



Fisheries and Oceans  
Canada

Pêches et Océans  
Canada

Procurement Hub, Fredericton Office  
301 Bishop Drive  
Fredericton, NB  
E3C 2M6

27 May 2015

Subject: **REQUEST FOR PROPOSALS: F5211-150137**

**Fixed-Gear Sentinel Fishery in NAFO Fishing Area 4S**

Sir/Madam,

You are invited to submit one (1) signed copy of a proposal to provide services to Fisheries and Oceans Canada. Proposals will be accepted until 2:00 PM (Atlantic Time), on 11 June 2015. Electronic documents submitted by the bidder **MUST** be in .pdf of MSOffice file format. Proposals must be signed and emailed to [DFOtenders-soumissionsMPO@dfo-mpo.gc.ca](mailto:DFOtenders-soumissionsMPO@dfo-mpo.gc.ca) and addressed:

**TENDER SUBMISSION – F5211-150137**

**Fixed-Gear Sentinel Fishery in NAFO Fishing Area 4S**

The [DFOtenders-soumissionsMPO@dfo-mpo.gc.ca](mailto:DFOtenders-soumissionsMPO@dfo-mpo.gc.ca) electronic in-box has an email size limit of 10 MB. Tenders larger than 10MB must be broken into multiple smaller email transmissions.

Any bid received after that time will be considered late. Fax submissions will not be accepted. The onus is on the bidder to ensure that the bid is received on time to the location designated.

Tender documents **MUST** be downloaded from [www.buyandsell.gc.ca](http://www.buyandsell.gc.ca). Those 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 any resulting contract.

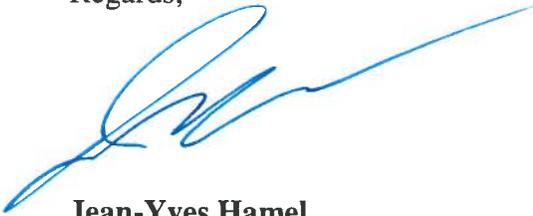
The successful bidder will be expected to enter into a Contract in accordance with the enclosed documents. Your proposal should be in sufficient detail to form the basis of a contractual agreement on an as and when required basis. It should permit technical evaluation based on the enclosed criteria. The period of the Contract will be from the date of contract award to 31 May 2016 with the possibility of up to two (2) additional option periods of one (1) year each, at the discretion of Fisheries and Oceans Canada. All cost proposals shall include prices for each year or it will be assumed the prices remain the same for the two years.

All questions regarding this request for proposals should be submitted in writing, no later than 05 June 2015. The department may not be able to respond to questions submitted after that date.

For further information, please contact the Contracting Authority, Jean-Yves Hamel, by email at [DFOtenders-soumissionsMPO@dfo-mpo.gc.ca](mailto:DFOtenders-soumissionsMPO@dfo-mpo.gc.ca).

**Fisheries and Oceans Canada will not necessarily accept the lowest or any proposal submitted.**

Regards,



**Jean-Yves Hamel**

Senior Contracting Officer

Procurement Hub - Fredericton Office

Materiel and Procurement Services - Financial and Materiel Management Operations

301 Bishop Drive, Office # 105

Fredericton, NB, E3C 2M6

Fisheries and Oceans Canada

Government of Canada

Hub E-mail: [DFOtenders-soumissionsMPO@dfo-mpo.gc.ca](mailto:DFOtenders-soumissionsMPO@dfo-mpo.gc.ca)

Attach.

**REQUEST FOR PROPOSALS**

**Fixed-Gear Sentinel Fishery in NAFO Fishing Area 4S**

- 1. Letter of Invitation**
- 2. OFFER OF SERVICES/CONTRACT FORM**
- 3. BIDDER INSTRUCTIONS**
- 4. TERMS OF PAYMENT**
- 5. STATEMENT OF WORK**
- 6. CERTIFICATIONS**
- 7. EVALUATION CRITERIA**
- 8. GENERAL CONDITIONS**
- 9. INSURANCE CONDITIONS**
- 10. ADDITIONAL VESSEL CHARTER CONTRACT CONDITIONS**

