

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

Title - Sujet SAR Lifeboat Project	
Solicitation No. - N° de l'invitation F7047-141000/C	Amendment No. - N° modif. 012
Client Reference No. - N° de référence du client F7047-141000	Date 2015-01-09
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	
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

Solicitation amendment #12 is raised to incorporate the following changes to the Request for Proposal from Amendment #8 and Notice Amendment #2.

At amendment #8 and Notice amendment #2 was to provide advanced notification of a pending amendment to the Request for Proposal for the Search and Rescue Lifeboat solicitation #F7047-141000/C.

The changes will serve to: 1. Increase the number of vessels to be acquired and 2. Establish the intent to award two contracts and 3. Establish the intent to recommend for contract award as follows:

1. The responsive bid with the highest combined rating of technical merit and price will be recommended for award of the first contract
2. The responsive bid, from an eligible bidder, with the next highest combined rating of technical merit and price will be recommended for award of the second contract.

The following are the changes to the Request For Proposal:

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2.7 Bidders Conference

2.8 Exchange Rate Fluctuation Risk Mitigation

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.2 BASIS OF SELECTION

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5.8 Eligibility

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4.0 DELIVERY AND ACCEPTANCE

25.0 PAYMENT

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F7047-141000/C

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F7047-141000

Amd. No. - N° de la modif.

012

File No. - N° du dossier

017mcF7047-141000

Buyer ID - Id de l'acheteur

017mc

CCC No./N° CCC - FMS No/ N° VME

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PART 1 - GENERAL INFORMATION

1.1 INTRODUCTION

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. Notwithstanding that a Bidder may have been recommended for contract award, issuance of any contract will be contingent upon internal approval in accordance with Canada's policies, including approval by Treasury Board in its absolute discretion. Canada makes no representation that any such approval will be sought or given. If such approval is not sought or given, no contract will be awarded. The Bidder will have no claim for damages, compensation, loss of profit, or allowance arising out of the preparation of its bid, the requirement for Canada to secure the license or the internal approval process conducted by Canada.

The bid solicitation and resulting Contract document is divided into seven parts plus Schedules and Annexes as follows:

- Part 1 General Information: provides a general description of the requirement;
- Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation and states that the Bidder agrees to be bound by the instructions, clauses and conditions contained in all parts of the bid solicitation;
- Part 3 Bid Preparation Instructions: provides Bidders with instructions on how to prepare their bid;
- Part 4 Evaluation Procedures and Basis of Selection: indicates how the evaluation will be conducted, the evaluation criteria that must be addressed in the bid, if applicable, and the basis of selection;
- Part 5 Certifications: includes specific requirements that must be addressed by Bidders;
- 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 Schedules and Annexes as listed in the Table of Contents.

1.2 REQUIREMENT OVERVIEW

1.2.1 The Canadian Coast Guard (CCG) has a requirement to procure as a base requirement twelve (12) Search and Rescue (SAR) Lifeboats. Canada intends to award two contracts, each for a base requirement to build six (6) SAR Lifeboats. In addition to this base requirement, there is a provision for bid options, whereby Canada may procure up to an additional three (3) SAR Lifeboats per contract, which would be included in the total build quantity on or before Contract Award. Bid options determined on or before contract award will be divided evenly between the two respective contracts. Whether or not to procure any additional vessels will be at Canada's sole discretion.

Canada intends to recommend for contract award as follows:

- A) The responsive bid with the highest combined rating of technical merit and price will be recommended for award of the first contract; and
- B) The responsive bid, from an eligible bidder, with the next highest combined rating of technical merit and price will be recommended for award of the second contract. Eligibility will be determined in accordance with sections 1.2.4 and 4.2.

Canada will determine on or before Contract Award, the number of vessels, up to a maximum of nine (9) per contract to be purchased and will include that number in the Contract at the price bid by the successful Bidders under this Request for Proposal (RFP). This requirement shall be subject to specific criteria described within the specifications and herein. The requirement includes all associated Work and services described herein including the Statement of Work attached at Annex "A" and all approved unscheduled Work not described above, and includes the following four (4) phases: Design Check Phase, Initial Design Phase, Production Design Phase, and Construction Design Phase.

The design attached in Annex A Statement of Work The Search and Rescue Lifeboats will be in accordance with the Canadian Shipbuilding, Repair, Refit and Modernization Policy,
<https://buyandsell.gc.ca/policy-and-guidelines/supply-manual/section/3/170>

If the bidders wish to submit a bid, the bidder must request a Memory Stick preloaded with the "SAR Lifeboat Design Drawing Package" from the Contracting Authority listed on the front of this RFP through e-mail. In order to prepare a bid in response to the bid solicitation, the bidder must have access to the information on the Memory Stick. The information on the Memory Stick is confidential or proprietary to Canada or a third party. It is a condition of the bid solicitation that bidders sign a Confidentiality Agreement in the form set out in Annex I before being granted access to such information at a facility identified in the bid solicitation or before it is provided to them as part of the bid solicitation. The Memory Stick must be returned at bid closing.

1.2.2 Optional SAR Lifeboat(s) After Contract Award

The option(s) may or may not be exercised at the sole discretion of Canada. The option(s) may only be exercised by the Contracting Authority.

(4) In addition to the SAR Lifeboats which Canada includes in the Contract, Canada shall have the irrevocable option(s) to purchase up to a maximum of four additional SAR Lifeboat, as a Contract Option, under the same terms and conditions specified in the Contract, and at prices to be negotiated as set out below. The option(s) may be exercised at any time and from time to time up to and including the date of Final Acceptance of the last SAR Lifeboat identified in 1.2.1 above, and may only be exercised by the Contracting Authority.

The parties will negotiate the price for these additional vessels in accordance with Contract Cost Principles 1031-2 (2012-07-16) and at actual costs for labor and material plus reasonable mark-ups and profit in accordance with the PWGSC Profit Policy, *which shall in no event be greater than the mark-ups and profits for the SAR Lifeboat* described in 1.2.1 above.

The Bidders/Contractors will fully disclose to the Contracting Authority upon request therefore, its costs in that respect for such additional vessels, and a breakdown of its costs, mark-ups and profits related to the SAR Lifeboat described in 1.2.1. The Bidder/Contractor's obligation to construct and deliver such additional SAR Lifeboat is subject to a written Contract Amendment signed by the parties.

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

1.2.4. Eligibility

The bidder individually, or as part of a joint venture or partnership, will be eligible to be the successful bidder for only one of the two intended contracts. If the successful bidder for one of the intended contracts is a joint venture or partnership, then the joint venture, the partnership, the joint venture members and the partners and all their subsidiaries and affiliates and any bidder that includes any of these entities are ineligible to be the successful bidder for the other intended contract. "Subsidiary" and "affiliate" shall have the meanings provided in the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended.

1.3 DELIVERY AND PROVISIONAL ACCEPTANCE SCHEDULE

1.3.1 Search and Rescue Lifeboats

The successful Bidders (Contractors) shall deliver the Search and Rescue Lifeboats upright, stable, seaworthy, afloat alongside and ready for Acceptance by Canada at the delivery points named in this RFP, having achieved Provisional Acceptance at the Contractor's shipyard prior thereto. Provisional Acceptance means complete in all respects ready for shipping with all respective tests and trials and demonstrations and certifications successfully completed to the satisfaction of Canada and in accordance with the Contract. The Contractors shall deliver for Acceptance by Canada (Provisional Acceptance having been achieved prior thereto) in accordance with this proposal at Schedule A (Bidder is to complete the dates in Part 7 item 4.0 however some deliveries can be made in batches.)

- a) Design Check Phase shall be completed no later than 45 calendar days after Contract Award.
- b) Initial Design Phase shall be completed no later than 180 calendar days after Contract Award.
- c) Production Design Phase shall be completed prior to delivery and acceptance of the first (1st) SAR Lifeboat.
- d) Delivery and Acceptance of the first SAR Lifeboat shall be no later than 16 months after completion of the Initial Design Phase.
- e) Delivery and Acceptance of the second SAR Lifeboat shall be no later than six (6) months after delivery and acceptance of the first SAR Lifeboat.
- f) Delivery and Acceptance of the third SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the second SAR Lifeboat.
- g) Delivery and Acceptance of fourth SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the third SAR Lifeboat.

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- h) Delivery and Acceptance of the fifth SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the fourth SAR Lifeboat.
- i) Delivery and Acceptance of the sixth SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the fifth SAR Lifeboat.
- j) Delivery and Acceptance of seventh SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of sixth SAR Lifeboat.
- k) Delivery and Acceptance of eighth SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the seventh SAR Lifeboat.
- l) Delivery and Acceptance of the ninth SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the eighth SAR Lifeboat.

The preceding delivery and acceptance schedule will be adjusted to reflect the actual number of SAR Lifeboats purchased at time of Contract Award.

1.4 SECURITY REQUIREMENT

There is no security requirement associated with this requirement.

1.5 AGREEMENTS AND POLICIES

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

1.6 Government Supplied Material-See Annex K

1.7 Communications Notification

As a courtesy, the Government of Canada requests that successful bidders notify the Contracting Authority in advance of their intention to make public an announcement related to the award of a contract.

1.8 Debriefings

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

1.9 Federal Contractors Program (FCP) for Employment Equity

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."

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 Standard Instructions - Goods or Services 2003 - Competitive Requirements (2014-09-25) are incorporated by reference into and form part of the bid solicitation.

Subsection 5.4 of 2003, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: sixty (60) days

Insert: one hundred and eighty (180) days

2.2 SACC Manual Clauses:

Equivalent Products B3000T 2006-06-16

2.3 SUBMISSION OF BIDS

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

Bids will NOT be opened publicly.

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

2.4 ENQUIRIES - BID SOLICITATION

All enquiries must be submitted in writing to the Contracting Authority no later than ten (10) calendar days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the Section and 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 potential Bidder do so, so that the proprietary nature of the question is eliminated, and the response can be provided to all Bidders. Enquiries not submitted in a form that can be distributed to all Bidders may not be answered by Canada.

2.5 APPLICABLE LAWS

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

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

2.6 BASIS FOR CANADA'S OWNERSHIP OF INTELLECTUAL PROPERTY

The Canadian Coast Guard and The Department of Fisheries and Oceans has determined that any intellectual property rights arising from the performance of the Work under the resulting contract will belong to Canada, on the following grounds:

Policy on Title to Intellectual Property Arising Under Crown Procurement Contracts:

Treasury Board Policy Section 6 Exceptions to Contractor Ownership sub-section:

6.5 where the Foreground consists of material subject to copyright, with the exception of computer software and all documentation pertaining to that software.

2.7 Bidders Conference

A bidders conference may be held, whereby the following SACC Clause will apply: A9083T (2014-06-26) Bidders Conference

2.8 Exchange Rate Fluctuation Risk Mitigation C3010T (2014-11-27)

1. The Bidder may request Canada to assume the risks and benefits of exchange rate fluctuations. If the Bidder claims for an exchange rate adjustment, this request must be clearly indicated in the bid at time of bidding. The Bidder must submit form PWGSC-TPSGC 450 , Claim for Exchange Rate Adjustments with its bid, indicating the Foreign Currency Component (FCC) in Canadian dollars for each line item for which an exchange rate adjustment is required.

2. The FCC is defined as the portion of the price or rate that will be directly affected by exchange rate fluctuations. The FCC should include all related taxes, duties and other costs paid by the Bidder and which are to be included in the adjustment amount.

3. The total price paid by Canada on each invoice will be adjusted at the time of payment, based on the FCC and the exchange rate fluctuation provision in the contract. The exchange rate adjustment will only be applied where the exchange rate fluctuation is greater than 2% (increase or decrease).

4. At time of bidding, the Bidder must complete columns (1) to (4) on form PWGSC-TPSGC 450 , for each line item where they want to invoke the exchange rate fluctuation provision. Where bids are evaluated in Canadian dollars, the dollar values provided in column (3) should also be in Canadian dollars, so that the adjustment amount is in the same currency as the payment.

5. Alternate rates or calculations proposed by the Bidder will not be accepted for the purposes of this exchange rate fluctuation provision.

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: RFP Response and Certifications (3 hard copies)

Section II: Technical Bid (3 hard copies)

Section III: Financial Bid (1 hard copy)

Prices must appear in the financial bid only. Pricing shall not be indicated in any other section of the bid.

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

It is the sole responsibility of Bidders to provide sufficient information for Canada to adequately assess its proposal.

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

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

If an evaluation item expressly provides that it, or any element of it, may be met by a subcontractor to the Bidder, then the Bidder shall provide documented evidence of such compliance by its subcontractor. In that event, the Bidder shall also provide evidence that it has a binding commitment with that subcontractor under which the subcontractor will perform services under subcontract with the Bidder under any contract issued pursuant to this RFP and that such services are of the same type as specified in the relevant evaluation item.

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) ; and
- 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)

Bids not meeting (a) or (b) or (c) or (d) will be declared non responsive. Non-responsive compliant proposals will be given no further consideration.

For the purposes of this evaluation the term similar size and complexity* will be defined as follows:

Similar size: defined as a minimum 15m in length and a minimum 30 tonne displacement

Similar complexity: defined as in terms of

- Propulsion arrangement
- Power density
- Structural Arrangement
- Bridge arrangement
- Installed equipment (navigation, communication equipment, controls, deck handling
- Gear)

3.1.1 SECTION I - RFP RESPONSE AND CERTIFICATIONS - MANDATORY CRITERIA (MC)

At bid closing, the Bidder must comply with the following mandatory criteria and provide the necessary documentation to support compliance.

MC1 Company Information

The Bidder must include in its bid, the following Company Information:

- a) The full legal name of the Bidder or the Joint Venture information;
- b) Signature of Proposal by Bidder;
 - i. Canada requires that each Proposal be signed by the Bidder or by an authorized representative of the Bidder. Bidders' proposals must be properly signed when submitted at bid closing;
 - ii. Bidders can sign their Proposals by signing the front page of this solicitation, or by submitting a Proposal letter with their proposal;
- c) Contractor Point of Contact;
- d) The Bidder must provide a letter, issued by an approved surety or financial institution on its letterhead as per 6.4 Security for Performance.

MC2 Equipment, Material, and Services Source List and Subcontractors List

Bidders must provide their proposed Equipment, Material, Services Source List and Subcontractors List in the format provided at Annex "D". The Bidders proposed

Equipment, Material, and Services Source List and Subcontractors List shall form part of the Contract that may result from this RFP. No changes shall be made to these lists unless specifically approved by Canada in which case the Design Change procedure will apply.

In accordance with 2030 General Conditions - Higher Complexity - Goods (2014-09-25), Article 05, "Conduct of the Work": Bidders are reminded that their submission of proposed "Equipment, Material, Services Source and Subcontractors List" shall not relieve the Contractor of the obligation to supply equipment which shall fully conform to the Contract.

MC3 Certifications

Bidders must submit the certifications required under **PART 5 - Certifications** of this Request for Proposal precedent to Contract Award.

3.1.2 SECTION II - TECHNICAL BID

Mandatory Technical (MTC) Criteria

At bid closing, the Bidder must comply with the following mandatory technical criteria and provide the necessary documentation to support compliance.

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

MTC1 Project Management

MTC1.1 Project Management Experience and Capability *(This requirement is also subject to the RT1 point-rated criteria)*

The Bidder must demonstrate its capability and experience in Project Management for the construction of a vessel of *similar size and complexity* to the subject RFP. At a minimum, the Bidder must submit a Project Management Plan used for a previous project completed within the last 10 years, for the construction of a vessel of *similar size*

and complexity to the subject RFP or a draft Project Management Plan for the subject RFP.

MTC1.2 Project Schedule and Delivery Dates

Preliminary Project Schedule - The Bidder must provide a preliminary project schedule for the subject RFP, indicating thesequence 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.

MTC2 Design Check, Initial Design and Production Design Capability and Experience (*This requirement is also subject to the RT2 point-rated criteria*)

The Bidder must provide objective evidence that it has a proven capability and experience in the conduct of design checks, initial design and production design for boats of similiar *size and complexity* to the subject RFP. The Bidder must provide a detailed list of projects, for boats of similar *size and complexity to the subject RFP*, that it has completed in the last ten (10) years where the Bidder conducted or managed Design Checks, Initial Design and Production Design.

The Bidder shall provide objective evidence in the form of a statement, signed by an authorized representative, that it has either: a) In-house design check, initial design and production design capabilities and experience for boats similar in size and complexity to the SAR Lifeboats; or

b) a written commitment for the duration of the Contract from a supplier(s) to provide design checks, initial design and production design services, where the supplier has In-house design check, initial design and production design capabilities and experience for boats similar in size and complexity to the SAR Lifeboat.

MTC3 Boat Construction Capability and Experience (*This requirement is also subject to the RT3 point-rated criteria*)

The Bidder must provide objective evidence that it has a proven capability in the construction of boats of similiar *size and complexity* to the subject RFP. If the Bidder is a Joint Venture, the requirement for Boat Construction Capability and Experience must be met by the member of the Joint Venture who will construct the SAR Lifeboats and any optional Search and Rescue Lifeboat (s).

The Bidder must demonstrate their Construction Capability and Experience by:

- a) Providing a detailed list of construction projects for boats of similiar size and complexity for the subject RFP, that it has completed in the last ten (10) years.

-
- b) Providing a description of its facility's current or intended capability, supported by photographs, drawings and manuals as required, to meet the requirements of the subject RFP;
 - c) Providing evidence in the form of a description of the suitability of its intended facility and/or resources with respect to performing a self-righting test, and
 - d) Providing evidence in the form of a description of the suitability of its intended facility and/or resources with respect to conduct of aluminum welding.

MTC4 Integrated Logistics Support Capability or Experience *(This requirement is also subject to the RT4 point-rated criteria)*

The Bidder must provide objective evidence that it has a proven capability or experience in the conduct of integrated logistics support (ILS) for a boat of *similar size and complexity* to the subject RFP. The Bidder must provide objective evidence in the form of a statement, signed by an authorized representative that it has either:

- a) In-house ILS capabilities and/or experience for boat construction and/or support projects of similar size and complexity for the subject RFP; or
- b) A written commitment for the duration of the Contract from a supplier to provide for the Bidder ILS services, where the supplier has experience and capabilities for ILS on similar boat construction projects.

MTC5 Classification Society Identification

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). They are to remain in class at least one year after certification.

The Bidder must identify the Classification Society it intends to utilize during the vessel construction. The Classification Society must be a Recognized Organization (RO) under Transport Canada Marine Safety (TCMS) Delegated Inspection Program (DSIP)

MTC6 Proposed Personnel – Project Management Organization

The Bidder must submit its proposed Project Management Organization. The Project Management Organization must consist of, at minimum, the following roles:

- a) **One (1) Project Manager:** The Project Manager (PM) must have a minimum of 60 months experience in a project management role in the last 120 months for marine projects.

-
- b) One (1) Engineering Manager:** The Engineering Manager (EM) must be a Professional Engineer registered to practice in the province where the engineering office is located. The Engineering Manager must possess a minimum of 120 months of demonstrated professional marine work experience in engineering within the last 180 months.
- c) One (1) Lead Marine Engineer:** The Lead Marine Engineer must have a minimum of 60 months experience in a lead marine engineering role within the last 120 months for ship construction projects.
- d) One (1) Lead Naval Architect:** The Lead Naval Architect must have a minimum of 60 months experience as a lead naval architect within the last 120 months in ship construction projects.
- e) One (1) Integrated Logistics Support Manager:** The Integrated Logistics Support Manager must have a minimum of 60 months experience in an Integrated Logistics Support role within the last 120 months for ship construction projects.

For each role in the Project Management Organization above, the Bidder must provide detailed resumes that include detailed information to clearly indicate that the proposed individual possesses the required experience. An individual may be proposed for more than one (1) Project Management Organization role and will be evaluated based on experience in each category separately.

For each resume submitted, the Bidder must ensure that:

- the applicable Project Management Organization Role and the individual's name are clearly indicated;
- the starting and finishing date of the experience are clearly indicated;
- the name of the employer/institution as well as the position/title held by the individual during the period of the experience are clearly indicated;
- name of the organization / project the service was provided for (if outside of the employer / institution) are clearly indicated; and
- a brief summary description of the experience(s) and project(s) including activities performed and the responsibilities assigned to the individual during this period

Listing experience without providing any supporting data to describe where and how such experience was obtained will result in the experience not being included for evaluation purposes.

Bidders should calculate the number of months and insert the total number of months in brackets; example: January 2004 to March 2004 (3 months).

Bidders are advised that the month(s) of experience listed for a project whose time frame overlaps that of another referenced project will only be counted once. For example: Project 1 time frame is July 2001 to December 2001; Project 2 time frame is October 2001 to January 2002; the total months of experience for these two project references is seven (7) months.

