



**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**

<b>Title - Sujet</b> R&O - HLVW Transmission	
<b>Solicitation No. - N° de l'invitation</b> W8486-137729/A	<b>Date</b> 2013-08-01
<b>Client Reference No. - N° de référence du client</b> W8486-137729	
<b>GETS Reference No. - N° de référence de SEAG</b> PW-\$\$HS-610-63218	
<b>File No. - N° de dossier</b> hs610.W8486-137729	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-09-10</b>	<b>Time Zone Fuseau horaire</b> Eastern Daylight Saving Time EDT
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input checked="" type="checkbox"/> <b>Destination:</b> <input type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Reynolds, Kevin	<b>Buyer Id - Id de l'acheteur</b> hs610
<b>Telephone No. - N° de téléphone</b> (819) 956-3996 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:</b>  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**

Industrial Vehicles & Machinery Products Division  
11 Laurier St./11, rue Laurier  
7B1, Place du Portage, Phase III  
Gatineau  
Québec  
K1A 0S5

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

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## TABLE OF CONTENTS

### PART 1 - GENERAL INFORMATION

1. Introduction
2. Summary
3. Debriefings

### PART 2 - BIDDER INSTRUCTIONS

1. Standard Instructions, Clauses and Conditions
2. Submission of Bids
3. Former Public Servant
4. Enquiries - Bid Solicitation
5. Applicable Laws
6. Improvement of Requirement During Solicitation Period
7. Environmental Considerations

### PART 3 - BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

### PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures
2. Basis of Selection

### PART 5 - CERTIFICATIONS

1. Certifications Precedent to Contract Award

### PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

1. Security Requirement
2. Financial Capability
3. Controlled Goods Requirement

### PART 7 - RESULTING CONTRACT CLAUSES

1. Statement of Work
2. Work Categories
3. Standard Clauses and Conditions
4. Term of Contract
5. Authorities
6. Proactive Disclosure of Contracts with Former Public Servants
7. Payment
8. Invoicing Instructions
9. Certifications
10. Applicable Laws
11. Priority of Documents
12. SACC Manual Clauses

- 
13. Preparation for Delivery
  14. Insurance Requirements
  15. Commercial General Liability Insurance
  16. Bailee's Customer's Goods Insurance
  17. Access to DND Establishments and Canadian Forces (CF) Locations
  18. Canadian Forces Site Regulations
  19. Identification Badge
  20. Cleanup of Site
  21. Shipping Instructions (DND) - Canadian-based Contractor
  22. Meeting
  23. Reports
  24. Drawings, Reports, Data
  25. Accessibility of the Contractor's Facility
  26. Protection of Government Property
  27. Release Documents - Distribution
  28. Close-Out Responsibilities
  29. Environmental Considerations

**List of Attachments:**

Annex "A"	Statement of Work and its appendice
Annex "B"	Statement of Work for Free Flow (Components) for Repair and Overhaul
Annex "C"	Pricing
Annex "D"	DND 626 Task Authorization Form
Annex "E"	Mandatory Technical Evaluation Criteria
Annex "F"	Evaluated Aggregate Price of the Bid
Design Data List	DDL-8486-137729 dated 13-05-02

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## PART 1 - GENERAL INFORMATION

### 1. Introduction

The bid solicitation and resulting contract document is divided into seven (7) parts plus annexes as follows:

- Part 1 General Information: provides a general description of the requirement;
- Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation and states that the Bidder agrees to be bound by the clauses and conditions contained in all parts of the bid solicitation;
- Part 3 Bid Preparation Instructions: provides bidders with instructions on how to prepare their bid;
- Part 4 Evaluation Procedures and Basis of Selection
- Part 5 Certifications: includes the certifications to be provided;
- Part 6 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, Logistics Statement of Work for Free Flow (Components), Pricing, Bid Evaluation Plan.

### 2. Summary

The Department of National Defence (DND) has a requirement for Repair and Overhaul (R&O) , modification, testing, calibration and reduction to spares of Canadian Forces Standard Military Pattern (SMP) Transmission and associated equipment in accordance with Annex A - Statement of Work and its appendice, Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul Annex C - Pricing, Annex D - DND 626 Task Authorization Form, Annex E - Mandatory Technical Evaluation Criteria, Annex F - Evaluated Aggregate Price of the Bid and the Design Data List (DDL-8486-137729 dated 13-05-02).

This equipment is positioned throughout Canada. Work must be conducted and completed either in Canada at CF locations or at Contractor's plant. The attached statement of work (SOW) and its appendice defines the work effort required to perform R&O functions. The R&O functions include, but not limited to handling, repairing, overhauling, modifications and upgrades.

The work under this requirement will be carried out for a period of three (3) years from date of the contract with an option to extend the contract for two (2) additional periods of one (1) year.

For services requirements, Bidders in receipt of a pension or a lump sum payment must provide the required information as detailed in article 3 of Part 2 of the bid solicitation.

This requirement is subject to the provisions of the Agreement on Internal Trade (AIT).

Solicitation No. - N° de l'invitation

W8486-137729/A

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

hs610

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

W8486-137729

File No. - N° du dossier

hs610W8486-137729

CCC No./N° CCC - FMS No/ N° VME

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### 3. Debriefings

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

## PART 2 - BIDDER INSTRUCTIONS

### 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 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 (2013/06/01) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

**Subsection 05.4 of 2003**, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

**Delete:** sixty (60) days

**Insert:** ninety (90) days

### 2. Submission of Bids

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

### 3. Former Public Servant

Contracts with former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. In order to comply with Treasury Board policies and directives on contracts with FPS, bidders must provide the information required below.

#### Definitions

For the purposes of this clause, "former public servant" is any former member of a department as defined in the Financial Administration Act, R.S., 1985, c. F-11, a former member of the Canadian Armed Forces or a former member of the Royal Canadian Mounted Police. A former public servant may be:

a. an individual;

b. an individual who has incorporated;

c. a partnership made of former public servants; or

d. a sole proprietorship or entity where the affected individual has a controlling or major interest in the entity.

"lump sum payment period" means the period measured in weeks of salary, for which payment has been made to facilitate the transition to retirement or to other employment as a result of the implementation of various programs to reduce the size of the Public Service. The lump sum payment period does not include the period of severance pay, which is measured in a like manner.

"pension" means, a pension or annual allowance paid under the Public Service Superannuation Act (PSSA), R.S., 1985, c.P-36, and any increases paid pursuant to the Supplementary Retirement Benefits Act, R.S., 1985, c.S-24 as it affects the PSSA. It does not include pensions payable pursuant to the Canadian Forces Superannuation Act, R.S., 1985, c.C-17, the Defence Services Pension Continuation Act, 1970, c.D-3, the Royal Canadian Mounted Police Pension Continuation Act, 1970, c.R-10, and the Royal Canadian Mounted Police Superannuation Act, R.S., 1985, c.R-11, the Members of Parliament Retiring Allowances Act, R.S., 1985, c.M-5, and that portion of pension payable to the Canada Pension Plan Act, R.S., 1985, c.C-8.

### **Former Public Servant in Receipt of a Pension**

As per the above definitions, is the Bidder a FPS in receipt of a pension? Yes ( ) No ( )

If so, the Bidder must provide the following information, for all FPS in receipt of a pension, as applicable:

a.name of former public servant;

b.date of termination of employment or retirement from the Public Service.

By providing this information, Bidders agree that the successful Bidder's status, with respect to being a former public servant in receipt of a pension, will be reported on departmental websites as part of the published proactive disclosure reports in accordance with Contracting Policy Notice: 2012-2 and the Guidelines on the Proactive Disclosure of Contracts.

### **Work Force Reduction Program**

Is the Bidder a FPS who received a lump sum payment pursuant to the terms of a work force reduction program? Yes ( ) No ( )

If so, the Bidder must provide the following information:

a.name of former public servant;

b.conditions of the lump sum payment incentive;

c.date of termination of employment;

d.amount of lump sum payment;

e.rate of pay on which lump sum payment is based;

f.period of lump sum payment including start date, end date and number of weeks;

g.number and amount (professional fees) of other contracts subject to the restrictions of a work force reduction program.

For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to a FPS who received a lump sum payment is \$5,000, including Applicable Taxes.

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#### **4. Enquiries - Bid Solicitation**

All enquiries must be submitted 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.

#### **5. 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.

#### **6. Design Data List (DDL) Request**

To order a copy of the DDL, drawings, and specifications, bidders must contact the Contracting Authority by email and provide their full mailing address. If bidders have not received the documents at least ten (10) calendar days prior to bid closing date, bidders should communicate with the Contracting Authority.

#### **7. Improvement of Requirement During Solicitation Period**

Should bidders consider that the specifications, Statement of Work or Purchase Description contained in the bid solicitation could be improved technically or technologically, bidders are invited to make suggestions, in writing, to the Contracting Authority named in the bid solicitation. Bidders must clearly outline the suggested improvement as well as the reason for the suggestion. Suggestions that do not restrict the level of competition nor favour a particular bidder will be given consideration provided they are submitted to the Contracting Authority at least seven (7) calendar days before the bid closing date. Canada will have the right to accept or reject any or all suggestions.

#### **8. Environmental Considerations**

Canada is committed to greening its supply chain. In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to acquire products and services that have a lower impact on the environment than those traditionally acquired. Environmental performance considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances. In accordance with the Policy on Green Procurement, for this solicitation:

The successful bidder will be requested, after contract award, to provide all correspondence including (but not limited to) documents, reports and invoices in electronic format unless otherwise specified by the

Solicitation No. - N° de l'invitation

W8486-137729/A

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

hs610

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

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

W8486-137729

hs610W8486-137729

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Contracting Authority, the Technical Authority or the Procurement Authority, thereby reducing printed material.

Bidders should recycle (shred) unneeded copies of non-classified/secure documents (taking into consideration the Security Requirements).

Product components used in performing the services should be recyclable and/or reusable, whenever possible.

## PART 3 - BID PREPARATION INSTRUCTIONS

### 1. Bid Preparation Instructions

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

First page of the Request for Proposal signed by the Bidder or an authorized representative of the Bidder (1 signed hard copy)

Section I: Technical Bid (4 hard copies)

Section II: Financial Bid (1 hard copy)

Section III: Certifications (1 hard copy).

Section IV: Additional Information (1 hard 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>). To assist Canada in reaching its objectives, bidders are encouraged to :

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

#### 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.

### 2. Sub-Contractor Use

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Bidders should provide the following information if they will be using any sub-contractor in the performance of the work:

- a) what work will be sub-contracted;
- b) how quotes will be solicited;
- c) how sub-contractors will be selected;
- d) how the quality and delivery schedules of sub-contracted work will be monitored; and
- e) outline any previous experience involving sub-contracted work.

### 3. Test Equipments and Test Benches

Bidder should identify all test equipments and test benches they will be using in the performance of the work, and indicate if they own or lease those equipments and benches.

#### Section II: Financial Bid

Bidders must submit their financial bid in accordance with the Basis of Payment specified in Part 7 and Annex C - Pricing. The total amount of Applicable Taxes must be shown separately.

#### Section III: Certifications

Bidders must submit the certifications required under Part 5.

#### Section IV: Additional Information

##### Supplier Contact

Canada requests that Bidders provide information for the contact person responsible for:

##### Project Manager

Name: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_  
E-mail address: \_\_\_\_\_

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## **PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION**

### **1. Evaluation Procedures**

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

#### **1.1 Technical Evaluation**

Bids must be completed in full and provide all technical information requested in the bid solicitation to enable a full and complete evaluation.

##### **1.1.1 Mandatory Technical Evaluation Criteria**

Bids must meet the Mandatory Technical Evaluation Criteria as detailed in Annex D - Mandatory Technical Evaluation Criteria.

#### **1.2 Financial Evaluation**

##### **1.2.1 Mandatory Financial Evaluation Criteria**

Bidders must complete and provide all financial information required in all categories detailed in Annex C - Pricing, including all firm prices, firm all inclusive hourly rates and firm markup for all items.

Prices and Rates must be in Canadian dollars, FCA Free Carrier, at Contractor's Facility, Incoterms 2000, Canadian Custom Duties and Excise Taxes included where applicable, Applicable Taxes extra.

##### **1.2.2 Aggregate Price Determination**

The evaluated aggregate price of the bid will be determined in accordance with Annex F - Evaluated Aggregate Price of the Bid.

### **2. Basis of Selection**

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

## PART 5 - CERTIFICATIONS

Bidders must provide the required certifications and documentation to be awarded a contract.

The certifications provided by bidders to Canada are subject to verification by Canada at all times. Canada will declare a bid non-responsive, or will declare a contractor in default, if any certification made by the Bidder is found to be untrue whether during the bid evaluation period or during the contract period.

The Contracting Authority will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply with this request will also render the bid non-responsive or will constitute a default under the Contract.

### 1. Mandatory Certifications Required Precedent to Contract Award

#### 1.1 Code of Conduct and Certifications - Related documentation

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

#### 1.2 Federal Contractors Program for Employment Equity - Bid Certification

By submitting a bid, the Bidder certifies that the Bidder, and any of the Bidder's members if the Bidder is a Joint Venture, is not named on the Federal Contractors Program (FCP) for employment equity "FCP Limited Eligibility to Bid" list ([http://www.labour.gc.ca/eng/standards\\_equity/eq/emp/fcp/list/inelig.shtml](http://www.labour.gc.ca/eng/standards_equity/eq/emp/fcp/list/inelig.shtml)) available from Human Resources and Skills Development Canada (HRSDC) - Labour's website.

Canada will have the right to declare a bid non-responsive if the Bidder, or any member of the Bidder if the Bidder is a Joint Venture, appears on the "FCP Limited Eligibility to Bid" list at the time of contract award.

Canada will also have the right to terminate the Contract for default if a Contractor, or any member of the Contractor if the Contractor is a Joint Venture, appears on the "FCP Limited Eligibility to Bid" list during the period of the Contract.

The Bidder must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification, before contract award. If the Bidder is a Joint Venture, the Bidder must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

### 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 Status and Availability of Resources

The Bidder certifies that, should it be awarded a contract as a result of the bid solicitation, every individual proposed in its bid will be available to perform the Work as required by Canada's representatives and

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

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

## **2.2 Education and Experience**

SACC Manual Clause A3010T (2008-05-12) Education and Experience

## **PART 6 - FINANCIAL AND INSURANCE REQUIREMENTS**

### **1. Financial Capability**

SACC Manual clause A9033T (2011-05-16) Financial Capability

### **2. 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 herein.

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

### 1. Statement of Work

The Contractor must perform the Work in accordance with Annex A - Statement of Work and its appendice, Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul and the Design Data List (DDL-8486-137729 dated 13-05-02).

### 2.1 Work Categories

The Work is summarized into two (2) main categories as follows:

**2.1.1 Category 1** consists of free flow components for R&O, on an "as and when required basis". It includes certain modifications to the equipment or system as requested, which may include a new substitute part due to obsolescence, or updating an early configuration to the Original Equipment Manufacturers (OEM) current baseline standard.

