representative. A crew provided by the contractor shall operate the boat and perform the necessary testing. The Contractor must arrange the trial schedule in conjunction with the TA or designated representative, and provide an agenda for all trials based upon the agreed dates. All trial instrumentation and equipment must be furnished, installed and operated by the Contractor. The Contractor must provide calibration data and certification of the accuracy of the instrumentation, in accordance with ISO 10012-1. After satisfactory completion of the trials, all trial instrumentation must be removed and all machinery must be serviced. At a minimum the following performance must be demonstrated:

- Acceleration and deceleration;
- Ahead and astern propulsion to include full speed trial;
- Steering to include low and high speed manoeuvring; and
- Electronic and navigation equipment functionality;

Sea Trial Location.: The contractor must have year round open water to carry out sea trials, in the event of temperatures below 0 degrees C, the contractor will immediately protect the boat raw water system from freezing on completion of sea trials.

Minimum Trial Requirements. At a minimum the following performance must be demonstrated:

- Acceleration, deceleration, idle, RPM, gear shifting and emergency stop procedures.
- Low and high speed maneuvering including turning the helm hard over port and starboard.

Speed, when fully fitted out and fuelled, must be measured with engine RPM not to exceed the manufacturer's limit. Maximum speed runs must be conducted over a certified measured course of not less than one half-statute mile or taken from a reading with a radar gun. Course lay-out and timing of trials must be selected by the Contractor to avoid strong tidal current or winds to the extent possible and correction for wind must be taken into account in determining speed attained. Each boat will make four runs, two in each direction, over the shortest practical time period. The sea state must not exceed sea state one.

3.4.3. Static and Deflection Testing

Static Load Test - A Static Load Test must be applied to the lift frame or hoisting system installed in accordance with correct configured fittings. The boat must be positioned over a suitable anchoring foundation using slings or chains having a safe working load rating in accordance with established test procedures. The slings or chains must be attached to the hull structure of the boat in three locations; one on each aft transom face mounted tie down pad/ring and one on the bow eye. A certificate must be issued for each vessel in DND format IAW C-28-020-001/TB-001 Test of Shipboard Lifting Appliances, when returned to DND. A tally plate must also be supplied specifying the date tested and its safe working load.

Deflection Test – For sea going rigid hulled inflatable rescue boats/marshalling craft as defined by DND, this Test must be conducted in such a way that when the craft is suspended by its lifting point(s), it is of sufficient strength to withstand a load of 4 times the mass of its full compliment of persons and equipment without residual deflection upon removal of the load. This Test will only be conducted under the discretion of the TA. A DND formatted certificate will accompany the boat on completion of the Deflection Test.

3.4.4 Collar Inflation Test.

The buoyancy collar must be tested on receipt of the boat and on completion of any inflation collar repairs for the following IAW industry standard:

- Air retention.
- Overpressure
- Bulkhead (baffle) pressure test
- Valves

Post Trial Servicing and Inspection. On completion of trials all equipment must be visually examined for signs of mechanical damage, electrical damage, performance failures, and any defects and deficiencies noted. Defects and deficiencies must be corrected prior to the acceptance. When trials are complete all machinery must be serviced. Engine and gear lubricant must be changed and all lubrication points serviced. The cooling system must be serviced with anti-freeze conforming to Spec. 3-GP-854 to protect to minus 51C (-60F). Copies of trial results must be distributed, one copy shipped with the boat, one copy to the Technical/Design Authority and one copy must be kept in company records.

Test Plate. Upon completion of testing, contractor must change test data plate for lift test to reflect the safe working load for all boats identified under this SOW.

