



**ARTICLES OF AGREEMENT CONTRACT COVER PAGE**

<b>Title:</b> Ship Agency Services (SAS) & Maritime Consultancy Services (MCS)							
<b>Original Contract / File No:</b>		W2013-S009F					
<b>Financial Code(s):</b>	<b>Fund</b>	<b>Fund Centre</b>	<b>Cost Centre</b>	<b>General Ledger</b>	<b>Internal Order or Work Breakdown Structure</b>	<b>Funds Res. or Precomm.</b>	<b>Line</b>
<b>Source 1</b> <b>Source 2</b> <b>GST/HST</b>	B304	GSTE01	--	81710	--	--	--
<b>Departmental Representative (Contracting Authority)</b> (Address Enquiries and Invoices to:)							
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Name (TBD) Title (TBD) DND/CAF Organization & Designation (TBD)				<b>Telephone:</b>		TBD	
National Defence Headquarters Attn: Name, Org. & Designation, Building Name (TBD) Building 101 Colonel By Drive Ottawa, Ontario, Canada K1A 0K2				<b>Facsimile:</b>		TBD	
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<b>Contractor</b>							
Name (TBD) Address (TBD) City, Province (TBD), Canada Postal Code (TBD)				<b>Representative:</b>		TBD	
				<b>Title:</b>		TBD	
				<b>Telephone:</b>		TBD	
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<b>Contract Amount (Including GST or HST, If Applicable):</b>				<b>CAD</b>		<b>\$TBD</b>	
<b>Date of Completion of Work:</b>				Three (3) years following Contract award + five (5) one (1) year options			
<b>For Her Majesty:</b>				<b>Contract Award Date:</b>		_____	
Name (TBD) Title (TBD) DND Organization (TBD)				<b>Signature:</b> _____			
<b>For the Contractor:</b>				<b>Signature:</b>			
<b>Print Name:</b>		_____		_____			
<b>Print Title:</b>		_____		_____			



## **ARTICLES OF AGREEMENT**

These Articles of Agreement for transportation services are made as of the Contract Award Date, between Her Majesty the Queen in right of Canada (referred to in the Contract as "Her Majesty") represented by the Minister of National Defence (referred to in the Contract as "the Minister") and the Contractor (referred to in the Contract as "the Contractor").

Her Majesty and the Contractor agree as follows:

### **A1 Contract**

- 1.1 The following documents and any amendments relating thereto form the Contract between her Majesty and the Contractor:
- 1.1.1 these Articles of Agreements, including the Contract Cover Page;
  - 1.1.2 the document attached hereto as Annex "A" and entitled "General Conditions", referred to herein as the General Conditions;
  - 1.1.3 the document attached hereto as Annex "B" and entitled "Terms of Payment", referred to herein as the Terms of Payment;
  - 1.1.4 the document attached hereto as Annex "C" and entitled "Statement of Work", referred to herein as the Statement of Work;
  - 1.1.5 the document attached hereto as Annex "D" and entitled "Basis of Payment"; and
  - 1.1.6 the Contractor's bid submission.
- 1.2 In the event of discrepancies, inconsistencies or ambiguities of the wording of these documents, the wording of the document that first appears on the above list will prevail over the wording of a document subsequently appearing on the list.

### **A2 Date of Completion of Work and Description Of Work**

- 2.1 The Contractor must, between the date of these Articles of Agreement (Contract Award Date) and the Date of Completion of Work, perform and complete with care, skill, diligence and efficiency the Work that is described in the Statement of Work (SOW).

### **A3 Option(s)**

- 3.1 The Contractor hereby grants to Her Majesty the irrevocable right to exercise up to five (5) one (1) year options. Exercise of an option will be accomplished by written notice from the Departmental Representative and evidenced, for administrative purposes only, by issuance of a Contract Amendment.

### **A4 Contract Amount**

- 4.1 Subject to the terms and conditions of this Contract and in consideration for the performance of the Work, Her Majesty will pay to the Contractor an amount not to exceed the Contract amount.

### **A5 Applicable Laws**

- 5.1 This Contract will be interpreted and governed, and the relations between the Parties determined, by the laws in force in the Province of Ontario.