Rated Technical (RTC) Criteria

Total Points Available = 200 points, minimum pass = 80 points

Bids meeting all Mandatory Technical Evaluation Criteria will be evaluated against the Rated Technical Evaluation Criteria.

Bidders must submit with their proposal all necessary information such that the evaluation team can make clear a determination as to the Bidder's understanding of the requirement and capability to perform the work.

The following grid will be used to form the basis for the evaluation of the rated requirements:

Description of Level	Rating Level
Outstanding - meets the established maximum	Outstanding response <ul style="list-style-type: none"> • All elements present • All elements well described • Substantial details provided lead to a complete and thorough understanding of the elements
Very good - substantially exceeds the established minimum	Very good response <ul style="list-style-type: none"> • All elements present • All elements well described • Substantial details provided lead to a very good understanding of the elements
Good - slightly exceeds the established minimum	Good response <ul style="list-style-type: none"> • All elements present • All elements well described • Details provided lead to a good understanding of the elements
Acceptable - meets the established minimum	Acceptable response <ul style="list-style-type: none"> • All elements present • All elements described

	•Details provided lead to a minimum understanding of the elements
Not acceptable - criterion addressed, but not enough information provided	Limited response <ul style="list-style-type: none">• Some elements present•Not all elements are described
Limited or not provided	Information required was not provided

RTC1 Project Management Capability and Experience

(Maximum = 50 points, minimum pass = 20 points)

The Bidder should demonstrate its capability in Project Management for a project of *similar size and complexity* to the subject RFP. The Bidder should submit either:

- A Project Management Plan used for a previous project completed within the last 10 years for boats of similar size and complexity to the subject RFP, that covers at minimum, the areas listed below; or
- A draft Project Management Plan for the subject RFP in accordance with DID M-001 covering, at minimum, the areas listed below:

The Bidder's Project Management Plan or Draft Project Management Plan should include, at minimum, the following areas:

- High Level Project Schedule showing key milestones and dates for the SAR Lifeboat;
- Overview of the Contractor's organization involved in the Work including the roles and responsibilities of key positions;
- Human Resources Management Plan;
- Risk Management;
- Quality Management; and
- Technical Data Management

RTC2 Design Check, Initial Design and Production Design Capability and Experience (Maximum = 50 points, minimum pass = 20 points)

The Bidder should provide objective evidence that it has a proven capability and experience in the conduct of design checks, initial design and production design for boats of *similar size and complexity* to the subject RFP. The Bidder should provide objective evidence in the form of a statement, signed by an authorized representative that it has either:

- In-house design check, initial design and production design capabilities and experience on boats similar in size and complexity for the subject RFP; or

- b) A written commitment for the duration of the Contract from a supplier(s) to provide design checks, initial design and production design services, where the supplier has experience and capabilities on boat construction projects similar in size and complexity for the subject RFP.

The Bidder should demonstrate their experience in conducting Design Checks, Initial Design and Production Design by:

- a) Providing a design check, initial design and production design package for one project of similar size and complexity for the subject RFP completed in the last 10 years; **or**
- b) Providing a draft plan for conducting a Design Check, Initial Design and Production Package in accordance with the SOW for the SAR lifeboat; **or**
- c) Providing a combination of the a) or b) should the past example not contain sufficient detail.

The Design Check, Initial Design and Production Package or Draft Design Check, Initial Design and Production Package should include, at a minimum, the following details:

- a) Design schedule (with major milestones)
- b) Tools the Bidder plans to use to progress design
- c) WBS describing the major tasks (scope of each activity)
- d) Engagement of Regulatory Bodies (Class Review)
- e) List of major deliverables
- f) Assumptions and dependencies

RTC3 Boat Construction Capability and Experience

(Maximum = 100 points, minimum pass = 40 points)

RTC3.1 Construction Experience

(Maximum = 50 points, minimum pass = 20 points)

The Bidder should provide objective evidence that it has a proven capability in the construction of boats of similar *size and complexity* to the subject RFP. If the Bidder is a Joint Venture, the requirement for Boat Construction Capability and Experience must be met by the member of the Joint Venture who will construct the Search and Rescue Lifeboats and any optional Search and Rescue Lifeboat(s).

The Bidder should demonstrate their construction experience by describing up to three previous construction projects for boats of similar *size and complexity* to the subject RFP that it has built within the last ten (10) years.

The Bidder should provide details including:

1) Construction date: Construction start date and commissioning date

2) Size: similar size is defined as minimum 15m in length and minimum 30 tonne displacement

3) Complexity: defined in terms of:

- Propulsion arrangement
- Power density
- Structural Arrangement and Material Bridge arrangement
- Installed equipment (navigation, communication equipment, controls, deck handling gear)

For the purposes of this evaluation, construction projects where more than one boat was built under the same project will only be counted as a single project. For example, a project to construct five 15m boats counts as one construction project, not five.

RTC3.2 Construction Infrastructure (*Maximum = 50 points, minimum pass = 20 points*)

The Bidder should provide objective evidence that it has the necessary construction infrastructure and the necessary tools, jigs, and services to build, test, launch, outfit, and deliver the SAR Lifeboats complete and ready for service.

The Bidder should demonstrate its construction infrastructure by providing a description of its facilities, including pictures, as required. The Bidder should include the following in its proposal:

- Infrastructure for Material management: procurement, warehousing, acceptance testing
- Infrastructure for Vessel handling: rotating jigs and fixtures, boat moving, carnage, launching
- Infrastructure for Pre-fabrication and outfit
- Infrastructure for aluminum welding
- Infrastructure for applying coatings

3.1.3 SECTION III - FINANCIAL BID

The Bidders must submit their firm prices, and firm rates by completing all sections of Schedule "A", Cost. The Financial bid must include a price for every line item in Schedule "A" Cost. All prices must be in Canadian dollars, Canadian customs duty and excise tax included, (Delivered Duty Paid INCO Terms 2010) to Canada to delivery points identified in the RFP, taxes extra as applicable.

The Financial bid must not be attached to or contained within the Technical Proposal and prices must not appear in any other area of the proposal except the Financial bid.

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 the RFP response and certifications, Technical Bid and Financial Bid evaluation criteria specified herein and in accordance with the Bid Evaluation Plan attached to this Solicitation as Annex "E".

The evaluation will include all mandatory and pointed rated criteria identified in Annex "E", Bid Evaluation Plan.

The various phases of the evaluation of the proposals may be completed concurrently to ensure completion of the evaluation in a timely fashion.

Except as specifically provided otherwise in this Solicitation, Canada will evaluate a Bidder's Proposal on the documentation provided as part of that

Proposal. References in a Proposal to additional information not submitted with the Proposal, such as:

- (a) website addresses where additional information can be found; or
- (b) technical manuals or brochures not submitted with the proposal; or
- (c) existing standing offers, supply arrangements or contracts with the Government of Canada will not be considered.

An evaluation team comprised of representatives of Canada will evaluate the bids. A Fairness Monitor has been engaged to oversee the process.

SECTION I - RFP RESPONSE AND CERTIFICATIONS - MANDATORY CRITERIA (MC)

In order to be compliant, the Bidder's proposal must, to the satisfaction of Canada, meet all requirements and provide all information required under Part 3, SECTION I - MANDATORY CRITERIA.

SECTION II - TECHNICAL BID

In order to be compliant, the Bidder's proposal must, to the satisfaction of Canada, meet all Mandatory Technical Requirements (MTC) and the established minimums for the Rated Technical Criteria as defined in Annex E, "Bid Evaluation".

SECTION III - FINANCIAL BID

In order to be compliant, the Bidder's proposal must, to the satisfaction of Canada, meet all requirements and provide all information required under Part 3, SECTION III - FINANCIAL BID and Schedule "A" – Cost.

The price of the bid will be evaluated in Canadian dollars, Applicable Taxes excluded, FOB destination, Canadian customs duties and excise taxes included.

4.2 BASIS OF SELECTION

To be declared responsive, a bid must:

- a) comply with all the requirements of the bid solicitation; and
- b) meet all the Mandatory Criteria (MC) and the Mandatory Technical Criteria (MTC) evaluation criteria; and

c) obtain the required minimum of 40 percent of the points 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). The rating is performed on a scale of 200 points.

Bids not meeting "(a) or (b) or (c) or (d)" will be declared non-responsive.

The selection will be based on the highest responsive combined rating of technical merit and price. The ratio will be 40 % for the technical merit and 60% for the price.

To establish the technical merit score, the overall technical score for each responsive bid will be determined as follows: total number of points obtained / maximum number of points available multiplied by the ratio of 40%.

To establish the pricing score, each responsive bid will be prorated against the lowest evaluated price and the ratio of 60%.

For each responsive bid, the technical merit score and the pricing score will be added to determine its combined rating.

Neither the responsive bid obtaining the highest technical score nor the one with the lowest evaluated price will necessarily be accepted.

A bidder, individually, or as part of a joint venture or partnership, will be eligible to be the successful bidder for only one of the two intended contracts. If the successful bidder for one of the intended contracts is a joint venture or partnership, then the joint venture, the partnership, the joint venture members and the partners and all of their subsidiaries and affiliates and any bidder that includes any of these entities are ineligible to be the successful bidder for the other intended contract. "Subsidiary" and "affiliate" shall have the meanings provided in the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended.

Bids will be recommended for contract award as follows:

1. The responsive bid with the highest combined rating of technical merit and price will be recommended for award of the first contract
2. The responsive bid, from an eligible bidder, with the next highest combined rating of technical merit and price will be recommended for award of the second contract.

EXAMPLE ONLY:

The table below illustrates **an example** where all three bids are responsive and the selection of the contractor is determined by a 40/60 ratio of technical merit and price, respectively. The total available points equals 200 and the lowest evaluated price is \$45,000 (45).

Basis of Selection - Highest Combined Rating Technical Merit (40%) and Price (60%)

	Bidder 1	Bidder 2	Bidder 3
Overall Technical Score	115/200	89/200	92/200
Bid Evaluated Price	\$55,000.00	\$50,000.00	\$45,000.00
Calculations			
Technical Merit Score	115/200 x 40 = 23.00	89/200 x 40 = 17.80	92/200 x 40 = 18.40
Pricing Score	45/55 x 60 = 49.09	45/50 x 60 = 54.00	45/45 x 60 = 60.00
Combined Rating	72.09	71.80	78.40
Overall Rating	2nd	3rd	1st

4.2.2 The calculation of the total bid price for the purposes of evaluation is shown in Schedule "A", Cost.

4.2.3 Bidders should note that all Contract Awards are subject to Canada's internal approvals process, which includes a requirement to approve funding in the amount of any proposed Contract. Notwithstanding that the two Bidders may have been recommended for award of Contract, issuance of any Contract will be contingent upon internal approval in accordance with Canada's policies. If such approval is not given, no Contracts will be awarded.

PART 5 - CERTIFICATIONS

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

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

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

MANDATORY CERTIFICATIONS REQUIRED PRECEDENT TO Contract Award

5.1 Code of Conduct 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.

5.2 FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY

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

Canada will have the right to declare a bid non-responsive if the Bidder, or any member of the Bidder if the Bidder is a Joint Venture, appears on the "[FCP Limited Eligibility to Bid](#)" list at the time of Contract Award.

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

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

Additional Certifications Precedent to Contract Award

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

5.3. WELDING:

The Bidders should provide evidence of certification for the current year for their shipyard with their bids and agree to maintain certification, until completion of the project, by the Canadian Welding Bureau (CWB) to CSA Standard W47.2: "Certification of Companies for Fusion Welding Aluminium".

The Bidder must provide the following applicable information:

- (a) Proof of certification to CSA Standard W47.2 for the current year; and
- (b) Proof of CWB currently approved welding procedure specifications and supporting welding data sheets to construct the boats to project welding requirements; and
- (c) Proof that employed or sub-contracted inspection personnel are currently certified to CSA Standard W178.2; and
- (d) Proof of employed welders currently certified to CSA Standard W47.2; and
- (e) Proof of employed welding supervisors currently certified to CSA Standard W47.2; or

- (f) Proof of capability to obtain as and when required personnel currently certified / approved to the standards identified in (c) and (d) and (e) above.

The Bidder agrees to maintain currently certified personnel or confirm capability to obtain currently certified personnel for all of the above for the duration of the Contract.

(Name of Bidder)

Per _____
Signature & Title

5.4 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 agrees to provide with the bid, a certificate or letter from the applicable Workers' Compensation Board confirming that the Bidder's account is in good standing. Failure to comply with the request may result in the bid being declared non-responsive.

(Name of Bidder)

Per _____
Signature & Title

5.5 Compliance with Mandatory Requirements

In addition to demonstrating compliance with the mandatories as required in the Annex E Bid Evaluation Plan, each Bidder shall signify its compliance with all of the mandatory requirements of this Solicitation in the following way:

The Bidder shall sign the following statement:

_____(company or Joint Venture) represents and warrants that it complies without deviation with all of the mandatory requirements of the Solicitation. Furthermore, it represents and warrants that it has accepted, without deviation, all other terms and

Solicitation No. - N° de l'invitation
F7047-141000/C

Amd. No. - N° de la modif.

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

conditions and processes of the Solicitation except as explicitly permitted in the Solicitation.

(Name of Bidder)

Per _____ Signature & Title

5.6 Labour Agreement

Where the Bidder has a labour agreement, or other suitable instrument, in place with its unionized labour, it must be valid for the proposed period of any resulting contract. Documentary evidence of the agreement or suitable instrument must be provided on or before bid closing date.

Where the Bidder has a labour agreement, or other suitable instrument, in place with its unionized labour, and where such labour agreement or instrument is scheduled to expire during the period of the Contract, the Bidder represents that negotiations and good faith bargaining have commenced at least six (6) months in advance of the labour agreement expiry. The Bidder further represents and warrants that it will take all appropriate actions to ensure a continuous valid labour agreement, with all its workers, for the duration of the Contract.

The Bidder hereby provides the following documentation as part of its bid:

- a) List of all labour unions at Bidder's facilities; and list the number of labour agreements in force with these unions and provide copies of all labour agreements in force; or
- b) Statement that there are no labour unions at the bidder's facility.

(Name of Bidder)

Per _____
Signature & Title

5.7 Transport Canada Delegated Statutory Inspection Program (DSIP)

The SAR Lifeboats shall be built under Transport Canada Delegated Statutory Inspection Program (DSIP) and in accordance with the rules of a Classification Society

designated by Transport Canada as a Recognized Organization (RO). The SAR Lifeboats are to remain in class at last one year after certification. The Bidder must indicate the name of the Classification Society (RO) that it will use for the build of the SAR Lifeboats.

_____ Name of Classification Society (RO)

5.8 Eligibility

The Bidder agrees that:

A) The Bidder, individually, or as part of a joint venture or partnership, will be eligible to be the successful bidder for only one of the two intended contracts; and

B) If the successful bidder for one of the intended contracts is a joint venture or partnership, then the joint venture, the partnership, the joint venture members and the partners and all their subsidiaries and affiliates and any bidder that includes any of these entities are ineligible to be the successful bidder for the other intended contract. "Subsidiary" and "affiliate" shall have the meanings provided in the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended.

_____ (Name of Bidder)

Per _____ Signature & Title

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

6.1 SECURITY REQUIREMENT

This document and resulting Contract are unclassified and no classified information is anticipated to be involved in this requirement.

6.2 FINANCIAL CAPABILITY

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

- (a) Audited financial statements, if available, or the unaudited financial statements (prepared by the Bidder's outside accounting firm, if available, or prepared in-house if no external statements have been prepared) for the Bidder's last three fiscal years, or for the years that the Bidder has been in business if this is less than three years (including, as a minimum, the Balance Sheet, the Statement of Retained Earnings, the Income Statement and any notes to the statements).
- (b) If the date of the financial statements in (a) above is more than five months before the date of the request for information by the Contracting Authority, the Bidder must also provide, unless this is prohibited by legislation for public companies, the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement), as of two months before the date on which the Contracting Authority requests this information.

- (c) If the Bidder has not been in business for at least one full fiscal year, the following must be provided:
- (i) the opening Balance Sheet on commencement of business (in the case of a corporation, the date of incorporation); and
 - (ii) the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement) as of two months before the date on which the Contracting Authority requests this information.
- (d) A certification from the Chief Financial Officer or an authorized signing officer of the Bidder that the financial information provided is complete and accurate.
- (e) A confirmation letter from all of the financial institution(s) that have provided short-term financing to the Bidder outlining the total of lines of credit granted to the Bidder and the amount of credit that remains available and not drawn upon as of one month prior to the date on which the Contracting Authority requests this information.
- (f) A detailed monthly Cash Flow Statement covering all the Bidder's activities (including the requirement) for the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures on a monthly basis, for all the Bidder's activities. All assumptions made should be explained as well as details of how cash shortfalls will be financed.
- (g) A detailed monthly Project Cash Flow Statement covering the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures, for the requirement, on a monthly basis. All assumptions made should be explained as well as details of how cash shortfalls will be financed.

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

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

- a) the Bidder identifies to the Contracting Authority in writing the specific information that is on file and the requirement for which this information was provided; and
- b) the Bidder authorizes the use of the information for this requirement.

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

5. Other Information: Canada reserves the right to request from the Bidder any other information that Canada requires to conduct a complete financial capability assessment of the Bidder.
6. Confidentiality: If the Bidder provides the information required above to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as permitted by the Access to Information Act, R.S., 1985, c. A-1, Section 20(1) (b) and (c).
7. Security: In determining the Bidder's financial capability to fulfill this requirement, Canada may consider any security the Bidder is capable of providing, at the Bidder's sole expense (for example, an irrevocable letter of credit from a registered financial institution drawn in favour of Canada, a performance guarantee from a third party or some other form of security, as determined by Canada).

6.3 INSURANCE REQUIREMENTS

If the information is not provided in the bid, the Bidder must provide within five (5) working days of a request therefor from the Contracting Authority, 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 and will be insured in accordance with the Insurance Requirements specified in Annex "F".

Canada requires a firm commitment with respect to the insurance such as "We hereby confirm that we, (name of insurance company) will provide all necessary insurance requirements for our client, (name of Bidder) as requested in **Annex A, SAR Lifeboats**, Statement of Work and in Annex "F" Insurance Requirements in the event that (name of Bidder) is awarded the Contract." An authorized representative of the company must sign the letter and indicate their position in the company.

Failure to comply will render the bid non-responsive.

6.4 Security for Performance

6.4.1 The Bidder shall provide evidence with its Proposal that it can provide Contract Financial Security as outlined in Annex "M" Part 1. Such evidence must take the form of a letter to be obtained at the sole expense of the Bidder, issued by an approved surety or financial institution on its letterhead to the Minister of Public Works and Government Services and signed by an authorized representative, confirming unequivocally that, upon the Contract being awarded to the Bidder, the surety or financial institution will, upon request, provide the Bidder with a form of Contract Financial Security as outlined above, and setting out, at a minimum, the amount of any such security, the cost of such security, and the time period during which it is to be extended. Failure to provide this evidence by the Bidder will result in disqualification of its Proposal. The cost to the Bidder of the Contract Financial Security is to be indicated in Schedule "A" Contract Line Item Pricing. No mark-up or other fees are permitted to be added to the cost of the Contract Financial Security.

6.4.2 If this bid is accepted, the Bidder shall be required to provide Contract Financial Security within fourteen (14) calendar days of Contract Award as outlined in Annex "M" Part 1, Contract Financial Security and in accordance with Article Part 7, Article 22.

6.4.3 If, for any reason, Canada does not receive, within the specified period,

the required Contract Financial Security described above, Canada may terminate the Contract for default pursuant to the Contract default provision.

6.4.4 Canada may, in its sole discretion, prior to or after Contract award and before the Bidder has delivered the Contract Financial Security under the Contract, waive the requirement under paragraph 6.4.2 to provide Contract Financial Security, in which event the price will be reduced by the amount of the cost to the Bidder of the Contract Financial Security as specified in Schedule "A" Line Item Pricing, and the Bidder shall provide to Canada, in lieu of the Contract Financial Security and within such time frame as Canada may specify in writing, a duly executed Guarantee, in the form provided at Annex "M" Part 2, from a corporate entity whose financial covenant is acceptable to Canada, in its sole discretion. Such Guarantee must be provided at no cost to Canada. Nothing in this paragraph shall be considered a waiver of the Bidder's obligation to comply with the requirements of paragraph 6.4.1.