3.5 Maintenance and Engineering Support

The purpose of maintenance and engineering support is to provide on an "as when required basis" repairs and engineering services detailed below:

3.5.1 Maintenance

The Contractor must provide maintenance support that are beyond the capability of DND personnel, and/or due to DND requirements, must be completed urgently. The following services are required:

Mobile Repair Party (MRP) - The Contractor must provide an MRP. Tasks associated with MRPs will include but are not limited to:

- Provide additional on-site assistance/repair and/or expertise when problems encountered are beyond the capability of in-house expertise;
- Provide on-site assistance/repair when problems encountered are beyond the capabilities of ship's staff and the requirement to repair is urgent;

3.5.2 Engineering Support

Engineering Support will be provided on an "an and when" required basis. Services include:

Technical Investigation and Engineering Studies (TIES) : The Contractor must provide TIES services, including provision of relevant data, as and when requested by DND. Work conducted under TIES may include, but is not limited to:

- Conducting technical investigations and reporting findings, including making recommendations supported by engineering data;
- Conduct onsite/offsite training for CF/DND personnel on an "as and when required" basis (1st line/ 2nd maintenance, operation of vessel, trouble shooting)
- Analysis of current and/or future equipment reliability and performance;
- Planning to ensure current reliability and availability specifications can be met;
- Analysis and planning of the scheduled maintenance;
- Identification of spares and support; and
- Development of policies and maintenance procedures;

Field Service Representatives (FSR): The Contractor must provide an experienced Field Service Representative (FSR) on an "as and when required" basis. The FSR will be required to provide the following services:

- Conducting harbour and sea trials to measure system performance;
- Investigate and make recommendations on maintenance practices and procedures;
- On site troubleshooting/repair support and/or provide guidance to rectify deficiencies; and
- On call, on site technical support for operations, training or DND trials.

Design Changes : The Contractor must provide engineering support for design changes. The design changes must be submitted in accordance with D-02-006-008/SG-OOI (Design Change, Deviation and Waiver Procedure). The design change must indicate the impact on weight, plus or minus and must include drawing(s) marked up in red.

Modifications: The Contractor must undertake modifications of existing equipment or system as designated by the TA. The modification services must ensure that equipment and systems continue to meet existing as well as new performance and availability requirements. The scope of work will normally cover modifications resulting from work under TIESs, SITs, or design changes.

3.5.3 Additional Requirements

Contractor must ensure that the following requirements are met in the performance of the contract:

Lift Frame. The RIB P (C) and the RIB AJ are fitted with the lifting arrangement in accordance with drawing number 24RB-601-73650 rev B. The solid lift frame fitted on the boat must be tested to safe working load of 5500 pounds and a static test of 11000 pounds each time a boat is overhauled.

A certificate and a tag must be issued on each boat returned to active service, stating the test weights and date of testing.

Identification Plate. The Contractor must verify the identification plate on the console or on transom and record the data on the incoming inspection sheet. The identification plate must contain the following data:

STK: ****_**_***_****

TYPE ****

GENRE ****

MFR ***** HULL *****

SER. **_***_** CONTRA: **

MFR MONTH/MOIS YEAR/ANNEE DATE

DND CANADA MDN

4. **QUALITY ASSURANCE PROVISIONS**

Responsibility for inspection. The contractor is responsible for the performance of all inspection requirements specified herein and must meet the elements of ISO9001 or equivalent Except as otherwise specified in the contract, the Contractor may use his own or any facilities acceptable to the Inspection Authority. The Inspection Authority reserves the right to perform any of the inspections set forth in this statement of work where such inspections are deemed necessary to maintain an effective quality control system to ensure that only acceptable materials are used. The Contractor must maintain a documented inspection system capable of producing objective evidence that materials conform to contract requirements whether manufactured, processed or procured by the Contractor or from sub-contractors. The Contractor must ensure that essential inspection requirements are determined and satisfied throughout all phases of repair.

Component and Material Inspection and Tests. The Contractor is responsible for ensuring that components and materials used are manufactured, examined, and tested in accordance with this specification and any other tests not specified herein that he normally performs during the course of inspection and repair.

Testing of Materials/Samples. The Contractor must be responsible for the provision of test reports and/or appropriate samples that may be required by the Inspection Authority for verification of materials specified in accordance with this statement of work.

Change of Material and Fitting Specified. No alteration or change of materials or fittings specified herein shall be permitted without approval of the Technical/Design Authority.