## A6 Departmental Representative

- 6.1 For the purposes of the Contract, the Minister hereby designates a Departmental Representative. The Departmental Representative is the Contracting Authority and is responsible for the management of the Contract and the implementation of tools and processes required for the administration of the Contract. 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 anyone other than the Contracting Authority. Any notice provided to the Minister under this Contract is only valid if provided to the Contracting Authority.
- 6.2 The Technical Authority 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.

## A7 Confidentiality

- 7.1 The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.
- 7.2 The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.
- 7.3 Subject to the [Access to Information Act](#), R.S., 1985, c. A-1, and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.
- 7.4 The obligations of the Parties set out in this section do not apply to any information if the information:
- a. is publicly available from a source other than the other Party; or
  - b. is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information; or
  - c. is developed by a Party without use of the information of the other Party.
- 7.5 Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of National Defence (DND) Contract No. W2013-S009F". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.



7.6 If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor must at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the Public Works and Government Services Canada (PWGSC), *PWGSC Industrial Security Manual* and its supplements and any other instructions issued by Canada.

7.7 If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED, by Canada, representatives of Canada are entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the Contract. The Contractor must comply with, and ensure that any subcontractor complies with, all written instructions issued by Canada dealing with the material so identified, including any requirement that employees of the Contractor or of any subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

#### **A8 Discretionary Audit**

8.1 The amount claimed under the Contract is subject to government audit both before and after payment is made. The Contractor must keep proper accounts and records of the cost of performing the Work and keep all documents relating to such cost for six (6) years after it receives the final payment under the Contract.

8.2 With respect to the work performed as a result of specific taskings by the Minister, in accordance with A10 (below), the Contractor certifies that the price or rate charged to the Minister is not in excess of the lowest price or rate charged anyone else, including the Contractor's most favoured customer, for the like quality and quantity of the goods, services or both. This certification is subject to verification by government audit, at the discretion of Canada, before or after payment is made to the Contractor.

8.3 If the audit demonstrates that the certification is in error after payment is made to the Contractor, the Contractor must, at the discretion of Canada, make repayment to Canada in the amount found to be in excess of the lowest price or rate or authorize the retention by Canada of that amount by way of deduction from any sum of money that may be due or payable to the Contractor pursuant to the Contract.

8.4 If the audit demonstrates that the certification is in error before payment is made, the Contractor agrees that any pending invoice will be adjusted by Canada in accordance with the results of the audit. It is further agreed that if the Contract is still in effect at the time of the verification, the price or rate will be lowered in accordance with the results of the audit.

#### **A9 Replacement of Specific Individuals**

9.1 If specific individuals are identified in the Contract to perform the Work, the Contractor must provide the services of those individuals unless the Contractor is unable to do so for reasons beyond its control.

9.2 If the Contractor is unable to provide the services of any specific individual identified in the Contract, it must provide a replacement with similar qualifications and experience. The replacement must meet the criteria used in the selection of the Contractor and be acceptable to Canada. The Contractor must, as soon as possible, give notice to the Contracting Authority of the reason for replacing the individual and provide:

- a) the name, qualifications and experience of the proposed replacement; and



- b) proof that the proposed replacement has the required security clearance granted by Canada, if applicable.

9.3 The Contractor must not, in any event, allow performance of the Work by unauthorized replacement persons. The Contracting Authority may order that a replacement stop performing the Work. In such a case, the Contractor must immediately comply with the order and secure a further replacement. The fact that the Contracting Authority does not order that a replacement stop performing the Work does not relieve the Contractor from its responsibility to meet the requirements of the Contract.

#### **A10 Call-up Provisions for Task Authorizations**

- 10.1 A portion of the Work to be performed under the Contract will be on an "as and when requested basis" using a Task Authorization. The Work described in the Task Authorization must be in accordance with the scope of the Contract as defined in the SOW, 3.1.1 B. and 3.1.2.
- 10.2 The Contracting Authority will provide the Contractor with a description of the task using a "Task Authorization Form" to be selected at the Minister's sole discretion.
- 10.3 The Task Authorization will contain the details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major activities or submission dates for the deliverables. The Task Authorization will also include the applicable basis and methods of payment details, as specified in the Contract.
- 10.4 The Contractor must provide the Contracting Authority, within five (5) calendar days of its receipt, the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.
- 10.5 The Contractor must not commence work until a Task Authorization authorized by the Contracting Authority has been received by the Contractor. The Contractor acknowledges that any work performed before a Task Authorization has been received will be done at the Contractor's own risk.