**2.1.2 Category 2** consists of all other tasks, on an "as and when required" basis, including Technical Investigations and Engineering Support (TIES), Special Investigation and Technical Studies (SITS), Testing, Packaging and Preservation Process, and upgrades.

The Contractor must provide Technical Investigation and Engineering Support (TIES) and other services such as Special Investigation and Technical Studies (SITS), Testing, Packaging and Preservation Process, and upgrades, referred herein as "Category 2" in accordance with Annex A - Statement of Work and its appendice, and Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul.

### 2.2 Work Authorization

#### 2.2.1 Category 1 (Free Flow Components)

Authorization for Work described as Repair and Overhaul must be in accordance with Annex A - Statement of Work and its appendice, Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul.

##### 2.2.1.1. Maximum Repair Cost (MRC)

The MRC is inclusive of the firm price for mandatory work and any other costs required to bring the Transmissions and Related Items to a serviceable condition.

If Government Supplied Material (GSM) is provided, as detailed in Annex A - Statement of Work, the MRC of the Transmission and Related Items for which the GSM is intended must be reduce by the value of the GSM.

#### 2.2.2 Category 2 - Task Authorization

**2.2.2.1** Category 2 Work will be performed under the Contract on an "as and when requested basis".

**2.2.2.2** With respect to the Work mentioned under paragraph 2.2.2.1 of this clause,

**2.2.2.2a)** an obligation will come into force only when the Contractor receives a Task Authorization, inclusive of any revisions, authorized and issued in accordance with this clause, and only to the extent designated in the authorized;

**2.2.2.2b)** the Task Authorization Authority and limit will be determined in accordance with paragraph 2.2.2.3 of this clause;

**2.2.2.2c)** the Contractor must not commence work until a Task Authorization, inclusive of any revisions, has been authorized and issued in accordance with the Contract. The Contractor acknowledges that work performed before a Task Authorization, inclusive of any revisions, has been authorized and issued in accordance with the Contract will be done at the Contractor's own risk and expense;

**2.2.2.2d)** the task description, inclusive of any revisions, included in an authorized Task Authorization must fall within the scope of the Statement of Work, in Annex A and Annex B; and

**2.2.2.2e)** the Task Authorization, inclusive of any revisions, will be authorized under the Contract through the use of DND 626, Task Authorization Form. An authorized Task Authorization is a completed Annex D signed by the Task Authorization Authority.

### **2.2.2.3 TA Authority and Limit**

**2.2.2.3.1** The Procurement Authority and Technical Authority may authorize individual Task Authorizations inclusive of any revisions up to a limit of \$25,000.00, Applicable Taxes extra. Any Task Authorization where the total value of which would exceed that limit or any revision to a previously authorized Task Authorization that would increase the Task Authorization total value above that limit must be authorized by the Contracting Authority before issuance to the Contractor.

### **2.2.2.4 Administration of the TA Process - Department of National Defence**

The administration of the Task Authorization process will be carried out by DLP 4-3. This process includes: monitoring, controlling and reporting on expenditures of the Contract to the Contracting Authority.

### **2.2.2.5 TA Process**

**2.2.2.5.1** For each task or revision of a previously authorized task, the Technical Authority will provide the Contractor with a request to perform a task prepared using a DND 626, Task Authorization Form, containing as a minimum:

1. the task or revised task description of the Work required, including:
  - i. the details of the activities or revised activities to be performed;
  - ii. a description of the deliverables or revised deliverables to be submitted; and
  - iii. a schedule or revised schedule indicating completion dates for the major activities or submission dates for the deliverables, or both, as applicable;
2. the Contract security requirements applicable to the task or revised task;
3. the Contract basis (bases) of payment applicable to the task or revised task; and
4. the Contract method(s) of payment applicable to the task or revised task.

**2.2.2.5.2** Within ten (10) calendar days of its receipt of the request, the Contractor must provide the Technical Authority with a signed and dated response prepared and submitted using the Task Authorization form received from the Technical Authority, containing as a minimum:

1. the total estimated cost proposed for performing the task or, as applicable, revised task;
2. a breakdown of that cost in accordance with Annex C.

#### **2.2.2.6 Task Authorization**

##### **2.2.2.6.1 The Task Authorization Authority will authorize the Task Authorization based on:**

1. the request submitted to the Contractor pursuant to paragraph 2.2.2.5.1 above;
2. the Contractor's response received, submitted pursuant to paragraph 2.2.2.5.2 above; and
3. the agreed total estimated cost for performing the task or, as applicable, revised task.

**2.2.2.6.2** The authorized Task Authorization will be issued to the Contractor by email (as an email attachment in PDF format).

#### **2.2.2.7 Task Pricing**

Pricing for each task must be established as follows:

##### **2.2.2.7.1 Firm Price**

Where a firm price has been established, the Contractor must complete the work in accordance with the specified firm price. The firm price represents the total amount payable under the Task Authorization.

##### **2.2.2.7.2 Not to exceed**

A not to exceed is normally established when a requirement is not well defined or is of high risk and it is not practical to utilize a firm price or a ceiling price. A limitation of expenditure represents the amount up to which the Contractor will be paid. The Contractor must not perform any work or services which would cause the total liability of Canada to exceed the authorized amount unless an increase is authorized by Canada.

##### **2.2.2.7.3 Ceiling Price**

Where a ceiling price has been established, the Contractor must complete the work and the ceiling price represents the maximum amount payable under the Task Authorization. The ceiling price is subject to downward adjustment based on the actual cost reasonably incurred in the performance of the work.

#### **2.2.2.8 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 below. If some data is not available, the reason must be indicated. If services are not provided during a given period, the Contractor must still provide a "nil" report.

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

(If an alternate reporting period is required, delete the quarterly periods provided below and define the alternate reporting period.)

The quarterly periods are defined as follows:

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

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

## Reporting Requirement - Details

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

### For each authorized task:

- i. the authorized task number or task revision number(s);
- ii. a title or a brief description of each authorized task;
- iii. the total estimated cost specified in the authorized Task Authorization of each task, exclusive of Applicable Taxes;
- iv. the total amount, exclusive of Applicable Taxes, expended to date against each authorized task;
- v. the start and completion date for each authorized task; and
- vi. the active status of each authorized task, as applicable.

### For all authorized tasks:

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

## 2.2.3 Minimum Work Guarantee

**2.2.3.1** "Maximum Contract Value" means the sum specified in Contract clause 7.2 Limitation of Expenditure and "Minimum Contract Value" means a fixed amount of \$500,000.00.

**2.2.3.2** Canada's obligation under the Contract is to request Work in the amount of the Minimum Contract Value or, at Canada's option, to pay the Contractor at the end of the Contract in accordance with paragraph 2.3.3.3 In consideration of such obligation, the Contractor agrees to stand in readiness throughout the Contract period to perform the Work described in the Contract. Canada's maximum liability for work performed under the Contract must not exceed the Maximum Contract Value, unless an increase is authorized in writing by the Contracting Authority.

**2.2.3.3** In the event that Canada does not request work in the amount of the Minimum Contract Value during the period of the Contract, Canada must pay the Contractor the difference between the Minimum Contract Value and the total cost of the Work requested.

**2.2.3.4** Canada will have no obligation to the Contractor under this clause if Canada terminates the Contract in whole or in part for default.

## 2.3 Supply Accounting

The Contractor must repair and/or overhaul only those items for which authorization has been received in accordance with the relevant section of A-LM-184-001/JS-001. The Contractor must 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 their possession. Repair/overhaul priorities will be maintained as per information provided in the Selection Notice and Priority Summary (SNAPS).

## **2.4 Urgent Requirement - Priority Repair Request**

The Contractor must take immediate action to satisfy urgent requirements of the Department of National Defence, as and when required by the authorized representative of the Procurement Authority. The urgent requirement will be identified in a Priority Repair Request (PRR).

## **2.5 Performance and Reliability**

Equipment repaired or overhauled must be in accordance with the terms of this Contract to meet the standards of the applicable DND specifications. When such standards are not described or when the standards described are considered by the Contractor to be inadequate, the Contractor must submit the standards of performance and reliability to which they propose to repair/overhaul the equipment through the National Defence Quality Assurance Representative (NDQAR) who will forward the standards to the Procurement Authority for approval.

## **2.6 Environmental Protection**

- a. The Contractor is responsible for ensuring that all work carried out on any DND property or any other locations by staff, or duly appointed subcontractors, under this contract is:
  - i. Completed using personnel qualified and certified in the scope of work that they are undertaking; and
  - ii. In compliance with all applicable municipal, provincial, federal and statutory environmental protection laws and regulations.
- a. Prior to commencement of the work, the 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, federal and statutory environmental protection laws and regulations.
- b. The Contractor must have full responsibility for the disposal of any hazardous waste removed or uncovered in the performance of the work. Title to such waste must pass to the Contractor as soon as the Contractor takes possession of the waste, and the Contractor must dispose of such waste in accordance with the requirements of the Contract, if any, and in accordance with applicable law, whether federal, provincial or municipal.
- c. Copies of all Hazardous Material Disposal Certificates raised whilst completing any work under the scope of the contract are to be provided to the Technical/Inspection 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 Technical/Inspection Authority.
- d. Failure to comply with any of the above will be, of and by itself, grounds for termination of the contract for default.

## **2.7 Waste and Hazardous Waste Disposal**

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

## **2.8 Responsible to Unload Goods Received from Carrier**

The Contractor is responsible to unload goods received from the carrier from the Department of National Defence (DND).

## **3. Standard Clauses and Conditions**

All instructions, clauses and conditions identified in the Contract by number, date and title are set out in the *Standard Acquisition Clauses and Conditions* Manual issued by Public Works and Government Services Canada.

### 3.1 General Conditions

2010C (2013-06-27) General Conditions - Services (Medium Complexity), apply to and form part of the Contract.

#### Add Section 31 Warranty:

1. Despite inspection and acceptance of the Work by or on behalf of Canada and without restricting any provisions of the Contract or any condition, warranty or provision imposed by law, the Contractor, if requested by Canada to do so, must replace, repair or correct, at its own option and expense any work that becomes defective or fails to conform to the requirements of the Contract, where applicable. The warranty period will be twelve (12) months after delivery and acceptance of the Work or the length of the Contractor's or manufacturer's standard warranty period, whichever is longer.
2. The Contractor must pay the transportation cost associated with returning the Work or any part of the Work to the Contractor's plant for replacement, repair or making good. The Contractor must also 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 as directed by Canada. If, 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 responsible for all Costs (including travel and living expenses) incurred in so doing, Canada will not reimburse these Costs.
3. 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 replaced, repaired or corrected pursuant to subsection 1, 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.

#### Add Section 32 Copyright

1. Anything that is created or developed by the Contractor as part of the Work under the Contract in which copyright subsists belongs to Canada. The Contractor must incorporate the copyright symbol and either of the following notices, as appropriate: © Her Majesty the Queen in right of Canada (year) or © Sa Majesté la Reine du chef du Canada (année).
2. At the request of the Contracting Authority, the Contractor must provide to Canada, at the completion of the Work or at such other time as the Contracting Authority may require, a written permanent waiver of moral rights as defined in the Copyright Act, R.S., 1985, c. C-42, in a form acceptable to the Contracting Authority, from every author that contributed to the Work. If the Contractor is an author, the Contractor permanently waives the Contractor's moral rights.

### 4. Term of Contract

#### 4.1 Period of Contract

The period of the Contract is from date of Contract to **to be inserted by PWGSC** inclusive.

#### 4.2 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the contract period by up to two (2) additional periods of one (1) year under the same terms and conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment. Canada may exercise this option at any time by sending a written notice to the Contractor at least thirty (30) calendar days before the Contract expiry date. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

### 5. Authorities

#### 5.1 Contracting Authority

The Contracting Authority for the Contract is:

Kevin Reynolds  
Supply Specialist  
Public Works and Government Services Canada  
Logistics, Electrical, Fuel and Transportation Directorate  
"HS" Division  
7B1 Place du Portage, Phase III  
11 Laurier Street  
Gatineau, Québec, K1A 0S5  
Telephone: 819-956-3996  
Facsimile: 819-956-5227  
E-mail: kevin.reynolds@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.

#### 5.2. Procurement Authority

The Procurement Authority for this contract is:

**To be completed by PWGSC**  
National Defence Headquarters  
Mgen. George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, Ontario K1A 0K2  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

The Procurement Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Procurement Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority however the Procurement Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

### 5.3 Technical Authority

The Technical Authority for the Contract is:

**To be completed by PWGSC**

National Defence Headquarters  
MGen. George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, ON K1A 0K2  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

The Technical Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for all matter 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.

### 5.4 Quality Assurance Authority

National Defence Quality Assurance Representative (NDQAR):

**To be completed by PWGSC**

Department Of National Defence  
Director General, Quality Assurance  
National Defence Headquarters  
MGen George R. Pearkes Building  
101 Colonel By Dr.  
Ottawa On. K1A 0K2  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

The NDQAR is the Quality Assurance Authority for all work to be provided under the terms of this contract. The above Authority may delegate their authority and may act through their duly appointed representatives. The NDQAR/Inspection Authority is the representative of the department or agency for whom the Work is being performed under the Contract and is responsible for inspection of the Work and acceptance of the finished work. The NDQAR/Inspection Authority may be represented on-site by a designated inspector and any other Government of Canada inspector who may time to time be assigned in support of the designated Inspector

### 5.5 Contractor's Representative

The Project Manager for the Contract is:

**To be completed by PWGSC**

Name: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Facsimile No.: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

## 6. Proactive Disclosure of Contracts with Former Public Servants

By providing information on its status, with respect to being a former public servant in receipt of a Public Service Superannuation Act (PSSA) pension, the Contractor has agreed that this information will be reported on departmental websites as part of the published proactive disclosure reports, in accordance with Contracting Policy Notice: 2012-2 of the Treasury Board Secretariat of Canada.

## 7. Payment

### 7.1 Basis of Payment

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract (or task authorization), the Contractor will be paid in Canadian dollars, in accordance with Annex A – pricing, FCA Free Carrier at Contractor's facilities, Incoterms 2000, Customs Duty and Excise Taxes included where applicable, and Applicable Taxes extra.

#### 7.1.1 Basis of Payment for close out responsibilities

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid at the actual laid down cost, without any allowance for profit and/or administrative overhead, in Canadian dollars, FCA Free Carrier at Contractor's facilities, Incoterms 2000, Customs Duty and Excise Taxes included where applicable, and Applicable Taxes extra.

### 7.2 Limitation of Expenditure

1. Canada's total liability to the Contractor under the Contract must not exceed \$ (to be inserted by PWGSC). Customs duties and excise taxes are included, and Applicable Taxes are extra, if applicable.