If the Bidder wishes Canada to consider waiving the requirement to provide Contract Financial Security, the Bidder should provide evidence, with its bid, that it can provide the Guarantee described in Annex "M" Part 2 by including with its Proposal a letter signed by the proposed Guarantor agreeing to provide the Guarantee on the terms set out in Annex "M" Part 2. Within fifteen (15) working days of a request therefor by the Contracting Authority, a bidder shall also provide to the Contracting Authority any financial information related to the proposed Guarantor that the Contracting Authority may request, including, without limitation, any of the financial information described in 6.2.1 (a) to (e) in respect of the proposed Guarantor.

PART 7 - RESULTING CONTRACT CLAUSES

1.0 REQUIREMENT

- 1.1 The Contractor must perform the Work in accordance with this Contract and in particular the Statement of Work, at Annex "A" and the Government Supplied Material at Annex "K" and the Contractor's proposal dated _____. The Work includes the Design Check Phase, Initial Design Phase, Production Design Phase, Construction Design Phase, outfit, tests, trials, demonstration, certification, and delivery of _____ Search and Rescue Lifeboats (SAR Lifeboat) plus authorized additional work and all other Work specified herein.

The SAR Lifeboats will be produced in accordance with the Canadian Shipbuilding, Repair, Refit and Modernization Policy.

The SAR Lifeboats shall be delivered to Canada, upright, stable, seaworthy, afloat alongside Canada's wharf at Fisheries and Oceans / Canadian Coast Guard Base Dartmouth and in accordance with Article 4.0 of the Contract.

- 1.2 Option for Additional Search and Rescue Lifeboat(s):

In addition to the SAR Lifeboats which Canada includes in the Contract, the Contractor grants to Canada the irrevocable option(s) to purchase up to a maximum of four (4) additional SAR Lifeboat, under the same terms and conditions specified in the Contract, and at prices to be negotiated as set out below. The option may be exercised at any time and from time to time up to and including the date of Final Acceptance of the ___th SAR Lifeboat identified in 1.1 above, and may only be exercised by the Contracting Authority.

The parties will negotiate the price for these additional vessels in accordance with Contract Cost Principles 1031-2 (2012-07-16) and at actual cost for labour and material plus reasonable mark-ups and profit in accordance with the PWGSC Profit Policy, which shall in no event be greater than the mark-ups and profits for the SAR Lifeboat described in 1.1 above.

The Contractor will fully disclose to the Contracting Authority upon request therefore, its costs in that respect for such additional vessels, and a breakdown of its costs, mark-ups and profits related to the SAR Lifeboat described in Annex A. The Contractor's obligation to construct and deliver such additional SAR Lifeboat is subject to a Contract Amendment approved and signed by the parties. The option(s) may or may not be exercised at the sole discretion of Canada.

1.3 Or Equivalent (Or Equal) Material or Equipment

Trade names or specific manufacturers identified herein and followed by "or equivalent" or "or equal" are intended to describe the desired qualities and construction of the articles or materials but not to exclude any makes not so named. The Contractor may propose the substitution of articles, materials or equipment similar in design, quality and construction to that specified and suitable for the duty required. When proposing such substitutions for acceptance by Canada, the Contractor shall submit data substantiating the claim for equality to the Contracting Authority for review and acceptance by Canada. In order for the proposed item to be acceptable it must be of the same 'form, fit and function', and fully meet the performance requirements established herein and be suitable for marine service.

Where a Trade name or specific manufacturer is identified and is not followed by the terms "or equivalent" or "or equal", then the specific articles, materials or equipment which are identified are standard to the Canadian Coast Guard and shall be the equipment to be used.

2.0 STANDARD CLAUSES AND CONDITIONS

2.1 Standard Acquisition Clauses and Conditions

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

2.2 General Conditions

1. 2030 General Conditions - Higher Complexity - Goods (2014-09-25) apply to and form part of the Contract.

2.3 Supplemental General Conditions

1. 1028 - Ship Construction Firm Price (2010-08-16) apply to and form part of the Contract.

Section 12 "Warranty" is amended as follows:

Paragraph 3 is deleted and the following is substituted therefor:

3. The warranty period for each SAR Lifeboat is twelve (12) months from the date of its delivery to and acceptance by Canada. However, the warranty period for each hull is ten (10) years from the date each SAR Lifeboat is delivered to and accepted by Canada.

Paragraph 11 is inserted as follows:

All claims by Canada pursuant to this section will be made in accordance with the Warranty Claim Procedure attached as Annex "C" to the Contract.

2. 1031-2 - Contract Cost Principles (2012-07-16) apply to and form part of the Contract.
3. 4007 - Canada to Own Intellectual Property Rights in Foreground Information (2010-08-16) apply to and form part of the Contract.

3.0 AUTHORITIES

3.1 Contracting Authority

The Contracting Authority is:

Department of Public Works and Government Services Canada
Acquisitions Branch, Marine System Directorate
Marine Sector, Ship Construction
11 Laurier Street, Phase III, PDP, 6C2
Gatineau, PQ K1A 0S5
Attention: Brenda Lamothe

Telephone: (819) 956-6297
Email: brenda.lamothe@pwgsc.gc.ca

The Contracting Authority is responsible for all matters pertaining to 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.

3.2 Inspection Authority

The Inspection Authority is a member of the Canadian Coast Guard who, for the purposes of this Contract, is the Inspector responsible for inspection of the Work and acceptance of the finished Work under this Contract. The Inspection Authority will be represented on-site by an assigned On-Site Inspector and such other departmental inspectors who will from time to time be assigned in support of this Inspector. The lead Inspector is: *(information will be provided at Contract Award)*.

3.3 Technical Authority

(information will be provided at Contract Award)

Name:

Title:

Organization:

Address:

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

3.4 Delegation

Each of the Authorities referred to above may from time to time delegate its responsibilities in whole or in part under this Contract and may act through its authorized representative. To be effective, such delegation shall be in writing specifying the nature and extent of the authority given, the name of the representative, with a copy delivered to the Contractor by the Contracting

Authority, it being understood that a person to whom responsibilities have been delegated cannot further delegate such responsibilities. Each Authority referenced above may from time to time be referenced as or by "Canada".

3.5 Contractor Project Manager / Representative

The Contractor shall, by written notice to the Contracting Authority, designate the person or persons who may act on behalf of and with the authority of the Contractor under this Contract. The Contractor's designated person or persons shall have the right to delegate their authority and to act through their duly appointed representative. To be effective, such delegation shall be in writing specifying the nature and extent of the authority given, the name of the representative, with a copy delivered to Canada through the Contracting Authority, it being understood that a person to whom responsibilities have been delegated cannot further delegate such responsibilities.

4.0 DELIVERY AND ACCEPTANCE

4.1 Search and Rescue Lifeboats

The Contractor shall deliver each of the SAR Lifeboats upright, stable, seaworthy, afloat alongside and ready for Acceptance by Canada at the delivery points named in this Contract. The Canadian Coast Guard Base Dartmouth (are they all still to be delivered o the same location) Nova Scotia, having achieved Provisional Acceptance at the Contractor's shipyard prior thereto.

Provisional Acceptance means complete in all respects ready for shipping with all respective tests and trials and demonstrations and certifications successfully completed to the satisfaction of the Canada and in accordance with the Contract.

After successful Provisional Acceptance at the Contractor's shipyard, the Contractor shall deliver for Acceptance by Canada as follows:

- a) Design Check Phase shall be completed no later than 45 calendar days after Contract Award.
- b) Initial Design Phase shall be completed no later than 180 calendar days after Contract Award.
- c) Production Design Phase shall be completed prior to delivery and acceptance of the first (1st) SAR Lifeboat.

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- d) the first (1st) SAR Lifeboat shall be no later than 16 months after completion of the Initial Design Phase.
- e) the second (2nd) SAR Lifeboat shall be no later than six (6) months after delivery and acceptance of the first SAR Lifeboat.
- f) the third SAR Lifeboat (3rd) shall be no later than four (4) months after delivery and acceptance of the second SAR Lifeboat.
- g) the fourth SAR Lifeboat (4th) shall be no later than four (4) months after delivery and acceptance of the third SAR Lifeboat.
- h) the fifth (5th) SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the fourth SAR Lifeboat.
- i) the sixth (6th) SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the fifth SAR Lifeboat.
- J) the seventh (7th) SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of sixth SAR Lifeboat.
- k) the eighth (8th) SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the seventh SAR Lifeboat.
- l) the ninth (9th) SAR Lifeboat shall be no later than four (4) months after delivery and acceptance of the eighth SAR Lifeboat.

The preceding delivery and acceptance schedule will be adjusted to reflect the actual number of SAR Lifeboats purchased at time of Contract Award.

Note: All deliveries must be on or before the schedule outlined above and may be received in batches.

- 4.2 Upon completion of all tests and trials specified in Annex A, Statement of Work, the Contractor shall submit a certificate of Provisional Acceptance in a format specified by Canada, to be signed by the authorized representative of the Contractor, the Inspection Authority and the Contracting Authority. In addition, the Inspection Authority will prepare a final list of all outstanding Work items (including non-conformance reports) for review at the Provisional Acceptance Conference and attached to the Provisional Acceptance certificate as an appendix. The list of outstanding Work shall be reviewed to determine if the SAR Lifeboat is/are fully operational for their intended service to the satisfaction of Canada. Upon receipt of a signed copy of the Provisional Acceptance certificate by the Contracting Authority, the Contractor shall proceed with delivery of the boat(s) to the specified location for Acceptance by Canada.
- 4.3 Each outstanding Work item on the list referred to above shall have a price determined in accordance with the following: the higher of twice the cost for the outstanding Work to be completed by the Contractor, or twice the cost for the

outstanding Work to be completed as quoted by a third party, and that amount shall be deducted from any payment otherwise due.

- 4.4 It is understood and agreed that where the Work has been substantially completed and the parties have agreed upon the terms and conditions for the Contractor to make good all deficiencies, the certificate may be executed with a statement attached concerning the making good of the deficiencies.
- 4.5 Acceptance of each of the Search and Rescue Lifeboats by the Minister shall occur with a written execution of a certificate in accordance with form PWGSC-TPSGC 1105, with evidence satisfactory to Canada that the Search and Rescue Lifeboat has successfully completed all Tests and Trials and Demonstrations and has obtained the required Certification(s). The execution of the Certificate shall in no way relieve the Contractor of its obligations under the Contract.

5.0 DESIGN, PRODUCTION AND CONSTRUCTION PHASES

As detailed in the Statement of Work, ANNEX "A", the Work includes but is not limited to the following Phases:

- 5.1 Design Check Phase
- 5.2 Initial Design Phase
- 5.3 Production Design Phase
- 5.4 Construction Phase

6.0 DESIGN CHECK PHASE

- 6.1 The Contractor shall conduct a Design Check to ensure that the SAR Lifeboats upon completion of the Work will meet fully the performance and other requirements of this Contract.
- 6.2 No later than forty-five (45) working days after award of Contract and before proceeding with the Work, the Contractor shall:
- (a) Provide the Contracting Authority with a written statement in which the Contractor shall provide its acceptance and guarantee that the design is sufficient to allow the SAR Lifeboats when completed to perform fully in accordance with the Contract including the Specification(s); or

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- (b) advise the Contracting Authority in writing that the design is defective or deficient and the reasons therefore.
- 6.3 No later than five (5) working days after having received any statements mentioned in sub-article 6.2 (a) or (b), Canada shall advise the Contractor of the acceptance of the statements.
- 6.4 Upon provision of the statement at 6.2(a), the Contractor shall be liable for all additional costs which may be required to complete the Work.
- 6.5 Where the Contractor alleges and Canada agrees that the design is defective or deficient, the parties to the Contract shall endeavor to negotiate an agreement for a correction to the design.
- 6.6 Where the Contractor alleges the design is defective or deficient, and Canada does not agree or if within ninety (90) calendar days of Contract award no agreement on the correction to the design has occurred, Canada may by written notice to the Contractor terminate the Contract. Upon such termination Canada shall be liable to the Contractor only for its costs of conducting the Design Check. Such costs shall be determined in accordance with PWGSC - TPSGC Contract Cost Principles 1031-2 up to the maximum amount of the associated milestone.
- 6.7 Where the parties to the Contract can reach agreement on correcting the design, changes to the SAR Lifeboats, and to all other contracted items affected, and all cost thereof, the Contractor shall be responsible for completing the Work in accordance with the Contract.
- 6.8 After reaching agreement as referred to in sub-clause 6.7 above, the Contractor shall provide a written statement as described in sub-clause 6.2 (a) above. Upon provision of the above statement, the Contractor shall be liable for all additional costs which may be required to complete the Work.
- 6.9 The Contractor shall not incur Labour Costs, except those directly associated with the completion of the Design Check Phase and shall not incur any Material costs, until a written statement, as set out in sub-clause 6.2 (a) above, has been provided and this statement has been accepted as valid by the Contracting Authority.
- 6.10 The Milestone "Design Check Phase" as per Schedule B "Milestone Payment Schedule" shall be completed with the

receipt of the written statement, as set in sub-clause 6.2 (a) and the completion of Deliverables in Table 1 of Schedule B.

7.0 SCHEDULE OF PURCHASING DURING CONSTRUCTION PHASE

7.1 Within sixty (60) working days of Contract Award, the Contractor will submit to the Canada, a "Schedule of Purchasing". This Schedule shall include the following information:

- (a) A list of material and equipment proposed to be purchased by the Contractor, excluding "stock room" material; and
- (b) The date on which the Contractor proposes to purchase each item of material or equipment; and
- (c) The anticipated delivery date of each item on the list; and
- (d) There shall be separate lists, or separate sub-divisions of the Purchasing Schedule, with respect to:
 - (i) Hull;
 - (ii) Hull Outfit;
 - (iii) Machinery and equipment; and
 - (iv) Electrical and electronic equipment.

7.2 The Schedule of Purchasing shall be maintained and updated on a continuing basis including records of actual comments from the Inspection Authority and Technical Authority, and submitted to the Contracting Authority seven (7) calendar days prior to each Progress Review Meeting, for the duration of this Contract.

7.3 The Contractor shall provide Canada with a copy of its purchase orders for review and auditing purposes. Canada shall advise the Contractor of any discrepancies found within ten (10) working days of receipt of the purchase order(s).

8.0 MARKING

The Contractor must ensure that the manufacturer's name and part number are clearly stamped or etched on each item for positive identification purposes. Where stamping or etching is impracticable, a secure tab will be acceptable if legibly written.

9.0 LABELLING

The Contractor must ensure that the manufacturer's name and specification numbers appear on each item, either printed on the container or on an adhesive label of highest commercial standard affixed to the container.

Additional labelling shall be provided as identified in the Statement of Work.

10.0 SCHEDULE OF CONSTRUCTION DRAWING SUBMISSION DURING CONSTRUCTION PHASE

Within thirty (30) working days of the date of award of Contract, the Contractor shall submit to the Contracting Authority a "Schedule of Construction Drawings". This Schedule shall include the following information:

- (a) A list of proposed Construction Drawings; and
- (b) The date on which each Construction drawing is scheduled to be submitted to the Contracting Authority for review.

The Schedule of Construction Drawings shall be maintained and updated on a continuing basis including a record of actual comments from the Inspection Authority and Technical Authority, and submitted to the Contracting Authority, seven (7) calendar days prior to each Progress Meeting, for the duration of this Contract.

11.0 PRODUCTION SCHEDULE

11.1 Within fifteen (15) working days of Contract Award, the Contractor shall submit to the Canada a preliminary Production Schedule including critical path items.

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

12.0 DRAWINGS AND PURCHASE ORDERS DURING CONSTRUCTION PHASE

12.1 All drawings and purchase orders shall be submitted to Canada for review and comment.

12.2 Any examination of any Contractor's drawings or purchase orders by or on behalf of Canada shall not relieve the Contractor of any responsibility under

this Contract and shall not relieve any Subcontractor of any responsibility under any subcontract. In particular, examination or approval of drawings or purchase orders shall not:

- (a) Relieve the Contractor of its obligation to ensure that all details are correct;
- (b) Obligate Canada to accept an item that does not meet the Contract requirements;
- (c) Confirm that an item complies with the Contract requirements; and
- (d) Relieve the Contractor of the responsibility for any omissions and the consequences resulting therefrom.

13.0 AS-FITTED DRAWINGS AND RECORDS

The Contractor shall obtain and deliver to Canada, the following documents, which are required as per Schedule B, "Milestone Payment Schedule", Milestone 12:

- (a) Six weeks prior to commencement of Dock and Sea Trials that are part of the Tests, Trials and Demonstrations preliminary to Acceptance, one (1) hard copy and one (1) soft copy of the proposed trial record sheets which shall include the full trials requirement of each individual test. The Contractor shall be responsible for recording all test, and trial data;
- (b) Prior to delivery of each Search and Rescue Lifeboat(s), for the Tests, Trials and Demonstrations preliminary to Acceptance, one (1) soft copy in English and one (1) soft copy in French, one (1) hard copy in English and one (1) hard copy in French of all Data Books, Instruction Books, Pamphlets and Recommended Spare Parts Lists (including part numbers and ordering instructions) describing all machinery and equipment fitted on the SAR Lifeboat(s);
- (c) Within ten (10) working days after delivery and Acceptance of each of the SAR Lifeboats one (1) soft copy in English and one (1) soft copy in French, one (1) hard copy in English and one (1) hard copy in French of records of all Dock Trials, Sea Trials, and any other Tests, Trials and Demonstrations, and all other inspections to be included in the Trials Data Booklet as outlined in Annex A;

and

- (d) Within thirty (30) working days after Acceptance of each of the SAR Lifeboats, one (1) soft copy and one (1) hard copy of all "as-fitted" drawings for the SAR Lifeboats, all in English.

14.0 Vessel - ACCESS BY CANADA

Canada reserves the right to carry out limited work by its personnel on equipment on board the SAR Lifeboat(s). Such Work will be carried out at times mutually acceptable to Canada and to the Contractor.

15.0 WORK SITE ACCESS

Authorized representatives of Canada must have access to any site where any part of the Work is being carried out at any time during working hours to make examinations and such tests of the Work as they may think fit.

16.0 ADDITIONAL WORK INCLUDING DESIGN CHANGE

16.1 The Contractor hereby acknowledges that Canada may require the Contractor to perform additional Work at any time and from time to time, during this Contract over and above the Work identified at Article 1. The additional Work could include but not be limited to:

- (a) Additions or variations to the Work including Design Changes; and
- (b) Dispensing with or change to any portion of the Work.

16.2 If any additional Work is required, the procedure for processing the "Additional Work" shall be as set out in Annex "B", Procedure for Implementing Additional Work, hereto. All negotiations must be completed and the additional Work authorized on form PWGSC - TPSGC 1686 prior to the commencement of the Work, unless and until the Contracting Authority specifically authorizes commencement of the additional Work, in writing, prior to completion of negotiations and completion of form PWGSC - TPSGC 1686.

16.3 The Contractor shall perform the additional Work under the same terms and conditions of the Contract. The additional Work will be negotiated using the labor rates and markups contained in the Contract.

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- 16.4 The Contractor may request a change to the Work for Canada's consideration by submission of a request for change proposal to the Contracting Authority.
- 16.5 Extensions in the delivery date as a result of the approved additional (unscheduled) Work must be presented at the time of the proposal and to the satisfaction of the Contracting Authority, otherwise extensions to the delivery date will not be considered.
- 16.6 No cost additional Work: Notwithstanding the foregoing, should Canada deem it advisable to make any reasonable change in the Work during the course of the Work, provided the change is ordered before that particular part of the Work to which Canada refers is commenced and involves no extra cost to the Contractor, such changes shall be made by the Contractor without extra cost to Canada.
- 16.7 Incorporation of Additional Work or Design Changes: Where additional Work including Design Changes has been agreed to by the Parties, the resulting change shall be incorporated into the Work, and:
- (a) Be subject to all of the provisions of the Contract;
 - (b) Not relieve the Contractor of its obligation to ensure that the Search and Rescue Lifeboats meet all of the performance requirements set out in the Specification and shall not affect the delivery date unless otherwise provided for in form PWGSC - TPSGC 1686 relating to such additional work or design change.

17.0 INSPECTION

- 17.1 All reports, deliverables, documents, goods and all services rendered under this Contract shall be subject to inspection by the Inspection Authority. Should any report, deliverable, document, good or service not be in accordance with the requirements of the Contract, the Inspection Authority shall 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 Work performed pursuant to this Contract shall be undertaken by official correspondence through the Contracting Authority.
- 17.2 The Contractor shall be responsible for properly setting up, preparing, providing access to and presenting Work for inspection and for giving adequate notice to the Inspection Authority and the Regulatory Body that the Work is complete, and having been pre-tested or inspected by the Contractor, is ready for formal inspection.

