

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

INVITATION TO TENDER
APPEL D'OFFRES

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

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

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

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

Comments - Commentaires

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

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

Title - Sujet HMCS PROTECTEUR - HYDROSTATIC TEST	
Solicitation No. - N° de l'invitation W3555-147089/A	Date 2013-09-16
Client Reference No. - N° de référence du client W3555-147089	GETS Ref. No. - N° de réf. de SEAG PW-\$XLV-179-6314
File No. - N° de dossier XLV-3-36049 (179)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-10-02	
Time Zone Fuseau horaire Pacific Daylight Saving Time PDT	
F.O.B. - F.A.B. Specified Herein - Précisé dans les présentes Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input checked="" type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Cond, Anthony A.	Buyer Id - Id de l'acheteur xlv179
Telephone No. - N° de téléphone (250) 363-3309 ()	FAX No. - N° de FAX (250) 363-3960
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: DEPARTMENT OF NATIONAL DEFENCE SEE HEREIN	

Instructions: See Herein

Instructions: Voir aux présentes

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

TABLE OF CONTENTS

PART 1 - GENERAL INFORMATION

- 1-1 Introduction
- 1-2 Summary
- 1-3 Debriefings

PART 2 - BIDDER INSTRUCTIONS

- 2-1 Standard Instructions, Clauses and Conditions
- 2-2 Submission of Bids
- 2-3 Enquiries Solicitation Period
- 2-4 Applicable Laws
- 2.5 Bidders' Conference
- 2.6 Optional Site Visit - Vessel

PART 3 - BID PREPARATION INSTRUCTIONS

- 3-1 Bid Preparation Instructions
- 3-2 Tables of Bid Deliverables

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

- 4-1 Evaluation Procedures
- 4-2 Basis of Selection
- 4-3 Public Bid Opening

PART 5 - CERTIFICATIONS

- 5-1 General
- 5-2 Mandatory Certifications Required Precedent to Contract Award

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

- 6-1 Security Requirement
- 6-2 Financial Capability
- 6-3 **NOT USED** - Accommodation
- 6-4 **NOT USED** - Parking
- 6-5 **NOT USED** - Material and Supply Support
- 6-6 Workers' Compensation Certification - Letter of Good Standing
- 6-7 **NOT USED** - Welding Certification
- 6-8 **NOT USED** - Valid Labour Agreement
- 6.9 List of Proposed Subcontractors
- 6.10 Project Schedule
- 6.11 **NOT USED** - Safety Measures For Fueling and Disembarking Fuel
- 6.12 ISO 9001:2008 - Quality Management Systems

- 6.13 Environmental Protection
- 6.14 Insurance Requirements
- 6.15 **NOT USED** - Controlled Goods
- 6.16 Jurisdictions-HMC Dockyard
- 6.17 Inspection and Test Plan

PART 7 - RESULTING CONTRACT CLAUSES

- 7-1 Statement of Work
- 7-2 Standard Clauses and Conditions
- 7-3 Security Requirement
- 7-4 Term of Contract
- 7-5 Authorities
- 7-6 Payment
- 7-7 Invoicing Instructions
- 7-8 Certifications
- 7-9 Applicable Laws
- 7-10 Priority of Documents
- 7-11 Insurance Requirements /Limitation of Liability
- 7.12 **NOT USED** - Financial Security
- 7.13 **NOT USED** - Accommodation
- 7.14 **NOT USED** - Parking
- 7.15 Sub-contract and Sub-contractor List
- 7.16 Project Schedule
- 7.17 Insulation Materials - Asbestos Free
- 7.18 **NOT USED** - Loan of Equipment - Marine
- 7.19 Trade Qualifications
- 7.20 **NOT USED** - Material and Supply Support
- 7.21 ISO 9001:2008 - Quality Management Systems
- 7.22 **NOT USED** - Quality Plan
- 7.23 **NOT USED** - Welding Certification
- 7.24 Environmental Protection
- 7.25 Procedures for Design Change or Additional Work
- 7.26 Inspection and Test Plan
- 7.27 **NOT USED** - Vessel Custody
- 7.28 Vessel Manned Refits
- 7.29 **NOT USED** - Pre-work period Meeting
- 7.30 Meetings
- 7.31 Outstanding Work and Acceptance
- 7.32 Licensing
- 7.33 SACC Manual Clauses
- 7.34 **NOT USED** - Stability

- 7.35 **NOT USED** - Vessel - Access by Canada
 7.36 **NOT USED** - Title to Property - Vessel
 7.37 **NOT USED** - Controlled Goods Program

7.38 **Jurisdictions-HMC Dockyard**

LIST OF ANNEXES:

Annex A	Statement of Work
Annex B	Basis of Payment
Annex C	Insurance Requirements
Annex D	Inspection/Quality Assurance/Quality Control
Annex E	Warranty
Appendix 1 to Annex E	Warranty Claim Form
Annex F	NOT USED - Conditions Precedent to Payment (Progress Claims)
Annex G	Federal Contractors' Program for Employment Equity - Certification
Annex H	Project Management Services
Annex I	Financial Bid Presentation Sheet

PART 1 - GENERAL INFORMATION

1-1 Introduction

The bid solicitation is divided into seven parts plus attachments annexes as follows:

- Part 1 General Information: provides a general description of the requirement;
- Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation;
- Part 3 Bid Preparation Instructions: provides bidders with instructions on how to prepare their bid;
- Part 4 Evaluation Procedures and Basis of Selection: indicates how the evaluation will be conducted, the evaluation criteria that must be addressed in the bid, and the basis of selection;
- Part 5 Certifications: includes the certifications to be provided;
- Part 6 Security, Financial and Other Requirements: includes specific requirements that must be addressed by bidders; and
- Part 7 Resulting Contract Clauses: includes the clauses and conditions that will apply to any resulting contract.