This Contract has been executed on behalf of the Contractor and on behalf of Her Majesty the Queen in right of Canada by their duly authorized officers.



## **GENERAL CONDITIONS**

### **GC1 Interpretation**

#### 1.1 In the Contract,

- 1.1.1 "Contract" means the Contract documents referred to in the Articles of Agreements;
- 1.1.2 "Minister" includes a person acting for or, if the office is vacant, in place of the Minister and the Minister's successors in the office, and the Minister's or their lawful deputy and any of the Minister's or their representatives appointed for the purpose of the Contract;
- 1.1.3 "Work", unless otherwise expressed in the Contract, means everything that is necessary to be done, furnished or delivered by the Contractor to perform the Contractor's obligations under the Contract; and
- 1.1.4 "Departmental Representative" means the officer or employee of Her Majesty who is designated by the Articles of Agreement and includes a person authorized by the Departmental Representative to perform any of the Departmental Representative's functions under the Contract.

### **GC2 Successors and Assigns**

- 2.1 The Contract will enure to the benefit of and be binding upon the parties hereto and their lawful heirs, executors, administrators, successors and assigns.

### **GC3 Assignment**

- 3.1 The Contract must not be assigned in whole or in part by the Contractor without the prior written consent of the Minister and any assignment made without that consent is void and of no effect.
- 3.2 No assignment of the Contract will relieve the Contractor from any obligation under the Contract or impose any liability upon Her Majesty or the Minister.

### **GC4 Time of the Essence**

- 4.1 Time is of the essence of the Contract.
- 4.2 Any delay by the Contractor in performing the Contractor's obligations under the Contract which is caused by an event beyond the control of the Contractor, and which could not have been avoided by the Contractor without incurring unreasonable cost through the use of work-around plans including alternative sources or other means, constitutes an excusable delay. Events may include, but are not restricted to: acts of God, acts of Her Majesty, acts of local or provincial governments, fires, floods, epidemics, quarantine restrictions, strikes or labour unrest, freight embargoes and unusually severe weather.
- 4.3 The Contractor must give notice to the Minister immediately after the occurrence of the event that causes the excusable delay. The notice must state the cause and circumstances of the delay and indicate the portion of the Work affected by the delay. When requested to do so by the Departmental Representative, the Contractor must deliver a description in a form satisfactory to the Minister, of work-around plans including alternative sources and any other means that the Contractor will utilize to overcome the delay and endeavour to prevent any further delay. Upon approval in writing by the Minister of the work-around plans, the Contractor must implement the work-around plans and use all reasonable means to recover any time lost as a result of the excusable delay.



- 4.4 Unless the Contractor complies with the notice requirements set forth in paragraph GC4.3, any delay that would constitute an excusable delay will be deemed not to be an excusable delay.
- 4.5 Notwithstanding that the Contractor has complied with the requirements of paragraph GC4.3, Her Majesty may exercise any right of termination contained in section GC8.

#### **GC5 Indemnification**

- 5.1 The Contractor must indemnify and save harmless Her Majesty, the Minister, their employees, servants and agents and members of Her Majesty's Canadian armed forces, from and against all claims, losses, damages, costs, expenses, actions and other proceedings, made, sustained, brought, prosecuted, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury to or death of a person or damage to or loss of property arising from any wilful or negligent act, omission or delay on the part of the Contractor or the Contractor's employees, servants or agents in performing the Work or as a result of the Work.
- 5.2 The Contractor's liability to indemnify or reimburse Her Majesty under the Contract will not affect or prejudice Her Majesty from exercising any other rights under law.

#### **GC6 Insurance**

- 6.1 The Contractor is responsible for deciding if insurance coverage is necessary to fulfill its obligations under the Contract, including war risk insurance, and to ensure compliance with any applicable law. Any insurance acquired or maintained by the Contractor is at its own expense and for its own benefit and protection. It does not release the Contractor from, or reduce, its liability under the Contract.
- 6.2 Cargo insurance secured for voyage charters and/or charterer's insurance secured for time charters will be subject to terms and conditions to be defined at the applicable Task Authorization issuance time. Such insurances will be for Canada's own benefit and protection.