17.3 Inspection will be done by the Inspection Authority at the most appropriate location:

- (a) For the Search and Rescue Lifeboats, at the Contractor's facilities during the construction of the Search and Rescue Lifeboats, up to and including Provisional Acceptance of the Search and Rescue Lifeboats; and at Canada's facilities for Acceptance; and
- (b) For most of the Documentation, at Canada's facilities.

17.4 Inspection requirements shall be in accordance with the provisions of this Contract including 2030 General Conditions - Higher Complexity - Goods (2014-09-25) and 1028 Ship Construction - Firm Price (2010-08-16) and the following procedures:

- (a) Construction Drawings
 - (i) Construction drawings and calculations: Upon receipt of each drawing and the associated technical data by the Inspection Authority and Technical Authority they will be reviewed for their content against the provisions of the Contract. Canada shall notify the Contractor in writing of any discrepancies or concerns within fifteen (15) working days of the receipt of the document.
 - (ii) Upon receipt of each construction drawing and purchase order by the Inspection Authority and Technical Authority, they will be reviewed against the Contract. Canada shall notify the Contractor in writing of any discrepancies or concerns within fifteen (15) working days of the receipt of the document.
- (b) Inspection during the Construction Phase as carried out by the Inspection Authority will consist of the audit of the Contractor's Quality Control System and records, a series of inspections and the witnessing of tests, trials and demonstrations deemed necessary by the Inspection Authority to verify that the Work has been performed in compliance with the provisions of the Specification.
- (c) Non-conformance Report (NCR): A NCR will be issued for each Non-conformance noted by the Inspection Authority. Each report will be uniquely numbered for reference purposes, will be signed and dated by the Inspection Authority, and will describe the Non-conformance.

When the Non-conformance has been corrected by the Contractor and has been re-inspected and accepted by the Inspection Authority, the Inspection Authority will complete the NCR by adding an appropriate signed and dated notation.

When Sea Trials have been successfully completed and the Contractor has corrected and addressed items on the Non-conformance list, an Acceptance Inspection of the SAR Lifeboat shall be carried out by the Inspection Authority. Three (3) working days prior to the scheduled Acceptance Date, the content of all Non-conformance Reports which have not been signed-off by the Inspection Authority will be transferred to the Delivery Document prior to the Inspection Authority certification of such document. A final Deficiencies Database shall be prepared for signature if necessary. Acceptance Certificate of Ship into Canadian Coast Guard shall be prepared for signature.

The Contractor shall correct all outstanding deficiencies during the warranty period at a time and place agreed to by the Contractor and the Technical Authority and the Contract Authority.

- (d) Notwithstanding the above and the inspection by the Inspection Authority, the discrepancy notices, the Non-conformance reports, or absences thereof, or corrections thereto, or acceptance thereof, do not relieve the Contractor of its obligations to satisfy the requirements of this Contract. As such, the Contractor shall correct any and all defects or deficiencies discovered at no additional cost to Canada.

18.0 TESTS AND TRIALS

18.1 Launching of the Search and Rescue Lifeboats

The Contractor shall be responsible for the safe and satisfactory launching of the Search and Rescue Lifeboats at a time and in a manner agreed upon between the Contractor and Canada. If at any time prior to Acceptance of the Search and Rescue Lifeboats there is reason to believe the underwater portion of the Search and Rescue Lifeboats has been seriously impaired, the Contractor shall place the Search and Rescue Lifeboats in dry-dock and adequately inspect, repair, clean, and paint the damaged areas at its own expense and to the satisfaction of Canada. On completion of the Work, the Contractor shall be responsible for the safe and satisfactory returning the Search and Rescue Lifeboats to afloat, alongside and upright at the Contractor's facility.

18.2 Tests, Trials and Demonstrations

- (a) To enable the Inspection Authority and the Technical Authority to certify that the Work has been performed satisfactorily, in accordance with the Contract, the Contractor shall schedule, coordinate, perform, and record all specified Tests, Trials and Demonstrations required by the Inspection Authority, and Technical Authority. A self-righting test shall be completed in accordance with the Specification.
- (b) Where the Contract contains a specific performance requirement for any component, equipment, sub-system or system, the Contractor shall test such component, equipment, sub-system or system to the satisfaction of the Inspection Authority, to prove that the specified performance has been achieved and that the component, equipment, sub-system or system performs as required by the Contract.
- (c) Tests, Trials and Demonstrations shall be conducted in accordance with a logical, systematic schedule which shall ensure that all associated components and equipment are proven prior to sub-systems demonstration or testing, and sub-systems are proven prior to system demonstration or testing.
- (d) Where the Contract does not contain specific performance requirements for any component, equipment, sub-system or system, the Contractor shall demonstrate such component, equipment, sub-system or system to the satisfaction of the Inspection Authority and Technical Authority.
- (e) The Contractor shall keep written records of all Tests, Trials, and Demonstrations conducted, including all rejections, comments, or recommendations made at such times. Records shall be in a format, and contain data, such that the Inspection Authority can certify compliance of the component, equipment, sub-system, or system with the specified requirements.
- (f) The Contractor shall in all respects be responsible for the conduct of all Tests and Trials and Demonstrations in accordance with the requirements of this Contract.
- (g) Canada reserves the right to defer starting or, continuing with any Sea Trials for any reasonable cause including but not limited to adverse weather visibility, equipment failure or degradation, lack of qualified personnel and inadequate safety standards.

- (h) The Contractor shall dry-dock the SAR Lifeboats on successful completion of Acceptance Trials for underwater inspection and final approval by the Inspection Authority and Technical Authority prior to acceptance of each boat. On completion of the Work, the Contractor shall be responsible for the safe and satisfactory returning the boat(s) to afloat, alongside and upright at the Contractor's facility.

19.0 CERTIFICATES

19.1 The Contractor shall obtain and deliver to Canada in the name of the Owner all the usual and all the relevant certificates for the proper and safe operation of the SAR Lifeboats. All documents (1 original and 2 copies) for the proper and safe operation of the SAR Lifeboats, as identified in Annex A, Statement of Work, shall be supplied by the Contractor at the time of delivery and prior to Acceptance:

19.2 All costs associated with obtaining certificates referred to in sub-clause 19.1 above are included in the "Contract Price".

20.0 DEFENCE CONTRACT - TITLE TO PROPERTY

The Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1.

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

21.0 GOVERNMENT FURNISHED

21.1 Government Furnished Information (GFI) -NOT USED

21.2 Government Furnished Equipment (GFE) - NOT USED

21.3 Government Supplied Material (GSM)- Government Supplied Material (GSM) is defined as any item or items of materiel acquired by the government of Canada and provided on a "free issue" basis to contractors for embodiment in materiel under production or for incorporation into Crown-owned

equipment for performing the Work. A listing of GSM is provided in ANNEX "K", Government Supplied Material.

22.0 CONTRACT FINANCIAL SECURITY

22.1 The Contractor must provide Contract Financial Security as required by Annex "M", Part 1 within fourteen (14) calendar days of Contract Award. If Canada does not receive the required Contract Financial Security within that time, Canada may terminate the Contract for default pursuant to the Contract default provisions.

22.2 Canada may, in its sole discretion, prior to or after Contract award and before the Contractor has delivered the Contract Financial Security under the Contract, waive the requirement under Article 22.1 to provide Contract Financial Security, in which event the Contract Price will be reduced by the amount of the cost to the Contractor of the Contract Financial Security as specified in Schedule "A" Line Item Pricing, and the Contractor shall provide to Canada, in lieu of the Contract Financial Security and within such time frame as Canada may specify in writing, a duly executed Guarantee, in the form provided at Annex "M" Part 2, from a corporate entity whose financial covenant is acceptable to Canada, in its sole discretion. Such Guarantee must be provided at no cost to Canada.

23.0 MARGINS AND WEIGHT CONTROL

23.1 The Contractor recognizes that the weight of the Search and Rescue Lifeboats and its distribution are of crucial importance to the satisfactory completion of this Contract. The Contractor agrees to implement a weight control program in accordance with the requirements of the Contract and to deliver the Search and Rescue Lifeboats within the allowable weight and weight distribution parameters.

23.2 The Contractor shall provide a weight report seven (7) working days prior to each Progress Review Meeting to the Contracting Authority and the Technical Authority.

23.2 Any anticipated deviation in the construction from the terms of the full weight statement shall forthwith be brought to the attention of Canada. No changes to the weight distribution of the Search and Rescue Lifeboats that will affect stability are to be effected without the written agreement of Canada. Notwithstanding such agreement the Contractor

shall remain responsible for meeting the performance requirements including conditions of stability set out in the Contract, except as may be agreed to in writing by Canada.

24.0 TRADE QUALIFICATIONS AND WELDING

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.

25.0 PAYMENT

25.1 Basis of Payment

25.1.1 Search and Rescue Lifeboats

For the performance of the Work, under the terms of the Contract, including for the provision of _____ (#) Search and Rescue Lifeboats the Contractor shall be paid the firm unit prices, as identified in Schedule "A", Cost, which shall include all costs, such as spares and training, as per the requirements in Annex A. Customs duty and excise tax included, if applicable, DDP, Fisheries and Oceans / Canadian Coast Guard, Base Dartmouth, Nova Scotia Incoterms 2010, applicable taxes extra.

Optional SAR Lifeboat(s)

For the performance of the Work, under the terms of the Contract for the provision of _____ additional SAR Lifeboat(s), the Contractor shall be paid firm unit prices to be negotiated as identified at 1.0, Requirement, subparagraph 1.2, option(s) for additional SAR Lifeboat(s) herein, customs duty and excise tax included, if applicable, DDP, Fisheries and Oceans / Canadian Coast Guard, Base Dartmouth, Nova Scotia Incoterms 2010, applicable taxes extra.

25.1.2 Labour Rates for Additional Work including Design Change

For the performance of the Work as a result of approved additional Work including Design, or Engineering Change, or change in the scope of Work, the Contractor shall be paid the firm hourly charge-out rate of \$_____ per hour, applicable taxes extra. This rate shall be a blended rate for all classes of labour, engineering and foreperson and shall include all overheads, supervision and profit.

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

25.1.3 Material for Additional Work including Design Change

For the performance of the Work to procure additional Material as a result of approved additional Work including Design Change or change in the scope of Work, the Contractor shall be paid the Direct Material Cost as defined in Contract Cost Principles 1031-2 plus a firm mark-up of 10% applicable taxes extra. Other than the 10% mark-up, no additional charges relating to material procurement, insurance, handling, store keeping and activities of this nature, or any other charge whatsoever, will be accepted as part of the additional Work prices.

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

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

25.1.4 Overtime

Overtime shall not be paid unless authorized in writing by the Contracting Authority and for authorized additional Work only.

The Overtime Rates are as follows:

Time and One-Half Rate: \$...../ per person hour

Double Time Rate: \$...../ per person hour

Overtime shall be calculated and paid as follows:

Time and One-Half : "Time and One-Half Rate" x negotiated hours

Double Time: "Double Time Rate" x negotiated hours

25.2 Payment for Fuel, Oils and Lubricants

The Contractor shall be responsible for the supply and cost of all fuel, lubricating oil, hydraulic oil and other lubricants sufficient for fully charging all systems as required for operating the machinery and other equipment and for performing all tests and trials. After successful completion of all trials and upon Acceptance of the Search and Rescue Lifeboats by Canada, all oils, lubricants and fuels shall be returned to full condition levels at the Contractor's cost.

25.3 Payment for Additional Work including Design Change

The Contractor may claim payment for Additional Work including Design Change where the Work involved in the additional Work or Design Change has been initiated, fully in accordance with the provisions of the Contract. Each additional Work package or Design Change is to be divided over the entire Contract period proportionately to each payment set out in the Contract. Payment for Additional Work or Design Change shall be subject to the same conditions herein.

25.4 Expenditure, Limitation - Contract

25.4.1 Canada's total liability under this Contract shall not exceed \$ TBD , applicable taxes extra, as appropriate.

25.4.2 No increase in the total liability of Canada or in the price of Work resulting from any design changes, modifications or interpretations of specifications, made by the Contractor, will be authorized or paid to the Contractor unless such changes, modifications or interpretations, have been approved, in writing, by the Contracting Authority, prior to their incorporation into the Work. The Contractor shall not be obliged to perform any Work or provide any service that would cause the total liability of Canada to be exceeded without the prior written approval of the Contracting Authority.

25.5 Method of Payment - Milestones

Milestone claims will be made on completion and acceptance by Canada of each milestone upon the following terms and conditions:

- (1) Milestone claims shall be completed in full on form PWGSC/TPSGC 1111 in accordance with the instructions specified herein. The forms may be obtained at:
<http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html>
- (2) All certificates appearing on the reverse of the said form are to be signed by the respective persons indicated thereon or their delegate.
- (3) Each claim shall show as a minimum:
 - (a) Milestone number and amount currently claimed with a brief description;
 - (b) total of all previous claims against the Contract, the extensions of the total to date;
 - (c) applicable taxes being claimed;
 - (d) Financial Code (FC) and Contract Number; and
 - (e) Any documentation required to substantiate the completion of the milestone.
- (4) The Contractor shall prepare the original and two (2) copies of the claim form PWGSC/TPSGC 1111 signed by a representative of the Company certifying that the Work to date has been completed. The claim shall be submitted to the Inspection Authority who will certify the claim and forward it to the Contracting Authority who in turn will certify and submit to the Technical Authority for certification and payment.
- (5) The Milestones are detailed in Schedule "B" to the Contract. Milestones may be claimed when completed.
- (6) Payment by Canada to the Contractor for the Work shall be made:
 - (a) In the case of a Milestone Payment other than the final payment, within thirty (30) calendar days following the date of receipt of a duly completed milestone claim on form PWGSC/TPSGC 1111.

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- (b) The Contracting Authority may, at its sole discretion, release a partial Milestone payment if a Milestone has been substantially completed. The portion of any such payment not released shall be proportionate to the Work of the Milestone not yet completed.
 - (c) If Canada has any objection to the form of the claim, within fifteen (15) working days of its receipt Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) calendar days will only result in the date specified in subparagraph a) and b) of the clause to apply for the sole purpose of calculating interest on overdue accounts.
 - (d) A Contractor shall be required to submit completed quality assurance documentation with each claim for payment.

25.6 Liens - Section 427 of the Bank Act

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

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

25.6.2. Failure to inform the Contracting Authority of such lien or failure to implement paragraph 25.6.1(a) or (b) above shall constitute default under the clause entitled "Default by Contractor" in the General Conditions of the Contract and shall entitle Canada to terminate the Contract.

25.7 Exchange Rate Fluctuation Adjustment C3015C (2014-11-27)

1. The foreign currency component (FCC) is defined as the portion of the price or rate that will be directly affected by exchange rate fluctuation. The FCC should include all related taxes, duties and other costs paid by the Bidder and which are to be included in the adjustment amount.

2. For each line item where a FCC is identified, Canada assumes the risks and benefits for exchange rate fluctuation, as shown in the Basis of Payment. For such items, the exchange rate fluctuation amount is determined in accordance with the provision of this clause.

3. The total price paid by Canada on each invoice will be adjusted at the time of payment, based on the FCC and the exchange rate fluctuation provisions in the contract. The exchange rate adjustment amount will be calculated in accordance with the following formula:

$$\text{Adjustment} = \text{FCC} \times \text{Qty} \times (i_1 - i_0) / i_0$$

where formula variables correspond to:

FCC

Foreign Currency Component (per unit)

i_0

Initial exchange rate (CAN\$ per unit of foreign currency [e.g. US\$1])

i_1

exchange rate for adjustments (CAN\$ per unit of foreign currency [e.g. US\$1])

Qty

quantity of units

4. The initial exchange rate is typically set as the noon rate as published by the Bank of Canada on the solicitation closing date.

5. For goods, the exchange rate for adjustment will be the noon rate as published by the Bank of Canada on the date the goods were delivered. For services, the exchange rate for adjustment will be the noon rate on the last business day of the month for which the services were performed. For advance payments, the exchange rate for adjustment will be the noon rate on the date the payment was due. The most recent noon rate will be used for non-business days.

6. The Contractor must indicate the total exchange rate adjustment amount (either upward, downward or no change) as a separate item on each invoice or claim for payment submitted under the Contract. Where an adjustment applies, the Contractor must submit with their invoice form PWGSC-TPSGC 450 , Claim for Exchange Rate Adjustments.

7. The exchange rate adjustment will only be applied where the exchange rate fluctuation is greater than 2% (increase or decrease), calculated in accordance with column 8 of form PWGSC-TPSGC 450 (i.e $[i_1 - i_0] / i_0$).

8. Canada reserves the right to audit any revision to costs and prices under this clause.

26.0 CERTIFICATIONS

The continuous compliance with the certifications provided by the Contractor in its bid and the ongoing cooperation in providing associated information are conditions of the Contract. Certifications are subject to verification by Canada during the entire period of the Contract. If the Contractor does not comply with any certification, fails to provide the associated information, or if it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

26.1 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 ESDC-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 ESDC will constitute the Contractor in default as per the terms of the Contract.

27.0 APPLICABLE LAWS

27.1 Applicable Laws

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

27.2 Canada Shipping Act, 2001

The Contractor shall co-operate with Canada in the recording and registration procedures set out in Part I of the *Canada Shipping Act, 2001*. All certificates and necessary exemptions for a boat of this class shall be provided.

28.0 PRIORITY OF DOCUMENTS

If there is a discrepancy between the wording of any documents which appear on the list, the wording of the document which first appears shall prevail over the wording of any document which subsequently appears on the list.

- 1) Articles of Agreement consisting of these Articles 1 through 43 inclusive and Schedules "A" and "B";
- 2) Supplemental General Conditions 1028 - Ship Construction - Firm Price (2010-08-16);
- 3) Supplemental General Conditions 4007 - Canada to Own Intellectual Property Rights in Foreground Information (2010-08-16);
- 4) General Conditions 2030 General Conditions - High Complexity - Goods (2014-09-25);
- 5) General Conditions 1031-2 - Contract Cost Principles (2012-07-16);
- 6) Annex "A" - Canadian Coast Guard Statement of Work;
- 7) Annex "J" - SAR Lifeboat Drawing Package ;
- 8) Annex "K" - Government Supplied Material, dated August 28th, 2014;
- 9) Annex "H" - Federal Contractors Program for Employment Equity - Certification;
- 10) Annex "M" Contract Financial Security;
- 11) Annex "F" - Insurance Requirements;
- 12) Annex "B" - Procedures for Implementing Additional Work;
- 13) Annex "C" - Warranty Claim Procedure;

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- 14) Annex "D" - Equipment, Material, Services Source List and Subcontractors List;
 - 15) Annex "G" - Bidder's Questions and Answers;
 - 16) Contractor's Proposal dated _____ TBD _____.

29.0 NOT USED

30.0 PROGRESS REVIEW AND TECHNICAL MEETINGS

- 30.1 Progress Review Meetings shall be held at the Contractor's facility and chaired by the Contracting Authority. The first meeting shall be held within four (4) weeks of Contract Award and the following Progress Review Meetings shall be held every four (4) weeks thereafter. Attendees will be the Contractor Representatives, the Contracting Authority, Inspection Authority and Technical Authority.

The draft agenda will be provided by the Contractor to the Contracting Authority with a copy to the Inspection Authority and Technical Authority approximately five (5) working days prior to each meeting for review by attendees and request for additions. The final agenda will be provided at the meeting by the Contractor.

The Contractor shall record the minutes of all meetings, and include as a minimum discussion items, records of decisions, all action items, risk items, and a record of conclusions reached at the Technical Meetings. The Contractor will distribute a draft of all minutes to the Contracting Authority, Inspection Authority and Technical Authority for review and comment of Canada prior to issuing the final version. The Minutes shall be signed as accepted by the Contractor, Contracting Authority, Technical Authority and the Inspection Authority once comments are incorporated to the satisfaction of Contracting Authority.

- 30.2 Technical Meetings shall be held as required at the Contractor's facility and chaired by the Technical Authority. Attendees will be the Contractor Representatives, the Contracting Authority, Inspection Authority and Technical Authority.

The Minutes shall be signed as accepted by the Contractor and Technical Authority once comments are incorporated to the satisfaction of Technical Authority.

- 30.3 Wherever possible the Progress Review and Technical Review Meetings will be held together and co-chaired by the Contracting and Technical Authorities.

The minutes of these meetings shall be signed as accepted by the Contractor, Contracting Authority and Technical Authority once comments are incorporated to the satisfaction of the Contracting Authority.

31.0 PROGRESS REVIEW REPORTS

Progress Review Reports shall be provided detailing the Work completed to date, a copy of the updated Master Schedule, problems incurred as well as problems solved and how they were solved both for the current reporting period and from previous reporting period(s). The report should be provided monthly to the Contracting Authority and be provided electronically.