Inspection Failure. Failure of any boat to meet any requirement specified herein during, and as result of the examination and tests specified, shall be cause for rejection of the boat by the Crown. The Crown will not allow progression of repairs until evidence has been provided by the Contractor to the Inspection Authority that corrective action has been taken and the failure is rectified at no additional cost to DND.

5. **PACKAGING**

General. Packaging and preservation must be of a standard to prevent damage and deterioration during shipping and long term storage.

Packaging and Preservation. Packaging and preservation must be in accordance with the applicable sections of D-LM-008-036/SF-000 and A-LM-187-001/JS-001.

Preparation for Delivery. Each boat must be thoroughly cleaned and inspected on conclusion of trials. Raw water cooling system shall be drained. In preparation for long term storage, battery master switches will be turned off, batteries disconnected and removed and all fuel drained. All boats that received new or overhauled engines are to have the warning "Break in procedures are required for this engine as per attached instructions" posted in a prominent position in the engine or other watertight compartment. They are to also have the break-in instructions and winterizing instructions located with the above warning.

The Inspection Authority will carry out final acceptance inspection. Final preparation for delivery

must be done in accordance with the terms of the contract.

Equipment inventory will be checked and the Inspection Authority will certify the listing.

Unless otherwise specified, all loose equipment shall be packaged and stowed on board. All items shall be packaged and marked in accordance with D-LM-008-036/SF-000 and A-LM-187-001/JS-001.

Shipment. All rigid hulled inflatables when shipped must be secured on the appropriate boat cradle. No securing devices shall be cinched over the buoyancy tubes, only the boat cradle will be secured to the transportation vehicle. The boat must be covered with the appropriate shipping and storage cover to protect the boat from road debris and environmental factors. The over all cover shall be drawn tight to the bow ring and secured as applicable. When a cover is not provided, other means of protection must be approved by the Technical Authority. All other inflatable's and ancillary must be placed in heir respected valise (s) and shipped in crates.

APPENDIX A – Check List (RIB P (C) only)

NSNs	ITEM	PART #	QTY REQ'D	QTY REC'D	SHORTAGE
2090-20-001-2758	BAILER,BOAT	S-S 89991	1		
4220-21-886-2946	RESCUE LINE AND QUOIT ASSEMBLY	TUL-5535	2		
2010-21-910-6964	COVER,BOAT (SHIPPING)	C-C 50525	1		
2040-21-658-0199	ANCHOR, DANFORTH	A-D 10050	1		
4020-20-001-2672	½" X 150' FIBER ROPE ASSEMBLY,SINGLE LEG	R-N 50500	1		
2040-21-801-0885	PADDLE BOAT 6'	P-P 20050	6		
2030-20-001-2763	TILLER,BOAT	S-T 50106	1		
6680-21-909-9542	FUEL SOUNDING ROD	R-F 50001	1		
6605-01-376-9201	COMPASS MAGNETIC	C561 HA	1		
4240-21-910-6967	LANYARD,SAFETY,INDUSTRIAL	O-P 42002	1		
2040-21-910-6897	SEA ANCHOR AND LINE	A-S 80010	1		
2090-21-885-0184	REPAIR KIT INFLATABLE	R-K 10026	1		
2090-21-910-6908	CONSOLE PROTECTIVE COVER	D-S 51000	1		
2090-21-910-6965	CRADLE BOAT	S-S 20219	1		
3490-21-907-8033	ADAPTER HOISTING	L-M 70000	1		
2040-00-268-9251	BOAT HOOK	H-B 50001	1		
4020-20-001-3738	FIBER ROPE ASSEMBLY,SINGLE LEG	R-N 15050	1		

4020-20-001-3735	FIBER ROPE ASSEMBLY,SINGLE LEG	R-P 50031	1		
6150-01-385-8423	CABLE ASSEMBLY,SPECIAL PURPOSE,ELECTRICAL	E-W 51100	1		

F.2. EVALUATION CRITERIA, SERVICE BOATS AND RELATED EQUIPMENT

NOTE TO BIDDERS: LISTING EXPERIENCE WITHOUT PROVIDING ANY SUPPORTING DATA TO DESCRIBE WHERE AND HOW SUCH EXPERIENCE WAS OBTAINED WILL RESULT IN YOUR BID NOT BEING CONSIDERED.