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

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

- (a) in the current fiscal year cash flow at the time it is 75 percent committed, or
- (b) four (4) months prior to the Contract expiry date, or
- (c) if the Contractor considers that the funds provided are inadequate for the completion of the Work, whichever comes first.

4. If the notification refers to inadequate funds, the Contractor must provide to the Contracting Authority, in writing, an estimate for the additional funds required. Provision of such notification and estimate for the additional funds does not increase Canada's liability.

### 7.3 Multiple Payments

Canada will pay the Contractor upon completion of task autorisation and delivery of units in accordance with the payment provisions of the Contract if:

a. an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;

b.all such documents have been verified by Canada;

c.the Work delivered has been accepted by Canada.

#### 7.4 SACC Manual Clauses

SACC Reference	Title	Date
C0307C	Cost Submission	2008-05-12
C0710C	Time and Contract Price Verification	2007-11-30

### 8. Invoicing Instructions

#### 8.1 Category 1

The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the general conditions. Invoices cannot be submitted until all work identified in the invoice is completed.

The Contractor is requested to provide invoices in electronic format unless otherwise specified by the Contracting Authority or Procurement Authority, thereby reducing printed material.

The Contractor must submit invoices on its own form, and must include the following information:

- a. Date
- b. Name and address of the consignee(s)
- c. Contract number, serial number and DND financial coding
- d. Details of items being repaired, including:
  - NSN
  - Item number, part number reference number and description of the item
  - MRC
  - Labour hours
  - Material costs
  - Subcontractor cost
  - Work order numbers
  - Quantity, device type, manufacturer and serial number
- e. Rate of payment applicable to the labour hours
- f. Engineering or technical support categories
- g. Supporting documentation such as, but not limited to detailed copies of subcontractor and material/parts invoices, copies of travel, hotel, car rental and airline receipts

#### 8.2 Category 2

The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the general conditions. Invoices cannot be submitted until all work identified in the invoice is completed.

The Contractor must submit invoices on its own form, and must include the following information:

- a. Date
- b. Name and address of the consignee(s)
- c. Contract number, serial number and DND financial coding
- d. Task Authorization Number

- 
- e. Rate of payment applicable to the labour hours
  - f. Engineering or technical support categories
  - g. Labour hours
  - h. Cost of materials related to the task
  - i. Approved travel and living expenses (receipts required)
  - j. Cost of subcontractor related to the task
  - k. Supporting documentation such as, but not limited to detailed copies of subcontractor and material/parts invoices, copies of travel, hotel, car rental and airline receipts

### 8.3 Distribution of Invoices

Invoices must be distributed as follows:

(a) The original must be forwarded or emailed to the Procurement Authority identified under the section entitled "Authorities" of the Contract for acceptance and payment.

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

Note 1: The Contractor must not submit an invoice prior to shipment of the items prior to completion of the work.

Note 2: Any credit notes (spares, scrap material) with supporting documentation must be shown as a credit on the invoice.

Note 3: The original invoice must be sufficiently detailed in order that easy reference can be made between the amounts claimed and Annex "C" Pricing.

Note 4: The Contractor must submit a revised invoice copy when correction(s) or modification(s) have been identified by the Procurement Authority or the Contracting Authority.

## 9. Certifications

### 9.1 Compliance

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

## 10. Applicable Laws

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

## 11. 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 2010C (2013-06-27) General Conditions - Services (Medium Complexity);
- c. Annex A - Statement of Work and its appendice;

d. the Design Data List - DDL-8486-137729

e. Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul;

f. Annex C - Pricing

g. the signed Task Authorizations (including all of its annexes, if any)

h. the Contractor's bid dated **(To be inserted by PWGSC)**.

## 12. SACC Manual Clauses

SACC Reference	Title	Date
A2000C	Foreign Nationals (Canadian Contractor)	2006-06-16
A9006C	Defence Contract	2008-05-12
A9062C	Canadian Forces Site Regulations	2010-01-11
A1009C	Work Site Access	2008-05-12
B4042C	Identification Markings	2008-05-12
B7500C	Excess Goods	2006-06-16
B8041C	Catalogue of Material on CD-ROM	2008-05-12
C2800C	Priority Ratings	2013-01-28
C2801C	Priority Rating - Canadian Contractors	2011-05-16
D2025C	Wood Packaging Materials	2008-12-12
D3010C	Dangerous Goods/Hazardous Products	2007-11-30
D3015C	Dangerous Goods/Hazardous Products	2007-11-30
D5510C	Quality Assurance Authority - (DND) - Canadian Based Contractor	2010-01-11
D5515C	Quality Assurance Authority (DND) - Foreign-based and United States Contractor	2010-01-11
D5540C	ISO 9001:2008 Quality Management Systems - Requirements (QAC Q)	2010-08-16
D5604C	Release Documents (DND) - Foreign-based Contractor	2008-12-12
D5605C	Release Documents (DND) - United States-based Contractor	2010-01-11
D5606C	Release Documents (DND) - Canadian-based Contractor	2007-11-30
D5620C	Release Documents - Distribution	2007-11-30
L5001C	Surplus Government Property	2008-05-12

## 13. Preparation for Delivery

The Contractor must prepare all items for delivery in accordance with Annex A - Statement of Work. All equipment must be delivered in a fully serviceable condition.

## 14. Insurance Requirements

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

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

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

## **15. Commercial General Liability Insurance**

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 \$2,000,000.00, per accident or occurrence and in the annual aggregate.

2. The Commercial General Liability policy must include the following:

(a) Additional Named Insured: Canada is added as an additional named insured, but only with respect to liability arising out of the performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by the Department of National Defence and/or 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) Non-Owned Automobile Liability - Coverage for suits against the Contractor resulting from the use of hired or non-owned vehicles.

(n) All Risks Tenants Legal Liability - to protect the Contractor for liabilities arising out of its occupancy of leased premises.

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

#### **16. Bailee's Customer's Goods Insurance**

The Contractor must obtain Bailee's Customer's Goods insurance while Government Property is under its care, custody or control for repair or servicing, and maintain it in force throughout the duration of the Contract, in an amount of not less than \$250,000.00. Government Property must be insured on an Actual Cash Value (depreciated cost).

1. Administration of Claims: The Contractor must notify Canada promptly about any losses or damages to Government Property and monitor, investigate and document losses of or damage to ensure that claims are properly made and paid.

2. The Bailee's Customer's Goods must include the following:

(a) Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of cancellation.

(b) Settlement of Claims: The insurance proceeds regarding any loss of or damage to Government Property must be payable to the appropriate party as directed by the Contracting Authority.

(c) Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by the Department of National Defence and Public Works and Government Services Canada for any and all loss of or damage to the property however caused.

#### **17. Access to DND Establishments and Canadian Forces (CF) Locations**

Contractor Personnel requiring casual access to DND Establishments and Canadian Forces (CF) location do not require Security Clearance but must be escorted at all times. Names of individuals, place and date of birth, their National Clearance (if any personnel already have a security level) and proposed date of visits are to be reported to:

National Defence Headquarters  
101 Colonel By Drive  
Ottawa, Ontario  
K1A 0K2  
Attn: **(To be inserted by PWGSC)**

#### **18. Canadian Forces Site Regulations**

The Contractor must comply with the contract, all standing orders or other regulations, instructions and directives in force on the site where the Work is performed.

#### **19. Identification Badge**

Any person assigned to the performance of any part of the Work that is performed on government premises must wear in a conspicuous place the identification badge issued to that person by Canada.

When a person is required to wear a safety helmet, the Contractor, if requested to do so by Canada, must paint the number appearing on the badge on the front of the safety helmet.

## 20. Cleanup of Site

The Contractor must maintain the Work and its site in a tidy condition and free from an accumulation of waste material and debris.

The Contractor must remove all surplus materials and any waste products and debris from the site of the Work.

## 21. Shipping Instructions (DND) - Canadian-based Contractor

1. Delivery will be FCA Free Carrier at Contractor's facility, Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.
  - a. Insert the following for all repair and overhaul contracts where the Contractor is located between Kingston inclusive and westward to the Ontario/Manitoba border:  
Inbound Logistics Central Area (ILCA)  
Telephone: 1-866-371-5420 (toll free)  
Facsimile: 1-866-419-1627 (toll free)  
E-mail: ILCA@forces.gc.ca  
  
OR
  - b. Insert the following for all repair and overhaul contracts where the Contractor is located in Manitoba, Saskatchewan, Alberta, British Columbia, and the National Capital Region inclusive to east of Kingston:  
Inbound Logistics Coordination Center (ILCC)  
Telephone: 1-877-877-7423 (toll free)  
Facsimile: 1-877-877-7409 (toll free)  
E-mail: ILHQOttawa@forces.gc.ca  
  
OR
  - c. Insert the following for all repair and overhaul contracts where the Contractor is located in Quebec:  
Inbound Logistics Quebec Area (ILQA)  
Telephone: 1-866-935-8673 (toll free), or  
1-514-252-2777, ext. 2323, 2852 or 4673  
Facsimile: 1-866-939-8673 (toll free), or  
1-514-252-2911  
E-mail: 25DAFCTrafficQM@forces.gc.ca  
  
OR
  - d. Insert the following for all repair and overhaul contracts where the Contractor is located in Atlantic (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador):

Inbound Logistics Atlantic Area (ILAA)

Telephone: 1-902-427-1438

Facsimile: 1-902-427-6237

E-mail: FLogILAA@forces.gc.ca

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

### **21.1 Shipping Instructions (DND) - Foreign Based Contractor**

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

(a) 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

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.

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

- (a) the Contract number;
- (b) consignee address (if multiple addresses, items must be packaged and labeled separately with each consignee address);
- (c) description of each item;
- (d) the number of pieces and type of packaging (e.g. carton, crate, drum, skid);
- (e) actual weight and dimensions of each piece type, including gross weight;
- (f) 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;
- (g) Schedule B codes (for exports) and the Harmonized Tariff Schedule codes (for imports);
- (h) North American Free Trade Agreement Certificate of Origin (in accordance with clause C2608C, section 2) for the U.S. and Mexico only;
- (i) 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.

4. Following receipt of this information by Canada, Canada will provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, the marking of each piece with a Transportation Control Number and customs documentation.

5. The Contractor must not ship goods before receiving shipping instructions from the DND Inbound Logistics contact.

6. If the Contractor delivers the goods at a place and time that are not in accordance with the given delivery instructions or fail to fulfill reasonable delivery instructions given by Canada, the Contractor must reimburse Canada any additional expenses and costs incurred.

7. If Canada is responsible for delays in delivering the goods, ownership and risk will be transferred to Canada upon expiry of either thirty (30) days following the date on which a duly completed shipping application is received by Canada or by its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.

## 22. Meeting

## 22.1 Start-up Meeting

The Contractor must contact the Contracting Authority to schedule the start-up meeting. The start-up meeting will take place within three (3) weeks from the effective date of the Contract. The meeting will be convened to review technical, contractual, and procedural requirements. The Contractor must be responsible for the drafting and promulgation of the agenda and minutes for the meeting. The meeting will be held at the Contractor's facilities at no additional cost to Canada, with representatives of the Contractor, the Department of National Defence and Public Works and Government Services Canada.

## 22.2 Progress Meetings

Progress Review Meetings (PRM) will take place as and when required, following the start-up meeting. A minimum of one (1) PRM per year must be scheduled for the duration of the contract and as deemed necessary by either the TA, PA or CA. These meetings will address technical, contractual and procedural issues of the contract. Other meetings may also be scheduled.

The Contractor must be responsible for the drafting and promulgation of agendas and minutes for the meeting. The meeting will be held at the Contractor's facilities at no additional cost to Canada, with representatives of the Contractor, the Department of National Defence and Public Works and Government Services Canada.

## 23. Reports

The Contractor must provide all reports when requested as detailed in Annex A - Statement of Work and its appendice, and Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul. .

## 24. Drawings, Reports, Data

All drawings, reports, data documents or materials produced by the Contractor in providing the specified services must be delivered to the Technical Authority and must not be released to any person or agency without express permission of the Technical Authority.

## 25. Accessibility of the Contractor's Facility

The Contractor's facility where the Work will be performed must be accessible by commercial/heavy truck.

## 26. Protection of Government Property

The Contractor must keep all Government Property, while in its possession or subject to its control, in accordance with the following at all time:

- all Government Property that are not inside a reusable wood or steel container must be kept in a secured indoor storage location; and
- all other Government Property must be kept in a secured storage location and must be protected from the elements and related damages.

## 27. Release Documents - Distribution

The Contractor must prepare the release documents 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: **to be inserted by PWGSC**

- (e) Copy 6: to the Quality Assurance Representative;
- (f) Copy 7: to the Contractor;
- (g) Copy 8: all non-Canadian contractors to:

DQA/Contract Administration  
 National Defence Headquarters  
 Mgen George R. Pearkes Building  
 101 Colonel By Drive  
 Ottawa, ON K1A 0K2  
 E-mail: ContractAdmin.DQA@forces.gc.ca

## 28. Close-Out Responsibilities

Components received at the repair facility up to and including the contract expiry date must be repaired by the Contractor within the terms and conditions of the contract. However, when this Contract expires, or is terminated, all catalogue repairable items, spare parts (CIS, and any specific Government of Canada owned equipment on loan), must be transferred to the closest Depot. The not-yet inducted work and the not-yet completed work orders (items already been inducted for R&O process within the R&O pipeline) that were open before the end of the expiry date must be reported to the NDQAR and to the Procurement Authority prior to the contract expiration. Specific Contractor Supplied/Furnished Parts and Material, which the Contractor purchased or committed to be purchased in support of those not-yet completed work orders must also to be reported to the NDQAR and to the Procurement Authority.

DND may purchase at the Contractor's laid-down cost any remaining Contractor Supplied/Furnished Parts and Material, which have been purchased in support of R&O activities stipulated in this contract, and which cannot be returned for credit to the Contractor's supplier(s).

## 29. Environmental Considerations

Canada is committed to greening its supply chain. In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to acquire products and services that have a lower impact on the environment than those traditionally acquired. Environmental performance considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances. In accordance with the Policy on Green Procurement:

The Contractor is requested to provide all correspondence including (but not limited to) documents and reports in electronic format unless otherwise specified by the Contracting Authority, the Technical Authority or the Procurement Authority, thereby reducing printed material.

The Contractor should recycle (shred) unneeded copies of non-classified/secure documents (taking into consideration the Security Requirements).

Product components used in performing the services should be recyclable and/or reusable, whenever possible.