#### **GC7 Notices**

- 7.1 Where in the Contract any notice, request, direction or other communication is required to be given or made by either party, it must be in writing and is effective if delivered in person, sent by registered mail, by telegram, by facsimile, by e-mail or by telex addressed to the party for whom it is intended at the address mentioned in the Contract and any notice, request, direction or other communication will be deemed to have been given if by registered mail, when the postal receipt is acknowledged by the other party; by telegram, when transmitted by the carrier; by facsimile, when the transmission is received by the other party; by e-mail, when the message is received by the other party; and by telex, when transmitted. The address of either party may be changed by notice in the manner set out in this provision.

#### **GC8 Termination or Suspension**

- 8.1 The Minister may, by giving notice to the Contractor, terminate or suspend the Work with respect to all or any part or parts of the Work not completed.
- 8.2 All Work completed by the Contractor to the satisfaction of Her Majesty before the giving of such notice will be paid for by Her Majesty in accordance with the provisions of the Contract and, for all Work not completed before the giving of such notice, Her Majesty will pay the Contractor's costs as determined under the provisions of the Contract and, in addition, any amount representing a fair and reasonable fee in respect of such Work.



- 8.3 In addition to the amount which the Contractor will be paid under paragraph GC8.2, the Contractor will be reimbursed for the Contractor's cost of and incidental to the cancellation of obligations incurred by the Contractor pursuant to such notice and obligations incurred by or to which the Contractor is subject with respect to the Work.
- 8.4 Payment and reimbursement under the provisions of section GC8 will be made only to the extent that it is established to the satisfaction of the Minister that the costs and expenses were actually incurred by the Contractor and that the same are fair and reasonable and are properly attributable to the termination or suspension of the Work or the part thereof so terminated.
- 8.5 The Contractor will not be entitled to be reimbursed any amount which, taken together with any amounts paid or becoming due to the Contractor under the Contract, exceeds the Contract price applicable to the Work or the particular part thereof.
- 8.6 The Contractor will have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of or directly or indirectly arising out of any action taken or notice given by the Minister under the provisions of section GC8 except as expressly provided therein.

### **GC9 Termination Due to Default of Contractor**

- 9.1 Her Majesty may, by notice to the Contractor, terminate the whole or any part of the Work if:
- (i) the Contractor becomes bankrupt or insolvent, or a receiving order is made against the Contractor, or an assignment is made for the benefit of creditors, or if an order is made or resolution passed for the winding up of the Contractor, or if the Contractor takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors; or
  - (ii) the Contractor fails to perform any of the Contractor's obligations under the Contract, or, in the Minister's view, so fails to make progress as to endanger performance of the Contract in accordance with its terms.
- 9.2 In the event that Her Majesty terminates the Work in whole or in part under paragraph GC9.1, Her Majesty may arrange, upon such terms and conditions and in such manner as Her Majesty deems appropriate, for the Work to be completed that was so terminated, and the Contractor will be liable to Her Majesty for any excess costs relating to the completion of the Work.
- 9.3 Upon termination of the Work under paragraph GC9.1 the Minister may require the Contractor to deliver and transfer title to Her Majesty, in the manner and to the extent directed by the Minister, any finished Work which has not been delivered and accepted prior to such termination and any materials or Work-in-process which the Contractor has specifically acquired or produced for the fulfilment of the Contract. Her Majesty will pay the Contractor for all such finished Work delivered pursuant to such direction and accepted by Her Majesty, the cost to the Contractor of such finished Work plus the proportionate part of any fee fixed by the said Contract and will pay or reimburse the Contractor the fair and reasonable cost to the Contractor of all materials or Work-in-process delivered to Her Majesty pursuant to such direction. Her Majesty may withhold from the amounts due to the Contractor such sums as the Minister determines to be necessary to protect Her Majesty against excess costs for the completion of the Work.
- 9.4 The Contractor will not be entitled to be reimbursed any amount which, taken together with any amounts paid or becoming due to the Contractor under the Contract, exceeds the Contract price applicable to the Work or the particular part thereof.
- 9.5 If after the Minister issues a notice of termination under paragraph GC9.1, it is determined by the Minister that the default of the Contractor is due to causes beyond the control of the Contractor,





such notice of termination will be deemed to have been issued pursuant to paragraph GC8.1 and the rights and obligations of the parties hereto will be governed by section GC8.



**GC10 Conflict of Interest**

- 10.1 The Contractor declares that the Contractor has no pecuniary interest in the business of any third party that would cause a conflict of interest or seem to cause a conflict of interest in carrying out the Work. Should such an interest be acquired during the life of the Contract, the Contractor must declare it immediately to the Departmental Representative.