32.0 FOREIGN NATIONALS

The Contractor must comply with Canadian immigration requirements applicable to foreign nationals entering Canada to work temporarily in fulfillment of the Contract. If the Contractor wishes to hire a foreign national to work in Canada to fulfill the Contract, the Contractor should immediately contact the nearest Service Canada regional office to inquire about Citizenship and Immigration Canada's requirements to issue a temporary work permit to a foreign national. The Contractor is responsible for all costs incurred as a result of non-compliance with immigration requirements.

33.0 INSURANCE

The Contractor must comply with the insurance requirements specified in Annex "F". The Contractor must maintain the required insurance coverage for the duration of the Contract. Compliance with the insurance requirements does not release the Contractor from or reduce its liability under the Contract. The Contractor is responsible for deciding if additional insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any additional insurance coverage is at the Contractor's expense, and for its own benefit and protection.

The Contractor must forward to the Contracting Authority within ten (10) days after the date of award of the Contract, a Certificate of Insurance evidencing the

insurance coverage and confirming that the insurance policy complying with the requirements is in force. For Canadian-based Contractors, coverage must be placed with an Insurer licensed to carry out business in Canada, however, for Foreign-based Contractors, coverage must be placed with an Insurer with an A.M. Best Rating no less than "A-". The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

34.0 NOT USED

35.0 NOT USED

36.0 LIMITATION OF CONTRACTOR'S LIABILITY FOR DAMAGES TO CANADA

1. This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.

2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$10 million per incident or occurrence to an annual aggregate of \$20 million for losses or damage caused in any one year of carrying out the Contract, each year starting on the date of coming into force of the Contract or its anniversary. This limitation of the Contractor's liability does not apply to nor include:

- (a) Any infringement of intellectual property rights;
- (b) Any breach of warranty obligations;
- (c) Any liability of Canada to a third party arising from any act or omission of the Contractor in performing the Contract; or
- (d) Any loss for which the policies of insurance specified in the Contract or any other

policies of insurance held by the Contractor would provide insurance coverage.

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.

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

5. If, at any time, the total cumulative liability of the Contractor for losses or damage suffered by Canada caused by the Contractor's performance of or failure to perform the Contract, excluding liability described under subsection 2(a), (b), (c) and (d) exceeds \$40 million, either Party may terminate the Contract by giving notice in writing to the other Party and neither Party will make any claim against the other for damages, costs, expected profits or any other such loss arising out of the termination. However, no such termination or expiry of the Contract shall reduce or terminate any of the liabilities that have accrued to the effective date of the termination but which liabilities are subject to the limitations as specified in sub-article (1) through (4) above.

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

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

37.0 TOTAL SYSTEM RESPONSIBILITY

The Contractor shall have Total System Responsibility (TSR) for the work performed by, on behalf of the Contractor under the Contract. TSR includes but is not limited to:

- (a) system design and total system integration which includes the task of aggregating, interconnecting, setting-to-work, testing, trials and making compatible all the Systems and Deliverables, including their associated software, so as to fulfill the performance and other requirements described in Annex "A", Statement of Requirements; and

-
- (b) placement and management of sub-contractors; and
 - (c) ensuring that documentation and publications are sufficient to permit operation and maintenance of the systems and the equipment which they depict; and
 - (d) all other work required to ensure the Search and Rescue Lifeboats are fully functional and meet the requirements of the Contract.

38.0 WELDING PERSONNEL

(1) Prior to the commencement of the Work, the Contractor will be required to provide to the Inspection Authority a list of welding personnel intended to be used in the boat construction. The list is to identify the Canadian Standard Association (CSA), or equivalent welding qualifications attained by each of the personnel listed and is to be accompanied by each person's current CSA, or equivalent welding ticket.

39.0 MAINTENANCE AND OPERATOR'S MANUAL

The Contractor shall supply a commercial maintenance and operator's manual, with the SAR Lifeboat(s) in accordance with Annex "A", Statement of Work. The Price of all maintenance and operator's manuals shall be included in the Contract Price.

40.0 FIELD ENGINEERING AND SUPERVISORY SERVICES

If Field Service Representatives (FSR) and/or Supervisory Services are required for the Work, the cost of all such services is included in the price for the Work.

41.0 Workers Compensation

The Contractor must maintain its account in good standing with the applicable provincial or territorial Workers' Compensation Board for the duration of the Contract.

42.0 DANGEROUS GOODS / HAZARDOUS PRODUCTS

1. The Contractor must ensure proper labelling and packaging in the

supply and shipping of dangerous goods/hazardous products to the Government of Canada.

2. The Contractor will be held liable for any damages caused by improper packaging, labelling or carriage of dangerous goods/hazardous products.
3. The Contractor must clearly mark all merchandise labels with the percentage of volume that is a hazardous item. Failure to do so will result in the Contractor being held responsible for damages caused in the movement of goods/products by government vehicles or government personnel.
4. The Contractor must adhere to all applicable laws regarding dangerous goods/hazardous products.

43.0 FAILURE TO DELIVER

Time is of the essence of this Contract. Failure to deliver by the date(s) specified in the Contract will prejudice Canada.

Delivery is an essential part of this contract. Except for excusable delays Section 11 of 2030 General Conditions - Higher Complexity - Goods, failure to deliver by the date(s) specified in this Contract will prejudice the Government of Canada and will, at the Government of Canada's discretion, entail either:

- a. Contract Termination in accordance with 2030 General Conditions 31 (Default by the Contractor); or
- b. Consideration for Contract Amendment. Delivery date(s) will not be extended without consideration being provided by the Contractor in the form of adjustment to the price, warranty, quantity and / or service to be provided.

**SCHEDULE "A" COST
RFP NO: 17MC.F7047-141000**

1. Price / Basis of Payment / Price Evaluation

Bid Evaluation

For the purpose of this Bid Evaluation, the Total Bid Price shall be the total price for the construction and delivery of six (6) Search and Rescue (SAR) Lifeboats, which shall include all costs, such as spares and training, as per the requirements in Annex A.

Bidders shall also provide unit pricing for 7, 8, and 9 SAR Lifeboats, whereby the unit pricing for each must be within 10% of the previous vessel. The pricing provided will be used to determine the bid option quantity (ranging from 0 to 3) to be included as part of the overall build quantity on or before contract award.

Please indicate your proposed unit price below:

	Unit Price	Total Price
1) Six (6) SAR Lifeboats, Including Transportation Costs , Applicable Taxes Extra \$ _____		\$ _____
2) Cost of Contract Financial Security		\$ _____
3) Total Evaluated Price (1 and 2 above (Applicable Taxes Excluded)		\$ _____

Bid Option Pricing:

1) Seven (7) SAR Lifeboats,— Including Transportation Costs, Applicable Taxes Extra \$ _____		\$ _____
2) Eight (8) SAR Lifeboats, Including Transportation Costs, Applicable Taxes Extra \$ _____		\$ _____
3) Nine(9) SAR Lifeboats, Including Transportation Costs, Applicable Taxes Extra \$ _____		\$ _____

In addition the following will be included in the Basis of Payment, however this will not form part of the bid evaluation.

1) For unscheduled work, the Bidder shall quote a firm "Charge-out Rate" per person hour which includes all classes of labour, engineering and foreperson, with all overheads, supervision and profit.

The firm Charge-out Rate is \$ _____.

SCHEDULE "A" COST
RFP NO: 17MC.F7047-141000

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

(2) The Bidder shall also quote firm "Overtime Rates" per personhour, for "Time and One-half" and "Double Time", which includes all classes of labour, engineering and foreperson, with all overheads, supervision and profit. The Charge-out Rate and Overtime Rates, as applicable, will be used for pricing unscheduled work that results in an increase or a decrease in the work period, except as noted in the clause entitled "Overtime" below.

Time and One-half Rate	\$..... /person/hour
Double Time Rate	\$..... /person/hour

(3) Overtime:

Occasionally, Canada may elect to authorize overtime for unscheduled work only. In these instances if this is the case, and the rate is greater than the Charge-out Rate, the cost of labour hours will be determined on the following basis:

Time and One-Half cost: Bidder's Firm "Time and One-half" Rate x negotiated hours;

Double Time cost: Bidder's Firm "Double Time" Rate x negotiated hours.

(4) Material for Additional Work including Design Change

The cost of additional Material as a result of approved additional Work including Design Change or change in the scope of Work shall be the Direct Material Cost as defined in Contract Cost Principles 1031-2 plus a firm mark-up of 10% applicable taxes extra, as applicable. Other than the 10% mark-up, no additional charges relating to material procurement, insurance, handling, store keeping and activities of this nature, or any other charge whatsoever, will be accepted as part of the additional Work prices.

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

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

**SCHEDULE "B" Milestone Payment Schedule
RFP NO: 17MC.F7047-141000**

MILESTONE SCHEDULE
1 to 9 Boats

Milestone	Description	Deliverable(s)	Payment
1.a	Design Check Phase completed by Contractor and accepted by Canada.	Refer to Table 1 , "Deliverables required for completion of Design Check Phase"	0.50% of total contract price
1.b	Initial Design Phase completed by Contractor and accepted by Canada.	Refer to Table 2 , "Deliverables required for completion of Initial Design Phase"	1.00% of total contract price
1.c	Production Design Phase completed by Contractor and accepted by Canada	Refer to Table 3 , "Deliverables required for completion of Production Design Phase"	1.00% of total contract price
1.d.	Delivery of long-lead spares and test equipment for shore-based stock	Refer to SOW 5.10.4	0.50% of total contract price
2.1 to 2.10	Hull materials delivered to Contractor and accepted by Canada		10% of the unit price
3.1 to 3.10	Sustained Construction commenced and accepted by Canada		12% of the unit price
4.1 to 4.10	All Contract Design Drawings and Purchase orders submitted to Canada		5% of the unit price
5.1 to 5.10	Main propulsion machinery package (engine & gear) delivered to Contractor and inspected by Canada		10% of the unit price
6.1 to 6.10	Hull Fabrication 90% complete		10% of the unit price
7.1 to 7.10	Hull outfit 90% complete		12% of the unit price
8.1 to 8.10	Propulsion machinery - 90% installation complete including system piping		10% of the unit price
9.1 to 9.10	Tests and Trials procedures and agenda submitted to Canada		2% of the unit price
10.1 to 10.10	Completion of Tests and Trials and delivery of related documentation with a Provisional Acceptance completed by Canada.		7% of the unit price
11.1 to 11.10	Vessel delivery (including spares and training) and Canada's acceptance		15% of the unit price
12.1 to 12.10	As Fitted Drawings and all manuals delivered to Canada		2% of the unit price
13.1 to 13.10	Completion of 12 month warranty period		2% of the unit price
Note: The Milestone schedule above shall be updated to reflect the actual number of boats purchased at contract award.			100%

SCHEDULE “B” Milestone Payment Schedule
RFP NO: 17MC.F7047-141000

The Milestones shown above will be included and identified in all production schedules.

At Milestone 1.a Design Check, 1.b Initial Design, and 1.c Production Design the payment amount will be calculated by the percentage indicated by the contract price.

Payment amounts for Milestones 2 to 13 shall be calculated by the percentage indicated times the unit price per boat.

Milestone 11 inclusive shall be payable by Canada upon delivery of the Vessel(s) to the Crown, minus the holdback for double the total estimated value of any outstanding Work items.

The holdback for outstanding Work shall be payable by Canada upon completion and acceptance by Canada of the outstanding Work.

The payment for completion of Warranty Milestone 13 inclusive (completion of the warranty period) shall be payable by Canada upon completion of the warranty period of each Vessel, minus the total cost of any Work undertaken by the Crown to repair any defects subject to warranty.

Note: Sustained Construction means: the commencement of work to the hull structure.

Also note: The Milestones shown in the schedule shall be updated to reflect the actual number of boats purchased at time of contract award.

TABLE 1: Design Check Phase Deliverables

M-001	Project Management Plan
M-002	Master Plan and Schedule
M-02-1	Design Schedule
M-02-3	Drawing Schedule
M-02-5	Major Milestones and Key Events Schedule
M003	Risk Management Plan and Risk Register
M-005	Technical Data Management Plan
M-006	Configuration and Change Management Plan
M-009	Master Equipment List
M-010	Issues Management Plan
Q-001	Quality Plan
I-007	Asset Breakdown Structure

**SCHEDULE “B” Milestone Payment Schedule
RFP NO: 17MC.F7047-141000**

T-101	Weight Control Program
2.11.2.1	Review of weights, and centre of gravity estimate
2.11.2.2	Evaluation of the condition of the design with respect to the vessel’s performance characteristics
2.11.2.3	Welding and erection sequence and a detailed welding schedule
2.11	Design Check Phase

TABLE 2: Initial Design Phase Deliverables

T-008	Working Decks Arrangement
T-102	Weight Report
T-103	Stability Analysis
T-201	Engine Solid Body Dynamic Analysis
T-203	Machinery Room Arrangements
T-206	Fuel Endurance Calculations
T-208	Shaft Vibration Analysis
T-301	Electrical Load Analysis
T-302	Electrical Systems Report
T-303	Short Circuit Analysis
T-307	Lighting Fixture Arrangement
T-401	Mast Structure and Arrangement
T-402	Antenna Arrangement EMC Analysis
T-405	Machinery Control Monitoring System
T-503	Auxiliary Systems
T-602	Compartment Arrangement & Outfit Drawings and Lists
2.12	Initial Design Phase

TABLE 3: Production Design Phase Deliverables

**SCHEDULE “B” Milestone Payment Schedule
RFP NO: 17MC.F7047-141000**

M-02-2	Construction Schedule
M-02-4	Material Schedule
M-02-6	Test and Trial Schedule
M-02-7	Factory Acceptance Test Schedule
M-012	Ship's Specification
Q-002	Inspection Plan
I-010	Sparing and Supply Plan
T-004	Coatings and Surface Treatments
T-207	Propeller Design Reports
2.13	Production Design Phase
2.13.3	Contractor's Work Breakdown Structure
2.13.4	Technical Drawing Package
2.13.5	Classification Society Approvals and Approved Drawings
2.13.6	Final Weight Report and Stability Assessment
2.13.7	List of materials and spares
2.13.8	Design-specific calculations and analyses

Revision Summary – Shipbuilding Statement of Work

Revision Date	Section	Remarks
30 Dec 2014	1.5	Amended for construction of six (6) Vessels, plus potential option Vessels
30 Dec 2014	2.1	Amended for construction of six (6) Vessels, plus potential option Vessels
30 Dec 2014	4.1	Quality Management System requirement amended to read per A.17
30 Dec 2014	4.8.8.	Adjusted to require inclining test for 10 th vessel only if built

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Annex B to SOW - Inspections, Test and Trials

Appendix A-1 to SOW: Contract Data Requirements Lists (CDRL)

Appendix A-2 to SOW: Data Item Descriptions (DIDs)

Appendix A-3 to SOW: Construction Specification

Appendix A-4 to SOW: Construction Specification Design Drawings (on USB Key)

Appendix A-5 to SOW: Design Appraisal Documents (DADs) (on USB Key)

1. Introduction

- 1.1. The Department of Fisheries and Oceans (DFO) and the Canadian Coast Guard (CCG) have defined their Vessel requirements for the Search and Rescue Lifeboat (SAR Lifeboat or SAR Lifeboats, or the Vessel or Vessels). The primary function of the SAR Lifeboats is maritime Search and Rescue which requires the Vessels to conduct searches on the water, to respond to marine distress calls, and to provide assistance to disabled vessels, as well as to provide a variety of related services. Secondary functions include capabilities consistent with the CCG Fleet Mission Readiness Program, which includes: Maritime Security, Aids to Navigation, Environmental Response, Ecosystems and Oceans Science, Ecosystems and Fisheries Management, Conservation and Protection, and other related tasks such as assistance to other government departments.
- 1.2. A Contract Engineering design of a SAR Lifeboat, commissioned by Canada, has been prepared by Robert Allan Ltd. The resulting Construction Specification and Construction Engineering Drawings describe the engineering and shipbuilding requirements of the Vessel.
- 1.3. The Construction Specification is attached at Appendix A-3.
- 1.4. The Construction Engineering Drawings have been appraised and/or approved as required by Lloyd's Register North America. The Class appraised/approved drawings and associated Design Appraisal Documents (DADs) are included at Appendices A-4 and A-5.
- 1.5. The objective of the Work specified herein is to carry out the shipbuilding and engineering effort to construct six Vessels, plus any additional option vessels that may be exercised (refer to the request for proposal). This work shall also include inspections, tests and trials, delivery, training, and to obtain Classification and Regulatory approvals of the Vessels' construction and to provide the required deliverables, documents, certification and spares for supporting the operational readiness of these Vessels.
- 1.6. The SAR Lifeboat Project will include the following phases: Design Check, Initial Design (ID), Production Design (PD), Construction, Tests and Trials, Certification, Acceptance, and Warranty.

2. Scope

- 2.1. The Contractor must perform all work required to construct and deliver six SAR Lifeboats, plus any additional Lifeboats that may be exercised as options (refer to the request for proposal) in accordance with the Contract Design Package (Appendix A-3 through A-5).

- 2.2. 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). They are to remain in Class at least one year after certification.
- 2.3. The Contractor shall provide the necessary building facilities, along with the necessary tools, jigs, engineering, labour, and material to build, test, launch, outfit, and deliver the SAR Lifeboats complete and ready for service. The SAR Lifeboats shall be built in accordance with the Contract Design Package and the Terms and Conditions of the Contract. The Contractor shall provide upkeep, tests, and trials for the SAR Lifeboats until delivery and acceptance by Canada. Except as otherwise indicated in the Contract Design Package, all material, equipment, and machinery shall be supplied, installed, set to work, calibrated, integrated, tested, trialed, and stowed, such that the SAR Lifeboats are ready for unrestricted operations. The inclusive requirements for hull and machinery materials, equipment and components in the Contract Design Package do not relieve the Contractor of the obligation for the performance and serviceability of the SAR Lifeboats or any component.
- 2.4. It is the responsibility of the Contractor to ensure that all machinery, equipment and fittings are in compliance with the Contract Design Package.
- 2.5. The Contractor must prepare drawings, calculations and reports as necessary to carry out the Work in accordance with this Statement of Work (SOW) and must obtain all the appraisals or approvals necessary under the Contract from the Classification Society, Transport Canada and other Regulatory Bodies as defined in the Contract.
- 2.6. The Contract Data Requirements Lists (CDRLs) and Data Item Descriptions (DIDs) for the Work are attached at Appendices A-1 and A-2. DIDs define the individual deliverables that the Contractor must provide to Canada at the time(s) specified in the CDRL in order to satisfy the Contract. DIDs include: the format, process, delivery schedule and level of detail required to satisfy the requirements of each individual deliverable.
- 2.7. DIDs are divided into four separate categories:
- 2.7.1. M series DIDs are those that address project management and governance.
 - 2.7.2. Q series DIDs are those that address how quality will be managed throughout the project.
 - 2.7.3. T series DIDs are those that address technical aspects of the design work.
 - 2.7.4. I Series DIDs are those that address the Integrated Logistics Support requirements of the Vessels.

- 2.8. The Contractor must perform all work necessary to deliver the data in accordance with the requirements specified in the DIDs and the CDRL. Where the Contract Design Package stipulates Classification Society rules or notations, the Contractor must obtain an appraisal or approval, as the case may require, from the Classification Society. Where the Contract Design Package refers to the rules or requirements of a Regulatory Body, the Contractor must provide proof of compliance in the deliverable. Canada must be included on all correspondence between the Contractor and Class related to the appraisal and assessment of the design.
- 2.9. The Contractor must carry out all the Work using the International Standards units of measurements (commonly known as the Metric System). This must include all fastenings with the exception of equipment and machinery where the Imperial fastening system is standard for the manufacturer. The Contractor must identify cable types and sizes for all electrical and electronic equipment and systems.
- 2.10. This SOW consists of the following documents:
- 2.10.1. Statement of Work, including
 - 2.10.1.1. SOW Annex A – Facilities;
 - 2.10.1.2. SOW Annex B - Inspection, Test and Trials Annex;
 - 2.10.2. SOW Appendices;
 - 2.10.2.1. Appendix A-1 Contract Data Requirements List (CDRL);
 - 2.10.2.2. Appendix A-2 Data Item Descriptions (DIDs);
 - 2.10.2.3. Appendix A-3 Construction Specification (CS);
 - 2.10.2.4. Appendix A-4 Construction Specification Design Drawings; and
 - 2.10.2.5. Appendix A-5 Design Appraisal Documents (DADs).
- 2.11. Design Check Phase**
- 2.11.1. The Contractor must examine the design, construction and outfitting of the SAR Lifeboats as presented in the Construction Specification, Construction Specification Design Drawings and Design Appraisal Documents delivered by Canada. The Contractor shall bring to the attention of Canada all problems, omissions or inconsistencies with the design. The Contractor shall then submit to Canada recommended procedures and changes in order to correct the aforementioned problems, omissions or inconsistencies. Adoption and implementation of the recommendations is subject to acceptance by Canada in writing.
 - 2.11.2. As part of the Design Check the Contractor shall also submit;
 - 2.11.2.1. A written statement of its acceptance of the design and guarantee that the design is sufficient to allow the SAR Lifeboats when completed

to perform fully in accordance with the Contract including the Specification(s);

- 2.11.2.2. a review of weights, and centre of gravity estimate;
 - 2.11.2.3. an evaluation of the condition of the design with respect to the Vessel's performance characteristics;
 - 2.11.2.4. Welding and erection sequence and a detailed welding schedule; and
 - 2.11.2.5. Contract deliverables due on or before the Design Check Review Meeting (DCRM) in accordance with DIDs and CDRLs as detailed in Appendices A-1 and A-2.
- 2.11.3. The Design Check phase shall conclude with the Design Check Review meeting and conclude no later than forty five (45) calendar days after award of Contract. Requirements for the Design Check Review meeting are described in section 3.11. of this SOW.