ANNEX A – STATEMENT OF WORK

1 The Contractor shall carry out all necessary processes required to return the following Transmissions and related items such as, but not limited to internal parts, external parts, shafts protruding from the Transmissions and attachments to a fully serviceable condition, in accordance with the scope of work detailed herein and Annex B - Statement of Work for Free Flow (Components) for Repair and Overhaul

- a) NSN 2520-21-906-3301 - Transmission w/Torque Converter, w/Re-usable steel container;
- b) NSN 2520-21-908-3516 - Transmission w/Torque Converter, w/Retarder, w/Re-usable steel container;
- c) NSN 2520-21-920-6480 - Transmission w/Torque Converter, w/ Retarder, w/Special Flange, w/Re-usable steel container;
- d) NSN 2520-12-326-5006 - Transmission w/Torque Converter, w/Wooden crate; and
- e) NSN 2520-12-328-0057 - Transmission w/Torque Converter, w/Retarder, w/Wooden crate.

2 The Contractor shall be responsible for all work related to the R&O services of the Transmissions and related items, including but not limited to: disassembly, cleaning, inspection, repairs, overhaul, reassembly, painting, calibration, testing, packaging and preservation process.

3 The Contractor shall be responsible for procuring all replacement parts and materials in support of the R&O services. Before procuring any parts listed in Para 7, the Contractor shall first verify with DND if Government Supplied Material (GSM) will be provided. The Contractor shall also obtain the authorization for the Procurement Authority (PA) before procuring any parts listed in Para 7.

4 All work shall be performed in accordance with the following:

In the event of conflict between the documents referred to herein, the Original Equipment Manufacturer's (OEM) specification shall take precedence.

- a) NSN 2520-21-906-3301 - Transmission w/Torque Converter, w/Re-usable steel container – C-30-404-000/MP-000, Part 3;
- b) NSN 2520-21-908-3516 - Transmission w/ Torque Converter, w/Retarder, w/Re-usable steel container – C-30-404-000/MP-000, Part 4;
- c) NSN 2520-21-920-6480 - Transmission w/Torque Converter, w/Retarder, w/Special Flange, w/Re-usable steel container – C-30-404-000/MP-000, Part 4;
- d) NSN 2520-12-326-5006 - Transmission w/Torque Converter, w/Wooden crate – C-30-404-000/MP-000, Part 3; and
- e) NSN 2520-12-328-0057 - Transmission w/Torque Converter, w/Retarder, w/Wooden crate – C-30-404-000/MP-000, Part 4.

The following bullets shall be performed in conjunction to Para 4a to 4e for all Transmissions and related items.

- Cleaning:

External surfaces of housings and cases shall have old paint removed ensuring there shall be no cracks and that new paint shall adhere to all surfaces when repainted.

- Inspection:

The Transmission and related items shall be inspected completely for worn, burnt, cracked and broken internal and external parts (Ref Para 4a to 4e). The process is to include visual and manual inspection of all threaded holes and inserts.

If the transmission is found to be equipped with the old style organic fiber disc clutch system, refer to Appendix A (Ceramic clutch conversion).

- Threads and Inserts:

All threads and threaded ports found damaged shall be repaired.

- Reassembly:

For all transmissions, the clutch housing (ZF p/n 4130 206 037) and the corresponding housing that mates with the clutch housing shall be dressed with Loctite 574 Flange Sealant around the four (4) ports as shown in Figure 1. Care shall be taken to ensure that minimal overflow of sealant goes inside the ports.

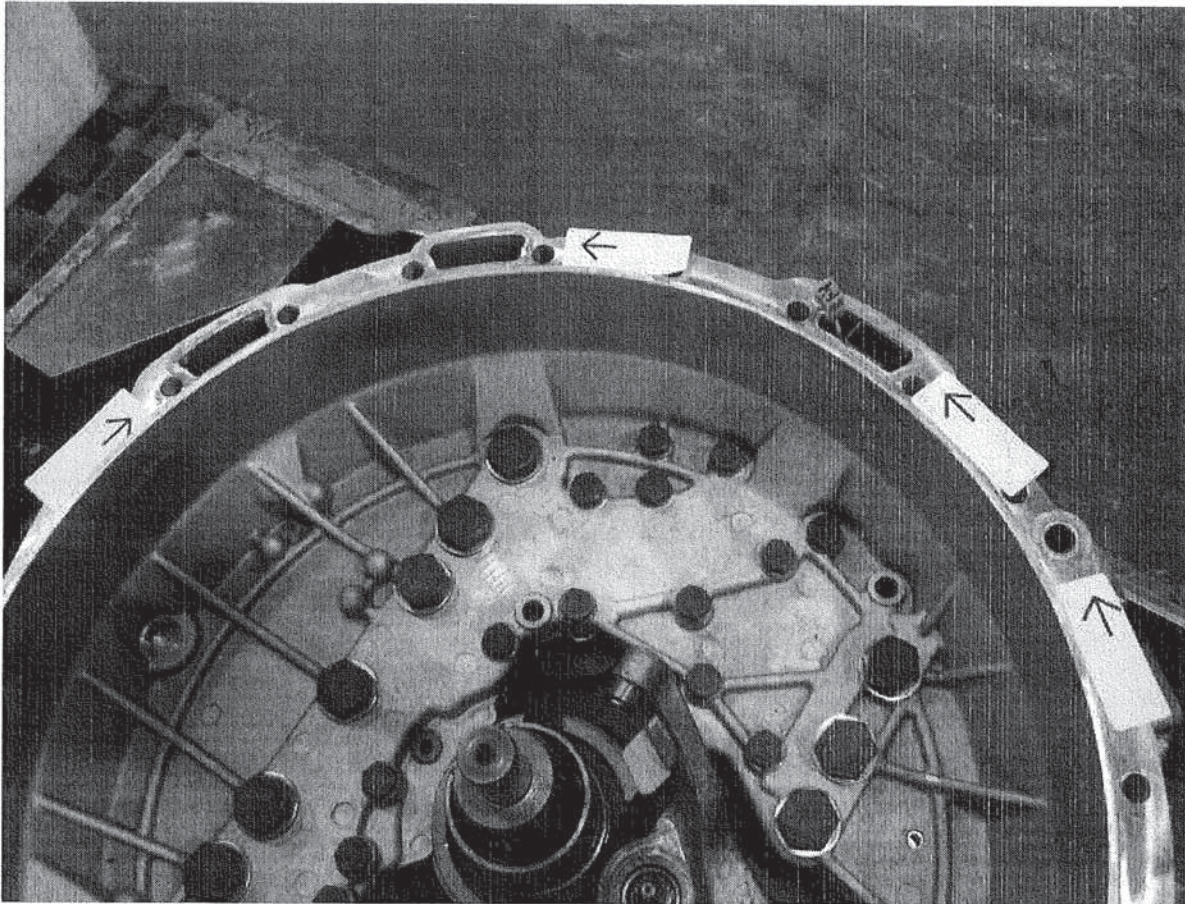


Figure 1: Clutch housing and mating housing (not shown) – Application of Loctite 574 Flange Sealant

For all transmissions, the transmission housing (ZF p/n 1269 301 138) shall be dressed with Loctite 515 Flange Sealant as shown in Figure 2. Care shall be taken to ensure that minimal overflow of sealant goes inside oil

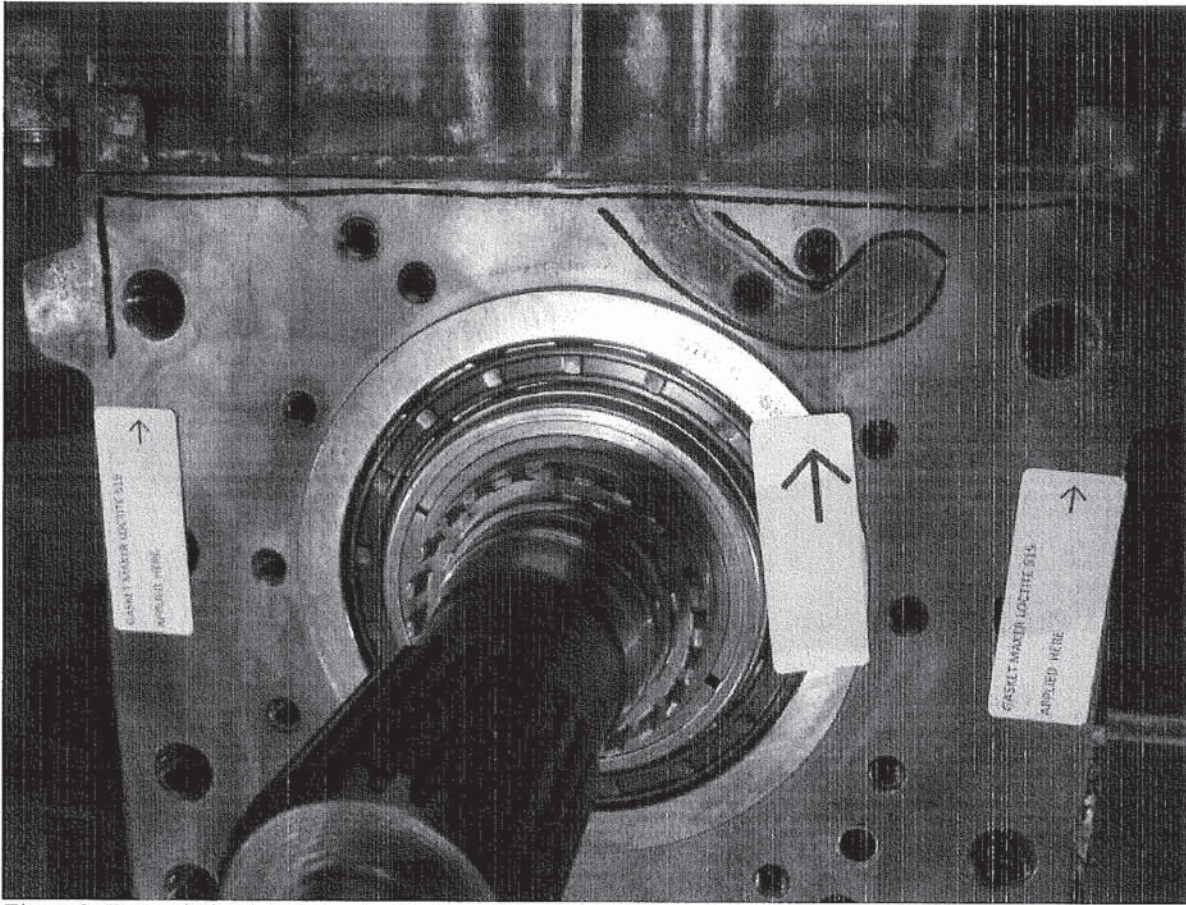


Figure 2: Transmission housing – Application of Loctite 515 Flange Sealant

For all transmissions, the connecting housing (ZF p/n 4130 306 166) shall be dressed with Loctite 515 Flange Sealant as shown in Figure 3. Care shall be taken to ensure that minimal overflow of sealant goes inside oil passages.

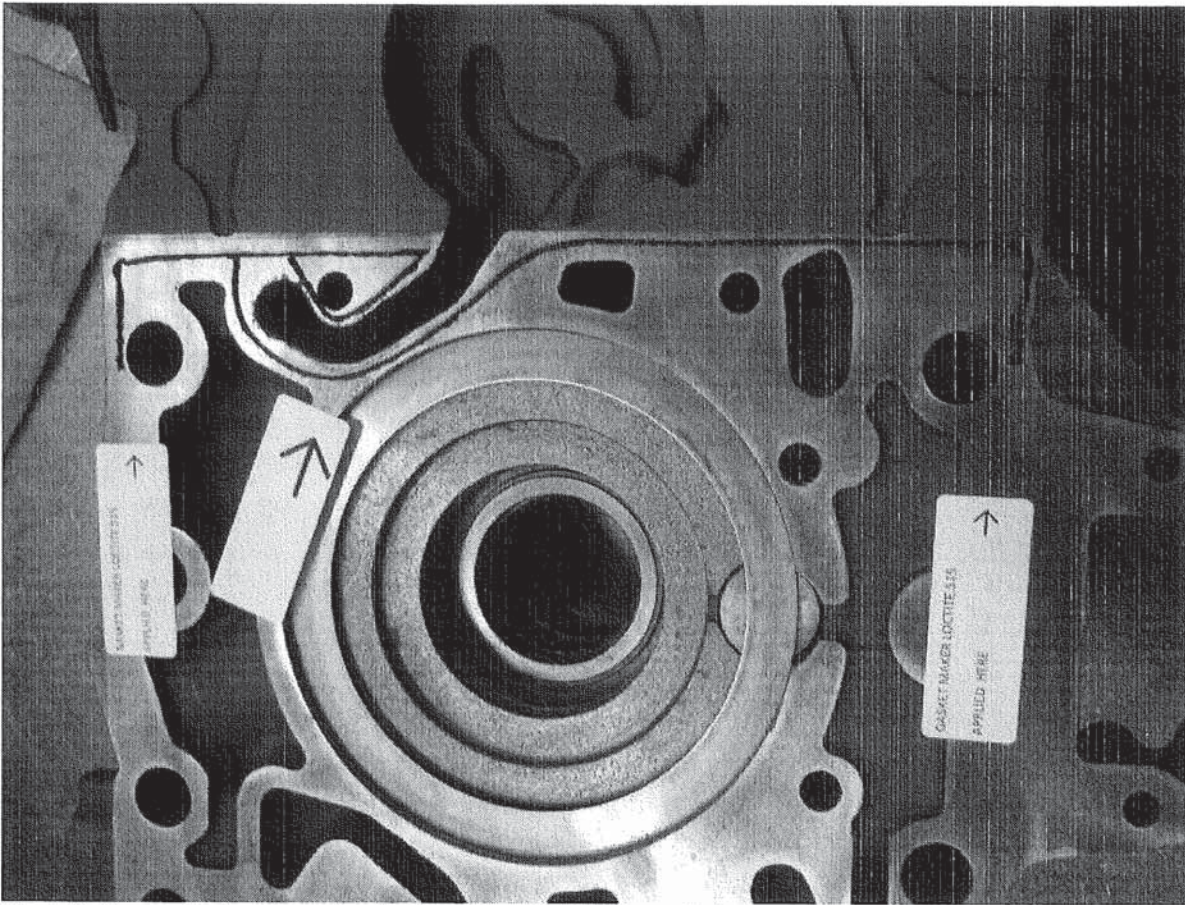


Figure 3: Connecting housing – Application of Loctite 515 Flange Sealant

- Painting:

The Transmission and related items shall be coated with a commercial grade automotive paint, color 34094 (flat green).

During the painting process, the Contractor shall ensure all exposed machine surfaces are left paint free with a suitable corrosive resistant compound applied to the surface(s).

The Contractor shall also ensure that all exposed seals and rubber protective covers (rubber boots) are kept paint free to prevent the surfaces from drying and cracking. The Contractor shall ensure all electrical wiring, attached electrical components, sending units, vents, breathers and breather tubes (if made of plastic or rubber) are kept free of paint as well.

- Testing:

A copy of the test results as per specification C30-404-000/MP-000, Part 3 and 4, Section 5, Figures 3-5-1 / 4-5-1 will be forwarded to the Technical Authority (TA) monthly on all transmissions rebuilt that month.