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

1-2 Summary

1. The Statement of work is:

- a. Hydrostatically test CO2 bottles from HMCS Protecteur for the Department of National Defence, Esquimalt, B.C. in accordance with the associated Technical Specifications detailed in the Statement of Work, Inspection/Quality Assurance/Quality Control and Project Management Services attached as Annexes A, D and H. For specifications, drawings, test sheets, annexes and appendices, bidders are requested to contact the Contracting Authority identified in the bid solicitation.
- b. to carry out any approved unscheduled work not covered in the above paragraph a.

2. Work Period - Marine

- a. Work must commence and be completed as follows:
Commence: 30 September 2013;
Complete: 31 January 2014.

Within that period, the ship's availability is 06 - 31 January 2014.

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

3. Bidder Capabilities

Bidders will be required to supply with their bid:

- a. Details of Bidder capabilities, how they will comply with mandatory requirements and how they will deliver any other requested goods and services.
- b. List of specialized sub-contractors to be engaged in the performance of the work.

4. Security Requirement

There is a security requirement associated with this requirement. For additional information, consult Part 6 - Security, Financial and Other Requirements, and Part 7 - Resulting Contract Clauses. Bidders should consult the "Security Requirements for PWGSC Bid Solicitations - Instructions for Bidders

(<http://www.tpsgc-pwgsc.gc.ca/app-acq/lc-pl/lc-pl-eng.html#a31>) document on the Departmental Standard Procurement Documents Web site.

5. Code of Conduct

Bidders must provide a list of names, or other related information as needed, pursuant to section 01 of Standard Instructions 2003 and 2004.

6. Sourcing Strategy

This procurement is subject to AIT and is exempt from: NAFTA [see Chapter 10, Annex 1001.1b, paragraph 2], the WTO-AGP (see Annex 4 Notes). Canada-Chile Free Trade Agreement- Annex III-Schedule of Canada-Exceptions to Most-Favored-Nation Treatment (Chapter G) second paragraph, line c) and the Canada-Peru Free Trade Agreement- Annex 1401.1-6-General Notes- Schedule of Canada-line a).

7. Federal Contractors Program

There is a Federal Contractors Program (FCP) for employment equity requirement associated with this procurement; see Part 5 - Certifications, Part 7 - Resulting Contract Clauses and the annex named Federal Contractors Program for Employment Equity - Certification.

1-3 Debriefings

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

PART 2 - BIDDER INSTRUCTIONS

2-1 Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the *Standard Acquisition Clauses and Conditions Manual* (<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada. Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The 2003 2013-06-01 Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2-2 Submission of Bids

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

2-3 Enquiries - Bid Solicitation

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

2-4 Applicable Laws

1. Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in British Columbia.

2. 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 Bidder.

2.5 Bidders' Conference

A Viewing and Bidders' Conference will be held at Fleet Maintenance Facility Cape Breton, Building D250, HMC Dockyard, Esquimalt BC on Tuesday, September 24th at 10:00 in Room F226A. The scope of the requirement outlined in the bid solicitation will be reviewed during the conference and questions will be answered. It is recommended that bidders who intend to submit a bid attend or send a representative.

Bidders are requested to communicate with the Contracting Authority before the conference to confirm attendance. Bidders should provide, in writing, to the Contracting Authority, the names of the person(s) who will be attending and a list of issues they wish to table at least two (2) working days before the scheduled conference.

Any clarifications or changes to the bid solicitation resulting from the Bidders' Conference will be included as an amendment to the bid solicitation. Bidders who do not attend will be allowed to submit a bid.

2.6 Optional Site Visit

Arrangements have been made for a viewing of the landed bottles. The viewing, if needed, will take place immediately following the Bidder's Conference.

PART 3 - BID PREPARATION INSTRUCTIONS

3-1 Bid Preparation Instructions

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

Section I:	Technical Bid (1 copy)
Section II:	Financial Bid (1 copy)
Section III:	Certifications (1 copy)
Section IV:	Additional Information (1 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 should:

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

Section I: Technical Bid

In their technical bid, bidders should explain and demonstrate how they propose to meet the requirements and how they will carry out the Work.

Section II: Financial Bid

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

Section III: Certification Requirements

Bidders must submit the certifications required under Part 5.

Section IV: Additional Information

Bidders must submit identified additional information.

3-2 Tables of Bid Deliverables**3-2.1 Mandatory Bid Deliverables**

Regardless of requirements specified elsewhere in this bid solicitation and its associated Statement of Work, the following are the only mandatory documents that must be submitted with the response at the time of bid closing. The Bidder must be compliant on each item to be considered responsive.

