

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving - PWGSC / Réception des soumissions
- TPSGC
11 Laurier St. / 11, rue Laurier
Place du Portage , Phase III
Core 0B2 / Noyau 0B2
Gatineau
Québec
K1A 0S5
Bid Fax: (819) 997-9776

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

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

Issuing Office - Bureau de distribution
Ship Construction, Refit and Related
Services/Construction navale, Radoubs et services
connexes
11 Laurier St. / 11, rue Laurier
6C2, Place du Portage
Gatineau
Québec
K1A 0S5

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|---|---|
| Title - Sujet SAR Lifeboat Project | |
| Solicitation No. - N° de l'invitation F7047-141000/C | Amendment No. - N° modif. 011 |
| Client Reference No. - N° de référence du client F7047-141000 | Date 2015-01-08 |
| GETS Reference No. - N° de référence de SEAG PW-\$\$MC-017-24806 | |
| File No. - N° de dossier 017mc.F7047-141000 | CCC No./N° CCC - FMS No./N° VME |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-02-26 | Time Zone Fuseau horaire Eastern Standard Time EST |
| F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/> | |
| Address Enquiries to: - Adresser toutes questions à: Lamothe, Brenda | Buyer Id - Id de l'acheteur 017mc |
| Telephone No. - N° de téléphone (819) 956-6297 () | FAX No. - N° de FAX (819) 956-7725 |
| Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: | |

Instructions: See Herein

Instructions: Voir aux présentes

| | |
|--|--|
| Delivery Required - Livraison exigée | 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 |

Amendment #11 is raised to post Questions and Answers.

Questions and Answers

Annex G

Q.1 The RFP indicates that a bidders' meeting could take place. When would this decision be made and when would the meeting be announced?

2.7 BIDDERS' CONFERENCE

A bidders' conference could be organized, in which case clause SACCA9083T (2014-06-26) Bidders' Conference would apply.

A.1 If by Friday December 5th, sufficient bidders have demonstrated their interest to the CA by email, a bidder's conference will take place on December 16th in Ottawa.

Q.2. The English RFP document is larger (818 pages) than the French (737 pages); is the French version complete?

A.2 Yes. Both the English and French documents are complete. The formatting in the French Construction Specification is different from the English hence the total number of pages.

Q.3. We just went through the RFP document and noted that Lloyds Register (LR) classification notation with no equivalencies stated in the documents. Furthermore the design documents, plans and drawing have all been approved by LR, (refer page 76 annex A section 1.4 and page 239 and 240).

We are somewhat puzzled that other companies did not receive notification for approval through Marine Safety Supply Arrangement Agreement; being one of the approved Recognized Organization (RO) members. The entire documents have references to LR rules ref. page 141, 162 & 163 etc. This is not a level playing field for other ROs to participant in shipyards bids for SAR lifeboats. We are quite disappointed to observe that CCG always make references to LR rules and no other classification societies which puts us at disadvantage. Your comments or views are greatly appreciated.

A.3. In accordance with the RFP the SAR Lifeboats shall be built under the Delegated Statutory Inspection Program (DSIP) and in accordance with the rules of a Classification Society designated by Transport Canada as a Recognized Organization (RO). Bidders are free to use any RO that they would like as long as fulfilling the above requirement. The design of the SAR Lifeboat was

conducted utilizing Lloyd's Register Rules as the baseline rule set for the initial design work and LR was the RO selected to review and appraise the design IAW these rules. However, IAW the Construction Specification (CS), bidders are free to use any RO rules set for the final design of the SAR as long as the selected RO meets the DSIP requirements in the RFP. This is indicated in the CS in 1.70.2.0-8The Vessel must meet all applicable Lloyds Register Classification Society Rules or equivalent rules of IACS members recognized by Transport Canada.

Q.4. As a qualified Canadian sub-contractor in this domain it seems very strange that we can neither get the program specification drawings nor the contact info of the potential primes to then get it from them. There are potentially 10 shipyards in Canada who will now be inundated with potential subcontractors trying to get the information that should be available under NDA. If there was at least an industry day scheduled that would help us identify the primes.

A.4. With reference to the memory / USB sticks they are to be distributed to the Prime bidders / Shipyards who will be building these SAR Lifeboats due to the Intellectual Property rights and to limit the number of these memory / USB sticks. Canada does promote that your company contacts any of the Canadian shipyards.

Please see question and answer #1 about the Industry Day / Bidders Conference.