Department of Fisheries and Oceans

**Bid Closing Date: 11 July 2015**  
**Bid Closing Time: 14:00 PM (Atlantic Time)**  
**Financial Coding: 31215-810-120-4103-9CF02-6**  
**Contract/File No: F5211-150137**

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**OFFER OF SERVICES/CONTRACT FORM**

**REQUEST FOR PROPOSALS**

**Fixed-Gear Sentinel Fishery in NAFO Fishing Area 4S**

**1. PROPOSAL SUBMITTED BY:**

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**(Complete Name and Address)**

**2. PERFORMANCE OF WORK**

The Undersigned (hereinafter referred to as "the Contractor") hereby offers to Her Majesty the Queen in Right of Canada, (hereinafter referred to as "Her Majesty") as represented herein by the Minister of Fisheries and Oceans (hereinafter referred to as "the Minister") to furnish all necessary labour, supplies, superintendence, plant, tools, appliances, equipment, supplies and other accessories, services and facilities necessary to assist in the performance of the following services:

### 3. CONTRACT DOCUMENTS

The Contractor hereby undertakes to perform and complete the work at the place and in the manner set out in accordance with the following documents which, upon acceptance of the **OFFER OF SERVICES/CONTRACT FORM**, will form part of the contract:

1. **OFFER OF SERVICES/CONTRACT FORM** duly completed and signed;
2. Document titled attached hereto or referenced entitled "**GENERAL CONDITIONS**";
3. Document titled attached hereto, or referenced entitled "**TERMS OF PAYMENT**";
4. Document titled attached hereto, or referenced entitled "**STATEMENT OF WORK**";
5. Document titled attached hereto or referenced entitled "**INSURANCE CONDITIONS**"; and
6. Document titled attached hereto or referenced entitled "**ADDITIONAL VESSEL CHARTER CONTRACT CONDITIONS**".

### 4. SECURITY

There is no security requirement applicable to this Contract.

### 5. DISCREPANCIES

In the event of discrepancies, inconsistencies, or ambiguities of wording of these documents, the wording of the document that first appears on the above list shall prevail over the wording of a document subsequently appearing on the list.

### 6. CONTRACT PERIOD

The Department of Fisheries and Oceans (DFO) has a requirement for these services to be carried out in accordance with the **Statement of Work** attached hereto as. The services are to be provided from the date of contract award to 31 May 2016 as detailed in the Statement of Work.

**Option to extend the Contract:**

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two (2) additional option periods of one (1) year each under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the **TERMS OF PAYMENT**.

Canada may exercise this option at any time by sending a written notice to the Contractor at least fifteen (15) calendar days before the Contract expiry date. The option can only be exercised by the Contracting Authority and will be confirmed, for administrative purposes only, through a contract amendment.

**7. PROPOSED PRICES**

**SERVICES AND ASSOCIATED COSTS**

The Firm Unit Price per sentinel survey/sample **MUST** include **ALL** costs related to completing the work (The fishing equipment, charter and operation of the vessel, crew salaries, food, fuel, vessel insurance, repairs and maintenance, observer coverage, dockside monitoring, contract administration, ...)

**NOTE:** The available budget for the sentinel survey project is fixed and the number of surveys that the contractor must complete will depend on the value of the lowest responsive bid received by DFO. That is to say that the quantity of surveys may be more or less than 350 according to the price of the lowest responsive bid received.

**7.1 Contract Period (Date of contract award to 31 May 2016)**

REQUIREMENT	QUANTITY	FIRM UNIT PRICE (Applicable Taxes extra)
Fixed-Gear Sentinel Fishery (Sentinel Survey)	350	\$
Sample	8	\$

**7.2 Option Year 1 (30 June 2016 to 31 May 2017)**

REQUIREMENT	QUANTITY	FIRM UNIT PRICE (Applicable Taxes extra)
Fixed-Gear Sentinel Fishery (Sentinel Survey)	350	\$
Sample	8	\$

**7.3 Option Year 2 (30 June 2017 to 31 May 2018)**

REQUIREMENT	QUANTITY	FIRM UNIT PRICE (Applicable Taxes extra)
Fixed-Gear Sentinel Fishery (Sentinel Survey)	350	\$
Sample	8	\$

**Note:** If prices are not provided for the option years, they will be considered to be the same as for the initial contract period.