**GC11 Contractor Status**

- 11.1 This is a contract for the performance of a service and the Contractor is engaged under the Contract as an independent contractor for the sole purpose of providing a service. Neither the Contractor nor any of the Contractor's personnel is engaged by the Contract as an employee, servant or agent of Her Majesty. The Contractor agrees to be solely responsible for any and all payments and/or deductions required to be made including those required for Canada or Quebec Pension Plans, Employment Insurance, Workers' Compensation or Income Tax.

**GC12 Amendments**

- 12.1 No amendment of the Contract nor waiver of any of the terms and provisions will be deemed valid unless effected by a written amendment.

**GC13 Entire Agreement**

- 13.1 The Contract constitutes the entire agreement between the parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements relating to it unless they are incorporated by reference in the Contract.



## **TERMS OF PAYMENT**

### **TP1 Method of Payment**

1.1 Payment by Her Majesty will be made within thirty (30) days following the date on which:

- (a) the services have been provided as per the SOW, section 3.1.1 A, each month; or
- (b) upon completion of all work detailed in a Task Authorization form; or
- (c) an invoice and substantiating documentation are received according to the terms of the Contract;

whichever date is the later.

1.2 If Her Majesty has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, She will notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiation as Her Majesty requires. Failure by Her Majesty to act within fifteen (15) days will only result in the date specified in paragraph TP1.1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

### **TP2 Interest on Overdue Accounts**

2.1 Her Majesty will be liable to pay to the Contractor, simple interest at the Average Rate plus three (3) percent (%) per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest will be payable or paid in respect of payment which is less than fifteen (15) days overdue. No interest will be payable or paid in respect of payment made within such fifteen (15) days unless the Contractor so requests after payment has become due. Interest will not be paid on overdue advance payments.

2.2 For the purpose of this clause:

- (a) "Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association;
- (b) "date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;
- (c) an amount is "due and payable" when it is due and payable by Her Majesty to the Contractor in accordance with the terms of the Contract; and
- (d) an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.

2.3 Her Majesty will not be liable to pay interest in accordance with this clause if Her Majesty is not responsible for the delay in paying the Contractor.

### **TP3 Appropriation**

3.1 It is a term of this Contract that, in accordance with Section 33 of the Financial Administration Act, payment under this Contract is subject to there being an appropriation for the particular



requirement for the fiscal year in which any commitment under this Contract would come in course of payment.

**TP4 Goods and Services Tax (GST) or Harmonized Sales Tax (HST)**

4.1 The Goods and Services Tax (GST) or Harmonized Sales Tax (HST) is excluded from the price herein. GST or HST, to the extent applicable, must be incorporated into all claims for payment and invoices and will be paid by Canada. The Contractor agrees to remit to Canada Revenue Agency any amounts of GST and HST paid or due. This is also applicable to all other relevant taxes, including payable provincial taxes.

**TP5 Basis of Payment**

5.1 See Annex D.

5.2 If Her Majesty exercises an option in accordance with section A3 of the Articles of Agreement, unless otherwise agreed between Her Majesty and the Contractor, it is understood that the services, which may be added by exercise of an option, will be supplied at the price(s) set out in section TP5 on the same terms and conditions granted under the Contract.

**TP6 Financial Limitation**

6.1 The total cost to Her Majesty resulting from all Work performed against the Contract must not exceed the Contract amount unless otherwise authorized in writing by the Departmental Representative. The Contractor must not perform any work or services which would cause the total cost to Her Majesty to exceed the said sum, unless an increase is so authorized. If at any time, the Contractor considers that the said sum may be exceeded, the Contractor must promptly notify the Departmental Representative.

**TP7 Invoice Submission**

7.1 (a) Invoices are to be sent to the Contracting Authority and must be accompanied by the deliverables outlined in the SOW (section 4.0 Deliverables) in a form satisfactory to the Contracting Authority and any other substantiating documentation as required by the terms of the Contract; and

(b) Invoices for as and when requested work must be accompanied by the deliverables outlined in its respective Task Authorization form.