With regards to your question on the identification of the potential shipyards, our new Buy and Sell website does not allow this due to Privacy Policies but does allow for open data on the Buy and Sell Website.

Q.5. Due in part to the holiday season approaching, and most notably, the complexity of this solicitation and requested deliverables, may we also request an extension to the bid closing date until end of February?

A.5. Your question is noted and at this time the bid closing date remains unchanged. The bid closing date is January 27th, 2015.

Q.6. Last March responses were made to the Letter of Interest for these vessels with a number of suggestions. Suggestions were not addressed or adopted in the RFP so we will now pose the major ones as questions to this solicitation.

Time of order:

When does Canada expect an order to be placed for these vessels?

A.6. All contract awards are subject to Canada's internal approval process which includes a requirement to approve funding in the amount of any proposed

contract and is subject to Canada securing appropriate licensing terms for the design. Subject to the above, the commencement of work for this requirement will be determined once the winning bidder has been selected and awarded the contract.

Q.7. Response to RFP:

Last March we suggested a minimum 3 months for a response to this RFP. Request an extension be granted to at least the end of March 2015 in consideration of the complexity and magnitude of the project and the loss of the month of December because of year end business requirements and the Christmas season.

A.7. Your question is noted and an extension to the bid closing is under consideration.

Q.8. Design Responsibility:

Canada is providing a detailed design for the vessels. We do not understand why the builder is being asked to provide a performance guarantee ref 6.2 (a).

A.8. As this is not a proven design and Canada has yet to build these SAR Lifeboats, the winning contractor must perform the Design Check in accordance with the Contract.

Q.9. Design Check:

If the builder is required to provide a performance guarantee, then the Design Check must be very detailed and thorough. Request that a minimum 90 days be allotted for this.

A.9. Your question is noted and at this time, the 45 days allotted to complete the Design Check remains unchanged.

Q.10. Vessel deliveries:

The required delivery schedule posted in the solicitation is unrealistic, especially considering that 'time is of the essence'. Suggest that Canada require bidders to submit their best proposed delivery schedule.

A.10. Your question is noted, however the delivery schedule remains unchanged.

Q.11. Cost escalations and exchange rates:

Please advise how bidders are to handle cost escalations and currency exchanges over the life of the project.

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- A.11. These factors should be taken into account by the bidder when preparing their submission.
- Q.12. Request that Canada advise who the project Technical Authority will be.
- A.12. The Technical Authority is not divulged until Contract Award. All questions are to be addressed to the Contracting Authority on the file.
- Q.13. It would be very helpful and reassuring to bidders to be provided a unequivocal list of mandatory's that must be complied with rather than the RFP making the statement that all mandatory's are defined by the terms "shall, will, must, etc. It has been very typical in the past that bidders have been considered "non-responsive" if they miss even a single mandatory item defined this way and needless to say bidding this type of project is extremely expensive to the industry.
May we please request such a definitive list?
- A.13. As per the RFP, Part 3 in order for a bid to be declared responsive, a bid must:
a) comply with all the requirements of the bid solicitation; b) meet all the Mandatory Criteria (MC) and the Mandatory Technical Criteria (MTC); c) obtain the required minimum of 40 percent for each individual Rated Technical Criterion (RTC); and d) obtain the required minimum pass of 80 out of 200 points overall for the Rated Technical Criteria (RTC).
- Q.14. RFP section 5.3, 5.4 and 5.5. Can you please re-confirm that these specific documents can be provided after contract award, and NOT at bid submission time?
- A.14. Part 5 sections 5.3, 5.4 and 5.5 are certifications that should be submitted with the bid, however they are not mandatory requirements at bid submission. They are mandatory precedent to Contract Award.
- Q.15. Milestone schedule – "B" ; a) May bidders provide an alternative schedule as the schedule "B" in this RFP is NOT conducive to our production methods and cash flow requirements. Eg: Milestone 11 representing a 15% payment "after vessel delivery (including spares and training) and Canada's acceptance". This is considered totally unreasonable.
b) May bidders provide a "2% Warranty Bond" in lieu of the 2% cash warranty holdback for 12 months ?
- A.15. a) Canada has reviewed Schedule "B" Milestone Payment Schedule and has determined that it remains unchanged.
b) At Milestone 13 the deliverable is a Completion of 12 month warranty period and it remains at 2% payment of the unit price.

Q.16. Further to a review of the bid documents, I would like to know whether it would be possible to extend the bid submission deadline to the end of February?