- Packaging and preservation process:

The Transmissions and related items shall be preserved, packaged, handled, stored and transported as per Para 4a to 4e. The process shall include caps and inserts for all threaded openings.

5 Mandatory replacement Parts:

The Contractor shall replace all parts as detailed in the following documents:

- a) NSN 2520-21-906-3301 - Transmission w/Torque Converter, w/Re-usable steel container - Mandatory replacement parts are found in C-30-404-000/MP-000, Part 3, Section 8;
- b) NSN 2520-21-908-3516 - Transmission w/ Torque Converter, w/Retarder, w/Re-usable steel container - Mandatory replacement parts are found in C-30-404-000/MP-000, Part 4, Section 8;
- c) NSN 2520-21-920-6480 - Transmission w/Torque Converter, w/Retarder, w/Special Flange, w/Re-usable steel container - Mandatory replacement parts are found in C-30-404-000/MP-000, Part 4, Section 8;
- d) NSN 2520-12-326-5006 - Transmission w/Torque Converter, w/Wooden crate - Mandatory replacement parts are found in C-30-404-000/MP-000, Part 3, Section 8; and
- e) NSN 2520-12-328-0057 - Transmission w/Torque Converter, w/Retarder, w/Wooden crate - Mandatory replacement parts are found in C-30-404-000/MP-000, Part 4, Section 8.

6 Substitution:

All parts shall be supplied by the OEM or their authorized distributors/dealers in accordance with the most recent OEM drawings and /or specifications.

Any proposed amendment or change to the specification of the parts shall be authorized by the TA, through the Contracting and Procurement authorities.

Any parts that are not OEM shall be approved by the TA prior to their use and shall be of the same form, fit, function and quality as the original OEM parts.

The Contractor shall provide to the TA, any information needed to evaluate the proposed substitute parts, including but not limited to; technical data, drawings and specifications.

7 Government Supplied Material (GSM):

DND may, if available, provide the following parts to the Contractor for incorporation into the work.

- |                                      |                      |
|--------------------------------------|----------------------|
| a) Torque converter housing;         | NSN 2520-12-326-5004 |
| b) Retarder output housing;          | NSN 2520-12-347-9048 |
| c) Retarder input housing;           | NSN 2520-12-347-9047 |
| d) Clutch housing;                   | NSN 2520-12-330-1924 |
| e) Connecting housing;               | NSN 2520-12-363-6168 |
| f) Rear housing;                     | NSN 2520-12-327-0425 |
| g) Range change output housing;      | NSN 2520-12-327-0426 |
| h) Range change input housing;       | NSN 2520-12-327-0429 |
| i) Transmission gear box housing,    | NSN 2520-12-360-9595 |
| j) Range change shift cylinder;      | NSN 2520-12-300-4063 |
| k) Torque converter;                 | NSN 2520-12-322-1890 |
| l) Clutch servo cylinder;            | NSN 3040-12-310-2775 |
| m) Ceramic button disc;              | NSN 2520-12-330-3136 |
| n) Intermediate plate;               | NSN 2520-12-330-1750 |
| o) Pressure plate w/release bearing; | NSN 2520-12-345-7941 |
| p) Hex screw;                        | NSN 5305-12-392-2769 |
| q) Hex screw;                        | NSN 5330-12-124-0485 |
| r) Turbine shaft;                    | NSN 3040-12-330-3854 |
| s) Turbine shaft; and                | NSN 2520-12-338-5789 |
| t) Flange, companion.                | NSN 2520-21-920-6772 |

Dated: July 5<sup>th</sup>, 2013

GSM is the property of the Government of Canada. The Contractor shall be responsible for maintaining satisfactory records and providing a quarterly report to the TA of the disposition of all GSM. The GSM described in the Contract shall be used in the manufacture of the item(s) detailed in the Contract. Only the material stated above, if/when available, will be supplied by Canada without charge.

8 Work authorized to exceed the Maximum Repair Cost (MRC):

For work authorized by the TA to exceed the MRC (Ref A-LM-184-001/JS-001), the Contractor shall not commence or continue with the work until all parts necessary to perform the repair and return the Transmission and related items to a fully serviceable condition are available.

9 Disassembly Beyond Economic Repair (BER):

Items that have been approved by the TA to be BER are considered as GSM and remain the property of the Government of Canada.

BER items in this Contract shall be disassembled and used when required in the manufacture and repair of the parts detailed in Para 1 and shall not be used to substitute any of the mandatory replacement parts (Ref Para 5).

The Contractor shall maintain satisfactory records and provide a quarterly report to the TA of the disposition of all BER items including, but not limited to, the disposal and re-use of individual components to repair the parts detailed in Para 1.

10 Technical Investigations & Engineering Studies (TIES) and Special Investigations & Technical Studies (SITS):

When requested through a DND 626 (Task Authorization), the Contractor shall perform TIES and SITS.

11 Repair and Overhaul Manager (R&OM):

The Contractor shall assign a R&OM for this R&O contract. The R&OM shall have the responsibility and authority to manage all aspects of the work and be able to make decisions on behalf of the Contractor. The R&OM shall be the main interface with DND.

The R&OM shall have a minimum of three (3) continuous years of experience in the last eight (8) years in managing similar R&O activities as contained in this SOW and a minimum of one (1) continuous year of supervisory experience in the last five (5) years.

The Contractor shall advise the TA and the PA of any changes in the assigned R&OM within 10 days of changes.

12 R&O Contractor Effectiveness Report:

The Contractor shall provide a R&O Contractor Effectiveness Report as per A-LM-184-001/JS-001, Part 2, Para 53, Bullet A to Q to the PA on a quarterly basis and within 5 business days when requested by the PA.

The quarterly periods are defined as follows:

Annex A – HLVW Transmission

W8486-137729

Dated: July 5<sup>th</sup>, 2013

1<sup>st</sup> quarter: April 1 to June 30;

2<sup>nd</sup> quarter: July 1 to September 30;

3<sup>rd</sup> quarter: October 1 to December 31; and

4<sup>th</sup> quarter: January 1 to March 31.

The report shall be submitted to the PA no later than 5 calendar days before the end of the reporting period.

APPENDIX A – CERAMIC CLUTCH CONVERSION  
TO  
ANNEX A - STATEMENT OF WORK

1 Objective:

The objective of Appendix A – Ceramic clutch conversion, is to convert the items listed in Annex A, Para 1, from the old style organic fibre disc clutch system, to the new style ceramic disc clutch system, if not already equipped with.

2 Mandatory replacement Parts:

The Contractor shall replace all parts as detailed in the following documents:

a) NSN 2520-21-906-3301 - Transmission w/Torque Converter, w/Re-usable steel container:

i) Ceramic button disc;	NSN 2520-12-330-3136
ii) Intermediate plate;	NSN 2520-12-330-1750
iii) Pressure plate w/release bearing;	NSN 2520-12-345-7941
iv) Turbine shaft;	NSN 2520-12-338-5789
v) Hex screw;	NSN 5305-12-392-2769
vi) Hex screw;	NSN 5330-12-124-0485
vii) Shaft sealing ring;	NSN 5330-12-170-7731
viii) Needle bearing;	NSN 3110-12-142-5479

b) NSN 2520-21-908-3516 - Transmission w/ Torque Converter, w/Retarder, w/Re-usable steel container:

i) Ceramic button disc;	NSN 2520-12-330-3136
ii) Intermediate plate;	NSN 2520-12-330-1750
iii) Pressure plate w/release bearing;	NSN 2520-12-345-7941
iv) Turbine shaft;	NSN 3040-12-330-3854
v) Hex screw;	NSN 5305-12-392-2769
vi) Hex screw;	NSN 5330-12-124-0485
vii) Shaft sealing ring;	NSN 5330-12-170-7731
viii) Needle bearing;	NSN 3110-12-142-5479

c) NSN 2520-21-920-6480 - Transmission w/Torque Converter, w/Retarder, w/Special Flange, w/Re-usable steel container:

ix) Ceramic button disc;	NSN 2520-12-330-3136
x) Intermediate plate;	NSN 2520-12-330-1750
xi) Pressure plate w/release bearing;	NSN 2520-12-345-7941
xii) Turbine shaft;	NSN 3040-12-330-3854
xiii) Hex screw;	NSN 5305-12-392-2769
xiv) Hex screw;	NSN 5330-12-124-0485
xv) Shaft sealing ring;	NSN 5330-12-170-7731
xvi) Needle bearing;	NSN 3110-12-142-5479

d) NSN 2520-12-326-5006 - Transmission w/Torque Converter, w/Wooden crate:

Appendix A – Ceramic Clutch Conversion - HLVW Transmission

W8486-137729

Dated: July 5<sup>th</sup>, 2013

- |  |                      |
|--|----------------------|
| i) Ceramic button disc;                | NSN 2520-12-330-3136 |
| ii) Intermediate plate;                | NSN 2520-12-330-1750 |
| iii) Pressure plate w/release bearing; | NSN 2520-12-345-7941 |
| iv) Turbine shaft;                     | NSN 2520-12-338-5789 |
| v) Hex screw;                          | NSN 5305-12-392-2769 |
| vi) Hex screw;                         | NSN 5330-12-124-0485 |
| vii) Shaft sealing ring;               | NSN 5330-12-170-7731 |
| viii) Needle bearing;                  | NSN 3110-12-142-5479 |
- e) NSN 2520-12-328-0057 - Transmission w/Torque Converter, w/Retarder, w/Wooden crate:
- |  |                      |
|--|----------------------|
| i) Ceramic button disc;                | NSN 2520-12-330-3136 |
| ii) Intermediate plate;                | NSN 2520-12-330-1750 |
| iii) Pressure plate w/release bearing; | NSN 2520-12-345-7941 |
| iv) Turbine shaft;                     | NSN 3040-12-330-3854 |
| v) Hex screw;                          | NSN 5305-12-392-2769 |
| vi) Hex screw;                         | NSN 5330-12-124-0485 |
| vii) Shaft sealing ring;               | NSN 5330-12-170-7731 |
| viii) Needle bearing;                  | NSN 3110-12-142-5479 |

## LOGISTICS STATEMENT OF WORK for FREE FLOW (Components) for REPAIR and OVERHAUL

**LOGISTICS**  
(Generic)  
**STATEMENT OF WORK**

for  
**FREE FLOW (Components)**

for  
**Repair and Overhaul**

*Issued on authority of the Assistant Deputy Minister (Material)  
(ADM(Mat))*

**OPI: DMPP 4-4 2009-09-01**

**Record of Changes**

Identification of Changes		Date Entered	Signature
Ch. #	Date		

**Table of Contents**

1.0	GENERAL
1.1	AIM
1.2	EXTENT OF WORK
2.0	ADMINISTRATION
2.1	RECEIPT
2.2	DISCREPANCIES IN SHIPMENTS
2.3	COMPLETION OF WORK
3.0	WORK CONTROL
4.0	ANNUAL REPAIR FORECAST - SNAPS
5.0	COST CONTROL
6.0	COSTING RECORDS
7.0	MAINTENANCE SUPPORT
7.1	MINOR REPAIRS
7.2	MOBILE REPAIR PARTIES (MRPs)
7.3	EQUIPMENT TURN AROUND TIME (TAT)
7.4	PRIORITY REPAIR REQUEST (PRR)
7.5	SPECIAL INVESTIGATIONS AND TECHNICAL STUDIES (SITs)
7.6	TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)
8.0	SUPPLY SUPPORT
8.1	TRANSACTION DOCUMENTATION
8.2	CONTRACTOR SUPPLY ACCOUNTING
8.3	MANAGEMENT OF DND-OWNED SPARES
8.4	SPARES REVIEW
8.5	STOCKTAKING
8.6	SELECTION NOTICE OBSERVATION MESSAGE (SNOM)
8.7	EMBODIMENT FEES
8.8	LOSS OR DAMAGE TO DND MATERIEL
8.9	SCRAP - CUSTODY & DISPOSAL
8.10	PRESERVATION AND PACKAGING FAILURE
8.11	REUSABLE CONTAINERS
8.12	TRANSPORTATION
8.13	CUSTOMS & EXCISE
9.0	WARRANTY CONSIDERATION
10.0	CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS
11.0	STOP REPAIR ACTION
12.0	PUBLICATIONS
13.0	OFFICE SERVICES
14.0	MINUTES OF MEETINGS
15.0	PLANT SHUTDOWN/VACATION PERIOD
16.0	REPORTS
16.1	MRP PROGRESS REPORTS
16.2	TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES) REPORTS
16.3	ACCIDENT/INCIDENT REPORTS
16.4	R&O CONTRACTOR EFFECTIVENESS REPORT
16.5	ANNUAL CONTRACTOR-HELD INVENTORY REPORT

ANNEX A&B -- CONTRACTOR-HELD INVENTORY REPORTING REQUIREMENTS & TEMPLATES

## **FOREWORD**

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This Statement of Work (SOW) is distributed on the authority of the Assistant Deputy Minister (Material) (ADM(Mat)). It will be distributed, as required, internally to ADM (Mat) staff engaged in raising Repair and Overhaul (R&O) Instrument (PI).

This SOW contains generic attachments for use by Procurement Authorities (PA), to raise a specific SOW in support of contracts engaged in the R&O of materiel on behalf of the Department of National Defence (DND).

The generic SOW is effective upon receipt. Suggestions for changes must be forwarded through normal channels to DMPP 4-4.

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## 1.0 GENERAL

### 1.1 AIM

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

### 1.2 EXTENT OF WORK

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

- a. **Repair:** The identification and correction of those specific defects which degrade the performance of an item causing it to function below the specifications;
- b. **Overhaul:** The restoration of an item to its original condition/near life expectancy. It includes the replacement of worn, damaged or life expired parts; the incorporation of approved modifications; and the rework of components as necessary;
- c. **Inter-changeability:** Following repair, the item must remain fully interchangeable (form, fit and function) with articles catalogued under the same reference number, part number and of the same modification status. This concept of inter-changeability must be extended to include internal characteristics such as wave forms and components layout in order to ensure full compatibility with automatic test equipment software and automatic probing;
- d. **Serviceable Condition:** The condition of an equipment which allows it to be used, shipped or held in stores without being subjected to any limitations not applicable to new equipment; and
- e. **Reliability and Maintainability:** The definitions of MIL STD-721 will apply.

## **2.0 ADMINISTRATION**

### **2.1 RECEIPT**

2.1.1 Upon receipt of DND equipment, the Contractor shall:

- a. identify the equipment and ensure authority to repair (SNAPS, RMRs);
- b. Open a work order;
- c. carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;
- d. complete receipt documentation, including any adjustment transactions, work order number; and
- e. action warranty materiel.