Item	Description	Completed and Attached
Section I Technical Bid		
1	Solicitation document part 1 page 1, completed and signed	
Section II Financial Bid		
1	Annex I <u>Financial Bid Presentation Sheet</u> , completed	
Section III Certifications		
1	NOT USED - Federal Contractors Program article 5-2.2 certification, completed and signed	

3-2.2 Supporting Deliverables

If the following documents which support the bid are not submitted with the bid they may be requested by the Contracting Authority and they must be provided within **24 hours** of the written request:

Item	Description	Bid PT:	Bid Article	Attached	If requested
	Section I Technical Bid				
1	NOT USED - Proof of welding certification	6	6-7		
2	ISO Registration Certificate or Quality Assurance Documentation	6	6-11		
3	Subcontractor List	6	1-2.2, 7-15		
4	Proof of good standing with Worker's Compensation Board	6	6-6		
	Section II Financial Bid				
5	NOT USED - Examples of work schedules, tracking and Details of financial security	6			
	Section III Certification Requirements				
6	Code of Conduct. Provide a complete list of names of all individuals who are currently directors of the Bidder	1 & 5	1-2.5 5-2.1		
	Section IV Additional Requirements				
7	Changes to Applicable Laws	2	2-4 7-9		
8	Contractor's Representative(s)	7	7-5.4		
9	Project Management Team Details	H			

3-2.3 Supplementary Deliverables

The following information, which supports the bid, may be requested by the Contracting Authority, from the bidder and it must be provided within **two (2) working days** of the written request:

Item	Description	Completed and Attached	To be forwarded if requested by the CA
Section I Technical Bid			
1	Details of Bidder capabilities, how they will comply with mandatory requirements and how they will deliver any other requested goods and services, as per article 1-2.2 & 3-1.1.		
2	NOT USED - Details of environmental emergency response plans and waste management procedures, as per article 6-7		
3	NOT USED - Details of formal environmental training completed by employees, as per article 6-7		
4	NOT USED - Details of safety measures for fueling and disembarking fuel, name and qualifications of person in charge, as per article 6-8		
5	NOT USED - Docking facility capacity calculations, as per article 6-9		
6	NOT USED - Examples of Quality Plans, as per article 6-15		
7	NOT USED - Examples of Inspections Plans, as per article 6-16		
8	NOT USED - Details of material management system, as per article 6-17		
9	NOT USED - Details of accommodation facility offered, as per article 6-18		
10	NOT USED - Details of parking facility offered, as per article 6-19		
Section II Financial Bid			
1	Signed Consent Form (<u>Consent to a Criminal Record Verification form- PWGSC-TPSGC 229</u>) (http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html), as per articles 1-2.4 & 5-2.1		
2	NOT USED - Financial Statements and information, as per article 6-2		
3	Either proof of insurance coverage, as required by Annex C, or a letter substantiating that the required insurance coverage will be provided, as per article 6-13		
4	NOT USED - Proof of valid Labour Agreement or similar		

instrument covering the work period as per article 6-8		
--	--	--

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4-1 Evaluation Procedures

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

4.2 Basis of Selection

4.2.1 SACC Manual Clauses

A0069T Basis of Selection 2007-05-25

4.2.1 Unscheduled Work and Evaluation Price

In any vessel refit, repair or docking contract, unscheduled work will arise after the vessel and its equipment is opened up and surveyed. The anticipated cost of the Work will be included in the evaluation of bids. The overall total cost will be calculated by including an estimated amount of additional person-hours (and/or material) multiplied by a firm hourly charge-out labour rate and is added to the firm price for the Work.

The overall total referred to as the "Evaluation Price" will be used for evaluating the bids. The estimated work will be based on historical experience and there is no minimum or maximum amount of unscheduled work nor is there a guarantee of such work.

4.3 Public Bid Opening

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

PART 5 - CERTIFICATIONS

5-1 General

Bidders must provide the required certifications and related documents to be awarded a contract. Canada will declare a bid non-responsive if the required certifications and related documents are not completed and submitted as requested.

Compliance with the certifications bidders provide to Canada is subject to verification by Canada during the bid evaluation period (before award of a contract) and after award of a contract. The Contracting Authority will have the right to ask for additional information to verify the bidders' compliance with the certifications before award of a contract. The bid will be declared non-responsive if any certification or related documents made by the Bidder is untrue, whether made knowingly or unknowingly. Failure to comply with the certifications or to comply with the request of the Contracting Authority for additional information will also render the bid non-responsive.

5-2 Mandatory Certifications Required Precedent to Contract Award

5-2.1 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.

PART 6 - SECURITY, FINANCIAL, AND OTHER REQUIREMENTS

6-1 Security Requirement

The Contractor will be required to comply with the conditions of Article 7-3.

6-2 NOT USED - Financial Capability**6-3 NOT USED - Accommodation****6-4 NOT USED - Parking****6-5 NOT USED - Material and Supply Support****6-6 Workers' Compensation Certification - Letter of Good Standing**

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

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

6-7 NOT USED - Welding Certification**6-8 NOT USED - Valid Labour Agreement****6.9 List of Proposed Sub-contractors**

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

6-10 Project Schedule

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

Before contract award and within twenty-four (24) hours of written notification by the Contracting Authority the Bidder must provide a sample output from its scheduling

system including a typical progress report, a quality control inspection report and a milestone event network.