A.16. Please see Question and Answer #7, your question is noted and an extension to the bid closing is under consideration.

Q.17. Paragraph 24.0 (TRADE QUALIFICATIONS AND WELDING) of the solicitation document reads as follows: *"The Contractor shall use qualified, certificated and competent trades people and supervision to ensure a uniform high level of workmanship. The Inspection Authority may request to review and record details of the certification and/or qualifications held by the Contractor's tradespeople."*

Quebec shipyards do not employ "trades people" at their sites, but rather workers, supervisors and inspectors who have training in welding and fitting and who hold a Canadian Welding Bureau (CWB) welding competency card, which is regularly renewed, as specified in paragraph 38.0 of the Invitation to Tender document.

I would appreciate it if you could confirm the validity of paragraph 24.0.

A.17. The RFP document at Part 7 Section 24 has been amended to read:
The Contractor must use qualified, certified (where 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.

Q.18. RFP section 13 , ANNEX "A" , Spec 2.6.2.6 & 2.6.2.6.7. and ANNEX "A" - APPENDIX A-2 ; regarding French documents , manuals , labels etc . May we request the Crown consider that bidders provide French translated documents and manuals "where available" , and include an allowance "established by the Crown" for all other translation work, documents , labels etc . The rationale is that it is impossible for bidders to know what this costing will involve and vendors will not commit either . This has been a recurring problem on every RFP for all of the 38 years I've been involved in Government bidding .

A.18. All deliverables are required in both official languages where indicated. Concerning Technical Manuals, Canada draws attention to the following statement in Annex A, Appendix A-2, DID I-001 (Technical Manuals):

“Technical manuals are required both in English and French. Where required copies of English or French are not readily available commercially, unilingual versions in either of Canada’s official languages will then be accepted provided that the Contractor provides written evidence from the supplier that the prescribed manuals are not commercially available in the other official language.”

Q.19. There’s a paragraph that states: “Object Number: 2.2.33.1.0-3 - The diesel engines must be compliant with IMO exhaust emission levels required at the time of keel laying. To be discussed with Canada.” Can you ask the Crown to clarify specifically what they are requiring? If all of the keels are laid prior to Jan 1 2016, IMO II would still be in effect, which is a simpler and less expensive option to supply and integrate. Also, what is meant by: “To be discussed with Canada”?

A.19. Object Number 2.2.33.1.0-3 of Annex A- Search and Rescue Lifeboat: Appendix A-3 Construction Specification is modified to read as follows:

“Each diesel engine must meet or exceed the Tier II requirements for exhaust emission limits required by MARPOL, Annex VI, Regulations for the Prevention of Air Pollution from Ships.”

The sentence “To be discussed with Canada” has therefore been removed.

Q.20. We wish to raise this additional concern regarding section 4.4.1 of Annex “A”. In the past Federal solicitations have stated that the builder must maintain a quality system that “models” the ISO 9001 system, which we have accommodated. This section of Annex ‘A’ states that our QA system must now be “CERTIFIED” to the current version of the ISO 9001:2000. This “certification” now adds another layer of overhead cost to the bidders without adding any value or assurance to the build quality, and could take a considerable length of time to obtain. The Governments own inspection process ensures that the successful proponents system is maintained through routine auditing of its functionality during the contract period. May we request that the requirement for “Certification” be deleted?

A.20. Section 4.1 of Annex A- Search and Rescue Lifeboat: Shipbuilding Statement of Work is amended to read as follows:

The Contractor must implement and maintain a Quality Management System (QMS), consistent with the current version of the ISO 9001:2000 standard. The Contractor need not be certified to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard. The Contractor must use reasonable commercial

efforts to ensure that all other Subcontractors and Suppliers comply with appropriate quality management requirements.

- Q.21. We would like to have more detail about the IMO Tier certification. Knowing that the construction of the lifeboat will most likely start in 2016 or later, the IMO Tier3 should be the certification but there is no detail or evidence that IMO Tier3 engines are required in the RFP. We also have to consider that some emergency vessels can be excluded from the IMO certification.

What is the requirement concerning the certification level for the SAR lifeboat diesel engines? IMO Tier2 or Tier3?

- A.21. Please see Question and Answer #19.

- Q.22. May I please request reconsideration and response to question and answer # 15 of amendment 004 , schedule "B" milestone payment schedule.?

With all due respect, we find the response answer to this question very unreasonable and inflexible, to the extent that we are considering dropping out of the competition on the basis of this alone . As the milestone schedule stands it is flawed and posses unnecessary hardship on a shipyard. In addition , it drives up cost to the Crown due to financing requirements .