FORMAL EDUCATION IS NOT CONSIDERED WORK EXPERIENCE BUT CO-OPERATIVE WORK TERMS ARE CONSIDERED WORK EXPERIENCE IF THE PERSON IS EMPLOYED IN A RELATED FIELD

1. MANDATORY REQUIREMENTS: To be responsive, the bid proposal must meet all mandatory requirement criteria specified in this solicitation document. Should any of the requirements under this section be omitted from the proposal, it will be deemed as non-responsive and will be given no further consideration.

Proposals must include detailed resumes for each proposed resource, which lists the relevant experience includes a brief description of the work, the duration and the client for whom the work was done.

Only bids with valid certifications are to be evaluated. The onus is on the bidder to execute the certification requirements of the bid solicitation document and to demonstrate that its bid is in compliance.

I. Corporate – Mandatory Requirements	Method of Compliance	Met	Not Met
1. The Bidder must have evidence that it has proven capability in providing Repair and Overhaul services to MIL-SPEC IRBs (Inflatable Rubber Boats) and RIBS (Rigid hulled Inflatable Boats) up to a length of 11m. The work must have been completed within the last 5 years with no less than 50 separate job numbers.	The Bidder must provide not less than 50 separate work order invoices within the last 5 years in support of these criteria which include dates, model of vessel and customer contact information.		
2. The Respondent must have two main facilities, one on each coast, no further than 100km from the Canadian Naval Base and have access to facilities elsewhere in Canada to carry out repairs on the boats.	The Respondent must confirm in a written attestation the company names and addresses of the facilities that are no further than 100km from CFB Esquimalt and CFB Halifax. The Bidder must also supply not less than 3 sub-contracted		

<p>3. The Bidder must be capable of deploying International Mobile Repair Party services for inflatable boats and engine repairs.</p>	<p>company names and addresses, 1 of each in Quebec, Ontario and Alberta that can carry out minor repairs. If any of these facilities is not owned and operated by the Contractor, the Contractor must provide the written acknowledgement of the owner-operator of the facility addressed to both Canada and the Contractor , confirming that the facility is under subcontract to the Contractor, under which subcontract, the facility will be fully available to the Contractor throughout the term of this Contract, as extended and renewed, for performance of the work of this Contract in accordance with the Contract terms.</p> <p>The Bidder must provide objective evidence by way of a work order invoice that they have organized an MRP at an International level for an inflatable as defined in I.(1) of this criteria for a customer. Supplied objective evidence must also include date and address of facility utilized.</p>		
<p>II. Technical – Mandatory Requirements</p>			
<p>1. A minimum two (2) years of demonstrated experience in the using and repairing of Glass Reinforced Plastic (GRP) including gel coat and the internal structure in a temperature controlled environment.</p> <p>2. Possession of a CSA Standard (W47.2) certification for fusion welding aluminium by the Canadian Welding Bureau.</p>	<p>The Respondent must supply not less than 10 (5 per coast) work order invoices which contain objective evidence of repairing GRP within the last 2 years.</p> <p>The Bidder must provide supporting documents for obtaining Certification to CSA Standard (W47.2) Certification of Companies for Fusion Welding of Aluminum.</p>		