**8. FEDERAL GOODS AND SERVICES/HARMONIZED SALES TAX**

GST/HST is excluded from the prices(s)/rates quoted herein. Any amount to be levied against Her Majesty in respect of the GST/HST as is applicable is to be shown separately on all invoices for goods supplied or services provided and will be paid by the Government of Canada. The Contractor agrees to remit any GST/HST as is applicable, paid or due to Canada Customs and Revenue Agency.

**9. SUBMISSION**

The Contractor submits herewith the following:

- a) **OFFER OF SERVICES/CONTRACT FORM**, duly completed and signed;
- b) **PROPOSAL**; and
- c) **CERTIFICATIONS**, completed and signed.

**10. IRREVOCABLE OFFER**

- 10.1 The Contractor submits the tendered prices listed in Article 7 on the full understanding that these tendered prices represents an irrevocable offer by the Contractor. Furthermore, the Contractor hereby certifies that the tendered prices are based on the Contractor's most preferred rates.
- 10.2 The Contractor hereby agrees that this Request for Proposal shall remain open for acceptance by the Minister for a period of sixty (60) days from the proposal closing date (hereinafter referred to as the "Acceptance Period"). In the event the Minister deems it necessary to extend the Acceptance Period, he shall, prior to the expiration of such period, notify the Contractor by written notice to that effect, whereupon the Contractor shall have fifteen (15) days from the date of receipt of such written notice to, in writing, either accept the required extension as referred to in the Ministerial notice or withdraw its proposal.
- 10.3 In the event the Contractor accepts the requested extension, the Acceptance Period shall be extended as referred to in the Ministerial notice. In the event the Contractor does not respond to the Ministerial notice hereinabove referred to, the Contractor shall be conclusively deemed to have accepted the extension of the Acceptance Period to the date referred to in the Ministerial notice.

**11. APPROPRIATE LAW**

- 11.1 The Contractor must comply with all laws applicable to the performance of the Contract. The Contractor must provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.
- 11.2 The Contractor must obtain and maintain at its own cost all permits, licenses, regulatory approvals and certificates required to perform the Work. If requested by the Contracting Authority, the Contractor must provide a copy of any required permit, license, regulatory approvals or certificate to Canada.

**12. NO EXPRESS COLLABORATION**

The Contractor warrants that there has been no express or implied collaboration, action in concert, arrangement, agreement or exchange of preferred information, which would in any way defeat the objectives of the tendering process between the Contractor, its officers, employees or agents and any other person, in respect of the proposal hereby submitted or the preparation of such proposal and the calculations and considerations on which such proposal was prepared and submitted, and the Contractor hereby agrees that, for the purposes of this Article alone, the Contractor shall stand in a fiduciary relationship to Her Majesty.

**13. CONTRACT**

The Contractor agrees that, in the event of acceptance of this proposal by the Minister, such acceptance shall affect a contract between the Contractor and the Minister and this **OFFER OF SERVICES/CONTRACT FORM**, attachments and the Proposal shall collectively constitute the contract entered into between the Parties.

**14. RIGHTS OF THE MINISTER**

"Conditional" proposals will not be accepted. Any Contractor submitting alternate bids will be disqualified and proposals so submitted will be rejected. Notwithstanding anything contained in the Request for Proposals, the Minister shall have no obligation to accept the lowest cost proposal or any other proposal and reserves the right to consider matters which, although not set out herein, are, in the opinion of the Minister or his Departmental officials, relevant for their purposes, and the Minister and his officials shall be entitled to exercise discretion in the choice of a suitable contractor.

**15. REPLACEMENT OF PERSONNEL**

- 15.1 When specific persons have been named in the Contract as the persons who must perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
- 15.2 If, at any time, the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person who is of similar ability and attainment.
- 15.3 The Contractor shall, before replacing any specific person named in the Contract, provide notice in writing to the Minister containing:
- a) The reason for the removal of the named person from the Work;
  - b) The name, qualifications and experience of the proposed replacement person;
  - c) Proof that the person has the required security clearance granted by Canada, if applicable.
- 15.4 The Contractor shall not, in any event, allow performance of the Work by unauthorized replacement persons and acceptance of a replacement person by the Technical Authority and the Contracting Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.
- 15.5 The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with paragraph 2 and paragraph 3(b) and 3(c), secure a further replacement.