Additional rationale is as follows:

a) We provided an alternative milestone schedule which deleted two milestones (4 and 9) as they overlap the requirements of milestone block 1(a to d). This however meant moving funds up into block 1 where they should be, and as needed. There is a lot more upfront costs in this project, than funds have been allotted for in block 1.

b) In addition to the aforementioned hardship of payment # 11 at 15% the Crown maintains it wishes to hold back an additional 2% for the one year warranty period. Then there is 3% for as-fitted drawings which also can't be completed and provided until after delivery. Therefore at delivery on the first vessel (and possibly subsequent vessel's), the Crown will be holding back 20% of each vessel's value with the added impact that the shipyard will not receive payment for an additional 30 days minimum post approved invoicing. This will be an exponential problem when vessels are being delivered every 4 months (7 to 10 vessels in a 4.5 year program).

In summary, the shipyard will be struggling in a cash negative position.

As a last comment, it was our understanding that this build program was to be slotted for smaller shipyard businesses outside of the NSPS, however we're finding many of the requirements of this solicitation scaled for "Big Business".

- A.22. Please see attached the amended Schedule B "Milestone Payment Schedule".

At Milestone #4 it is requested by Canada for "All Contract Design Drawings and Purchases orders submitted to Canada" as this must be verified by Canada and is a deliverable under the Contract.

At Milestone #9 "Test and Trials procedures and agenda submitted to Canada" is also verified by Canada and is a deliverable under the Contract.

At Milestone 13 "Completion of 12 month warranty period" is a required deliverable under the Contract and remains unchanged.

Q.23. Question 23 is raised to correct the French translation answer at Q. and A. #17.

A.23. Answer 23 remains unchanged for the English Q. and A.#17 and is only raised to correct the French translation Q. and A. #17.

Q.24. Could the main hull drawings be provided in AutoCAD?

A.24. Yes, the following drawings can be provided in AutoCAD format :

SAR10010R3 Lines Plan
 SAR21000R4 Midship Section
 SAR21010R4 Structural Arrangement
 SAR21030R2 Shell Expansion
 SAR21050R4 Structural Sections
 SAR22010R5 Deckhouse Structure
 SAR30000R4 General Arrangement
 SAR30002R2 Inboard Profile
 SAR50000R3 Machinery Arrangement

Q.25. Could the table of offsets be provided for the hull or the hull plate flat layouts be provided?

A.25. The table of offsets will not be provided. As detailed on drawing SAR10010R3 Lines Plan: "3D GEOMETRY FILE IS AVAILABLE IN LIEU OF A TABLE OF OFFSETS. This model is not required for the purposes of bid preparation and will be provided to the successful bidder at time of contract award.

Q.26. We continue to find the answers to questions 15 and 22 very unsatisfactory. May we please request once again if the Crown will accept bids with an alternate milestone payment schedule and that the crown base their evaluation point system on the proposed alternate schedule from a bidder?

A.26. Schedule B - Milestone Payment Schedule has been amended and was attached to solicitation amendment #7. Bidders must bid to the same criteria set out in the evaluation for this solicitation.

Q.27. With regard to question # 11, previous RFP solicitations by the Crown had provisions for rate of exchange fluctuation. At present our dollar is roughly 85 cents to the US dollar primarily due to the reduction in the price of oil . As the Crown can appreciate, oil is a very volatile commodity and in all likelihood it will rebound. Once this happens US materials quoted at the conversation rate today could become unwieldy more expensive if and when this rebound takes place. Would it not be reasonable for the Crown to re-instate a provision for rate of exchange fluctuation to help small yards defray this risk?

A.27. This item is currently under review.

Q.28. Part 7 section 11 states that the production schedule shall be provided within 15 days of contract award and yet MTC1.2 states this schedule (which I understand to be the same one) is to be provided with the bid submission. Can this requirement please be clarified?

A.28. In accordance with MTC1.2 Project Schedule and Delivery Dates - Preliminary Project Schedule - The Bidder must provide a preliminary project schedule for the subject RFP, indicating the sequence and the completion dates of project milestones, deliverables, and project tasks based on a Contract Award as "day 0." The project schedule must indicate dates for the main events, including all milestones listed in the milestone schedule, attached as Schedule B.

Bidders must submit the required mandatory information in this solicitation with their proposal to be compliant.