2.12. Initial Design Phase

- 2.12.1. The Contractor shall carry-out detailed design and engineering in order to demonstrate that the proposed design will meet the requirements of Canada as set out in the CS and Design Drawing package. The Contractor shall deliver the Contract deliverables in accordance with the DIDs and CDRLs as detailed in Appendices A-1 and A-2. The Initial Design phase shall conclude with the Initial Design Review meeting and shall conclude no later than one hundred and eighty (180) calendar days after award of Contract. Requirements for the Initial Design Review meeting are described in section 3.12. of this SOW.

2.13. Production Design Phase

- 2.13.1. The Contractor shall carry-out detailed design and engineering in order to create and deliver to Canada for approval a Technical Baseline that collates all of the engineering information generated during the Contract necessary to support construction of the Vessels. This information must include, at a minimum:
- 2.13.2. Ship's Specification completed in accordance with **DID M-012.**;
 - 2.13.3. Contractor's Work Breakdown Structure;
 - 2.13.4. Technical Drawing Package;
 - 2.13.5. Classification Society Approvals and Approved Drawings;
 - 2.13.6. Final Weight Report and Stability Assessment;
 - 2.13.7. Lists of materials and spares;
 - 2.13.8. Design-Specific calculations and analyses; and

- 2.13.9. Contract deliverables in accordance with the DIDs and CDRLs as detailed in Appendices A-1 and A-2.

2.14. Construction Phase

- 2.14.1. The SAR Lifeboat is to be entirely finished, equipped, outfitted, equipment integrated and made ready for service to the satisfaction of Canada.
- 2.14.2. All material not shown on the plans or mentioned in this Specification, but necessary for the safety of the SAR Lifeboats as required by Regulatory Bodies for a SAR Lifeboat of this class, shall be so supplied and installed by the Contractor.
- 2.14.3. The SAR Lifeboats shall be delivered afloat, upright and alongside as detailed in the Contract.

2.15. Care of SAR Lifeboats During Construction

- 2.15.1. During the entire period the SAR Lifeboat is in the Contractor's possession, all parts of the SAR Lifeboat shall be maintained in an undamaged condition. The Contractor shall take all necessary actions to prevent wear and damage incident to construction and to prevent corrosion or other environmental deterioration. Piping, machinery, and equipment subject to freezing shall be kept drained, except during trials, tests and delivery procedures. Standing water shall not be permitted on the weather decks nor inside the SAR Lifeboat. All equipment shall be protected against grit and sand blast entering the equipment. Piping and castings shall be cleaned of sand, scale, metallic chips, turnings and other foreign matter. Each SAR Lifeboat shall be thoroughly cleaned throughout at time of delivery to Canada.
- 2.15.2. While the SAR Lifeboat is in the Contractor's possession, the Contractor shall be responsible for implementing procedures for safeguarding the SAR Lifeboats and all their equipment and material from all damages including fire or flooding.
- 2.15.3. Equipment, prefabricated parts, furniture, and all other items that are stored in warehouses or on piers during the construction period, shall be kept clean and protected from the environment and stored in accordance with Original Equipment Manufacturer (OEM) instructions. All items shall be thoroughly examined for vermin before being placed on board. All aluminum for SAR Lifeboat construction, including plate, prefabricated parts, shapes, forms, and extrusions shall be stored in an enclosed covered shelter protected from the elements. Propulsion engines, transmissions, ancillaries, electrical and electronic equipment

shall be stored in an enclosed, environmentally protected shelter to protect against damage from the weather.

- 2.15.4. Temporary covers shall be supplied to protect all equipment requiring protection from the weather as recommended by the OEM. Temporary covers shall be installed over temporary holes to protect the interior against damage due to weather.

2.16. Care of Machinery and Equipment

- 2.16.1. The Contractor shall be responsible for the care of all machinery and equipment in accordance with the OEM's recommendations, whether furnished by the Contractor or Canada. All parts, especially those having working surfaces or passages of piping for lubricating oil, shall be kept clean and protected during construction, storing and assembly, and after installation. Electric and electronic equipment and machinery shall at all times be protected against dust, moisture, or other foreign matter and shall not be subjected to rapid temperature changes or extremes in temperature. Any time that machinery or equipment is allowed to deteriorate due to lack of care in storage as indicated above, and as determined by Canada, it shall be subjected to tests, at Contractor expense, to determine its condition and, if necessary, its replacement at Contractor expense.
- 2.16.2. All preservatives applied by the OEM shall be left intact (or replaced if necessary) until installation of machinery or equipment on the Vessels. If removal of the preservative is necessary for testing the machinery or equipment prior to installation, the Contractor shall re-preserve and protect the machinery and equipment until installed. All preservatives on working parts shall be thoroughly removed prior to operation of the machinery or equipment.
- 2.16.3. Propulsion machinery shall be supplied in an enamelled finish condition and the Contractor must provide suitable protective covering to maintain them in this condition during installation. Under no circumstances may personnel use engine projections or any machinery as steps. All damages resulting from failure to observe the preceding precautions must be rectified at the Contractor's expense.
- 2.16.4. Diesel engine fresh water cooling systems shall be chemically treated according to the OEM's recommendations. All water used in engine cooling systems shall be distilled.

2.17. Enclosed Bridge Mock-up

- 2.17.1. The Contractor must provide a full scale mock-up of the equipment layout in the Enclosed Bridge IAW **DID T-003 Enclosed Bridge Mock-up**

for approval by Canada before finalizing arrangements and commencing installation of equipment in this space.

3. Governance

3.1. The Contractor must submit a Project Management Plan (PMP) for Canada's approval in accordance with **DID M-001 Project Management Plan** along with additional key project management documents. Once approved, the Contractor must maintain the configuration of and manage the Work in accordance with these documents throughout the performance of the Work.

3.1.1. As part of his overall Project Management Organization the Contractor shall employ, as a minimum, key personnel for each of the following:

- a. One (1) Project Manager;
- b. One (1) Engineering Manager;
- c. One (1) Lead Marine Engineer;
- d. One (1) Lead Naval Architect;
- e. One (1) Integrated Logistics Support Manager.

3.1.2. The Project Manager (PM) shall have a minimum of five (5) years experience in project management in the last ten (10) years for marine projects.

3.1.3. The Engineering Manager shall be a Professional Engineer registered to practice in the province where the engineering office is located. The Engineering Manager shall possess a minimum of ten (10) years of demonstrated professional marine work experience in engineering within the last fifteen (15) years.

3.1.4. The Lead Marine Engineer shall have a minimum of five (5) years experience in a lead marine engineering role within the last ten (10) years for ship construction projects.

3.1.5. The Lead Naval Architect shall have a minimum of five (5) years experience as a lead naval architect within the last ten (10) years for ship construction projects.

3.1.6. The Integrated Logistics Support Manager shall have a minimum of five (5) years experience in integrated logistics within the last ten (10) years for ship construction projects.

3.1.7. Key persons maybe named to more than one (1) position.

3.2. In accordance with **DID M-002 Master Plan and Schedule** the Contractor must define the expected dates for each SAR Lifeboat and all individual deliverables including, but not limited to, documents, meetings and

presentations. The schedule must allow time for Canada to review and respond to submitted deliverables in accordance with individual DID's. The review periods must be as listed in the CDRL, but may be less if mutually agreeable to both Canada and the Contractor.

3.3. The Contractor must list the shipbuilding activities that will occur during the Work and identify the expected dates in accordance with **DID M-02 Schedules** and its sub-DIDs.

3.4. Other deliverables linked to project governance requirements are:

- 3.4.1. **DID M-003 Risk Management Plan and Risk Register;**
- 3.4.2. **DID M-005 Technical Data Management Plan;**
- 3.4.3. **DID M-006 Configuration And Change Management Plan;**
- 3.4.4. **DID M-010 Issues Management Plan and Issues Register;** and
- 3.4.5. **DID Q-001 Quality Plan.**

3.5. Risk Management

- 3.5.1. The Contractor must manage, record, and track risks in accordance with **DID M-003 Risk Management Plan and Risk Register.**

3.6. Issues Management

- 3.6.1. The Contractor must manage, record, and track issues for reporting to Canada in accordance with **DID M-010 Issues Management Plan and Issues Register.**

3.7. Meetings

- 3.7.1. In accordance with the Statement of Work and the Contract the Contractor must schedule Progress Review Meetings (PRM), Technical Review Meetings (TRM), Expert Panel Review (EPR) Meetings and any other meetings that may occur in consultation with Canada. Meetings must be held on mutually agreed dates.
- 3.7.2. The Contractor must develop and deliver Meeting Agendas in accordance with **DID M-007 Meeting Agendas** for all meetings specified in this SOW.
- 3.7.3. The Contractor must record the minutes of all meetings and records of decision for each meeting required under this SOW summarizing the discussions and decisions reached. The minutes must be forwarded to Canada for approval in accordance with **DID M-008 Meeting Minutes.**
- 3.7.4. Action items identified during meetings called for under this SOW must be tabled at the next meeting and their status identified.
- 3.7.5. The Contractor must provide the facilities, materials and services reasonably required for the conduct of all meetings. All meetings must be

held at the Contractor's premises, unless otherwise agreed to beforehand, and will be chaired by Canada unless otherwise specified below or as agreed to by Canada.

- 3.7.6. Urgent matters arising outside of normally scheduled meetings and requiring the immediate attention of Canada must be brought to the attention of Canada by the Contractor.

3.8. Progress Review Meetings (PRM)

- 3.8.1. The Contractor must convene monthly PRMs with Canada to discuss cost, schedule, progress, risks, issues and any other topics that affect the conduct of the Work.
- 3.8.2. The Contractor must present the Progress Report for the period at each PRM in accordance with the requirements of **DID M-011 Progress Reporting**. Presentations from other meetings, included as attachments to the Progress Report in accordance with **DID M-011**, need not be presented at the PRM.

3.9. Technical Review Meetings (TRM)

- 3.9.1. The Contractor must convene TRMs with Canada as required and at least monthly to discuss and resolve any issues with the design, system engineering, construction, Integrated Logistic Support (ILS) and any other technical issues that affect the progress of the Work. The TRM may also be used as a venue to progress Work in which Canada's participation is required.
- 3.9.2. TRMs may be held in conjunction with the PRM.

3.10. Production Design Review Meeting (PDRM)

- 3.10.1. The Contractor must convene the PDRM on a mutually agreeable date at least (3) weeks prior to the scheduled start of Construction.
- 3.10.2. The Contractor must submit PDRM deliverables in accordance with the DIDs and CDRLs as detailed in Appendices A-1 and A-2.
- 3.10.3. The Technical Baseline as defined in Section 2.12.1. must be delivered to Canada for review no later than three weeks prior to the PDRM.
- 3.10.4. Any presentations made at the PDRM must be submitted to Canada in accordance with **DID M-011**.

3.11. Design Check Review Meeting (DCRM)

- 3.11.1. On completion of the Design Check detailed in section 2.11, the Contractor must convene the DCRM on a mutually agreeable date, no later than forty five (45) calendar days after the Effective Date of the Contract. The DCRM may coincide with a scheduled TRM.

3.12. Initial Design Review Meeting (IDRM)

- 3.12.1. On completion of the Initial Design Phase detailed in section 2.10, the Contractor must convene the IDRM on a mutually agreeable date, no later than one hundred and eighty (180) calendar days after the Effective Date of the Contract. The IDRM may coincide with a scheduled TRM.
- 3.12.2. The Contractor must submit IDRM deliverables in accordance with the DIDs and CDRLs as detailed in Appendices A-1 and A-2.
- 3.12.3. The Contractor is not required to make a formal presentation of the Vessel design at the IDRM; however the Contractor must be prepared to respond to any outstanding issues or comments from Canada that have not been previously addressed.

3.13. Other Meetings

- 3.13.1. Upon the request of Canada, the Contractor must arrange meetings to discuss the status of the SAR Lifeboat Design. The intent of these meetings is to allow Canada, the Contractor, and the OEM and/or Vendor to discuss any issues or change proposals that arise with regards to the arrangement and/or equipment. These meetings will also provide a forum to discuss the progress of the SAR Lifeboat Design construction and installation. These meetings may be conducted via teleconference and may be scheduled to coincide with the TRM and/or PRM. The Contractor must ensure that the OEM and/or Vendor is represented when appropriate.

3.14. Expert Panel Review (EPR) Meetings

- 3.14.1. To enable the development of the Maintenance Plan and Maintenance Training, the Contractor shall plan and host three Expert Panel Review EPR meetings with Canada. Please refer to Integrated Logistic Support Section 5 in this Statement of Work for detail requirements.

3.15. Vessel Acceptance Meeting (AM)

- 3.15.1. The Contractor must refer to the Contract for the requirements for this meeting.

3.16. Ceremonies

- 3.16.1. Canada has no specific requirements for any ceremonies or events in addition to those that the Contractor may hold for their own purposes, however the Contractor should allow for one ceremony early in the Work schedule for the purposes of Canada.
- 3.16.2. The Contractor must notify Canada of any planned ceremonies or events that concern any of the Work for this contract and provide Canada with the opportunity to have up to twelve (12) guests attend each planned ceremony or event. Examples of such ceremonies or events include first steel cutting, 'keel' laying, and launching. The Contractor must inform Canada of any planned ceremony or event as early as is reasonably possible to allow Canada to coordinate attendance. If the Contractor wishes to have Senior Executives (e.g. Deputy Minister level or higher) from Canada attend any ceremony or event, then Canada must receive notice of the planned date at least 90 days in advance of the ceremony or event.

3.17. Production Photographs

- 3.17.1. The Contractor must submit with each monthly Progress Report at least ten colour digitally dated photographs of each vessel, once construction has commenced, in accordance with **DID M-016 Photographs**. The photographs must include those areas of the vessel that have changed the most or correspond to significant work for that particular month.

4. Quality Management

- 4.1. 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.
- 4.2. The Contractor must conduct quality management activities in accordance with a Quality Plan that describes how the Contractor will implement the QMS throughout the Work. The Quality Plan must be consistent with and subordinate to the Project Management Plan and prepared in accordance with the current version of ISO 10005 Quality Management - Guidelines for Quality Plans.

4.3. The Contractor must deliver the Quality Plan in accordance with **DID Q-001 Quality Plan**. Upon approval of the Quality Plan by Canada, the Contractor must implement the Quality Plan. The Contractor must make appropriate amendments to the Quality Plan throughout the term of the Contract to reflect current and planned quality management activities. Amendments to the Quality Plan must be acceptable to Canada. The documents referenced in the Quality Plan must be made available when requested by Canada.

4.4. Configuration Management

- 4.4.1. The Contractor must develop and implement a Configuration Management (CM) Plan which defines the process for identifying, managing and changing the Technical Baseline that was developed and delivered as part of the SAR Lifeboat Shipbuilding Contract. **DID M-006 Configuration and Change Management Plan** define the format and content requirements of this plan.
- 4.4.2. The Contractor must provide Canada with access to the Contractor's internal change control system, requests, and reports to allow Canada to review and accept or decline all changes to the accepted Technical Baseline commencing with the first Progress Review Meeting or Technical Review Meeting, whichever occurs first.
- 4.4.3. The Contractor must manage configuration and change activities in accordance with the Configuration and Change Management Plan.
- 4.4.4. The Contractor must develop and implement a Technical Data Management Plan which defines the process for identifying, tracking, and managing the technical data which forms the Technical Baseline and/or is produced as part of the Work. **DID M-005 Technical Data Management Plan** defines the format and requirements for this plan and the Technical Data Register.
- 4.4.5. The Contractor must manage the technical data in accordance with the Technical Data Management Plan.
- 4.4.6. The Technical Data Register must be version controlled and maintained current by the Contractor throughout the Work.
- 4.4.7. The Technical Data Register must be available as required for review by Canada.

4.5. Deliverables Formats

- 4.5.1. The Contractor must prepare and submit to the Crown all drawings, calculations and associated lists in accordance with **DID M-013 Design Drawings**. The Contractor must maintain and control the configuration of

the engineering drawings throughout the project and until the end of warranty for the last Vessel.

- 4.5.2. The Contractor must provide Canada with digital access to all production drawings for viewing and information purposes. Drawings that must be delivered to Canada for review and/or approval are identified in the DIDs.
- 4.5.3. Canada must be included on all correspondence between the Contractor and Class related to the appraisal and assessment of the design. Drawings that are being submitted to the Classification Society and/or Transport Canada, for approval or guidance, must also be provided concurrently to Canada for information.
- 4.5.4. Unless otherwise specified in individual DIDs, electronic copies of deliverables must be capable of being viewed using the following software versions as appropriate:
 - 4.5.4.1. Microsoft Office Suite 2010, including Word, Excel, Project Professional, and PowerPoint;
 - 4.5.4.2. M^cNeel Rhinoceros ('Rhino') 5.0;
 - 4.5.4.3. AutoDesk Navisworks 2013;
 - 4.5.4.4. AutoDesk AutoCAD 2013; and
 - 4.5.4.5. AutoDesk Design Review 2013.

4.6. Propulsion System Integrator

- 4.6.1. The Contractor may purchase directly from suppliers or OEMs the main diesel engines, associated controllers and the propeller and associated drive shafting, however, the integration of these components into the systems or suites identified below must be designed by a single integrator. The single integrator must be responsible for the overall engineering design, integration, and testing of the propulsion system.
- 4.6.2. The single integrator must be experienced in marine propulsion plants and controls and must have experience as a supplier of electrical control system equipment for this type of application. The single integrator must be responsible for the system design and integration of the various equipment and sensor interfaces.

4.7. Integrators other than the Propulsion Integrator

- 4.7.1. The Contractor may purchase directly from suppliers or OEMs the material and equipment necessary to provide the systems and suites identified below, however, for each of the following systems or suites, a single integrator must be responsible for the overall engineering design, integration, and testing for the applicable system or suite:

- 4.7.1.1. Hydraulic power system and hydraulic equipment;
- 4.7.1.2. Navigational Manoeuvring Control and Monitoring System;
- 4.7.1.3. Electrical Power Generation and Distribution;
- 4.7.1.4. Machinery control and monitoring systems; and
- 4.7.1.5. Heating, Ventilation and Air Conditioning (HVAC) and climate control systems.

4.8. Margins and Weight Control

- 4.8.1. The Contractor must develop and implement a thorough Weight Control Program as part of the Work and in accordance with **DID T-101 Weight Control Program**. Throughout the Work the Contractor must maintain the weight and center of gravity in accordance with the Construction Specification, as amended by approval of Canada.
- 4.8.2. Throughout the Work the Vessel weight estimate is to be updated and submitted to Canada in accordance with **DID T-102 Weight Report**. The weights and centers of gravity of items that are part of the ship must be determined and reflected in the weight report.
- 4.8.3. The Contractor must obtain mass properties from the OEMs, or by direct measurement, for all components of the Vessels. The Contractor must list these items individually in accordance with **DID T-102**;
- 4.8.4. The Contractor must conduct a weighing program to obtain weights of representative structures, components, materials and equipment. All items must be weighed. The weigh program must include weighing:
 - 4.8.4.1. Aluminium plates and shapes to determine mill tolerances;
 - 4.8.4.2. Material, structures and components on a selective or sampling basis to verify calculated weights;
 - 4.8.4.3. Insulation, sheathing, piping and welding to obtain reliable unit weights;
 - 4.8.4.4. OEM supplied components, in excess of 2.5 kilograms for verification of weighed or calculated weights supplied by OEMs; and
 - 4.8.4.5. Items requested by Canada.
- 4.8.5. Where the Contractor uses factors or percentages, such as for estimating and calculating paint, mill tolerance and welding, the Contractor must substantiate these values by supplying background data in support of these calculations.
- 4.8.6. The Contractor must utilise a margin policy that reflects the levels of confidence in the weight estimate, and is applied individually to each entry in the weight report. The Contractor shall be responsible for

implementing a margin policy that ensures that the Vessels are delivered within the weight and centre of gravity limitations. As a minimum, the margin policy shall include an end of service life margin of 1000 kg for weight applied at 3.77m above the SAR design baseline.