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

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

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

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

### **2.2 DISCREPANCIES IN SHIPMENTS**

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

- a. In-condition
- b. Surplus
- c. Shortage

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

### **2.3 COMPLETION OF WORK**

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

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

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#### **Contractor Certification**

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

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**(Contractor QC)**

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### **3.0 WORK CONTROL**

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

- a. a contract serial number against which all costs incurred are chargeable;
- b. the NATO Stock Number (NSN) and/or Part Number (PN), description, quantity and serial number, if any, of item repaired;
- c. a cross reference to all Supply Documents. This includes receipt, issues and returns, including scrap activity, finalization of repair, inspection, and final acceptance;
- d. reference to the applicable technical data;
- e. details of the work performed;
- f. a list of all the parts, by part number and description, found unserviceable and requiring repair and/or overhaul, ensuring that the repair scheme is referenced
- g. a list of parts required, identifying the stores from which issued (eg, CIS, GFOS, AAS or CFM);

- h. repair cost estimate; and
- i. the identity of the person opening the work order.

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

#### **4.0 ANNUAL REPAIR FORECAST - SNAPs**

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

#### **5.0 COST CONTROL**

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

#### **6.0 COSTING RECORDS**

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

- a. a cost listing, by serial number if applicable, of each item or job lot going through the repair line;
- b. a detail of the extent of work carried out, in-process inspections completed and materiel embodied at any stage of the repair process;
- c. the average cost of repair and/or overhaul, by NSN; and
- d. the total repair cost for an item (NSN), by work order.

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

#### **7.0 MAINTENANCE SUPPORT**

##### **7.1 MINOR REPAIRS**

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

## 7.2 MOBILE REPAIR PARTIES (MRPs)

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

There are two types of MRP:

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

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

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

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

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

7.2.3 On completion of work the Contractor will provide the Procurement Authority with a cost breakdown indicating labour hours by trade, travel expenses, living expenses, etc. Costs are to be all inclusive and will be an indication of the actual amount being claimed. Travel costs must not exceed approved TB Guidelines available at [http://www.tbs-sct.gc.ca/pubs\\_pol/hrpubs/TBM\\_113/td-dv-eng.asp](http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv-eng.asp) unless pre-approved in writing by the Procurement Authority prior to undertaking the travel.

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

### **7.3 EQUIPMENT TURN AROUND TIME (TAT)**

7.3.1 Unless specifically identified within the contract, equipment Turn-Around-Time (TAT) to a serviceable state shall be achieved in 90 Calendar days. TAT is defined as that period of time from "date of receipt to date item is reported serviceable". Repair priority is governed by the SNAPS. The principle of "first-in / first-out" (FIFO), shall be observed whenever possible.

### **7.4 PRIORITY REPAIR REQUEST (PRR)**

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

### **7.5 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)**

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

### **7.6 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)**

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

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

## **8.0 SUPPLY SUPPORT**

### **8.1 TRANSACTION DOCUMENTATION**

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

- a. Stock Code sequence followed by requisition number; or
- b. Requisition number.

### **8.2 CONTRACTOR SUPPLY ACCOUNTING**

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

### **8.3 MANAGEMENT OF DND-OWNED SPARES**

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

8.3.2 Spares shall be used in the following order:

- a. Government Furnished Overhaul Spares (GFOS);
- b. Contract Issue Spares (CIS);
- c. Accountable Advance Spares (AAS); and
- d. Contractor Furnished Materiel (CFM).

#### **8.4 SPARES REVIEW**

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

- a. exceed the economic stock retention level. The level is normally equal to an estimated four (4) months stock;
- b. have become surplus to requirements as a result of a modification, disposal, obsolescent or transfer of the major equipment; and/or
- c. are no longer fit for use in the R&O of DND equipment.

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

- a. has become surplus to requirement as a result of removal of the end item from the Selection Notice and Priority Summary (SNAPS);
- b. has become redundant because of a modification change notice, product improvement, etc...;
- b. is a catalogued item which should have been transferred to CIS.

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

#### **8.5 STOCKTAKING**

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

#### **8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM)**

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

#### **8.7 EMBODIMENT FEES**

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

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

## **8.8 LOSS OR DAMAGE TO DND MATERIEL**

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

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

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

## **8.9 SCRAP - CUSTODY & DISPOSAL**

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

## **8.10 PRESERVATION AND PACKAGING FAILURE**

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

## **8.11 REUSABLE CONTAINERS**

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

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

## **8.12 TRANSPORTATION**

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

### **8.13 CUSTOMS & EXCISE**

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

### **9.0 WARRANTY CONSIDERATION**

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

### **10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS**

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

### **11.0 STOP REPAIR ACTION**

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

### **12.0 PUBLICATIONS**

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

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

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

### **13.0 OFFICE SERVICES**

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

forms, reports and correspondence, relating to the movement, accounting, storage, repair, overhaul, quality control and investigation of materiel covered by this contract. The provision of these office services shall be deemed to be work as defined in PWGSC clause (1) of 2035 General Conditions – Higher Complexity – Services.

#### **14.0 MINUTES OF MEETINGS**

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

#### **15.0 PLANT SHUTDOWN/VACATION PERIOD**

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

#### **16.0 REPORTS**

##### **16.1 MRP PROGRESS REPORTS**

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

##### **16.2 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS**

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

##### **16.3 ACCIDENT/INCIDENT REPORTS**

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

#### **16.4 R&O CONTRACTOR EFFECTIVENESS REPORT**

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

#### **16.5 ANNUAL CONTRACTOR HELD INVENTORY REPORT**

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

## **Annex A <> Contractor-Held Inventory Reporting Requirements**

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

### **Part A**

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

##### *Notes:*

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

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### **Definitions:**

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

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

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

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

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

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## **Part B**

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

### *Notes:*

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

## **Part C**

### **"Additional Information Requested for Year-End Reporting"**

The following information is requested:

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

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

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## Annex B (GSSC REPORT TEMPLATE)

## PART A

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

[illegible]

## NOTES

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

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

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

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

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

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

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

**PART B**

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

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

NOTES

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

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

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

20/22

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

Opening Inventory as at 1 April 20XX:	<input type="text"/>
Plus: Cost of Goods Purchased or Acquired:	<input type="text"/>
Minus: Consumption / Removals:	<input type="text"/>
Closing Inventory as at 31 March 20XX:	<input type="text"/> \$ -

**NOTES**

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

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

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

**PART C****ADDITIONAL INFORMATION REQUESTED FOR YEAR END REPORTING**

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

**NOTES**

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

22/22

## Annex C - Pricing

Year 1 : the first year of the Contract is the period from date of the Contract to to be inserted by PWGSC inclusive.

Year 2 : the second year of the Contract is the period from to be inserted by PWGSC to to be inserted by PWGSC inclusive.

Year 3 : the third year of the Contract is the period from to be inserted by PWGSC to to be inserted by PWGSC inclusive.

Extended Period 1 : the first extended period of the Contract is the period from to be inserted by PWGSC to to be inserted by PWGSC inclusive.

Extended Period 2 : the second extended period of the Contract is the period from to be inserted by PWGSC to to be inserted by PWGSC inclusive.

The Contractor will be paid the firm prices, firm all inclusive hourly rates and firm markups in effect on the date the work is authorized regardless of when it is performed.

### 1. Pricing Table

**Table 1 – All level of efforts (labour) and mandatory replacement parts in order to bring the transmissions and related items to a fully serviceable condition in accordance with Annex A – Statement of Work and Appendix A – Ceramic Clutch Conversion to Annex A.**

The Contractor will be paid Firm Prices.

Nato Stock Number (NSN)	Firm Price per NSN				
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
2520-21-906-3301	\$	\$	\$	\$	\$
2520-21-908-3516	\$	\$	\$	\$	\$
2520-21-920-6480	\$	\$	\$	\$	\$
2520-12-326-5006	\$	\$	\$	\$	\$
2520-12-328-0057	\$	\$	\$	\$	\$

**Table 2 – Contractor Supplied/Furnished Parts and Materials per NSN**

The Contractor will be paid Firm Prices.

NSN	Firm Price per NSN				
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
2520-12-326-5004	\$	\$	\$	\$	\$
2520-12-347-9048	\$	\$	\$	\$	\$
2520-12-347-9047	\$	\$	\$	\$	\$
2520-12-330-1924	\$	\$	\$	\$	\$
2520-12-363-6168	\$	\$	\$	\$	\$
2520-12-327-0425	\$	\$	\$	\$	\$
2520-12-327-0426	\$	\$	\$	\$	\$
2520-12-327-0429	\$	\$	\$	\$	\$

2520-12-360-9595	\$	\$	\$	\$	\$
2520-12-300-4063	\$	\$	\$	\$	\$
2520-12-322-1890	\$	\$	\$	\$	\$
3040-12-310-2775	\$	\$	\$	\$	\$
2520-12-330-3136	\$	\$	\$	\$	\$
2520-12-330-1750	\$	\$	\$	\$	\$
2520-12-345-7941	\$	\$	\$	\$	\$
5305-12-392-2769	\$	\$	\$	\$	\$
5330-12-124-0485	\$	\$	\$	\$	\$
3040-12-330-3854	\$	\$	\$	\$	\$

**Table 3 – Disassembly Beyond Economic Repair**

The Contractor will be paid Firm Prices.

NSN	Firm Price per NSN				
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
2520-21-906-3301	\$	\$	\$	\$	\$
2520-21-908-3516	\$	\$	\$	\$	\$
2520-21-920-6480	\$	\$	\$	\$	\$
2520-12-326-5006	\$	\$	\$	\$	\$
2520-12-328-0057	\$	\$	\$	\$	\$

**Table 4 – Repair of Wooden Crates and Re-usable Steel Containers**

The Contractor will be paid Firm All Inclusive Hourly Rates.

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
<b>Firm All Inclusive Hourly Rate for the Repair of Wooden Crates and Re-usable Steel Containers</b>	\$	\$	\$	\$	\$

**Table 5 - Special Investigation and Technical Studies (SITS)**

The Contractor will be paid Firm All Inclusive Hourly Rates.

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
<b>Firm All Inclusive Hourly Rate for Special Investigation and Technical Studies (SITS)</b>	\$	\$	\$	\$	\$

**Table 6 – Technical Investigation and Engineering Support (TIES)**

The Contractor will be paid Firm All Inclusive Hourly Rates.

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
<b>Firm All Inclusive Hourly Rate for Technical Investigation and Engineering Support (TIES)</b>	\$	\$	\$	\$	\$

**Table 7 – Contractor Supplied/Furnished Parts and Materials**

The Contractor will be paid at the contractor's actual laid down cost plus the Firm Markup

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
<b>Firm Markup for Contractor Supplied/Furnished Parts and Materials</b>	%	%	%	%	%

The Firm Markup must be for Contractor supplied/furnished parts and materials to perform work not included in paragraph 5, 7 and 9 of Annex A – Statement of Work and Appendix A – Ceramic Clutch Conversion to Annex A.

**Table 8 - Authorized Sub-Contractor Work**

The Contractor will be paid at the contractor's actual laid down cost plus the Firm Markup.

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2
<b>Firm Markup for Authorized Sub-Contractor Work</b>	%	%	%	%	%

The Firm Markup for Authorized Sub-Contractor must be to perform work other than returning the transmissions and related items to a fully serviceable condition and the disassembly beyond economic repair as per Annex A – Statement of Work and Appendix A – Ceramic Clutch Conversion to Annex A.

## 2. Contractor's Actual Laid Down Cost and Mark-up

The contractor's actual laid-down cost is defined as the cost incurred by the Contractor to acquire a specific product or service for resale to the government. This includes the Contractor's invoice price (less trade discounts), plus any applicable charges for incoming transportation, foreign exchange, customs duty and brokerage, but excludes the Applicable Taxes, General and Administrative overhead, handling and profit.

Mark-up includes applicable purchasing expense, internal handling and general and administrative overhead, plus profit but excludes the Applicable Taxes.

## 3. Travel and Living

The Contractor's personnel may be required to travel to National Defence Headquarters (NDHQ) and to other Contractors' plants and to Canadian Forces establishments within Canada. Travel may also be

required to various locations for meetings as detailed in a Task Authorization authorized by the Technical Authority and Procurement Authority

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the National Joint Council Travel Directive (<http://www.njc-cnm.gc.ca/directive/travel-voyage/index-eng.php>), and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".

All travel must have prior authorization of the Technical and the Procurement Authority.

All payments are subject to government audit.

**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/Réduction	Previous value – Valeur précédente
To – A	<b>TO THE CONTRACTOR</b> 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. 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. <b>À L'ENTREPRENEUR</b> 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. 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.	
Delivery location – Expédiez à	Date _____ _____ for the Department of National Defence _____ pour le ministère de la Défense nationale	
Delivery/Completion date – Date de livraison/d'achèvement		
Contract item no. N° d'article du contrat	Services	Cost Prix
	<b>GST/HST TPS/TVH</b>	
	<b>Total</b>	
<b>APPLICABLE ONLY TO PWGSC CONTRACTS:</b> The Contract Authority signature is required when the total value of the DND 626 exceeds the threshold specified in the contract. <b>NE S'APPLIQUE QU'ÀUX CONTRATS DE TPSCG :</b> La signature de l'autorité contractante est requise lorsque la valeur totale du formulaire DND 626 est supérieure au seuil précisé dans le contrat.		
_____ for the Department of Public Works and Government Services pour le ministère des Travaux publics et services gouvernementaux		

**Instructions for completing  
DND 626 - Task Authorization**

**Contract no.**  
Enter the PWGSC contract number in full.

**Task no.**  
Enter the sequential Task number.

**Amendment no.**  
Enter the amendment number when the original Task is amended to change the scope or the value.

**Increase/Decrease**  
Enter the increase or decrease total dollar amount including taxes.

**Previous value**  
Enter the previous total dollar amount including taxes.

**To**  
Name of the contractor.

**Delivery location**  
Location where the work will be completed, if other than the contractor's location.

**Delivery/Completion date**  
Completion date for the task.

**for the Department of National Defence**  
Signature of the DND person who has delegated Authority for signing DND 626 (level of authority based on the dollar value of the task and the equivalent signing authority in the PAM 1.4). **Note:** the person signing in this block ensures that the work is within the scope of the contract, that sufficient funds remain in the contract to cover this task and that the task is affordable within the Project/Unit budget.

**Services**  
Define the requirement briefly (attach the SOW) and identify the cost of the task using the contractor's quote on the level of effort. The Task must use the basis of payment stipulated in the contract. If there are several basis of payment then list here the one(s) that will apply to the task quote (e.g. milestone payments; per diem rates/labour category hourly rates; travel and living rates; firm price/ceiling price, etc.). All the terms and conditions of the contract apply to this Task Authorization and cannot be ignored or amended for this task. Therefore it is not necessary to restate these general contract terms and conditions on the DND 626 Task form.

**Cost**  
The cost of the Task broken out into the individual costed items in **Services**.

**GST/HST**  
The GST/HST cost as appropriate.

**Total**  
The total cost of the task. The contractor may not exceed this amount without the approval of DND indicated on an amended DND 626. The amendment value may not exceed 50% (or the percentage for amendments established in the contract) of the original value of the task authorization. The total cost of a DND 626, including all amendments, may not exceed the funding limit identified in the contract.