At Part 7 section 11 PRODUCTION SCHEDULE , 11.1 Within fifteen (15) working days of Contract Award, the Contractor shall submit to Canada a preliminary Production Schedule including critical path items.

a 11.2 The Contractor is responsible for planning and scheduling the Work required herein. The Production Schedule shall be maintained and updated on continuing basis and shall be presented to the Contracting Authority, seven (7) calendar days prior to each Progress Review Meeting.

This Production Schedule is required fifteen (15) working days from Contract Award date. This Production Schedule will have concrete dates set out and aligning with the Contract Award date.

Q.29. DADM-008 requires that the contractor to document the minutes of the meetings yet PWGSC always performed this task in the past as it was in their best

interest. Can you please clarify if this to remain, that the contractor now performs this duty, or not?

A.29. Yes, the contractor shall record the minutes of all meetings. Please see Part 7 Section 30.0 Progress Review and Technical Meetings.

Q.30. Also can the designers please advise if there is any compound curvature in the hull plating and if so where it is?

A.30. It is the bidder's responsibility to assess the technical package and to identify areas of compound curvature. There is sufficient information within the technical package to do so. However, it can be confirmed that areas of compound curvature include, but are not necessarily limited to, hull plating in the following locations: along the hull below the main spray rail, in particular in the forefoot, and in the propeller 'tunnel'. In addition, there is compound curvature in the main deck due to camber and sheer.

Q.31. Reference Annex "A" section 4.7.1 . Can you please advise if the Coast Guard would be receptive to other integrated systems (other than those listed) offered as "optional"?

A.31. In addition to the propulsion system, only the systems/suites listed at section 4.7.1 are required to have single integrators. There is no provision or requirement for "optional" systems/suites per se in the specifications. If, in the bidder's question, the terms "optional" and "other" are meant to mean "additional" systems/suites, CCG would be receptive, although the choice to offer such additional systems/suites is at the shipyard's discretion. The associated equipment selection must be compatible with all requirements and specifications.

Q.32. RFP Part 7 – 4(4.1) . Can you please clarify/confirm the delivery for all vessels is in fact the CCG base in Dartmouth N.S.?

A.32. The delivery point for all vessels is CCG Base Dartmouth (Bedford Institute of Oceanography), N.S.

Q.33. RFP section 17.4 (C) and (D). Can you please advise how a dispute regarding NCR's raised by IA is dealt with?

A.33. In accordance with Part 7 section 17.4 (c) and (d) when a non-conformance report is issued by the Inspection Authority it is because the Contractor is not in accordance with the Work in the Contract. The contractor must implement a resolution and it must be approved by Inspection Authority prior to commencement of the resolution and must be copied to the Contracting Authority. All work must be completed in accordance with the Contract, please also see the

General Terms and Conditions 2030 12 (2014-09-25) Inspection and Acceptance of the Work.

Q.34. Annex "D" consists of 11 lines. Can you please advise (specify) to what extent and limit bidders are required to provide information?

A.34. At Annex "D" Equipment, Material and Services Source List & Subcontractor's List, if the bidder needs more lines added, please do so.

Q.35. Schedule "A" The first 7 vessels has a line item cost for contract financial security however the optional (3) vessels does not. Is contract financial security therefore not required on these last (3) vessels?

A.35. Yes, the Cost of Contract Financial Security is based on the seven (7) vessels in accordance with Schedule "A".

Q.36. Schedule "A" "ADDITIONAL WORK" The request for additional work requests a cost for all labour, engineering and supervision however engineering costs are significantly different to labour and supervision . May we suggest it be prudent for a separate line item for engineering alone?

A.36. At Schedule "A" and Part 7 section 25.0 Payment, this rate shall be a blended rate for all classes of labour, engineering and foreperson and shall include all overheads, supervision and profit.

Q.37. Annex "A" 2.9 requires the work to be carried out using the metric system however structural aluminum plate and sections are still only available in imperial dimension. Can you please confirm that the nearest imperial equivalents to metric sizing would be acceptable?

A.37. As the structural design drawing indicate imperial plate and sections, it is acceptable to use imperial dimensions for these items.

Q.38. Annex "A" 2.11.2.1 requests from the contractor, a performance guarantee upon completion of the design check that the vessel's when built will perform fully in accordance with the contract including the specification . Can you please advise and confirm if successful tank testing has been carried out on this new vessel design, and if the results are available ?

If this has not been performed we contend that it would be unreasonable to expect a builder to guarantee performance on a unique and unproven hullform as this, and in that case we would suggest this guarantee requirement be waived. Please advise?