7.2 Invoices must be submitted on the Contractor's own invoice form and must be prepared to show:

(a) the date;

(b) name and address of the Contractor;

(c) name and address of the Departmental Representative;

(d) item/reference number, deliverable and/or description of Work;

(e) Contract / file no.;

(f) the amount invoiced (exclusive of the Goods and Services Tax [GST] or Harmonized Sales Tax [HST] as appropriate) and the amount of GST or HST, as appropriate, shown separately; and

(g) Procurement Business Number (PBN).

7.3 If applicable, the GST, HST, or any other applicable taxes must be specified on all invoices as a separate item. All items that are zero-rated, exempt or to which the GST or HST does not apply, must be identified as such on all invoices.



- 7.4 By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.



## **1.0 STATEMENT OF WORK**

### **1.1 Purpose**

The Department of National Defence (DND) has a requirement for the provision of combined Ship Agency Services (SAS) and Maritime Consultancy Services (MCS) to support its sealift transportation needs. Specifically, the Contractor is responsible for the provision of the complete range of SAS for incoming and outgoing cargo when DND charters vessels, worldwide, on a voyage or time basis. For MCS, the Contractor is responsible for a variety of support services ranging from logistical support to assistance with the development of internal and external communications strategies.

Only the services described below under 3.1.1 A. must be provided on an ongoing basis at the firm price established in the Basis of Payment. All other services will be called-up by DND, as and when required, using the call-up provisions included in the Contract. Each call-up will be subject to a pre-negotiated level of effort and the rates charged to DND will be as stipulated in the Basis of Payment.

### **1.2 Background**

DND has been obtaining combined SAS and MCS since the early 2000's. The Contractor is instrumental in ensuring Canadian Armed Forces (CAF) mission success.

## **2.0 APPLICABLE DOCUMENTS**

Charter Parties prepared under SAS must comply with commercial agreements sanctioned by the Baltic and International Maritime Council.

DND may prescribe compliance with other documents, as and when applicable, when services are called-up, as stipulated above.

## **3.0 REQUIREMENT**

### **3.1 Tasks**

#### **3.1.1 Ship Agency Services**

DND charters commercial vessels, on an as and when required basis, to support its core activities. The Contractor is responsible for executing all the necessary SAS tasks associated with national and international sealift movement of cargo on chartered vessels. Those tasks can be grouped in two (2) distinct categories: A. Readiness Support and B. Ship Agent Duties.

##### **3.1.1 A. Readiness Support**

Securing a commercial ship for support to CAF activities is often time sensitive. The Contractor must ensure a state of readiness is maintained to respond to very short timelines and negotiate various standing agreements to support DND chartering activities. Also, the Contractor must support DND internal processes to facilitate the analysis of options and decisions. The ongoing tasks to be performed by the Contractor to support the state of constant readiness include, but are not limited to:

1. Provide, 24 hours per day, 365 days per year, a coordinator to answer requests for information issued by DND officials. The Contractor must ensure that fully qualified individuals are available to answer the calls and liaise with the necessary subject matter experts to obtain the information required by the Department. The vast majority of calls will be placed during normal working hours (between 08:00 and 17:00, on weekdays). Only on very rare occasions will DND require assistance outside of this timeframe.



The estimated level of effort for this task is associated with the handling of three (3) calls per month or 36 calls per contract year;

2. Secure standing commercial agreements with various entities to ensure the full range of ship chartering support services is available to DND on very short notice. This includes, but is not limited to, maintaining various insurance policies and protocols, securing pre-negotiated agreements for stevedoring and port services providers in Montreal and other national and international locations, as dictated by operational imperatives; &

3. Supervise, execute and/or support trials of cargo movement and/or transport mission concepts to assist DND with options analysis, business case developments and Departmental decision making. It is estimated that the Contractor will need to support, under this task, three (3) activities per contract year.

### **3.1.1 B. Ship Agent Duties**

The Contractor, acting as Ship Agent, is responsible for representing DND in all formalities needed while entering ports, clearing customs, as applicable, berthing, and loading and unloading when DND is chartering a vessel. The Contractor must ensure that services listed below are arranged and executed to ensure mission success, safe operations, full compliance with applicable regulations, and probity in the expenditure of funds. The core Ship Agent services include but are not limited to:

1. Complete range of surveyor preparatory work and surveyor functions at loading and discharge;
2. Loadmaster duties at load and discharge ports;
3. Liaison with all applicable regulatory bodies to ensure, amongst other elements, compliance with Port Authorities regulations, Customs, Security Agencies, Dangerous Goods Authorities, Pilotage Authorities, etc. Ensuring that all necessary permits and licenses are obtained in a timely manner;
4. Negotiating and securing final insurance policies on cargo and charterer's insurance and ensuring that services are performed in compliance with the insurance limitations and conditions;
5. Securing, on a case by case basis, all necessary port services such as stevedoring, supervision of dangerous goods handling, towage, etc;
6. Ensuring compliance and execution of services in accordance with all applicable environmental protection measures applicable onboard chartered vessels and at ports;
7. Channelling and coordinating all communications between chartered vessels and DND; &
8. Support and execution of financial transactions to facilitate, as applicable, freight payment to ship owners, insurance payments, custom fees, terminal charges, wharfage, bonus to crew in accordance with Industry practices, etc.

### **3.1.2 Maritime Consultancy Services**

The MCS outlined herein can complement the core Ship Agency Services described above but can also be used by DND to assist with other projects and initiatives or in the conduct of ongoing business to support commercial sealift and related activities. The MCS are broken down in three (3) categories: A. Contracting Support, B. Logistical Support and C. Maritime Subject Matter Expertise.

#### **3.1.2 A. Contracting Support**



DND enters into Ship Charter Parties using departmental Contracting Authority. That said, the Contractor is responsible for assisting DND at every step of the contracting process. The services to be performed by the Contractor include, but are not limited to:

1. Informing Departmental officials of financial implications, risks, security issues and technical challenges associated with Work to be performed under contracts (the applicable Charter Parties);
2. Assist DND in its contracting activities by reviewing invitation/solicitation documents, drafting evaluation criteria and participating in the evaluation of bids/proposals received, as applicable, amongst other contracting support functions; &
3. Drafting and finalizing the actual Ship Charter Party documents, for DND review and approval, in accordance with the practices and commercial agreements of the Baltic and International Maritime Council. The Contractor is also responsible for integrating, as directed by DND, a number of Government specific terms and conditions within the applicable Charter Party.

### **3.1.2 B. Logistical Support**

Mostly for reasons of operational imperatives, the Contractor may be the only commercial resource available to DND, outside of Canada, to perform logistical support functions in relations to chartered vessels. When tasked by DND, the Contractor will be responsible for the provision of support functions, including, but not limited to:

1. Rental of terminal space;
2. Rental of equipment such as forklifts or cranes, etc;
3. Ground transport; &
4. Storage services.

### **3.1.2 C. Maritime Subject Matter Expertise**

As Subject Matter Expert (SME), the Contractor is responsible for the provision of a wide and varied scope of support services to DND. As SME, the Contractor is responsible for the provision of services including, but not limited to:

1. Attending meetings with, or on behalf of, Government officials with respect to local/provincial/federal/international issues related to the provision of commercial sealift to DND;
2. On very short notice, participate in working sessions with DND/CAF officials, mostly in Montreal, Quebec, but also other locations, to assist, amongst other issues, with the assessment of risks associated with commercial sealift services and options analysis; &
3. Facilitate and/or conduct presentations, coaching and training activities to Government officials.

## **3.2 Technical Requirements**

At the time of Contract award, and for the entire duration of the Contract, the Contractor must be a member in good standing of the following organizations and have the designations, coverages and/or certifications listed below:

1. Shipping Federation of Canada;
2. A membership and coverage in a Protection and Indemnity Insurance Club; &





3. Membership to the Baltic and International Maritime Council.

#### **4.0 DELIVERABLES**

With each monthly invoice, the Contractor must provide a report outlining the frequency and nature of the support provided under 3.1.1 A. (above) to the applicable DND organisations. As and when required, the Contractor must also provide, in this monthly report, relevant information on the necessary standing commercial agreements, including information on rates, renewal, etc. This report must also include detailed information, as applicable, on any trials of cargo movement and/or transport mission concept.

With respect to the services outlined in 3.1.1 B. (Ship Agent Duties) and 3.1.2 (Maritime Consultancy Services), DND will stipulate the deliverable requirements in each call-up issued to the Contractor.