**Applicable only to PWGSC contracts**  
This block only applies to those Task Authorization contracts awarded by PWGSC. The contract will include a specified threshold for DND sole approval of the DND 626 and a percentage for DND to approve amendments to the original DND 626. Tasks that will exceed these thresholds must be passed to the PWGSC Contracting Authority for review and signature prior to authorizing the contractor to begin work.

**Note:**  
Work on the task may not commence prior to the date this form is signed by the DA Authority - for tasks within the DND threshold; and by both DND and PWGSC for those tasks over the DND threshold.

**Instructions pour compléter le formulaire  
DND 626 - Autorisation des tâches**

**N° du contrat**  
Inscrivez le numéro du contrat de TPSGC en entier.

**N° de la tâche**  
Inscrivez le numéro de tâche séquentiel.

**N° de la modification**  
Inscrivez le numéro de modification lorsque la tâche originale est modifiée pour en changer la portée.

**Augmentation/Réduction**  
Inscrivez le montant total de l'augmentation ou de la diminution, y compris les taxes.

**Valeur précédente**  
Inscrivez le montant total précédent, y compris les taxes.

**À**  
Nom de l'entrepreneur.

**Expédié à**  
Endroit où le travail sera effectué, si celui-ci diffère du lieu d'affaires de l'entrepreneur.

**Date de livraison/d'achèvement**  
Date d'achèvement de la tâche.

**pour le ministère de la Défense nationale**  
Signature du représentant du MDN auquel on a délégué le pouvoir d'approbation en ce qui a trait à la signature du formulaire DND 626 (niveau d'autorité basé sur la valeur de la tâche et le signataire autorisé équivalent mentionné dans le MAA 1.4). **Nota :** la personne qui signe cette attache de signature confirme que les travaux respectent la portée du contrat, que suffisamment de fonds sont prévus au contrat pour couvrir cette tâche et que le budget alloué à l'unité ou pour le projet le permet.

**Services**  
Définissez brièvement le besoin (joignez l'ET) et établissez le coût de la tâche à l'aide de la soumission de l'entrepreneur selon le niveau de difficulté de celle-ci. Les modalités de paiement stipulées dans le contrat s'appliquent à la tâche. Si plusieurs d'entre elles sont prévues, énumérez ici celle/celles qui s'appliquera/ont à la soumission pour la tâche à accomplir (p.ex. acompte fondé sur les étapes franchies; taux quotidien ou taux horaire établi selon la catégorie de main-d'œuvre; frais de déplacement et de séjour; prix fixe ou prix plafond; etc.). Toutes les modalités du contrat s'appliquent à cette autorisation de tâche et ne peuvent être négligées ou modifiées quant à la tâche en question. Il n'est donc pas nécessaire de répéter ces modalités générales afférentes au contrat sur le formulaire DND 626.

**Prix**  
Mentionnez le coût de la tâche en la répartissant selon les frais afférents à chaque item mentionné dans la rubrique **Services**.

**TPS/TVH**  
Mentionnez le montant de la TPS/TVH, s'il y a lieu.

**Total**  
Mentionnez le coût total de la tâche. L'entrepreneur ne peut dépasser ce montant sans l'approbation du MDN, formulaire DND 626 modifié à l'appui. Le coût de la modification ne peut pas être supérieur à 50 p. 100 du montant initial prévu dans l'autorisation de tâche (ou au pourcentage prévu dans le contrat pour les modifications). Le coût total spécifié dans le formulaire DND 626, y compris toutes les modifications, ne peut dépasser le plafond de financement mentionné dans le contrat.

**Ne s'applique qu'aux contrats de TPSGC**  
Le présent paragraphe s'applique uniquement aux autorisations de tâche accordées par TPSGC. On inscrira dans le formulaire DND 626 un plafond précis qui ne pourra être approuvé que par le MDN et un pourcentage selon lequel le MDN pourra approuver des modifications au formulaire DND 626 original. Les tâches dont le coût dépasse ces plafonds doivent être soumises à l'autorité contractante de TPSGC pour examen et signature avant qu'on autorise l'entrepreneur à débiter les travaux.

**Nota :**  
Les travaux ne peuvent commencer avant la date de signature de ce formulaire par le responsable du MDN, pour les tâches dont le coût est inférieur au plafond établi par le MDN, et par le MDN et TPSGC pour les tâches dont le coût dépasse le plafond établi par le MDN.

Annex E - Mandatory Evaluation Criteria

W8486-137729

Dated: June 21<sup>st</sup>, 2013

**MANDATORY TECHNICAL EVALUATION CRITERIA**

MANDATORY REQUIREMENT			REFERENCE
<p><b>M1.</b> The Bidder shall provide a sample of a completed "R&amp;O Contractor Effectiveness Report" (simulated data).</p> <p>The report shall contain, as a minimum, the provisions of A-LM-184-001/JS-001, Part 2, Para 53, Bullet A to Q.</p>			
<p><b>M2.</b> The Bidder shall provide a "Repair and Overhaul Logistics Plan" in accordance with the Statement of Work for Logistic, Repair and Overhaul for Free Flow Components - Annex B, which clearly demonstrates the procedures related to the following activities:</p> <ul style="list-style-type: none"><li>a. Material induction (upon receipt of DND equipment).</li><li>b. Work Control</li><li>c. Completion of work</li></ul> <p>The plan shall also demonstrate how the Bidder will mitigate the risk of work stoppage or slow down of the repair line should there be a lack of any spare parts in support of the R&amp;O services.</p>			

Annex E - Mandatory Evaluation Criteria

W8486-137729

Dated: June 21<sup>st</sup>, 2013

MANDATORY REQUIREMENT			REFERENCE
<p><b>M3.</b> The bidder shall demonstrate how DND material will be protected in accordance with A-LM-184-001/JS-001, Part 1, Para 8 and shall identify the following, which will be made available for the work performed under the contract:</p> <ul style="list-style-type: none"> <li>• owned facilities;</li> <li>• leased facilities;</li> <li>• location;</li> <li>• provide the description / size layout of work areas; and</li> <li>• storage facilities.</li> </ul> <p>The Bidder shall demonstrate how the location of the proposed facilities will be accessible to commercial transportation to ensure that the turn around time (TAT) can be met. The Bidder shall demonstrate its facilities have an adequate and secure storage location to ensure that repairable items can be stored while being scheduled for repair and overhaul; or waiting return transportation arrangements following completion of repair and overhaul. The Bidder shall demonstrate how items that are not inside a re-usable wood or steel container will be stored in an indoor secure storage location. The Bidder shall demonstrate how items that are stored in an outside secured storage location will be protected from the elements and related damages.</p>			
<p><b>M4.</b> The Bidder shall provide a letter from the OEM demonstrating that they are a licensed repair and overhaul facility for the Statement of Work (SOW).</p>			
<p><b>M5.</b> The Bidder shall demonstrate their experience and expertise as they relate to the work that will be performed under the SOW.</p> <p>The Bidder shall demonstrate it has a minimum of three (3) continuous years of experience during the last 15 years in providing R&amp;O services for similar items for which a bid is being submitted.</p>			

Annex E - Mandatory Evaluation Criteria

W8486-137729

Dated: June 21<sup>st</sup>, 2013

MANDATORY REQUIREMENT			REFERENCE
<b>M6.</b>	The Bidder shall provide a Pre-Production Plan which describes, as a minimum, the production start up activities, such as ordering of parts, along with the time frame required to complete each described activities starting after award of contract.  The Pre-Production Plan shall demonstrate how the initial turn-around time (TAT) of 90 days can be met upon receipt of the first repairable item.		
<b>M7.</b>	The Bidder shall demonstrate that they are on the Original Equipment Manufacturers or an authorized distributor's list for the receipt of the specification(s) updates and the OEM Service Bulletins.		
<b>M8.</b>	The Bidder shall provide specific qualifications and experience on the personnel expected to perform work under the contract. Including any relevancy training and experience in the area of expertise required. Your response shall include, as a minimum, qualified mechanics and in-house trained personnel.		

Annex E - Mandatory Evaluation Criteria

W8486-137729

Dated: June 21<sup>st</sup>, 2013

MANDATORY REQUIREMENT			REFERENCE
<p><b>M9.</b> The Bidder shall provide specific qualifications on the proposed Repair and Overhaul Manager (R&amp;OM) expected to manage the R&amp;O contract, including any relevancy training in the area of expertise required. The Bidder shall demonstrate how the R&amp;OM will have the responsibility and authority to manage all aspects of the work, be able to make decisions on behalf of the Contractor and be the main interface with DND.</p> <p>The Bidder shall provide the curriculum vitae of the proposed R&amp;OM where it shall demonstrate the following experience; a minimum of three (3) continuous years in the last eight (8) years in managing similar R&amp;O activities as for which a bid is being submitted and a minimum of one (1) continuous year in the last five (5) years of supervisory experience.</p>			
<p><b>M10.</b> The Bidder shall provide a Quality Control Plan which demonstrates how the requirements of the SOW will be met and shall include, the following:</p> <ul style="list-style-type: none"> <li>• receiving inspection checklist;</li> <li>• in-process inspection checklist;</li> <li>• test procedure checklist; and</li> <li>• preservation and packaging checklist.</li> </ul> <p>The Quality Control Plan shall demonstrate how the work to be performed, including that of sub-contractors, will be monitored for quality control and shall include the references to the Bidders Quality Assurance &amp; Procedures Manuals.</p>			

## Annex F –Evaluated Aggregate Price of the Bid

For Table 1, Table 2 and Table 3, the sum of all firm prices per Nato Stock Number (NSN), for all years, including the extended periods, will be multiplied by the estimated quantity to determine the evaluated price per NSN.

The sum of all evaluated price per NSN will determine the evaluated price per table.

For Table 4, Table 5 and Table 6, the sum of all firm all inclusive hourly rates, for all years, including the extended periods, will be multiplied by the estimated level of effort to determine the evaluated price per table.

For Table 7 and Table 8, the sum of all firm markup in percentage, for all years, including the extended periods, will be added to the estimated expenditure to determine the evaluated price per table.

The sum of all evaluated price per table will determine the evaluated aggregate price of the bid.

The estimated quantities, level of efforts and expenditure specified below are only an approximation of requirements given in good faith for evaluation purposes only and do not represent Canada's actual requirement.

**Table 1 – All level of efforts (labour) and mandatory replacement parts in order to bring the transmissions and related items to a fully serviceable condition in accordance with Annex A – Statement of Work and Appendix A – Ceramic Clutch Conversion to Annex A.**

Nato Stock Number (NSN)	Firm Price per NSN					Estimated Quantities
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	
<b>2520-21-906-3301</b>	\$ 6,575.00	\$ 6,625.00	\$ 6,675.00	\$ 6,725.00	\$ 6,775.00	80
<b>2520-21-908-3516</b>	\$ 6,625.00	\$ 6,675.00	\$ 6,725.00	\$ 6,775.00	\$ 6,825.00	15
<b>2520-21-920-6480</b>	\$ 6,700.00	\$ 6,750.00	\$ 6,800.00	\$ 6,850.00	\$ 6,900.00	3
<b>2520-12-326-5006</b>	\$ 6,775.00	\$ 6,825.00	\$ 6,875.00	\$ 6,925.00	\$ 6,975.00	50
<b>2520-12-328-0057</b>	\$ 6,850.00	\$ 6,900.00	\$ 6,950.00	\$ 7,000.00	\$ 7,075.00	10

The Estimated Quantities are the estimated annual number of transmissions to be repaired.

**2520-21-906-3301**

\$ 6,575.00 + \$ 6,625.00 + \$ 6,675.00 + \$ 6,725.00 + \$ 6,775.00 = \$ 33,375.00  
 \$ 33,375.00 x 80 = \$ 2,670,000.00

**2520-21-908-3516**

\$ 6,625.00 + \$ 6,675.00 + \$ 6,725.00 + \$ 6,775.00 + \$ 6,825.00 = \$ 33,625.00  
 \$ 33,625.00 x 15 = \$ 1,681,250.00

**2520-21-920-6480**

\$ 6,700.00 + \$ 6,750.00 + \$ 6,800.00 + \$ 6,850.00 + \$ 6,900.00 = \$ 34,000.00  
 \$ 34,000.00 x 3 = \$ 102,000.00

**2520-12-326-5006**

\$ 6,775.00 + \$ 6,825.00 + \$ 6,875.00 + \$ 6,925.00 + \$ 6,975.00 = \$ 34,375.00  
 \$ 34,375.00 x 50 = \$ 1,718,750.00

**2520-12-328-0057**

$\$6,850.00 + \$6,900.00 + \$6,950.00 + \$7,000.00 + \$7,075.00 = \$34,750.00$   
 $\$34,750.00 \times 10 = \$347,750.00$

$\$2,670,000.00 + \$504,375.00 + \$102,000.00 + \$1,718,750.00 + \$347,750.00 = \$5,342,875.00$

\$6,519,750.00 would represent the evaluated price for Table 1

**Table 2 – Contractor Supplied/Furnished Parts and Materials per NSN**

NSN	Firm Price per NSN					Estimated Quantities
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	
2520-12-326-5004	\$ 1,400.00	\$ 1,425.00	\$ 1,450.00	\$ 1,475.00	\$ 1,500.00	4
2520-12-347-9048	\$ 900.00	\$ 925.00	\$ 950.00	\$ 975.00	\$ 1,000.00	2
2520-12-347-9047	\$ 825.00	\$ 850.00	\$ 875.00	\$ 900.00	\$ 925.00	2
2520-12-330-1924	\$ 1,410.00	\$ 1,435.00	\$ 1,460.00	\$ 1,485.00	\$ 1,510.00	3
2520-12-363-6168	\$ 1,475.00	\$ 1,500.00	\$ 1,525.00	\$ 1,550.00	\$ 1,575.00	2
2520-12-327-0425	\$ 700.00	\$ 725.00	\$ 750.00	\$ 775.00	\$ 800.00	5
2520-12-327-0426	\$ 1,100.00	\$ 1,125.00	\$ 1,150.00	\$ 1,175.00	\$ 1,200.00	2
2520-12-327-0429	\$ 975.00	\$ 1,000.00	\$ 1,025.00	\$ 1,050.00	\$ 1,075.00	2
2520-12-360-9595	\$ 1,500.00	\$ 1,525.00	\$ 1,550.00	\$ 1,575.00	\$ 1,600.00	2
2520-12-300-4063	\$ 725.00	\$ 750.00	\$ 775.00	\$ 800.00	\$ 825.00	10
2520-12-322-1890	\$ 2,750.00	\$ 2,775.00	\$ 2,800.00	\$ 2,825.00	\$ 2,850.00	10
3040-12-310-2775	\$ 800.00	\$ 825.00	\$ 850.00	\$ 875.00	\$ 900.00	5
2520-12-330-3136	\$ 935.00	\$ 960.00	\$ 985.00	\$ 1,010.00	\$ 1,035.00	20
2520-12-330-1750	\$ 750.00	\$ 775.00	\$ 800.00	\$ 825.00	\$ 850.00	20
2520-12-345-7941	\$ 1,200.00	\$ 1,225.00	\$ 1,250.00	\$ 1,275.00	\$ 1,300.00	20
5305-12-392-2769	\$ 5.25	\$ 6.00	\$ 6.75	\$ 7.50	\$ 8.25	400
5330-12-124-0485	\$ 5.25	\$ 6.00	\$ 6.75	\$ 7.50	\$ 8.25	250
3040-12-330-3854	\$ 1,275.00	\$ 1,300.00	\$ 1,325.00	\$ 1,350.00	\$ 1,375.00	20
2520-12-338-5789	\$ 1,350.00	\$ 1,375.00	\$ 1,400.00	\$ 1,425.00	\$ 1,450.00	20
2520-21-920-6772	\$ 945.00	\$ 970.00	\$ 995.00	\$ 1,020.00	\$ 1,045.00	20

The Estimated Quantities are the estimated annual number of NSN to be procured.