6-11 NOT USED - Safety Measures For Fueling and Disembarking Fuel

6-12 ISO 9001:2008 - Quality Management Systems

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

6-13 Environmental Protection

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

6-14 Insurance Requirements

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

If the information is not provided in the bid, the Contracting Authority will so inform the Bidder and provide the Bidder with a time frame within which to meet the requirement. Failure to comply with the request of the Contracting Authority and meet the requirement within that time period will render the bid non-responsive.

6-15 NOT USED - Controlled Goods

6-16 Jurisdictions-HMC Dockyard

When the Contractor performs work in the Canadian Forces Base (CFB) Esquimalt Dockyard, that is usually performed by employees of the Ship Repair Group, such work must normally be performed in accordance with the methods, practices, or work distribution prevailing at the said Dockyard which takes into consideration the trade jurisdictional limitations of the Federal Government Dockyards Trades and Labour Council (Victoria) affiliates.

Should there be a need for any work permit, this requirement must be borne by the Contractor or subcontractor. In this instance, the work permit will be ten dollars (\$10) per worker per week and will be paid only when the workers of the outside Contractor or

subcontractor do not belong to the same unions affiliated with the Federal Government Dockyards Trades and Labour Council (Victoria).

6-17 Inspection and Test Plan

Before contract award and within *two (2)* working days of written notification by the Contracting Authority the Bidder may be required to provide an example of its Inspection Plans.

PART 7 - RESULTING CONTRACT CLAUSES

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

7-1 Statement of Work

The Contractor must:

- a. Hydrostatically test CO2 bottles from HMCS Protecteur for the Department of National Defence, Esquimalt, B.C. in accordance with the associated Technical Specifications detailed in the Statement of Work, Inspection/Quality Assurance/Quality Control and Project Management Services attached as Annexes A, D and H. For specifications, drawings, test sheets, annexes and appendices, bidders are requested to contact the Contracting Authority identified in the bid solicitation.
- b. Carry out any approved unscheduled work not covered in paragraph a. above.

7-2 Standard Clauses and Conditions

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

7-2.1 General Conditions

2030, 2013-06-27, General Conditions - Higher Complexity - Goods, apply to and form part of the Contract, excepting Article 26, which is deleted in its entirety. Section 22 of 2030 is amended in Annex E, Warranty.

7-2.2 Supplemental General Conditions (Manned Vessel)

1029, 2010-08-16, Ship Repairs, excluding article 9, apply to and form part of the Contract.

7-3 Security Requirement

1. 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.
2. When a person is required to wear a safety helmet, the Contractor, if requested to do so by the Contracting Authority, must paint the number appearing on the badge on the front of the safety helmet.

7-4 Term of Contract**7-4.1 Work Period- Marine**

1. Work must commence and be completed as follows:

Commence: 30 September 2013;

Complete: 31 January 2014.

Within that period, the ship's availability is 06 - 31 January 2014.

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

7-5 Authorities**7-5.1 Contracting Authority**

The Contracting Authority for the Contract is:

Name: Anthony Cond,

Title: Supply Team Leader

Address: Public Works and Government Services Canada

Pacific Region, Acquisitions, Marine

401 - 1230 Government Street, Victoria, BC, Canada, V8W 3X4

Telephone: 250-363-3309

Facsimile: 250-363-3960

E-mail address: Anthony.Cond@pwgsc-tpsgc.gc.ca

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

7-5.2 Technical Authority

The Technical Authority for the Contract is:

Name: Bob Bullen

Title: Contracts Administrator/Administrateur de Contrats

Address: Fleet Maintenance Facility Cape Breton

Installation de Maintenance de La Flotte Cape

Victoria, BC Canada V9A7N2

Telephone: 250-363-4937

Facsimile: 250-363-1090

E-mail address: Geoffrey.Bullen@forces.gc.ca

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

7-5.3 Inspection Authority

The Technical Authority is the Inspection Authority. All reports, deliverable items, documents, goods and all services rendered under the Contract are subject to inspection by the Inspection Authority or representative. Should any report, document, good or service not be in accordance with the Requirements at Annex A and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority will have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment. Any communication with a Contractor regarding the quality of the Work performed pursuant to this Contract shall be undertaken by official correspondence through the Contracting Authority.

7-5.4 Contractor's Representative

Name and telephone numbers of the person responsible for production:

Name: _____ Telephone No: _____

Facsimile No: _____ E-mail: _____

Name and telephone numbers of the person responsible for delivery:

Name: _____ Telephone No: _____

Facsimile No: _____ E-mail: _____

7-6 Payment

7-6.1 Basis of Payment - Firm Price, Firm Unit Price(s) or Firm Lot Price(s)

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

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

7-6.2 Method of Payment

SACC Manual Clause H1000C Single Payment 2008-05-12

7.6.3 NOT USED - Warranty Holdback**7-6.3 SACC Manual Clauses**

C0711C Time Verification

2008-05-12

H4500 Lien - Section 427 of the Bank Act

2010-01-11

7-7 Invoicing Instructions

7-7.1 The Contractor must submit invoices in accordance with the information required in Section 13 of 2030 (2013-06-27) General Conditions Higher Complexity Goods and article 7.6.2 Method of Payment.