A.38. There was no tank testing programme conducted for the design however the designer [Robert Allan Limited] conducted an extensive CFD assessment during

the design phase. The results of these simulations are contained in document 212-045, *CFD Analysis of SAR Lifeboat R1*. As detailed in this document this CFD assessment was validated "*by CFD simulations for the Severn (RNLI) hull and comparison of the results to the extensive set of model tests data available, both in the bare and appended configurations*".

For the Design Check, the successful bidder is being asked to review and accept the engineering developed by Robert Allan Ltd and provide a guarantee that the equipment the bidder has proposed for integration in the design and the construction engineering for the production of the vessel will enable the vessel to meet the estimated performance criteria.

Q.39. Marine Liability Insurance – G5003C 2014 -06-26

1. – This section refers to a limit of liability continued in the Marine Liability Act 2001. I have reviewed that document and cannot find a reference to any limit of insurance. Can you please ask what limit they would like you to carry>
- In addition to this they are asking for an Excess Collision liability policy. Can you please ask why they are asking for this to be a limit in excess of the P&I limit.

A.39. Based on the Market Standard and with the terms negotiated with the Industry there is no set limit.

Q. 40. Errors and Omissions Liability Insurance G2002C 200-05-12

Please ensure that the owner will accept a certificate of insurance from your Naval Architect adding Hike and the owner as additional insured's.

A.40. Please follow the instructions in accordance with Annex F Errors and Omissions Liability Insurance G2002C

Q.41. 36.0 Limitation of Contractors Liability for Damages to Canada

This section refers to your limit of liability being \$10,000,000 per occurrence and \$20,000,000 in the aggregate. Please clarify if they are also requiring your limits of insurance to be \$10.0M / \$20.0M.

A.41. Part 7 section 36.0 Limitation of Contractors Liability for Damages to Canada is for Liability not for Insurance, please follow the section in accordance with the Solicitation.

Q.42. Annex A,

Electrical 2.4.24.2; 'The electronic and Acoustic Navigation Systems must follow the Construction Specification Design Drawing 90000 Integrated Communications and Navigation System Schematic.'

In the Confidentiality Agreement it specifically permits access to subcontractors but does not refer to suppliers. Can bidders sign sub NDI agreements with suppliers to acquire needed information on system specific segments of the RFP Specification?

There are many sections in the Specification where the Specification detail is not adequate for suppliers to provide complete information.

A.42. The Confidentiality Agreement provides that the Bidder must not, without first obtaining the written permission of the Contracting Authority, disclose to anyone, other than an employee or a proposed subcontractor with a need to know, the Confidential Information. In accordance with Canada's SACC Manual 2030 General Conditions - Higher Complexity – Goods (2014-09-25) section 06 Subcontracts, Canada considers that a subcontract includes the purchase of "off-the-shelf" items and any standard articles and materials that are ordinarily produced by manufacturers in the normal course of business. Disclosure of any Confidential Information to any proposed subcontractor must be in accordance with the Confidentiality Agreement.

Q.43. Amendment 009, Schedule B, Milestones; We agree with comments raised in Q15 and Q 22 regarding a warranty holdback of 2% for 12 months as excessive. This type holdback is not used by other G-7 countries including the US. This type of holdback penalizes the CAD Marine industry by preventing small businesses from re-investment to improve efficiencies in our businesses. This is counter-productive to CAD industrial efficiency. There have been many articles of late noting that US industrial efficiencies are much higher than Canadian industry. This does not help. We agree that service is a very important part of any contract.

The Performance Bond fully covers Canada during the full warranty period and a claims period for a year after that. Performance bonds cover the entire length of the Contract including warranty and provide a full year after that for the customer to file any claims from within the warranty period.

Will Canada consider reviewing the Bidder's submitted good service record with verification provided by its customers and recognize the Performance bond ensures no risk to Canada during the full warranty period?

We ask Canada to return the 2% holdback back to the rightful owner of this money, the Contractor who has earned and worked hard for it. This a fair and reasonable request.

A.43. Canada has reviewed and noted your request. Please be advised that Milestone 13 "Completion of 12 month warranty period" remains unchanged.

Solicitation No. - N° de l'invitation

F7047-141000/C

Amd. No. - N° de la modif.

011

Buyer ID - Id de l'acheteur

017mc

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

F7047-141000

File No. - N° du dossier

017mcF7047-141000

CCC No./N° CCC - FMS No/ N° VME