15.6 The fact that the Minister does not order the removal of a replacement person from the Work shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**16. ADDENDUM**

The Contractor agrees that the following addenda(s) issued by the Department of Fisheries and Oceans, have been received by them and have been considered in their proposal.

ADDENDUM NO.	DATE
_____	_____
_____	_____
_____	_____

This \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Contractor's signature \_\_\_\_\_

**17. CONTRACTOR'S ADDRESS**

For purposes of or Incidental to the contract, the Contractor's address shall be that which is indicated in Article 1 of the **OFFER OF SERVICES/CONTRACT FORM**.

**18. AUTHORITIES**

**a) Contracting Authority:**

The Contracting Authority for the contract is:

**Jean-Yves Hamel**  
Senior Contracting Officer  
Procurement Hub - Fredericton Office  
Materiel and Procurement Services - Financial and Materiel Management Operations  
301 Bishop Drive, Office # 121  
Fredericton, NB, E3C 2M6

Telephone: (Will be provided at time of Contract award)

Facsimile: (Will be provided at time of Contract award)

E-mail: (Will be provided at time of Contract award)

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

**b) Technical Authority: (Will be provided at time of Contract award)**

The Technical Authority for the Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail: \_\_\_\_\_

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

**c) Contractor's Representative (Please submit this information)**

The Contractor's Representative for the Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail: \_\_\_\_\_

**19. SUPPLEMENTARY CONTRACTOR INFORMATION**

Pursuant to paragraph 221 (1) (d) of the Income Tax Act, payments made by departments and agencies under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T4-A supplementary slip.

To enable the Department of Fisheries and Oceans to comply with this requirement, the Contractor hereby agrees to provide the following information which it certifies to be correct, complete, and fully discloses the identification of this Contractor:

19.1 The legal name of the entity or individual, as applicable (the name associated with the Social Insurance Number (SIN) or Business Number (BN), as well as the address and the postal code:

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19.2 The status of the contractor (individual, unincorporated business, corporation or partnership:

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19.3 For individuals and unincorporated businesses, the contractor's SIN and, if applicable, the BN, or if applicable, the Goods and Services Tax (GST)/Harmonized Sales Tax (HST) number:

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19.4 For corporations, the BN, or if this is not available, the GST/HST number. If there is no BN or GST/HST number, the T2 Corporation Tax number must be shown:

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**The following certification signed by the contractor or an authorized officer:**

"I certify that I have examined the information provided above and that it is correct and complete"

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Signature

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Print Name of Signatory

**20. SIGNATURE FOR OFFER OF SERVICES**

This offer of service is executed on behalf of the Contractor or other person(s) legally authorized to bind the incorporated company, partnership or the sole proprietor/individual owner as is applicable.

**SIGNED, SEALED AND DELIVERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2015.**

In the Presence of

**For the Contractor**

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**Incorporated Company OR**

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**Partnership OR**

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**Sole Proprietorship / Individual Owner**

**ACCEPTANCE UPON AWARD**

This contract is executed on behalf of Her Majesty the Queen in Right of Canada by their duly authorized officers / agents.

**Accepted on behalf of Her Majesty the Queen in right of Canada  
this \_\_\_\_\_ day of \_\_\_\_\_, 2015.**

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**For the Minister of Fisheries and Oceans**

**Jean-Yves Hamel  
Senior Contracting Officer**

## **BIDDER INSTRUCTIONS**

### **1. DEFINITIONS**

In the Request for Proposal

- 1.1. The terms Proposal, tender and proposal may be used interchangeably.
- 1.2. "Minister" includes a person acting for, or if the office is vacant, in place of the Minister of Fisheries and Oceans and the Minister's successors in the office, and the Minister's or their representatives appointed for the purpose of the Request for Proposal.
- 1.3. "Tender Closing Time" refers to the hour and minute expressed in the local time of the Tendering Office, after which no further tenders will be accepted.