4.8.7. The Contractor must complete a stability analysis, for each vessel, during Initial Design, Production Design and Construction as specified in **DID T-103 Stability Analysis**.

4.8.8. An inclining experiment must be conducted in accordance with Transport Canada Marine Safety (TCMS) and Classification Society (Class) rules and regulations for vessels one, five, and ten (if built). All vessels must have Government Supplied Material (GSM) installed prior to the inclining experiments. The Contractor must prepare an Inclining Experiment Trial Agenda in accordance with **DID Q-005 Test and Trials Agendas**.

4.8.9. The inclining experiment must be carried out by the Contractor in the presence of and to the satisfaction of TCMS, Class, and Canada.

4.8.10. The Inclining Experiment must be conducted in calm water and not subject to the effects of wind or currents. If, in the opinion of Class, or Canada, the weather or any other condition is not satisfactory, the inclining experiment must be postponed.

4.8.11. For the other Vessels the Contractor must obtain permission from TCMS to conduct a Lightship Check only. The Lightship Check must be conducted the same as the Inclining Experiment with the exception of all aspects related to the VCG.

4.8.12. The inclining experiment must be conducted at a time as close as practicable, but prior to Builder's Sea Trials, with the Vessel fully outfitted and/or with weights added and located at the appropriate location, in order to simulate the full load condition.

4.8.13. The inclining experiment report and Lightship Check Report (where applicable) must be included in each Vessel's Ship's Data Book and the calculations must be submitted to Canada for review and comment.

4.9. Inspection

4.9.1. The Contractor must develop and deliver to Canada an Inspection Plan in accordance with **DID Q-002 Inspection Plan**. The Inspection Plan must include a description of how the Contractor will schedule and coordinate all inspections for appraisals and approvals by the Classification Society, TCMS, Canada, and any other Regulatory Body or organization with regulatory inspection authority.

4.9.2. Inspection points must be contained within the Ship Specification and must include as a minimum, all inspections required by Class and Transport Canada Marine Safety (TCMS). The Inspection Points must be integrated into the Contractor's build schedule. Additionally, any Owner required inspections must be included.

4.10. Tests and Trials Management

- 4.10.1. The Contractor must organize, conduct, and record to the satisfaction of Canada, all tests and trials required by the Contract Design Package and such other tests and trials as may be required in order to obtain the appropriate certifications. The Contractor must also ensure that the OEM's representatives are in attendance as required.
- 4.10.2. The Contractor must develop and implement a comprehensive test program, in accordance with **DID Q-003 Test and Trials Plan** to progressively demonstrate that the Vessels have been constructed in accordance with the Contract Design Package and fully comply with Classification Society, Transport Canada, other Regulatory Bodies, and Canada's requirements.
- 4.10.3. The Test and Trials Program must consist of two (2) parts:
- 4.10.3.1.1. Factory Acceptance Tests (FATs); and
 - 4.10.3.1.2. Vessel Tests and Trials (VT&Ts).
- 4.10.3.2. Vessel Tests and Trials must include:
- 4.10.3.2.1. Builder's Dock Trials (BDTs); and
 - 4.10.3.2.2. Builder's Sea Trials (BSTs).
- 4.10.4. All required inspections and tests on individual components and/or all corrected defects must be completed to the satisfaction of Class and Canada prior to the commencement of any trials on that system.
- 4.10.5. Fourteen (14) calendar days of advance notice of a test or trial must be given to all concerned parties.
- 4.10.6. All tests and trials must be witnessed by Canada. All tests and trials which are subject to Class or statutory approval must be witnessed by Class.
- 4.10.7. All trial records are to be signed and dated by the witnessing authority and the Contractor.
- 4.10.8. During the conduct of all tests and trials, no alignment or adjustment is permitted unless specifically required in the test and trials procedures.
- 4.10.9. Prior to each test or trial, the Contractor must visually inspect all components for quality of workmanship and the intrinsic safety of equipment operation or testing apparatus.

- 4.10.10. Miscellaneous inspections must be conducted prior to VT&Ts to verify all of the requirements of the Ship Specification, including, but not limited to:
- 4.10.10.1. Workmanship;
 - 4.10.10.2. Furnishing, Insulation and other work;
 - 4.10.10.3. Stowages;
 - 4.10.10.4. Painting; and
 - 4.10.10.5. Cathodic Protection.
- 4.10.11. The Contractor must ensure that equipment and personnel are available to support the test or trial.
- 4.10.12. The Contractor must conduct VT&Ts to demonstrate that each Vessel meets the operational performance standards specified herein. The Contractor must schedule and co-ordinate VT&Ts in accordance with the Test and Trial Schedule. The exceptions are speed/power and torsional vibration tests that must be conducted by the Contractor on the first Vessel only. The VT&Ts must include, but not be limited to all tests, measurements and observations noted herein.
- 4.10.13. The Contractor must be responsible for the installation, maintenance, and testing of all equipment whether or not specific tests for the equipment have been specified. VT&Ts must be at the expense of, and the responsibility of, the Contractor. The Contractor must ensure that equipment/components are not run in a condition that invalidates the OEM's warranty.
- 4.10.14. The Contractor is responsible for the provision of all instrumentation and data collection equipment necessary to obtain and record the data required to assess the performance of the system undergoing the test or trial. Instrumentation used in testing machinery and equipment must be calibrated before tests. The calibration records must be submitted to Canada.
- 4.10.15. If the Vessel fails to meet requirements set forth in the Ship Specification, the Contractor must correct the deficiencies and repeat all failed tests or trials. Deficiencies must be corrected prior to scheduling of additional tests or trials.
- 4.10.16. All damages occurring to components or systems during or after any testing and prior to delivery of the Vessel must be repaired. The component or system must be retested and witnessed and accepted by Class (as applicable) and Canada.
- 4.10.17. The Contractor must develop and deliver a schedule for all Vessel Tests and Trials in accordance with **DID M-02-6 Test and Trial Schedule**.

- 4.10.18. The Contractor must develop and deliver to Canada, in accordance with **DID Q-005 Test and Trial Agendas**, agendas for all tests and trials, that clearly describe the methodologies and procedures to be used for each test and trial. The agendas must include all pass/ fail criteria and how these criteria will be measured, including the test and recording equipment that will be used.
- 4.10.19. The Contractor must develop and deliver to Canada reports, in accordance with **DID Q-004 Test and Trial Reports**, for all tests and trials performed in accordance with **DID-Q-003 Test and Trials Plan**. The Contractor must record all test and trials data.
- 4.10.20. All tests must be completed on individual components of the systems, and all defects corrected to the satisfaction of Canada prior to the commencement of any trial on that system.
- 4.10.21. Before starting up all major propulsion equipment, a thorough inspection is to be performed in the presence of the authorised representative of the OEM to establish cleanliness, tightness and correctness of connections, proper lubrication and fuel supply.
- 4.11. Factory Acceptance Tests (FATs)**
- 4.11.1. FATs consist of all tests by the Contractor, a qualified vendor or OEM to meet the requirements of the Contract Design Package prior to the installation onboard the Vessel.
- 4.11.2. The Contractor must develop and deliver a schedule for all FATs in accordance with **DID M-02-7 Factory Acceptance Test Schedule**. Canada's representative(s) may, at their discretion, observe any FAT. At the conclusion of each FAT, the Contractor must provide a Test Report in accordance with **DID Q-004 Test and Trials Reports** to Class (as applicable), and to Canada. Test Data Sheets must be a summary of all deficiencies noted and the corrective action taken. The report must also include all recommended changes to the detailed test procedures.
- 4.12. Builder's Dock Trials (BDTs)**
- 4.12.1. The Contractor must ensure that all systems are installed correctly and are operational and must perform such trials as may be necessary to ensure the proper functioning of each system, in accordance with the requirements of Class, TCMS or other regulations, including the International Code of Safety for High-Speed Craft, 2000.
- 4.12.2. A period of time is to be set out for a dock trial of main engines and all auxiliary services during which no other work must be carried out in the

machinery space. The propulsion system must be checked for proper operation and to ensure that it conforms to the OEM's specification.

- 4.12.3. BDTs must include those tests and trials necessary to ensure that the Vessel is safe and seaworthy in all respects. The Contractor must demonstrate proper operation and function of all systems and components of each Vessel to the satisfaction of Class and Canada prior to the start of sea trials. This must include the satisfactory operation of the following:
- 4.12.3.1. Propulsion Controls;
 - 4.12.3.2. Starting System;
 - 4.12.3.3. Electronics;
 - 4.12.3.4. HVAC;
 - 4.12.3.5. Windshield Wiper/Washers;
 - 4.12.3.6. Shore Power Utilisation;
 - 4.12.3.7. Navigational Lights;
 - 4.12.3.8. Mooring Fittings;
 - 4.12.3.9. Fire Detection and Alarm System;
 - 4.12.3.10. Anchor Windlass and Associated Equipment;
 - 4.12.3.11. Emergency Engine Shut-Offs;
 - 4.12.3.12. Gauges and Alarms;
 - 4.12.3.13. Lighting;
 - 4.12.3.14. Towline Reel;
 - 4.12.3.15. Manual Steering;
 - 4.12.3.16. Bilge Pumps;
 - 4.12.3.17. Piping Systems;
 - 4.12.3.18. Electronic Plant; and
 - 4.12.3.19. Electrical Generation & Distribution System.
- 4.12.4. General test and trials requirements for some of these trials are detailed in **Annex B - Inspection, Test and Trials**.
- 4.12.5. As a part of BDTs, the Contractor must conduct a 360° self-righting test on the first fully outfitted Vessel to verify the self-righting capability of the Vessel. The self-righting test must be witnessed and accepted by Class, and Canada.
- 4.12.6. Prior to the test, all equipment likely to sustain damage from immersion, such as radars and telecommunications equipment installed externally, must be removed and all cable runs and penetrations sealed. The weight of such equipment is to be accurately determined and equivalent weights are to be temporarily placed on board and secured at the appropriate centres of gravity. On completion of the self-righting test, these weights are to be removed and the equipment is to be replaced in good order.

- 4.12.7. The Contractor must record the rollover on video, from the port side, the starboard side and the interior bridge view looking forward, and include it as part of the Test Report.
- 4.12.8. The Self-Righting Test must be conducted in calm water and not subject to the effects of wind or currents. If, in the opinion of Class, or Canada, the weather or any other condition is not satisfactory the Self-Righting Test must be postponed.
- 4.13. Builder's Sea Trials (BSTs)**
- 4.13.1. The Contractor must conduct BSTs on each fully outfitted Vessel to demonstrate that the Vessel meets the operational performance standards stated in the Construction Specification (CS). Each Vessel must be in the Designed Full Load Condition. Weight of each crew member (4 total) and survivor (5 total) shall be taken as 180 and 165 lbs., respectively. The variation in the load condition over the length of the trial must be limited to engine fuel consumed during the trial. The Contractor must have onboard all required government personnel and safety equipment. General test and trials requirements for some of these trials are described in **Appendix B - Inspection, Test and Trials Annex**.
- 4.13.2. The requirements listed in section 4.13. are in addition to any trial required by the Classification Society, Transport Canada Marine Safety (TCMS) or by regulation, including the International Code of Safety for High-Speed Craft, 2000.
- 4.13.3. Before proceeding on Sea Trials, the Vessel is to be swung and compass adjusted by a certified compass adjuster proposed by the Contractor and acceptable to Canada. Completed deviation cards must be supplied to Canada at the completion of BSTs.
- 4.13.4. At the conclusion of successful BSTs, an inspection of the Vessel will be made by Canada. All defects and deficiencies noted will be made good, together with all defects arising during the BSTs.
- 4.13.5. If the Contractor completes the BSTs but fails some of the individual requirements of BSTs, the Contractor must correct the deficiency, reschedule the failed test or trial, and redo those portions of the test or trial that failed.
- 4.14. Completion, Delivery and Acceptance**
- 4.14.1. On completion of all trials, a general survey must be made of the Vessel, and all defects that may have developed, or all work found to be incomplete or unsatisfactory is to be corrected by the Contractor subject to the terms of the Contract.

- 4.14.2. When all trials have been satisfactorily completed, the whole Vessel is to be thoroughly cleaned, machinery and components touched up as required, pipes painted, and all compartments generally brought to a high standard of finish, to the complete satisfaction of Canada. The magnetic compass is to be readjusted after Vessel delivery and required certificates and deviation cards are to be handed over to Canada.
- 4.14.3. On completion of all trials, the Contractor must transcribe all test and trials data onto clean typed copies, containing all relevant data gathered during the test and trials program. The original trials data sheets must be signed and dated by Class (as applicable), Canada and the Contractor. The Contractor must provide to Canada one (1) Trials Data Booklet containing the original, signed trials data sheets and two (2) copies of the Trials Data Booklet for each Vessel.
- 4.14.4. All certificates, documents, manuals, and as fitted drawings required by the Contract are to be delivered to Canada at the time of Acceptance of the Vessel by Canada.

4.15. Noise Control Engineering

- 4.15.1. The Contractor shall retain the services of a consultant specializing in noise control for the development of the Airborne Noise Analysis in accordance with **DID T-002 Airborne Noise Analysis (ANA)**. In addition, the consultant shall advice on matters of detailed design, installation techniques and to inspect noise control treatments as they are installed.

5. Integrated Logistic Support

5.1. General

- 5.1.1. Integrated Logistics Support (ILS) is comprised of the activities required to develop and deliver the products required to ensure the support and operation of the Vessels throughout their service lives. The ILS elements to be delivered along with the Vessels are described in the following sections and the associated DIDs.

5.2. Maintenance Plans

- 5.2.1. The Contractor shall provide a list of required and recommended preventive maintenance procedures for all installed equipment and components in accordance with the OEM's requirements and **DID I-002 Maintenance Task List**. Each recommended procedure listed shall identify the equipment or component requiring maintenance to be performed, the reference to the Technical Manual, and the frequency of the procedure.

- 5.2.2. The Contractor is responsible for the development and delivery of a Maintenance Plan to Canada for the vessel's systems, machinery, and equipment in accordance with **DID I-009 Maintenance Plan** and **CCG Standard for the Development of Maintenance Plans**. The Reliability Centered Maintenance Analysis approach described in this standard is not a requirement.
- 5.2.3. During the development of the Maintenance Plan, the Contractor must schedule and facilitate two face-to-face Expert Panel Review (EPR) meetings with CCG personnel to ensure the expertise and proven practices of CCG vessel Maintenance Practitioners are incorporated into the Maintenance Plan and that the Maintenance Plan is understood and vetted by CCG Maintenance Practitioners prior to implementation. Following the first two EPR meetings and finalization and acceptance of the Maintenance Plan by Canada the Contractor shall convene a third face-to-face EPR meeting with CCG to discuss and to develop the Maintenance Training Requirements as defined in **(DID I-013)**
- 5.2.4. During the first two EPR meetings in the development of the Maintenance Plan, CCG vessel Maintenance Practitioners will review the proposed Maintenance Plan and provide comment and input for incorporation into the Plan. CCG vessel Maintenance Practitioners will also be available to respond to Contractor questions regarding CCG vessel maintenance practices. Information available will include planned vessel life, maintenance cycles such as 60 month refit, annual docked work period, etc., crew size and composition, occupations (trades) to whom maintenance work can be assigned, maintenance concept e.g. extent of maintenance on-board by the crew; by technicians under contract; supply arrangements at regional maintenance facilities or by OEMs; crew member time available for maintenance; maximum time available for on-board maintenance task; days of spares to be held on-board, etc.
- 5.2.5. These two Maintenance Plan EPR meetings must include the Contractor personnel who developed the Maintenance Plan. The purpose of the EPR #1 and #2 Meetings is to efficiently and collaboratively enable the generation of Maintenance Plans that meet CCG's operational needs. It is anticipated that approximately five (5) CCG Subject Matter Experts will participate in each meeting. Each EPR meeting is anticipated to require two full working days.

5.3. Expert Panel Review Meeting #1

- 5.3.1. The first EPR meeting (EPR Meeting #1) shall be scheduled after maintenance tasks are defined by the Contractor in accordance with **DID I-002** Maintenance Task List. During this meeting, Canada will select from the list of maintenance tasks those which require further development into maintenance activities for the Maintenance Plan, in accordance with **DID I-009** Maintenance Plan. The tasks which will require further development into the Maintenance Plan shall be kept to no more than two hundred and fifty (250). Supporting information, such as drawings, must be employed by the Contractor during the EPR to support the understanding of CCG Maintenance Practitioners and facilitate discussion. This meeting should commence following completion of the initial design phase.
- 5.3.2. The Contractor must provide each CCG member of the EPR with the proposed maintenance tasks including their intervals, organized by system. Tasks required to ensure the OEM warranty remain valid must be clearly indicated.
- 5.3.3. At the EPR meeting, the requirement for each task will be reviewed, validated and discussed. The CCG panel will consider each proposed maintenance task and determine if it should be kept, deleted, or combined with another task and whether its proposed interval should be left as is, lengthened or shortened. The Contractor must record the decisions and changes as a function of the EPR meetings.
- 5.3.4. The need for maintenance tasks not already identified by the Contractor but deemed necessary by the CCG Expert Panel must be discussed and incorporated as agreed by the CCG Expert Panel.

5.4. Expert Panel Review Meeting #2

The second EPR meeting (EPR#2) is to be convened just prior to finalization of the Maintenance Plan and after Canada has had at least fifteen (15) working days to review. The Contractor will provide a comprehensive review of the Maintenance Plan with the objective of seeking final input and recommendations from the CCG Expert Panel. The panel will include CCG vessel Maintenance Practitioners and the Contractor personnel who conducted /managed the maintenance plan development.

- 5.4.1 To support this process, the Contractor must provide each CCG member of the EPR, a copy of the Maintenance Plan. The Contractor must mark up the master copy of this document to record the decisions of the

EPR #2, incorporate the decisions of the EPR and submit to Canada the completed Maintenance Plans, in accordance with **DID I-010** Maintenance Plan.

5.5. Expert Panel Review Meeting #3

Immediately following the finalization and acceptance of the Maintenance Plan by Canada the Contractor shall convene EPR Meeting #3 and engage CCG Expert Panel Maintenance Practitioners members to discuss and to develop suggested topics that should receive greater relative emphasis in the Maintenance Training (**DID I-013** **Maintenance Training**). It is anticipated that this process will make lesson planning easier for the Contractor, and the training more relevant for maintenance personnel. The panel will include CCG vessel Maintenance Practitioners and the Contractor personnel who conducted /managed the maintenance plan development.

This meeting shall be convened and facilitated by the Contractor at least six (6) months prior to the delivery of the first vessel to establish the training requirements.

5.6. Maintenance Training

Maintenance Training is the training needed by CCG Maintenance Practitioners to successfully perform 1st, 2nd, and in some cases 3rd level maintenance tasks.

Within CCG, three “Levels” are used to describe depth of maintenance as follows:

Level One Maintenance is usually performed onboard by CCG personnel while the vessel is operational. It includes routine Preventative Maintenance tasks, relatively simple Corrective Maintenance tasks and fault diagnosis. Typically, Level One maintenance tasks can be performed in less than three hours.

Level Two Maintenance may be performed onboard the vessel, at a shop or at a local repair facility. It includes Corrective Maintenance by repair or replacement of assemblies or parts. Typically, Level Two maintenance are performed in less than two days.

Level Three Maintenance is usually performed at a regional CCG or Industry facility. It includes such things as major rebuild or overhaul,

vessel refit, activities to address Transport Canada Marine Safety (TCMS) regulatory requirements etc.

5.7. **Electronic Data Transfer to Canada Maintenance Data**

Prior to the vessel(s) entering into service, the CCG's Computerized Maintenance Management System (CMMS) requires to be loaded by Canada with the Maintenance data provided by the Contractor in order to carry out the in-service maintenance as per the **Maintenance Plan I-009**. This includes scheduling and planning maintenance activities, accessing job plans, tracking on-board and shore based inventory, etc. While the data will be entered into the CMMS by Canada, the Contractor shall provide it in an electronic spreadsheet form that makes the transfer of the Maintenance Plan data suitable for the required input to CMMS. CCG will provide the Contractor with the required template for this purpose.