**2520-12-326-5004**

$\$1,400.00 + \$1,425.00 + \$1,450.00 + \$1,475.00 + \$1,500.00 = \$7,250.00$   
 $\$7,250.00 \times 4 = \$29,000.00$

**2520-12-347-9048**

$\$900.00 + \$925.00 + \$950.00 + \$975.00 + \$1,000.00 = \$4,750.00$   
 $\$4,750.00 \times 2 = \$9,500.00$

**2520-12-347-9047**

$\$825.00 + \$850.00 + \$875.00 + \$900.00 + \$925.00 = \$4,375.00$   
 $\$4,375.00 \times 2 = \$8,750.00$

**2520-12-330-1924**

$\$1,410.00 + \$1,435.00 + \$1,460.00 + \$1,485.00 + \$1,510.00 = \$7,300.00$   
 $\$7,300.00 \times 3 = \$21,900.00$

**2520-12-363-6168**

$\$1,475.00 + \$1,500.00 + \$1,525.00 + \$1,550.00 + \$1,575.00 = \$7,625.00$   
 $\$7,625.00 \times 2 = \$15,250.00$

**2520-12-327-0425**

$$\text{\$ } 700.00 + \text{\$ } 725.00 + \text{\$ } 750.00 + \text{\$ } 775.00 + \text{\$ } 800.00 = \text{\$ } 3,750.00$$

$$\text{\$ } 3,750.00 \times 5 = \text{\$ } 18,750.00$$

**2520-12-327-0426**

$$\text{\$ } 1,100.00 + \text{\$ } 1,125.00 + \text{\$ } 1,150.00 + \text{\$ } 1,175.00 + \text{\$ } 1,200.00 = \text{\$ } 5,750.00$$

$$\text{\$ } 5,750.00 \times 2 = \text{\$ } 11,500.00$$

**2520-12-327-0429**

$$\text{\$ } 975.00 + \text{\$ } 1,000.00 + \text{\$ } 1,025.00 + \text{\$ } 1,050.00 + \text{\$ } 1,075.00 = \text{\$ } 5,125.00$$

$$\text{\$ } 5,125.00 \times 2 = \text{\$ } 10,250.00$$

**2520-12-360-9595**

$$\text{\$ } 1,500.00 + \text{\$ } 1,525.00 + \text{\$ } 1,550.00 + \text{\$ } 1,575.00 + \text{\$ } 1,600.00 = \text{\$ } 7,750.00$$

$$\text{\$ } 7,750.00 \times 2 = \text{\$ } 15,500.00$$

**2520-12-300-4063**

$$\text{\$ } 725.00 + \text{\$ } 750.00 + \text{\$ } 775.00 + \text{\$ } 800.00 + \text{\$ } 825.00 = \text{\$ } 3,875.00$$

$$\text{\$ } 3,875.00 \times 10 = \text{\$ } 38,750.00$$

**2520-12-322-1890**

$$\text{\$ } 2,750.00 + \text{\$ } 2,775.00 + \text{\$ } 2,800.00 + \text{\$ } 2,825.00 + \text{\$ } 2,825.00 + \text{\$ } 2,850.00 = \text{\$ } 14,000.00$$

$$\text{\$ } 14,000.00 \times 10 = \text{\$ } 140,000.00$$

**2520-12-310-2775**

$$\text{\$ } 800.00 + \text{\$ } 825.00 + \text{\$ } 850.00 + \text{\$ } 875.00 + \text{\$ } 900.00 = \text{\$ } 4,250.00$$

$$\text{\$ } 4,250.00 \times 5 = \text{\$ } 21,250.00$$

**2520-12-330-3136**

$$\text{\$ } 935.00 + \text{\$ } 960.00 + \text{\$ } 985.00 + \text{\$ } 1,010.00 + \text{\$ } 1,035.00 = \text{\$ } 4,925.00$$

$$\text{\$ } 4,925.00 \times 20 = \text{\$ } 98,500.00$$

**2520-12-330-1750**

$$\text{\$ } 750.00 + \text{\$ } 775.00 + \text{\$ } 800.00 + \text{\$ } 825.00 + \text{\$ } 850.00 = \text{\$ } 4,000.00$$

$$\text{\$ } 4,000.00 \times 20 = \text{\$ } 80,000.00$$

**2520-12-345-7941**

$$\text{\$ } 1,200.00 + \text{\$ } 1,225.00 + \text{\$ } 1,250.00 + \text{\$ } 1,275.00 + \text{\$ } 1,300.00 = \text{\$ } 6,250.00$$

$$\text{\$ } 6,250.00 \times 20 = \text{\$ } 125,000.00$$

**5305-12-392-2769**

$$\text{\$ } 5.25 + \text{\$ } 6.00 + \text{\$ } 6.75 + \text{\$ } 7.50 + \text{\$ } 8.25 = \text{\$ } 33.75$$

$$\text{\$ } 33.75 \times 400 = \text{\$ } 13,500.00$$

**5330-12-124-0485**

$$\text{\$ } 5.25 + \text{\$ } 6.00 + \text{\$ } 6.75 + \text{\$ } 7.50 + \text{\$ } 8.25 = \text{\$ } 33.75$$

$$\text{\$ } 33.75 \times 250 = \text{\$ } 8,437.50$$

**3040-12-330-3854**

$$\text{\$ } 1,275.00 + \text{\$ } 1,300.00 + \text{\$ } 1,325.00 + \text{\$ } 1,350.00 + \text{\$ } 1,375.00 = \text{\$ } 6,625.00$$

$$\text{\$ } 6,625.00 \times 20 = \text{\$ } 132,500.00$$

**2520-12-338-5789**

$$\text{\$ } 1,350.00 + \text{\$ } 1,375.00 + \text{\$ } 1,400.00 + \text{\$ } 1,425.00 + \text{\$ } 1,450.00 = \text{\$ } 7,000.00$$

$$\text{\$ } 7,000.00 \times 20 = \text{\$ } 140,000.00$$

**2520-21-920-6772**

$$\$ 945.00 + \$ 970.00 + \$ 995.00 + \$ 1,020.00 + \$ 1,045.00 = \$ 4,975.00$$

$$\$ 4,975.00 \times 20 = \$ 99,500.00$$

$$\begin{aligned} & \$ 29,000.00 + \$ 9,500.00 + \$ 8,750.00 + \$ 21,900.00 + \$ 15,250.00 + \$ 18,750.00 + \$ 11,500.00 + \\ & \$ 10,250.00 + \$ 15,500.00 + \$ 38,750.00 + \$ 140,000.00 + \$ 21,250.00 + \$ 98,500.00 + \$ 80,000.00 + \\ & \$ 125,000.00 + \$ 13,500.00 + \$ 8,437.50 + \$ 132,500.00 + \$ 140,000.00 + \$ 99,500.00 = \$ 1,037,837.50 \end{aligned}$$

\$ 1,037,837.50 would represent the evaluated price for Table 2

**Table 3 – Disassembly Beyond Economic Repair**

NSN	Firm Price per NSN					Estimated Quantities
	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	
<b>2520-21-906-3301</b>	\$ 1,000.00	\$ 1,025.00	\$ 1,050.00	\$ 1,075.00	\$ 1,100.00	5
<b>2520-21-908-3516</b>	\$ 1,025.00	\$ 1,050.00	\$ 1,075.00	\$ 1,100.00	\$ 1,125.00	5
<b>2520-21-920-6480</b>	\$ 1,050.00	\$ 1,075.00	\$ 1,100.00	\$ 1,125.00	\$ 1,150.00	5
<b>2520-12-326-5006</b>	\$ 1,075.00	\$ 1,100.00	\$ 1,125.00	\$ 1,150.00	\$ 1,175.00	5
<b>2520-12-328-0057</b>	\$ 1,100.00	\$ 1,125.00	\$ 1,150.00	\$ 1,175.00	\$ 1,200.00	5

The Estimated Quantities are the estimated annual number of transmissions to be disassembled.

**2520-21-906-3301**

$$\$ 1,000.00 + \$ 1,025.00 + \$ 1,050.00 + \$ 1,075.00 + \$ 1,100.00 = \$ 5,250.00$$

$$\$ 5,250.00 \times 5 = \$ 26,250.00$$
**2520-21-908-3516**

$$\$ 1,025.00 + \$ 1,050.00 + \$ 1,075.00 + \$ 1,100.00 + \$ 1,125.00 = \$ 5,375.00$$

$$\$ 5,375.00 \times 5 = \$ 26,875.00$$
**2520-21-920-6480**

$$\$ 1,050.00 + \$ 1,075.00 + \$ 1,100.00 + \$ 1,125.00 + \$ 1,150.00 = \$ 5,500.00$$

$$\$ 5,500.00 \times 5 = \$ 27,500.00$$
**2520-12-326-5006**

$$\$ 1,075.00 + \$ 1,100.00 + \$ 1,125.00 + \$ 1,150.00 + \$ 1,175.00 = \$ 5,625.00$$

$$\$ 5,625.00 \times 5 = \$ 28,125.00$$
**2520-12-328-0057**

$$\$ 1,100.00 + \$ 1,125.00 + \$ 1,150.00 + \$ 1,175.00 + \$ 1,200.00 = \$ 5,750.00$$

$$\$ 5,750.00 \times 5 = \$ 28,750.00$$

$$\$ 26,250.00 + \$ 26,875.00 + \$ 27,500.00 + \$ 28,125.00 + \$ 28,750.00 = \$ 137,500.00$$

\$ 137,500.00 would represent the evaluated price for Table 3

**Table 4 – Repair of Wooden Crates and Re-usable Steel Containers**

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	Estimated Level of Effort in
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						Hours
<b>Firm All Inclusive Hourly Rate for the Repair of Wooden Crates and Re-usable Steel Containers</b>	\$ 89.35	\$ 94.65	\$ 99.50	\$ 105.45	\$ 111.20	100

The Estimated Level of Effort is the estimated annual number of hours for the Repair of Wooden Crates and Re-usable Steel Containers.

$$\$ 89.35 + \$ 94.65 + \$ 99.50 + \$ 105.45 + \$ 111.20 = \$ 500.15$$

$$\$ 500.15 \times 100 = \$ 50,015.00$$

\$ 50,015.00 would represent the evaluated price for Table 4

**Table 5 - Special Investigation and Technical Studies (SITS)**

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	Estimated Level of Effort in Hours
<b>Firm All Inclusive Hourly Rate for Special Investigation and Technical Studies (SITS)</b>	\$ 95.00	\$ 97.35	\$ 99.75	\$ 102.15	\$ 105.60	35

The Estimated Level of Effort is the estimated annual number of hours of SITS.

$$\$ 95.00 + \$ 97.35 + \$ 99.75 + \$ 102.15 + \$ 105.60 = \$ 499.85$$

$$\$ 499.85 \times 35 = \$ 17,494.75$$

\$ 17,494.75 would represent the evaluated price for Table 5

**Table 6 – Technical Investigation and Engineering Support (TIES)**

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	Estimated Level of Effort in Hours
<b>Firm All Inclusive Hourly Rate for Technical Investigation and Engineering Support (TIES)</b>	\$ 95.00	\$ 97.35	\$ 99.75	\$ 102.15	\$ 105.60	35

The Estimated Level of Effort is the estimated annual number of hours TIES.

$$\$ 95.00 + \$ 97.35 + \$ 99.75 + \$ 102.15 + \$ 105.60 = \$ 499.85$$

$$\$ 499.85 \times 35 = \$ 17,494.75$$

\$ 17,494.75 would represent the evaluated price for Table 6

**Table 7 – Contractor Supplied/Furnished Parts and Materials**

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	Estimated Expenditure
<b>Firm Markup for Contractor Supplied/Furnished Parts and Materials</b>	20 %	21 %	22 %	23 %	24 %	\$ 30,000.00

The Estimated Expenditure is the estimated annual expenditure for Contractor Supplied/Furnished Parts and Materials.

$$20 \% + 21 \% + 22 \% + 23 \% + 24 \% = 110 \%$$

$$110 \% \times \$ 30,000.00 = \$ 33,000.00$$

$$\$ 30,000.00 + \$ 33,000.00 = \$ 63,000.00$$

\$ 63,000.00 would represent the evaluated price for Table 7

**Table 8 - Authorized Sub-Contractor Work**

The Contractor will be paid at the actual laid down cost plus the Firm Markup.

	Year 1	Year 2	Year 3	Extended Period 1	Extended Period 2	Estimated Expenditure
<b>Firm Markup for Authorized Sub-Contractor Work</b>	20 %	21 %	22 %	23 %	24 %	\$ 15,000.00

The Estimated Expenditure is the estimated annual expenditure for Authorized Sub-Contractor Work.

$$20 \% + 21 \% + 22 \% + 23 \% + 24 \% = 110 \%$$

$$110 \% \times \$ 15,000.00 = \$ 16,500.00$$

$$\$ 16,000.00 + \$ 16,500.00 = \$ 32,500.00$$

\$ 32,500.00 would represent the evaluated price for Table 8

**Evaluated Aggregate Price of the Bid**

Evaluated Price for Table 1	\$ 5,342,875.00
Evaluated Price for Table 2	\$ 1,037,837.50
Evaluated Price for Table 3	\$ 137,500.00

Evaluated Price for Table 4	\$ 50,015.00
Evaluated Price for Table 5	\$ 17,494.75
Evaluated Price for Table 6	\$ 17,494.75
Evaluated Price for Table 7	\$ 63,000.00
Evaluated Price for Table 8	\$ 32,500.00
Total	\$ 6,698,717.00

\$ 6,698,717.00 would represent the Evaluated Aggregate Price of the Bid.