## **BASIS OF PAYMENT**

### **BP1 Basis of Payment**

- 1.1 In consideration of the Contractor satisfactorily completing all of its obligations under the Contract SOW 3.1.1. A., the Contractor will be paid a firm price per month (see pricing table), as applicable, inclusive of all charges, costs, expenses and currency adjustments incurred to perform the contracted requirement. Customs duties are excluded, if applicable, and Goods and Services Tax (GST) or Harmonized Sales Tax (HST) is extra, if applicable.
- 1.2 In consideration of the Contractor satisfactorily completing all of its obligations under the Contract SOW 3.1.1. B., as tasked as per the tasking order procedures outlined at Contract Article A10, the Contractor will be paid in accordance with the pricing provisions contained in the Manual of Port Expenses (valid/current version) published annually by the Shipping Federation of Canada, as applicable, inclusive of all charges, costs, expenses and currency adjustments incurred to perform the contracted requirement. Customs duties are excluded, if applicable, and Goods and Services Tax (GST) or Harmonized Sales Tax (HST) is extra, if applicable. The Contractor will also be reimbursed for other direct expenses, as applicable, reasonably and properly incurred in the performance of the Work. This includes the reimbursement of charges for any services provided by third parties to fulfill the Contractor's obligations, as tasked in accordance with the tasking order procedures. These expenses will be paid at actual cost without mark-up, upon submission of an itemized statement supported by receipt vouchers or any other documents requested by and satisfactory to the Contracting Authority. These expenses may include but are not limited to surveyor duties, loadmaster duties, stevedoring and towage.
- 1.3 In consideration of the Contractor satisfactorily completing all of its obligations under the Contract SOW 3.1.2. A. B. & C., as tasked as per the tasking order procedures outlined at Contract Article A10, the Contractor will be paid firm hourly rates (see pricing table), as applicable, inclusive of all charges, costs, expenses and currency adjustments incurred to perform the contracted requirement. Customs duties are excluded, if applicable, and Goods and Services Tax (GST) or Harmonized Sales Tax (HST) is extra, if applicable. The Contractor will also be reimbursed for other direct expenses, as applicable, reasonably and properly incurred in the performance of the Work. This includes the reimbursement of charges for any services provided by third parties to fulfill the Contractor's obligations, as tasked in accordance with the tasking order procedures. These expenses will be paid at actual cost without mark-up, upon submission of an itemized statement supported by receipt vouchers or any other documents requested by and satisfactory to the Contracting Authority. These expenses may include but are not limited to the rental of terminal space and equipment, ground transportation and storage.

### **BP2 Travel and Living**

- 2.1 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 \(http://www.njc-cnm.gc.ca/directive/travel-voyage/index-eng.php\)](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".
- 2.2 All travel must have the prior authorization of the Contracting Authority.
- 2.3 All payments are subject to government audit.



**BP3 Pricing Table**

Contract Period:			A) Contract Year 1		B) Contract Year 2		C) Contract Year 3	
Price Item	Unit	Qty	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)
<b>Ship Agency Services (as per SOW, section 3.1.1)</b>								
Readiness Support	Monthly	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ship Agent Duties - reimbursement as per Shipping Federation of Canada Manual:				TBD at Contract award		TBD at Contract award		TBD at Contract award
Other Direct Expenses (estimated cost):				TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Maritime Consultancy Services (as per SOW, section 3.1.2)</b>								
Senior	Hourly	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Junior	Hourly	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Direct Expenses (estimated cost):				TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Travel &amp; Living (as per Basis of Payment, section BP2)</b>								
Travel & Living expenses				TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Contract Year Totals:</b>				\$ -		\$ -		\$ -
<b>Total (Contract Years) (A+B+C):</b>						\$	-	
<b>GST/HST (if applicable):</b>						\$	-	
<b>Contract Amount (CAD):</b>						\$	-	



Option Period:												
			D) Option Year 1		E) Option Year 2		F) Option Year 3		G) Option Year 4		H) Option Year 5	
Price Item	Unit	Qty	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)	Firm Unit Price (CAD)	Extended Price (CAD)
<b>Ship Agency Services (as per SOW, section 3.1.1)</b>												
Readiness Support	Monthly	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ship Agent Duties - reimbursement as per Shipping Federation of Canada Manual:</b>				TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Other Direct Expenses (estimated cost):</b>				TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Maritime Consultancy Services (as per SOW, section 3.1.2)</b>												
Senior	Hourly	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Junior	Hourly	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Direct Expenses (estimated cost):</b>				TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Travel &amp; Living (as per Basis of Payment, section BP2)</b>												
<b>Travel &amp; Living expenses</b>				TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award		TBD at Contract award
<b>Option Year Totals:</b>												