The Contractor will electronically transfer to Canada the following categories of Data:

The Vessel asset breakdown;

The data regarding each maintenance task and associated job plan contained in the Maintenance Task Analysis Worksheets;

The provisioned items (spares, repair-parts, material, special tools and test equipment) selected by Canada to be purchased and held either on board the vessel or ashore.

5.8. **Supportability Management**

The Contractor shall ensure Supportability considerations are factored into the Selection of Systems/Equipment. In particular, Supportability considerations shall include:

- a. systems and equipment that are well supported in Canada with a viable, established network of financially stable suppliers;
- b. avoidance of proprietary systems and hardware while maximizing the use of open architecture systems to facilitate incremental and cost-effective technology updates;
- c. use of proven, commercial technology but avoidance of systems/equipment that are at or approaching the end of their commercial life.

The Contractor shall identify all equipment that is customized specifically for the SAR lifeboat (example: pumps, machines, electronics, and other components purpose built for the vessel class). The Contractor shall also identify lead times of all vessel equipment and identify assembly level replacement lead times.

5.9. Technical Data Package (TDP)

- 5.9.1. The Contractor must develop and deliver a Technical Data Package that contains all of the Technical Data and Documentation required to operate, maintain, and manage the configuration of the Vessels in service. Requirements for format and content of manuals and other documentation are contained in **DID I-001 Technical Manuals**.
- 5.9.2. The Contractor must develop and deliver to Canada for each Vessel the following:
 - 5.9.2.1. A Trim and Stability Book in accordance with TCMS and Classification Society requirements; and
 - 5.9.2.2. An As-Fitted engineering drawing package that reflects the as-built configuration of each Vessel and includes all drawings submitted to Class for information and all Class approved drawings, in accordance with **DID I-004 As-Fitted Drawing Package**;
- 5.9.3. The As-Fitted Drawing Package must be sufficiently detailed so as to allow CCG to operate, maintain, repair, overhaul, refit, support, and control the configuration of the SAR Lifeboat and its systems and equipment throughout the Vessel's in-service life. In addition, the As-Fitted Drawing Package must be sufficiently detailed so as to allow CCG to fabricate for repair, or to purchase, items that are equivalent to those being delivered. It must include:
 - 5.9.3.1. details of special processes essential to procurement and/or installation;
 - 5.9.3.2. performance ratings;
 - 5.9.3.3. dimensional and tolerance data;
 - 5.9.3.4. input and output parameter tolerances;
 - 5.9.3.5. diagrams;
 - 5.9.3.6. mechanical and electrical connections;
 - 5.9.3.7. physical characteristics including fit, form and finish;
 - 5.9.3.8. details of material identification, inspection, test and evaluation criteria; and
 - 5.9.3.9. necessary calibration information and quality control data.
- 5.9.4. A Vessel Specification that fully reflects the as-built configuration of each of the Vessels in accordance with **DID M-012 Ship Specification**. The Ship Specification must build on the Construction Specification developed as part of the SAR Lifeboat Construction Engineering Contract Construction Specification, and must use the same format and organization;

- 5.9.5. An Asset Breakdown using a structure approved by Canada in accordance with **DID I-007 Asset Breakdown Structure**;
- 5.9.6. A Vessel Class Manual in accordance with **DID I-005 Class Manual** which explains the function and general arrangement of the vessel and its major systems and equipment. It will also provide guidance for the operation and maintenance of the vessel;
- 5.9.7. Material Safety Data Sheets (MSDS) for all materials used in the construction of the Vessels and that will remain on board the Vessels after acceptance by Canada. The MSDS must be in both official languages, be placed in a single 3 ring binder of suitable size, and be indexed. Digital copies of the MSDS in both official languages must also be supplied in digital form, if available; and
- 5.9.8. Detailed construction drawings of all structural castings, shaft bossings, skegs and rudder assemblies.
- 5.9.9. The Contractor must develop and deliver to Canada a Master Equipment List (MEL) that identifies all the major propulsion plant, electrical plant, auxiliary and deck equipment fitted on the Vessels in accordance with **DID M-009 Master Equipment List**. The Master Equipment List (MEL) must be updated and maintained current during the Work in accordance with **DID M-009**.
- 5.10. Sparing**
- 5.10.1. The Contractor must develop a Sparing Plan in accordance with **DID I-010 Sparing and Supply Plan**.
- 5.10.2. Upon delivery of each SAR Lifeboat, the Contractor must supply to Canada (and store onboard the Vessel) the onboard spares, repair parts, tools and other materiel specified in the Recommended Spares and Parts List (RSPL). Any other spare gear identified as a result of **DID I-010** that Canada wishes to be provided is not part of this Contract.
- 5.10.3. Upon delivery of each SAR Lifeboat, the Contractor must supply the following spares and tools for each vessel:
- | | |
|--|--------|
| 5.10.3.1. Starters | Qty. 1 |
| 5.10.3.2. Alternators | Qty. 1 |
| 5.10.3.3. Complete set of filters and belts | Qty. 2 |
| 5.10.3.4. Preheat pump and motor | Qty. 1 |
| 5.10.3.5. Complete cylinder pack including piston, connection rod, rod bearings and a set of main bearing shells, etc. (per OEM) | Qty. 1 |
| 5.10.3.6. Cylinder head, complete | Qty. 1 |
| 5.10.3.7. Jacket water pump | Qty. 1 |
| 5.10.3.8. Fitted salt water pump(s) | Qty. 1 |

- 5.10.3.9. Complete set of spare fuel lines, fuel lift pump and hand priming pump Qty. 1
- 5.10.3.10. Complete set of engine manufacturer's tools for repairs and maintenance of engines Qty. 1
- 5.10.3.11. Tools to dismantle and reconnect all pipework and cabling Qty. 1
- 5.10.3.12. Piping system repair kits and sufficient spares for grooved and compression fit pipework
- 5.10.3.13. A nut, bolt, washer, and fastener assortment kit to match those most commonly used onboard Qty. 1
- 5.10.3.14. Hydraulic coupling tool Qty. 1

5.10.4. Upon delivery of the first SAR Lifeboat, the Contractor must supply the following long-lead spares and test equipment for shore-based stock to CCG Base Dartmouth:

- 5.10.4.1. Jacket water pumps Qty. 2
- 5.10.4.2. Fitted salt water pump(s) Qty. 2
- 5.10.4.3. Fire main pump(s) Qty. 2
- 5.10.4.4. Engine room exhaust fans Qty. 2
- 5.10.4.5. Engine room intake fans Qty. 2
- 5.10.4.6. Turbos including gasket kits Qty. 2
- 5.10.4.7. Complete overhaul kits for main engines (pistons, heads, gaskets, liners, bearings, etc. , per OEM) Qty. 2
- 5.10.4.8. High pressure fuel pumps Qty. 2
- 5.10.4.9. Filters for all equipment Qty. 2
- 5.10.4.10. Shafts (Port x2, Stbd x2)
- 5.10.4.11. Propellers (Port x2, Stbd x2)
- 5.10.4.12. Rudders (Port x2, Stbd x2)
- 5.10.4.13. Rudder and shaft bushings/bearings (complete ship-sets) Qty. 2
- 5.10.4.14. Main Alternator, Electrical Control Module (ECM), Converter and Inverter for the electrical system (2 complete Ship Sets)
- 5.10.4.15. Computer laptop, with software for interfacing with main engines and diesel alternators Qty. 3
- 5.10.4.16. Special tools, as applicable, for the maintenance, servicing, dismantling and assembly of the diesel engines Qty. 3
- 5.10.4.17. Specialty tools, jigs, stands, and equipment needed to carry out maintenance of shore side spares and repair parts.

5.10.5. **Recommended Tools and Test Equipment List**

The Contractor shall prepare and submit to Canada a Recommended Tools and Test Equipment List (RTTEL) in accordance with **DID-011**. The

RTTEL shall be consistent with the requirements identified in the Maintenance Plans, but will be rationalized to indicate appropriate quantities.

5.10.6. Recommended Tools and Test Equipment

For each vessel the Contractor shall identify and supply all tools and equipment necessary to support first line and second line maintenance requirements. As a minimum this shall include;

- a. Tools to dismantle and reconnect pipework and cabling.
- b. Tools to remove and re-install all equipment and machinery components.
- c. Piping and tubing system repair kits (2 per schedule, material, size).
- d. Nut, bolt, washer, and fastener assortment kits to match those most commonly used onboard. Kits shall be provided in a stand- alone purpose built compartment storage drawers with all pieces identified.
- e. Hydraulic coupling tooling as applicable.
- f. 640-480 video boroscope, heat gun, crimpers, hose cutters.

5.10.7. All spares and repair parts supplied by the Contractor must be packaged and clearly marked and identified with manufacturer's name, item name and description, and part number on the packaging. Spare parts required for specific equipment or assemblies must be kitted, separately packaged, and identified accordingly.

5.10.8. Spares provided that are not carried onboard the vessels at time of delivery must be delivered to the destination stipulated in the Contract.

5.10.9. The Contractor must properly preserve and package the parts for long-term storage by ensuring they are coated with an approved preservative and sealed in an approved wrapping or pack as determined by the OEM. Suitable boxes may be used to package an item in accordance with standard commercial practice; however, if a box is used, each one must contain a non-fading content list that must be protected against damage and staining. Spare parts weighing in excess of 20 kg must be packed in strong boxes with lifting handles.

5.10.10. In determining packaging the Contractor must take into consideration the nature of the item, known logistics requirements, and quantity. The selection of packaging materials must include consideration of disposability, reuse, recycling, and conservation.

- 5.10.11. Spare shafts shall be supplied in packaging with sufficient rigidity and internal support to enable the shafts to be warehoused indefinitely without sagging, warping or deformation.
- 5.10.12. The Contractor must provide reusable packaging containers for Contractor supplied spares and materiel that will be routinely returned for rebuilding or servicing.
- 5.10.13. The Contractor must package and mark hazardous materials in accordance with applicable Federal, Provincial and international regulations.
- 5.10.14. The Contractor must determine the quantity for each unit package for all materiel based upon the nature of the item, known logistics requirements, and normal usage factors.
- 5.10.15. The Contractor must provide packaging that is designed to withstand logistics conditions and is of quality to ensure the protection and preservation for the safe delivery of the item to its destination. Safe delivery is deemed to mean no damage to the contents of the package.
- 5.10.16. Packing lists that accompany shipments to identify contents must also identify Contract or purchase order numbers.

5.11. Training

- 5.11.1. The Contractor must develop a Crew Familiarization Training Plan based on Vessel Class Manual and deliver Familiarization Training in accordance with **DID I-012 Crew Familiarization Training**.
- 5.11.2. A minimum of four (4) familiarization training sessions shall be scheduled at approximately equal intervals over the course of the construction programme. One (1) of these sessions shall be delivered in French. Use of translators and/or Francophone facilitators for this session is acceptable.
- 5.11.3. The first familiarization training session shall be scheduled to take place prior to the delivery and acceptance of the first Vessel and as close as practical to the Vessel delivery date, and after the completion of Sea Trials.
- 5.11.4. Subsequent sessions shall be scheduled at mutually agreeable times over the course of the construction program.
- 5.11.5. The Crew Training must include provision for five (5) contiguous days of training for each Vessel per participant. The training must take place on board the Vessel and in a co-located classroom facility at a Contractor-supplied venue. The Contractor must ensure that access to the Vessel is provided during the training period for the purpose of Vessel and equipment familiarization, and that any equipment or system on which

training is provided is in a state of functionality that allows practical demonstrations to occur. Practical demonstrations should be utilized wherever appropriate. The Contractor must provide lunch and refreshment for two health breaks each day.

- 5.11.6. The Contractor must develop a Maintenance Training Plan and deliver Maintenance Training in accordance with **DID I-013 Maintenance Training**. The intent of this training is to enable shore-based and Vessel maintainers to perform first- and second-line maintenance in accordance with OEM recommendations.
- 5.11.7. Two (2) training courses shall be scheduled. Each training course shall consist of two training sessions one in English and one in French. The Contractor shall deliver one course in both English and French (two separate sessions) which shall be focused on Electronics and Informatics (E&I) and another course in English and French (two separate sessions) shall cover all other maintenance related topics. For the French course sessions the use of translators and/or Francophone facilitators for these session is acceptable.
- 5.11.8. The (English) course sessions must be provided within 60 days of delivery of the first vessel. The second (French) course sessions shall be scheduled at a mutually agreeable date, but before the delivery of the last vessel.
- 5.11.9. The Maintenance Training must include provision for ten (10) full working days of training within a twelve (12) day period for each course. Remaining vessel and classroom availability requirements shall be in accordance with section 5.11.5.

5.12. Environmental Protection Engineering

- 5.12.1. Canada reserves the right to review the Contractor's Environmental Protection Engineering Plan and associated documentation at any time throughout the Contract to ensure compliance.
- 5.12.2. The Contractor must ensure that the use of hazardous material (HAZMAT) in the design and construction of the SAR Lifeboat is minimized and controlled. The Contractor must obtain approval in writing from Canada via the approved Contract Change Proposal Process, before including any hazardous material, as defined in Federal and Provincial legislation and regulations, in the construction of the Vessels.
- 5.12.3. The Contractor is responsible for disposal of the hazardous material/waste in accordance with all applicable Federal, Provincial and Municipal legislation and regulations

- 5.12.4. The use of those substances identified as Prohibited Materials must not be used in this project.
- 5.12.5. The Contractor must provide for each Vessel a “Green Passport”, as defined in IMO Resolution A.962(23) as amended, Guidelines on Ship Recycling.

6. Facilities

- 6.1. The Contractor must provide office facilities as listed in Annex A – Facilities.

7. Vessel Registry and Certification

7.1. Registry and Certification

- 7.1.1. The Contractor will ensure all certificates regarding measurement and tonnage are received and forwarded to Canada. The Vessels will be registered with a home port of Ottawa, ON.
- 7.1.2. Canada will provide the vessel names to the Contractor. Once the Contractor forwards all tonnage certificates and builder’s certificates for each vessel are sent to Canada, Canada will register the vessel with the Registrar of Shipping, and provide the Contractor with the official number or license number for marking purposes.

7.2. Tonnage

- 7.2.1. The Contractor will provide for the services of an authorized tonnage measurer to have vessel measured, and mark vessel's gross (GRT) and net (NRT) tonnage to Canada Shipping Act 2001 requirements.
- 7.2.2. The Contractor will have tonnage measured in accordance with the provisions of TP13430 Standard for the Tonnage Measurement of Vessels, Part 2 - Tonnage Measurement of Vessels 24 Metres in Length or More. The long form method will be used.

7.3. Certificates

The Contractor must deliver the Vessels with the certificates listed below, and any other certificates required by the Classification Society and/or TCMS, in accordance with **DID M-015 Vessel Certificates**:

- 7.3.1. Certificates of Classification Society for hull;
- 7.3.2. Certificates of Classification Society for machinery, where applicable;
- 7.3.3. Ship Safety Equipment Certificate;
- 7.3.4. Ship Safety Radio Certificate;
- 7.3.5. Ship Safety Construction Certificate;
- 7.3.6. Certificate of Registry (includes all certificates relating to measurement and tonnage which are required for registry);

- 7.3.7. Builder's Certificate;
- 7.3.8. Ship's Radio License;
- 7.3.9. EPIRB registration forms;
- 7.3.10. Certificates of nautical instruments (per item);
- 7.3.11. Certificates for safety equipment (per item);
- 7.3.12. Certificates for lifesaving equipment (per item);
- 7.3.13. Certificates of fire suppression equipment (per item);
- 7.3.14. Certificates of anchors, anchor shackles, and anchor chains (per item);
- 7.3.15. Certificate of navigation lights;
- 7.3.16. Compass Adjustment Certificate;
- 7.3.17. Certificates for machinery and deck equipment (per item);
- 7.3.18. Certificates for all towing gears, wire ropes, etc.;
- 7.3.19. Engine International Air Pollution Prevention (EIAPP) certificate;
- 7.3.20. All Tackle Certificates in the form required by CCG (as approved by TC);
- 7.3.21. Canadian Oil Pollution Prevention Certificate or International Oil Pollution Prevention Certificate (as appropriate); and
- 7.3.22. Any other vessel certificates necessary to operate in Canadian waters.

7.4. Prior to the FAM and after the completion of all tests and trials the Contractor must:

- 7.4.1. Rectify all defects to an as-new condition;
- 7.4.2. Clean the SAR Lifeboat internally and externally to an as-new condition;
- 7.4.3. Fill diesel fuel oil tanks to 90% capacity;
- 7.4.4. Fill lube oil and hydraulic oil storage tanks and potable water tanks to 100%;
- 7.4.5. Fill all machinery system tanks (e.g. hydraulic, fresh water, header and expansion) to their normal operating levels;
- 7.4.6. Ensure all machinery sumps and gear boxes are filled to their OEM recommended operating levels;
- 7.4.7. Ensure black and grey water tank is emptied;
- 7.4.8. Ensure all refrigerants and air conditioning systems are charged to their OEM recommended operating levels;
- 7.4.9. Ensure all bilges are clean, empty and dry; and
- 7.4.10. Once each compartment, tank, equipment, machinery and/or system has been fully outfitted, inspect it in conjunction with the IA, secure it and when accepted by the IA, turn the keys over to the IA.

7.5. Display Photographs

- 7.5.1. The Contractor must deliver to Canada, within three weeks of acceptance of each Vessel, one set of digital photographs of the Vessel, taken after completion, in accordance with **DID M-016 Photographs**. The photographs must include individual photographs of the following views:
 - 7.5.1.1. Close-up of the Vessel at sea in motion;
 - 7.5.1.2. Vessel moving on an angle towards the left-hand side of the photo;
 - 7.5.1.3. Vessel moving on an angle towards the right-hand side of the photo;
 - 7.5.1.4. Side view profiles, both port and starboard;
 - 7.5.1.5. View dead ahead; and
 - 7.5.1.6. View dead astern.

7.6. Interior and Exterior Spaces Photographs

- 7.6.1. The Contractor must deliver to Canada, on completion of the first Vessel, one set of digital colour photographs of interior and exterior spaces, in accordance with **DID M-016**. The photographs must show comprehensive general views of the arrangement of machinery, equipment, appliances, furniture, fittings, instruments, outfit and equipment within the spaces or on the exterior decks.

7.7. Display Models

- 7.7.1. The Contractor must provide to Canada two (2) scale models of the Vessel for display purposes upon completion of the last Vessel.
- 7.7.2. The models must be built to a 1:20 scale, and must consist of the entire exterior, as built, from the keel and underwater appendages to the top of the highest antenna.
- 7.7.3. Hull openings must be shown on the models as constructed on the vessel. Fittings, appendages, and apparatus installed on the vessel and visible from the exterior must be reproduced and attached, including watertight doors, searchlights and floodlights, navigational equipment and lights, flags, bell, rails, scuttles, winches, etc.
- 7.7.4. Equipment covers must not be used. Non-skid deck coverings, if any, must be represented as installed. Flags must be fabric. Fittings and accessories may be made of metal or other suitable materials which will permanently hold shape and not deteriorate from oxidation or age.
- 7.7.5. White metal castings, lead, or lead-bearing compounds must not be used. Metal joints must be silver-soldered. Propellers must be either cast in bronze or first copper plated and then brass plated.
- 7.7.6. The hull and appendages must be smooth and fair without

blemishes, sap pockets or tool marks. Materials used in construction of the models must be resistant to humid conditions. The hull form must conform accurately to the lines of the vessel as constructed. The hull must be built up in lifts of Grade A select white pine or clear basswood, dowelled, and glued with water resistant glue. Balsa wood must not be used for any part of the models. Veneers of hardwood or sheet brass may be used for coamings and bulwarks.

- 7.7.7. Parts must be treated to prevent action of humidity or corrosion. The application of thick paint which distorts the scale and results in an untidy appearance will not be accepted. All parts of the models must have a surface treatment representing the actual appearance of the vessel. Prior to spray painting with lacquer, a suitable undercoat must be applied in sufficient thickness so that when rubbed down, it must completely hide the grain of the wood. Colours must match the "as-built" colours of the Vessels.
- 7.7.8. Each model must be enclosed in a safety glass case and securely mounted on an oak veneer plywood base on simulated keel blocks. Two (2) engraved nameplate of satin finished brass must be attached to the wood base, one (1) on each (port and starboard) side, containing the vessel's identification, in both of Canada's official languages, the scale of the model and the name of the model builder. A draft of the nameplates must be submitted to the TA for review and comment prior to engraving. Protective crating must also be supplied.
- 7.7.9. Notwithstanding the aforementioned specifications of Section 7.7, the Contractor may propose alternative materials and/or methods (for example, employing 3D printing to manufacture model components). However, any changes to this Section must be approved by Canada.