<p>3. The Respondent must supply objective evidence that Volvo Penta certified technicians are currently employed at its repair facilities. .</p> <p>4. All parts required for R&O must meet or exceed existing equipment fitted to the inflatable boats within this SOW.</p> <p>5. Demonstrate the capability to test, repair and install inflatable tube sets made of Neoprene Hypalon™ complete with valves, baffles, rub strips, bolting flanges and other attachments in a self contained temperature controlled environment.</p> <p>6. The Bidder shall demonstrate that the R&O defined in this SOW can be completed within 90 days or less.</p> <p>7. The Respondent must provide objective evidence of on-staff Professional Engineering capability.</p>	<p>The Bidder will supply names and their Volvo certifications of employee(s) at each of the coastal Repair Facilities.</p> <p>Bidder must provide a written attestation for material and design compatibility of all components used in R&O.</p> <p>Compliant bidders must provide documentation for no less than 20 separate tube set air holding, baffle inspection repairs in a self contained temperature controlled environment by way of detailed work orders.</p> <p>The Respondent must provide objective evidence of no less than 15 past repair/overhaul events to open cockpit inflatable boats including its engines, which have had a TAT (Turn Around Time) of 90 days or less after receipt at the Contractor's facility.</p> <p>The Bidder shall provide both staff resumes and certifications of a Professional Engineer with minimum 2 years experience in the design and Engineering of MIL-SPEC RIBS.</p>		
IV Access to body of water			
<p>Must display an ability to access a body of open water year round to properly conduct sea trials on boats within this SOW.</p>	<p>Respondents must supply a written attestation that they are able to access a body of water within a 100km radius of their facilities on both Coasts in order to</p>		

	launch and conduct sea trials for boats with inboard/outboard engines.		
V. Quality Plan			
The respondent must be Quality Assurance certified.	The Bidder must provide evidence of both ISO 9001 registration or equivalent and written evidence of a Quality Assurance Plan as per 4.0 of the SOW.		

Annex C: BASIS OF PAYMENT

- 1.1 *The Firm Hourly Rates as per below include profit, overheads, G&A, fees and expenses.*
- 1.2 Any relocation expenses incurred by the Contractor as a consequence of satisfying the Contract are not reimbursable by Canada.
- 1.3 Subcontracts, parts, and material used in the performance of work are reimbursable by Canada, as permitted by Section 4.2 and 4.3

The firm hourly rates shall be used to price work to be performed in accordance with the Contract under a Task Authorization. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra, if applicable.

The rates to be applied are those in effect at the time of the Task Authorization is entered into.

For pricing of each Task Authorization the firm hourly rates apply to the actual hours worked, plus an initial half hour minimum charge calculated from the time the Contractor's technician arrives on-site. All additional chargeable time, over and above the first half hour, will be rounded to the nearest quarter hour. There will be no adjustment to the price for a firm price Task Authorization, and ceiling price Task Authorizations will be limited to a maximum of the ceiling price.

Work performed at either of the two main facilities listed in the Contract (one on each coast), shall be priced at the firm hourly rates specified below, whether performed by the Contractor, its affiliates or an unaffiliated subcontractor)

2.0 Financial Evaluation Example:

Note 1: All amounts in this example are fictitious and used as an example only.

*Note 2: In the event that more than one bidder has the same hourly rate total and meets all the mandatory technical requirements, **the bidder who provides the best discount to Canada for materials and replacement parts will be recommended for Contract award.***

For evaluation purposes the rates by level will be added together to determine an average hourly rate. Then the average hourly rates will be added together to determine the overall average as per the example :

Labour Category	Firm Hourly Rate		
	Regular Time*	Overtime 1**	Overtime 2***
Level I Marine Engineer	\$80.00/hr	\$100.00/hr	\$120.00/hr
Level II Mechanic	\$45.00/hr	\$65.00/hr	\$85.00/hr
Level III Technician	\$40.00/hr	\$60.00/hr	\$80.00/hr

Level 1 The rates for the regular and overtime will be added together and divided by 3. For example
 $\$80.00 + \$100.00 + \$120.00 = \$300.00 / 3 = \$100.00$. (the Total).

Level 2 The rates for the regular and overtime will be added together and divided by 3. For example
 $\$45.00 + \$65.00 + 85.00 = \$195.00 / 3 = \65.00 . (the Total).

Level 3 The rates for the regular and overtime will be added together and divided by 3. For example
 $\$40.00 + \$60.00 + \$ 80.00 = \$180.00 / \$60.00$. (the Total).