### **2. TENDER CLOSING**

- 2.1. Sealed tenders will be received at the Tendering Office until the Tender Closing Time stipulated in the Request for Proposal. Tenders received after Closing Time will not be considered and will be returned unopened.
- 2.2. Notwithstanding the foregoing, the Department of Fisheries and Oceans reserves the right to postpone tender closing, at which time all tenderers will be advised formally of the new date and time.

### **3. TENDER OPENING**

In the case of a Public Tender Opening:

- 3.1. Tenders are opened in public at a location specified in the Request for Proposal as soon as possible after closing time unless specific instructions to the contrary regarding tender opening are included in the Request for Proposal.
- 3.2. In the event only one tender is received, the Department reserves the right not to disclose the amount of the tender at the public opening. The amount of the tender will be made public if a contract is awarded

### **4. OFFICIAL TENDER FORMAT**

- 4.1. Tenders must be submitted in the format provided and must be properly executed and submitted as instructed. Tenders not submitted in the format provided will not be considered.

**5. REVISION OF TENDERS**

- 5.1. Tenders may be revised by letter or printed telecommunication provided that revisions are received before the Tender Closing Time. Any change resulting in an increase in the tender price must be supported by a suitable increase in the tender security, if applicable.

**6. TENDER SECURITY**

- 6.1. If specified in the Request for Proposal, the tenderer will provide tender security, at the tenderer's own cost, in accordance with the document entitled Tender Security Requirements.
- 6.2. All tender securities will be returned except that of the successful tenderer, which will be retained until the successful tenderer has provided contract security in accordance with Article 8 below.

**7. CONTRACT SECURITY**

- 7.1. If specified in the Request for Proposal, the successful tenderer will provide contract security, at the tenderer's own cost, within fourteen (14) days of contract award in accordance with the Document entitled Contract Security Requirements.
- 7.2. Where contract security is a requirement, all tenders must be accompanied by evidence from a bank, financial institution or a surety company that the required contract security will be provided upon notification of contract award to the successful tenderer.

**8. INSURANCE**

- 8.1. If specified in the Request for Proposal, the successful tenderer will be required to provide contract insurance, at the tenderer's own cost, within fourteen (14) days of contract award in accordance with the document entitled Insurance Conditions.
- 8.2. Where insurance is a requirement, all tenders must be accompanied by confirmation from the tenderer's insurance company that the required insurance will be available upon contract award.

**9. FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY**

9.1. The Federal Contractors Program for Employment Equity applies to contracts for the provision of all goods and services, but not to the purchase or lease of real property or to construction contracts. Where a tender for the provision of goods or services is valued at \$200,000 or more and the tenderer's organization employs 100 or more permanent full-time or permanent part-time employees, it is mandatory that the requirements contained in the attached documentation on the Federal Contractors Program for Employment Equity be met or the tender will not be considered.

**10. TENDER VALIDITY PERIOD**

10.1. Unless otherwise specified in the Request for Proposal, tenders are to remain firm and in effect for a period of sixty (60) days following the Tender Closing Time.

10.2. Notwithstanding Article 10.1, in the event the Minister deems it necessary to extend the sixty (60) day period for acceptance of tenders for a further sixty (60) day period, the Minister shall, prior to the expiration of such period, notify the tenderer by written notice to that effect, whereupon the tenderer shall have fifteen (15) days from the date of receipt of such written notice to, in writing, either accept the requested extension as referred to in the Ministerial notice or withdraw its tender.

10.3. In the event tender security was provided and in the event of withdrawal of tender as herein provided, the Tender Security Deposit shall be reimbursed or returned without penalty or interest. In the event the tenderer accepts the requested extension, the acceptance period shall be extended as referred to in the Ministerial notice. In the event the tenderer does not respond to the Ministerial notice hereinabove referred to, the tenderer shall be conclusively deemed to have accepted the extension referred to in the Ministerial notice.

**11. INCOMPLETE TENDERS**

11.1. Incomplete or conditional tenders will be rejected.

11.2. Tenders that omit any mandatory requirements specified in the Request for Proposal will be rejected.

11.3. In the event that tender security is required and is not provided with the tender, the tender will be rejected.

**12. REFERENCES**

12.1. The Department of Fisheries and Oceans reserves the right, before awarding the contract, to require the successful tenderer to submit such evidence of qualifications as it may deem necessary, and will consider evidence concerning the financial, technical and other qualifications and abilities of the tenderer.