7-7.2 Invoice is to be made out to:

Department of National Defence

FMF Contracts

PO Box 17000, Station Forces

Victoria BC V9A 7N2

Attention: Bob Bullen

7-7.3 Original invoice is to be sent for verification to:

Public Works and Government Services Canada

Acquisitions, Marine

401 - 1230 Government Street

Victoria, B.C. V8W 3X4

Attention: Anthony Cond

7-8 Certifications**7-8.1 Compliance**

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

7-8.2 Federal Contractors Program for Employment Equity - Default by the Contractor

The Contractor understands and agrees that, when an Agreement to Implement Employment Equity (AIEE) exists between the Contractor and HRSDC-Labour, the AIEE must remain valid during the entire period of the Contract. If the AIEE becomes invalid, the name of the Contractor will be added to the "FCP Limited Eligibility to Bid"

list. The imposition of such a sanction by HRSDC will constitute the Contractor in default as per the terms of the Contract.

7-9 **Applicable Laws**

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

7-10 **Priority of Documents**

If there is a discrepancy between the wording of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list.

- a. the Articles of Agreement;
- b. the Supplemental General Conditions 1029 (2010-08-16) Ship Repairs;
- c. the General Conditions 2030 (2013-06-27) Higher Complexity - Goods - as modified in Annex E;
- d. Annex A, Statement of Work;
- e. Annex B, Basis of Payment;
- f. Annex C, Insurance Requirements;
- g. Annex D, Inspection/Quality Assurance/Quality Control;
- h. Annex E, Warranty;
- i. **NOT USED** - Annex F, Conditions Precedent to Payment (Progress Claims)
- j. Annex G, Federal Contractors' Program for Employment Equity - Certification
- k. Annex H, Project Management Services;
- l. the Contractor's bid dated _____ (*insert date of bid*), as amended _____ (*insert date(s) of amendment(s) if applicable*)

7.11 **Insurance Requirements/Limitation of Liability**

7-11.1 **Insurance Requirements**

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

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

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

The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

7-11.2 Limitation of Liability for Damages to Canada

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

7-12 NOT USED- Financial Security

7.13 NOT USED - Accommodation

7.14 NOT USED - Parking

7.15 Sub-contracts and Sub-contractor List

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

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

7.16 Project Schedule

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

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

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

7.17 Insulation Materials - Asbestos Free

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

7.18 NOT USED - Loan of Equipment - Marine

7.19 Trade Qualifications

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

7.20 NOT USED - Material and Supply Support

7.21 ISO 9001:2008 - Quality Management Systems

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

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

7.3 Design and Development

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

Assistance for Government Quality Assurance (GQA):

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

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

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

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

7.22 NOT USED - Quality Plan

7.23 NOT USED - Welding Certification

7-24 Environmental Protection

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

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

All waste disposal certificates are to be provided to the Inspection Authority , with information copies sent to the Contracting Authority. Furthermore, additional evidence

of compliance with municipal, provincial and federal environmental laws and regulations is to be furnished by the Contractor to the Contracting Authority when so requested.

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

7-25 Procedures for Design Change or Additional Work

These procedures must be followed for any design change or additional work.

1. When Canada requests design change or additional work:
 - a. The Technical Authority will provide the Contracting Authority with a description of the design change or additional work in sufficient detail to allow the Contractor to provide the following information:
 - i. any impact of the design change or additional work on the requirement of the Contract;
 - ii. a price breakdown of the cost (increase or decrease) associated with the implementation of the design change or the performance of the additional work using either the form PWGSC-TPSGC 1686, Quotation for Design Change or Additional Work, or the form PWGSC-TPSGC 1379 (PDF 56KB) - (Help on File Formats) Work Arising or New Work.
 - iii. a schedule to implement the design change or to perform the additional work and the impact on the contract delivery schedule.
 - b. The Contracting Authority will then forward this information to the Contractor.
 - c. The Contractor will return the completed form to the Contracting Authority for evaluation and negotiation. Once agreement has been reached, the form must be signed by all parties in the appropriate signature blocks. This constitutes the written authorization for the Contractor to proceed with the work, and the Contract will be amended accordingly.
2. When the Contractor requests design change or additional work:
 - a. The Contractor must provide the Contracting Authority with a request for design change or additional work in sufficient detail for review by Canada.
 - b. The Contracting Authority will forward the request to the Technical Authority for review.
 - c. If Canada agrees that a design change or additional work is required, then the procedures detailed in paragraph 1 are to be followed.
 - d. The Contracting Authority will inform the Contractor in writing if Canada determines that the design change or additional work is not required.
3. Approval

The Contractor must not proceed with any design change or additional work without the written authorization of the Contracting Authority. Any work performed without the Contracting Authority's written authorization will be considered outside the scope of the Contract and no payment will be made for such work.