Once the total of each level is determined, the totals will be added together and divided by to determine the average rate. For example $\$100.00 + \$ 65.00 + 60.00 = \$225.00 / 3 = \$75.00$. This calculation will be done for each year. The average rate for each year will be added together to determine the overall average rates.

3.0 Labour Rates

3.1 Year 1 - FY13/14

Row/ Coloumn	A	B	C	D	E	F
	Labour Category	Regular Time*	Overtime 1**	Overtime 2***	Total	Avg
1	Level I Marine Engineer	\$ _____ /hr	\$ _____ /hr	\$ _____ /hr	=B1+C1+D1 \$ _____ /hr	=E1/3 \$ _____ /hr
2	Level II Mechanic	\$ _____ /hr	\$ _____ /hr	\$ _____ /hr	=B2+C2+D2 \$ _____ /hr	=E2/3 \$ _____ /hr
3	Level III Technician	\$ _____ /hr	\$ _____ /hr	\$ _____ /hr	=B3+C3+D3 \$ _____ /hr	=E3/3 \$ _____ /hr

3.2 Year 1 = F1 + F2 + F3 / 3 = \$ _____ /hr

3.3 Year 2 - FY14/15

Row/ Coloumn	A	B	C	D	E	F
	Labour Category	Regular Time*	Overtime 1**	Overtime 2***	Total	Avg
1	Level I Marine Engineer	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B1+C1+D1 \$ _____/hr	=E1/3 \$ _____/hr
2	Level II Mechanic	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B2+C2+D2 \$ _____/hr	=E2/3 \$ _____/hr
3	Level III Technician	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B3+C3+D3 \$ _____/hr	=E3/3 \$ _____/hr

3.4 Year 2 = F1 + F2 + F3 / 3 = \$ _____/hr

3.5 Year 3 - FY15/16

Row/ Coloumn	A	B	C	D	E	F
	Labour Category	Regular Time*	Overtime 1**	Overtime 2***	Total	Avg
1	Level I Marine Engineer	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B1+C1+D1 \$ _____/hr	=E1/3 \$ _____/hr
2	Level II Mechanic	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B2+C2+D2 \$ _____/hr	=E2/3 \$ _____/hr
3	Level III Technician	\$ _____/hr	\$ _____/hr	\$ _____/hr	=B3+C3+D3 \$ _____/hr	=E3/3 \$ _____/hr

3.6 Year 3 = $F1 + F2 + F3 / 3 = \$ \underline{\hspace{2cm}} /hr$

3.7 Option Year 1 - FY16/17

Row/ Coloumn	A	B	C	D	E	F
	Labour Category	Regular Time*	Overtime 1**	Overtime 2***	Total	Avg
1	Level I Marine Engineer	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B1+C1+D1 \$ <u> </u> /hr	=E1/3 \$ <u> </u> /hr
2	Level II Mechanic	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B2+C2+D2 \$ <u> </u> /hr	=E2/3 \$ <u> </u> /hr
3	Level III Technician	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B3+C3+D3 \$ <u> </u> /hr	=E3/3 \$ <u> </u> /hr

3.8 Option Year 1 = $F1 + F2 + F3 / 3 = \$ \underline{\hspace{2cm}} /hr$

3.9 Option Year 2 - FY17/18

Row/ Coloumn	A	B	C	D	E	F
	Labour Category	Regular Time*	Overtime 1**	Overtime 2***	Total	Avg
1	Level I Marine Engineer	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B1+C1+D1 \$ <u> </u> /hr	=E1/3 \$ <u> </u> /hr
2	Level II Mechanic	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B2+C2+D2 \$ <u> </u> /hr	=E2/3 \$ <u> </u> /hr
3	Level III Technician	\$ <u> </u> /hr	\$ <u> </u> /hr	\$ <u> </u> /hr	=B3+C3+D3 \$ <u> </u> /hr	=E3/3 \$ <u> </u> /hr