**13. CONDITION OF AWARD**

13.1. The lowest or any tender will not necessarily be accepted

**14. RIGHTS OF CANADA**

14.1 Canada reserves the right to:

- (a) reject any or all bids received in response to the bid solicitation;
- (b) enter into negotiations with bidders on any or all aspects of their bids;
- (c) accept any bid in whole or in part without negotiations;
- (d) cancel the bid solicitation at any time;
- (e) reissue the bid solicitation;
- (f) if no responsive bids are received and the requirement is not substantially modified, reissue the bid solicitation by inviting only the bidders who bid to resubmit bids within a period designated by Canada; and,
- (g) negotiate with the sole responsive Bidder to ensure best value to Canada.

## TERMS OF PAYMENT

### 1. DEFINITION

- 1.1 Progress payment is a payment made by or on behalf of Her Majesty after the performance of the part of the Contract in respect of which payment is made but before the performance of the whole contract.

### 2. BASIS OF PAYMENT

- 2.1 In consideration of the Contractor meeting all obligations under the terms and conditions of this Contract, the Contractor shall receive payment in accordance with **Article 7** of the **OFFER OF SERVICES/CONTRACT FORM**.

### 3. METHOD OF PAYMENT

- 3.1 Payments to the Contractor shall be made upon completion of the work to the satisfaction of the Departmental Representative and upon receipt of a detailed invoice.
- 3.2 Neither a progress report nor a payment by Her Majesty shall be construed as evidence that the work or any part thereof is complete, is satisfactory or is in accordance with the Contract.
- 3.3 Delay by Her Majesty in making payment when it becomes due or payable pursuant to the Contract or Terms of Payment shall be deemed not to be a breach of the Contract.
- 3.4 In the event that the Contract is terminated pursuant to Section 21 of the General Conditions, the Contractor shall have no claim against Her Majesty except to be paid for services performed up to the date of the said termination, less any sums previously paid on account. In the event of termination, Her Majesty will as soon as practicable under the circumstances, pay to the Contractor the amount, if any, payable to the Contractor.

### 4. INVOICE ADDRESS

Except if otherwise specified in the Terms of Payment or in any other document that is part of this contract, payment will be made on presentation of one or more detailed invoice, depending on circumstances, after acceptance of the works by the Project Authority.

The invoice(s) shall be emailed to DFO Accounts Payable, at the email address indicated below:

Email: [DFOinvoicing-MPOfacturation@DFO-MPO.GC.CA](mailto:DFOinvoicing-MPOfacturation@DFO-MPO.GC.CA)

Please indicate if you wish to be paid by cheque or MasterCard.

**5. LIMITATION OF EXPENDITURE**

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, unless an increase is authorized by the Contracting Authority. The Contractor shall notify the Contracting Authority specified herein as to the adequacy of the amount when it is 75% committed; however, if at any other time, the Contractor considers that the Limitation of Expenditure may be exceeded, the Contractor shall promptly notify both the Departmental Representative and the Contracting Authority.

**6. INVOICE SUBMISSION**

- 6.1 Invoices must be submitted in the Contractor's name. The Contractor must submit invoices for each delivery or shipment; invoices must only apply to the Contract. Each invoice must indicate whether it covers partial or final delivery.
- 6.2 Invoices must show:
- a. the date, the name and address of the client department, item or reference numbers, deliverable and/or description of the Work, contract number and financial code(s);
  - b. details of expenditures in accordance with the Basis of Payment, exclusive of Goods and Services Tax (GST) or Harmonized Sales Tax (HST) (such as item, quantity, unit of issue, unit price, fixed time labour rates and level of effort, subcontracts, as applicable);
  - c. deduction for holdback, if applicable;
  - d. the extension of the totals, if applicable; and
  - e. if applicable, the method of shipment together with date, case numbers and part or reference numbers, shipment charges and any other additional charges.
- 6.3 If applicable, the GST or HST must be specified on all invoices as a separate item. All items that are zero-rated, exempt or to which the GST or HST does not apply, must be identified as such on all invoices.
- 6.4 By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.