7.26 Inspection and Test Plan

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

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

7.27 NOT USED - Vessel Custody

7.28 Vessel Manned Refits

SACC Manual Clause A0032C Vessel Manned Refit 2011-05-16

7.29 NOT USED - Pre-Work Period Meeting

7.30 Meetings

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

7.31 Outstanding Work and Acceptance

1. The QAR, in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the work period. This list will form the annexes to the formal acceptance document for the work. A contract completion meeting will be convened by the Contracting Authority on the work completion date to review and sign off the Acceptance Document, Work Order Form Number ZN01. A holdback of twice the estimated value of outstanding work will be held until that work is completed. The Goods and Services Tax or Harmonized Sales Tax (GST/HST), as appropriate, is to be calculated on this outstanding work hold-back amount and not paid as the work has yet to be completed. At the time that the outstanding work holdback is released, GST/HST will be payable, on the amount of the holdback as it was not included in the previous payments.
2. The form will be distributed by the Contracting Authority as follows:
 - a. original to the Contracting Authority;
 - b. one copy to the Technical Authority;
 - c. one copy to the Contractor.

Solicitation No. - N° de l'invitation

W3555-147089/A

Amd. No. - N° de la modif.

File No. - N° du dossier

XLV-3-36049

Buyer ID - Id de l'acheteur

xlv179

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

W3555-147089

CCC No./N° CCC - FMS No/ N° VME

7.32 Licensing

7.33 SACC Manual Clauses

A0290C	Hazardous Waste - Vessels	2008-05-12
A9062C	Canadian Forces Site Regulations	2011-05-16
A9055C	Scrap and Waste Material	2010-08-16
A0285C	Workers Compensation	2007-05-25
A9006C	Defence Contract	2012-07-16

7.34 NOT USED - Stability

7.35 NOT USED - Vessel - Access by Canada

7.36 NOT USED - Title to Property - Vessel

7.37 NOT USED - Controlled Goods Program

7.38 Jurisdictions - HMC Dockyard

ANNEX A - STATEMENT OF WORK

STATEMENT OF REQUIREMENT

HMCS PROTECTEUR HYDROSTATIC TEST OF FITTED CO2 CYLINDERS

Reference: DND Order No.: 820234449

The Repair Facility (R/F) is to carry out the following:

1. Perform a hydrostatic test of 89 in no., 75lb CO2 Cylinders fitted in HMCS PROTECTEUR.
2. The R/F shall isolate, disconnect and remove the cylinders from the ship and transport to their maintenance facility. Upon completion of testing the cylinders must be transported back to the ship and re-installed. NOTE: the ship's elevator is available to move the cylinders from the jungle deck to the dispersal area (main deck).
3. The R/F will have to place the cylinders in a proper, certified "skiff" and observe all TDG regulations.
4. DND crane will be provided as available; 24 hours notice is required and dependent upon the priority of ongoing jobs.
5. There are 42 cylinders in the midship bank; 3 cylinders in the Fwd CO2 room; 1 cylinder in the Aft CO2 room; and 43 spare cylinders that require testing.
6. The work will have to be sequenced in such a way that will ensure that the various compartments, served by the CO2 Smothering System, will not be left unprotected for any length of time. This will have to be coordinated with the ship's staff.
7. Work period: As the vessel has a busy sailing schedule, this task will have to be spread out over a period of time from contract award date to end of January 2014. Approximately half of the bottles have been landed and are available for immediate testing. The remainder of the work will be conducted in January 2014.
8. Deliverables:
 - a. Report of Inspection; and,
 - b. Cylinders to be stamped with date of hydrostatic test.

ANNEX B - BASIS OF PAYMENT

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

B-1 Contract Price

a)	Known Work For work as stated in Part 7 article 7.1, Specified in Annex "A" and detailed in the attached Pricing Data Sheets at Appendix 1 to this Annex (<i>to be inserted at contract award</i>) For a FIRM PRICE of:	\$ _____ X _____
c)	Total Firm Price For a FIRM PRICE of:	:\$ _____ X _____

B-2 Unscheduled Work**A. Price Breakdown:**

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

B. Pro-rated Prices:

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

C. Payment for Unscheduled Work:

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

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

The firm hourly charge-out labour rate and the material mark-up will remain firm for the term of the Contract and any subsequent amendments.

B-2.1 Notwithstanding definitions or usage elsewhere in this document, or in the Contractor's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject

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

B-2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* set out in clause B2.

B-2.3 The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. The Contractor will not be entitled to a separate labour component for the purchase and handling of materials or subcontract administration.

B-3 Overtime

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

Payment for authorized overtime will be calculated as follows:

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

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

For double time: \$_____ per hour.

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

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

For double time: \$_____ per hour.

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

B-4 NOT USED - Lay Day/Berthage Day Fees

ANNEX C - INSURANCE REQUIREMENTS

C-1 Ship Repairers' Liability Insurance

1. The Contractor must obtain Ship Repairer's Liability Insurance and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence. (*For annual and maximum liabilities see article 7.11.2 of the Contract.*)

2. The Ship Repairer's Liability insurance must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by Department of National Defence and Public Works and Government Services Canada.
 - b. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada for any and all loss of or damage to the vessel, however caused.
 - c. Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of cancellation.
 - d. Contractual Liability: The policy must, on a blanket basis or by specific reference to the contract, extend to assumed liabilities with respect to contractual provisions.
 - e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.

C-2 Commercial General Liability

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence (*For annual and maximum liabilities see article 7.11.2 of the Contract.*)

2. The Commercial General Liability Insurance policy must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by the Department of National Defence and Public Works and Government Services Canada.
 - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.