4.0 Option Year 2 = F1 + F2 + F3 / 3 = \$ _____ /hr

** regular time is defined as a 8 hours work day.*

*** overtime 1 is defined as time in excess of the regular time.*

**** overtime 2 is defined as Sundays and Statutory Holidays. (premium overtime)*

Overtime: No premium overtime work will be charged to this Contract unless authorized in Writing by the Contracting Authority prior to the commencement of the Work. Such written Authorization will be a condition precedent for payment of the rate or rates specified herein for Premium overtime work. The Contractor will submit to the Contracting Authority a report with respect to the premium overtime work

**4.1 Total Value = 3.2 (year 1) + 3.4 (year 2)+ 3.6 (year 3) + 3.8 (option year 1)+ 4.0 (option year 2)
= \$ _____ /hr**

4.2 Material and Replacement Parts

The prices of material and replacement parts are subject to the Contractor's certification in the Contract as to price. Material and replacement parts will be charged to Canada at the lower of list price and most favoured customer price (or other lower price to which the Contractor's certification relates) for material and replacement parts supplied by the contractor and for parts supplied by any affiliate of the Contractor, at list price. The Contractor will also provide a discount against all such prices, of _____ percent.

Material and replacement parts from other suppliers shall be supplied at the Contractor's laid-down cost of acquiring same, plus mark-up of 10 percent. All prices for parts and material are FOB destination. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra, if applicable.

4.3 Subcontract(s)

All subcontracts cost must be pre-approved by the Contracting Authority. For subcontracts other than with affiliates of the Contractor, the Contractor will be paid the laid down cost of the subcontracted work plus mark-up of 10 percent..

However, for payment purposes, subcontracts to affiliates (as defined in the Canada Business Corporations Act) of the Contractor, will treated as specified above for Material and Replacement Parts, and for other Work, shall be priced and paid in accordance with the firm hourly rates set out in the Contract and in accordance with the basis of payment specified in the applicable Task Authorization. There will be no mark-up/profit to the Contractor.

**TASK AUTHORIZATION
AUTORISATION DES TÂCHES**

All invoices/progress claims must show the reference Contract and Task numbers. Toutes les factures doivent indiquer les numéros du contrat et de la tâche.		Contract no. – N° du contrat <hr/> Task no. – N° de la tâche
Amendment no. – N° de la modification	Increase/Decrease – Augmentation/Reduction	Previous value – Valeur précédente
To – À Delivery location – Expédiez à	<p>TO THE CONTRACTOR</p> <p>You are requested to supply the following services in accordance with the terms of the above reference contract. Only services included in the contract shall be supplied against this task.</p> <p>Please advise the undersigned if the completion date cannot be met. Invoices/progress claims shall be prepared in accordance with the instructions set out in the contract.</p> <p>À L'ENTREPRENEUR</p> <p>Vous êtes prié de fournir les services suivants en conformité des termes du contrat mentionné ci-dessus. Seuls les services mentionnés dans le contrat doivent être fournis à l'appui de cette demande.</p> <p>Prière d'aviser le signataire si la livraison ne peut se faire dans les délais prescrits. Les factures doivent être établies selon les instructions énoncées dans le contrat.</p>	
Delivery/Completion date – Date de livraison/d'achèvement	<div style="display: flex; justify-content: space-between;"> Date for the Department of National Defence pour le ministère de la Défense nationale </div>	
Contract item no. N° d'article du contrat	Services	Cost Prix
	GST/HST TPS/TVH	
	Total	
<p>APPLICABLE ONLY TO PWGSC CONTRACTS: The Contract Authority signature is required when the total value of the DND 626 exceeds the threshold specified in the contract.</p> <p>NE S'APPLIQUE QU' AUX CONTRATS DE TPSGC : La signature de l'autorité contractante est requise lorsque la valeur totale du formulaire DND 626 est supérieure au seuil précisé dans le contrat.</p>		
<div style="display: flex; justify-content: space-between; align-items: center;"> for the Department of Public Works and Government Services pour le ministère des Travaux publics et services gouvernementaux <div style="border-top: 1px solid black; width: 150px;"></div> </div>		

Annex "E"

Subcontractors

[illegible]