## STATEMENT OF WORK

### Fixed-Gear Sentinel Fishery in NAFO Fishing Area 4S

#### 1.0 Framework

##### 1.1 Introduction

These sentinel surveys are a useful part of the cod stock assessment in the Northern Gulf of St Lawrence. They have been performed annually since 1995. Although the sentinel program has several components, this statement of work covers only gillnet and longline surveys in Quebec (NAFO fishing area 4S).

The main goal of the survey is to develop an independent abundance indicator for the fishery, which will be used to adjust total allowable catch (TAC) annually. Sentinel fishery data are available on the St. Lawrence Global Observatory (SLGO) website: <http://ogsl.ca/en/sentinel/context.html>

#### 2.0 Contractor Requirements

Perform a sentinel fishery using gillnets and longlines, weigh and measure the cod caught. Collect otolith samples and perform condition measurements. To do so, the contractor must:

- Ensure sampling at sea is done by fishers with a fixed-gear commercial cod licence for fishing area 4S;
- Ensure project coordination, and collect, enter, validate and transmit the data collected at sea and on land; and
- Have qualified technicians on board to collect the requested data and biological samples required for the needs of Fisheries and Oceans Canada.

##### 2.1 Tasks, Activities, Deliverables and Milestones

Sentinel fisherens must fish 3 times a week at each of the 11 sites for a period of 11 weeks according to the protocol provided by DFO Science Branch and under the supervision of the contractor's coordinator. The total number of fishing trips is approximately 350. The contractor must also collect two cod samples (max 170 fish/sample) per month (June, July, August and September), for a total of 8 samples, at different sites in Area 4S. The exact number of units and samples for condition will depend on the value of the selected tender and the weather conditions.

Fishing activities must take place along the North Shore of the Gulf of St Lawrence in the following areas or other acceptable areas: Port-Cartier, Kégaska, Natasquan, Tête à la Baleine, Mutton Bay, Harrington Harbour, Rivière St-Paul and Blanc-Sablon.

All areas use only gillnets except for the Eastern area, which uses both gillnets and longlines.

The contractor must hire two field technicians to cover the 11-week fishing season and monitor activities in the field. The field technicians help increase data quality and assist with communication between fishers and the contractor. The goal is to ensure the scientific protocol is correctly followed.

A logbook must be filled out (gear, effort, site, etc.) for each fishing trip, the fish caught must be weighed, counted and measured (cod), and cod otolith samples must be collected.

Depending on the availability of the company offering dockside weighing services, fishers will have to weigh their catch at the dock on returning from each fishing trip, especially in June and July (at the contractor's cost).

During the regular fishing season, fishers must collect two cod samples per month (June, July, August and September) at different sites in Area 4S, and the cod will be frozen for future analysis in the laboratory. The data collected for condition include fish weight and length, otolith samples and organ weights (stomach, liver, gonads). These data must be entered into the sentinel database ("fixed gear" database provided by DFO) and emailed to DFO science representatives by November.

The contractor's staff must apply the science protocol (applicable under this contract) according to DFO requirements for data collection. Once the fishing season is over, the data set will be entered into the "fixed gear" file (logbook, fish data), validated and delivered (electronic version) in November of each year. All data collected is the property of DFO. The contractor may not make the data it collects public.

The contractor must communicate sentinel sampling activities to fishermen and fishermen's organizations, as well as to DFO management and DFO science branch representatives.

The following deliverables apply under this project:

- 1) List of fishing trips (number of trips per site, catch per trip and number of cod samples for condition) in June and July before July 31, 2015.
- 2) All data collected in June, July, August and September (information on fishing trips, catches, frequency, length, conditions and other), and otolith, fish or other samples required under the scientific protocol or special sampling. Samples must be clearly identified with the date, fishing location, vessel name and project number and sent to DFO by November 30, 2015.

### **3.0 Other Statement of Work Conditions**

#### **3.1 DFO's Obligations**

DFO is responsible for providing the following under this contract:

- Database for entering data ("fixed gear" electronic file);
- Otolith envelopes; and
- Scientific fishing licence delivered to the fishing master hired by the contractor for the vessel determined.

**Note:** DFO will not provide any other materials or equipment.

#### **3.2 Language of Work**

The language of work is English or French.