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

ANNEX D - INSPECTION/QUALITY ASSURANCE/QUALITY CONTROL

D1 Inspection and Test Plan (ITP):

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

-
3. Contractor Imposed Testing: Tests and trials in addition to those given in the Specification must be approved by the TA.
 - a. Amendments: Amendment action for the Inspection and Test Plans must be ongoing throughout the refit and reflect the inspection requirements for unscheduled work. Amendments must be submitted as developed, but not less frequently than once every second week.

D2 Conduct of Inspection

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

D3 Inspection Records and Reports

1. The Contractor on the inspection record, test or trials sheets as applicable must record the results of each inspection. The Contractor must maintain files of completed inspection records consistent with the Quality Standard and their Quality Plan for this project.
2. The Contractor's QC representative (and the FSR when required) must sign as having witnessed the inspection, test or trial on the inspection record. The Contractor must forward originals of completed inspection records, together with completed test(s) and/or trials sheets to the TA.

-
3. Unsatisfactory inspection/test/trial results, for which corrective action cannot be completed during the normal course of the inspection/test/trial, will require the Contractor to establish and record the cause of the unsatisfactory condition to the satisfaction of the TA. Representatives of Canada may assist in identification where appropriate.
 4. Corrective action to remove cause of unsatisfactory inspections must be submitted to the TA in writing by the Contractor, for approval prior to affecting such repairs and rescheduling of the unsatisfactory inspection/test/trial.
 5. The Contractor must undertake rectification of defects and deficiencies in the Contractor's installation or repair as soon as practicable. The Contractor is responsible to schedule such repairs at their own risk.
 6. The Contractor must reschedule unsatisfactory inspections after any required repairs have been completed.
 7. Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the TA upon request.

D4 NOT USED - Certificate of

ANNEX E - WARRANTY

E1 2030 (2013-06-27) General Conditions Higher Complexity Goods, are hereby amended as follows:

Delete Section 22 Warranty and Insert the following:

1. At the discretion of the Minister, the Contractor will replace or make good at its own expense any finished work, excluding Government Issue incorporated therein, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.
2. Notwithstanding prior acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor hereby warrants that the following are free from all defects and conform with the requirements of the contract:
 - (a) All painting Work for a period of three hundred sixty five (365) days commencing from the date of acceptance of the Work;
 - (b) All other items of Work for a period of ninety (90) days commencing from the date of acceptance of the Work, except that:
 - (i) the warranty on the Work related to any system or equipment not immediately placed in continuous use or service must extend for a period of ninety (90) days from the date of acceptance of the vessel;
 - ii) for all outstanding defects, deviations, and Work items listed on the Acceptance Document at Delivery, the Warranty will be ninety (90) days from the subsequent date of acceptance for each item.
3. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the Materials and/or labour supplied or held by the Contractor which exceed the periods indicated above.

E2 Warranty Procedures

1. Scope

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

2. Definition

- a. There are a number of definitions of "warranty" most of which are intended to describe their force and effect in law. One such definition is offered as follows:
"A warranty is an agreement whereby the vendor's or manufacturer's

responsibility for performance of their product is extended for a specific period of time beyond the date at which the title to the product passes to the buyer.”

3. Warranty Conditions

- a. General Conditions 2030 (2013-06-27), General Conditions - Higher Complexity - Goods are augmented by clauses incorporated into the subject Contract.

4. Reporting Failures With Warranty Potential

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

5. Procedures

- a. Immediately it becomes known to the Staff that an equipment/system is performing below accepted standards or has become defective, the procedures for the investigation and reporting are as follows:
 - i. The vessel advises MARCOM, MARPAC, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate when a defect, which is considered to be directly associated the refit work, has occurred.
 - ii. On review of the CF-720 and the Specification, the appropriate authority in consort with ships engineer (as applicable) is to complete the Tombstone Data and section 1 of the Warranty Claim Form (Copy attached as Appendix 1 to Annex “E”) and forward the original to the appropriate TECHNICAL AUTHORITY for review. The TECHNICAL AUTHORITY checks the claim, and if deemed justified in accordance with the warranty conditions and refit specifications, actions the form, and forwards it to the pertinent contractor with information copies to NDHQ, FMF PLO, and the PWGSC Contracting Authority. If the TECHNICAL AUTHORITY is unable to support warranty action, the Defect Claim Form is to be returned to the originator with a brief justification. (It is to be noted that in the latter instance NDHQ does not intend to enter into any arbitration between the originator and the TECHNICAL AUTHORITY. Authority for the TA to administer the refit on behalf of

NDHQ prevails in respect to decision on the validity of possible warranty items.)

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

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

6. Liability

- a. Agreement between the Technical Authority and the contractor will result in one of the following conditions:
 - i. The contractor accepts full responsibility for costs to repair or overhaul under the warranty provisions of the contract;
 - ii. DND accepts full responsibility for repair and overhaul of item concerned; or
 - iii. The contractor and DND agree to share responsibility for the costs to repair or overhaul the unserviceable item, in such cases the PWGSC Contracting Authority will negotiate the best possible sharing arrangement.
- b. In the event of a disagreement as in Para 5c, PWGSC will take necessary action with the contractor while the TA informs NDHQ including pertinent data and recommendations.

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

7. Alongside Period For Warranty Repairs and Checks

- a. If at all possible, an alongside period for the vessel is to be arranged just prior to the expiration of the 365 day warranty period. This alongside period is to provide time for warranty repair and check by the contractor.
- b. In respect to the underwater paint, should it become defective during the associated warranty period the contractor is only liable to repair to a value determined as follows:
- "Original cost to Canada for painting and preservation of the underwater section of the hull, divided by three hundred sixty five (365) days and multiplied by the number of days remaining in the period. The resultant would represent the 'Dollar Credit' due to Canada from the Contractor."
- c. The Underwater paint system, before expiration of the warranty, should be checked by divers. The Technical Authority, is to arrange the inspection and inform the Contracting Authority of any adverse results.

Solicitation No. - N° de l'invitation

W3555-147089/A

Amd. No. - N° de la modif.

File No. - N° du dossier

XLV-3-36049

Buyer ID - Id de l'acheteur

xlv179

CCC No./N° CCC - FMS No/ N° VME

W3555-147089

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

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

Date of Corrective Action - Date de modalité de reprise

Client Name and Signature - Nom et signature de client

Date

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

Signature – Signature

Date

5. Additional Information – Renseignements supplémentaires

Canada

PWGSC-TPSGC

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

ANNEX G - FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY - CERTIFICATION

I, the Bidder, by submitting the present information to the Contracting Authority, certify that the information provided is true as of the date indicated below. The certifications provided to Canada are subject to verification at all times. I understand that Canada will declare a bid non-responsive, or will declare a contractor in default, if a certification is found to be untrue, whether during the bid evaluation period or during the contract period. Canada will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply with such request by Canada will also render the bid non-responsive or will constitute a default under the Contract.

For further information on the Federal Contractors Program for Employment Equity visit HRSDC-Labour's website.

Date: _____ (YYYY/MM/DD) (If left blank, the date will be deemed to be the bid solicitation closing date.)

Complete both A and B.

A. Check only one of the following:

() A1. The Bidder certifies having no work force in Canada.

() A2. The Bidder certifies being a public sector employer.

() A3. The Bidder certifies being a federally regulated employer being subject to the Employment Equity Act.

() A4. The Bidder certifies having a combined work force in Canada of less than 100 employees (combined work force includes: permanent full-time, permanent part-time and temporary employees [temporary employees only includes those who have worked 12 weeks or more during a calendar year and who are not full-time students.

A5. The Bidder has a combined workforce in Canada of 100 or more employees; and

() A5.1. The Bidder certifies already having a valid and current Agreement to Implement Employment Equity (AIEE) in place with HRSDC-Labour.

OR

- A5.2. The Bidder certifies having submitted the Agreement to Implement Employment Equity (LAB1168) to HRSDC-Labour. As this is a condition to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to HRSDC-Labour.

B. Check only one of the following:

- B1. The Bidder is not a Joint Venture.

OR

- B2. The Bidder is a Joint venture and each member of the Joint Venture must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification. (Refer to the Joint Venture section of the Standard Instructions)

ANNEX H - PROJECT MANAGEMENT SERVICES

H-1. Contractor's Project Management Services - Intent

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

H-2. Project Manager

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

H-3. Project Management Team

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

H-4. Reports

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

H-5. Bid Deliverables

- a. Names, brief resumes, and a list of duties for each of the team members that ensures that each of the project elements listed in article 3 above have been addressed.

ANNEX I - FINANCIAL BID PRESENTATION SHEET

I-0 Proposed Work Period Location: Contractor's Site and HMC Dockyard, Esquimalt, BC.

I-1 Evaluation of Price

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

a.	Known Work For work as stated in Part 1 article 1.2, specified in Annexes A, D and H and detailed in the attached Pricing Data Sheet Annex I, Appendix 1 for a FIRM PRICE of:	\$ _____
b.	Unscheduled Work <i>Labour Cost:</i> Estimated labour hours at a firm <i>Charge-out Labour Rate</i> , including overhead and profit: 20 person hours X \$_____ per hour for a PRICE of: See articles I2.1 and I2.2 below.	\$ _____
f.	EVALUATION PRICE GST/HST Excluded, [a + b]: <div style="text-align: right;">For an EVALUATION PRICE of :</div>	\$ _____

This Pricing Data Sheet forms part of the Solicitation Document.

Bidders are required to assure that the cost to complete every Item of Work or Service in the Specifications is included in the Cost For Known Work above; provided however, that in the event that quantities given in the Specifications differ from those given in this Pricing Data Sheet, this Pricing Data Sheet shall prevail.

Where the scope of extra work or credits is within +or- 50% of the area or number of components specified above, the Separate Prices quoted above by the Bidder will be used to prorate to the actual work quantity. Where the variance exceeds +or- 50%, consideration will be given to set-up costs and economies of scale.

I-2 Unscheduled Work

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

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

I-2.1 Notwithstanding definitions or useage elsewhere in this document, or in the Bidder's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject work package.

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

I-2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* entered in Table I1 line I1b. above.

I-2.3 The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. A separate labour component for the purchase and handling of materials or subcontract administration is not allowable.

I-3 Overtime

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

Payment for authorized overtime will be calculated as follows:

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

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

For double time: \$_____ per hour.

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

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

For double time: \$_____ per hour.

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

I-4 NOT USED - Berthage Day Fees