#### **3.3 Special Requirements**

Any fishing activities that do not comply with the scientific protocol are in violation of the fishing licence conditions and may lead to termination of the contract.

## Protocol

### GROUND FISH SENTINEL PROGRAM FIXES GEAR 2014

#### A. FIXED GEAR SENTINEL INSTRUCTIONS

##### LOGBOOK: SENTINEL FISHERMAN LOG INSHORE FISHERY

The contractor must fill all requested information on the sentinel logbook

- **TYPE OF GEAR:** Gillnet or Longline
- **VESSEL NAME**
- **FISHERMAN**
- **C.F.V. No. :** Commercial Fishing Vessel number
- **PORT of LANDING**
- **DATE:** date of the onset of the fishing activity
- **POSITION:** latitude and longitude
- **ZONE:** NAFO area, 4Sv, 4Sw, 4Sy etc.
  
- **SET NUMBER:** The set numbers are sequential. Start at "1" at the beginning of a fishing season. Keep incrementing from your last set in regular sentinel activity. **Each line in the SENTINEL FISHERMAN LOG must have a different "Set Number"** even if there is no catch for Cod. One consecutive number for each activity even if it is the same day.
  
- **DEPTH:** fishing depth in fathoms.
  
- **No. of Nets or hooks hauled :** number of nets or hooks
  
- **START TIME:** time (hh:mm) when the gear is set in the water
  
- **SOAK TIME (duration):** soak time in hours. When fishing longline the requested soak time is between 4 and 6 hours. When fishing gillnets the requested soak time is between 19 and 24 hours.
  
- **GILLNETS Mesh size:** sentinel activities are done with gillnet Mesh size of 5 ½ inches = 140 mm. The maximum number of nets allowed is 12 for the Blanc Sablon area and 20 for the other areas. **Important:** The fishing effort must be in accordance with the rules indicated in the conditions of the scientific research permit. See FISHING EFFORT section.
  
- **LONGLINES type of hooks and fishing effort:** Longline sentinel activities should be performed with either J#16 hooks or circular C #12 hooks. The maximum fishing effort is set at 1000 hooks per activity. **Important:** The fishing effort must be in accordance with the rules indicated in the conditions of the scientific research permit. See FISHING EFFORT section.
  
- Catch in kilos; for every species in the catch, indicate the catch weight in kilos in the appropriate section referring to *kept* or *discarded*. For species other than cod also indicate the number of fish beside their total weight, circle the number of fish to prevent confusion between weight and quantity when gathering the data.

**GROUNDFISH SENTINEL PROGRAM FIXES GEAR 2014 (SECTION A. CONTINUED)**

**FISHING EFFORT:**

Gear Restriction Fixed Gear Sentinel Program

Sentinel fishermen must abide to the gear restriction policy, concerning the 2014 sentinel program and fishing effort. The gear restriction policy states that, in order to avoid excess catches of cod during the sentinel program, the LNSFA imposes a 50% reduction in gear (effort) per site if average catches are above of 750 kg (round) of cod after three consecutive activities. If the catch is less than 500 kg in one activity after reducing your effort (gear number) by 50% you have to double your gear on your next trip. You must not go over or below the maximum and minimum amount of gear allowed. **The sentinel fishing season will start with half of the maximum amount of gear authorized (see table 2 below).**

**Table 1:** Decision rules for sentinel effort (amount of gear deployed per activity) in 4S for 2014 with respect to conservation measures for a stock currently at low levels and DFO science being able to have a representative sample of 250 cod equivalent to about 500 kg.

Guiding principle	The target catch is 500 kg (equivalent to about 250 cod).
IF.....	Then.....
Average catches exceed 750 kg for three consecutive activities	Reduce the amount of gear by half for the next activity without going below the minimum number of gear allowed.
The catch of one activity is less than 500 kg.	Double the amount of gear for the next activity without going above the maximum amount of gear allowed.

**Table 2:** Amount of gear used per sentinel activity in 4S.

	Longline – Hooks – All sites	Gillnet- All sites other than Blan-Sablon	Gillnet – Blanc Sablon
<b>First activity starts with</b>	<b>500</b>	<b>10</b>	<b>6</b>
Maximum	1,000	20	12
Minimum	500	10	6

Once the average catches exceed 750kg for three consecutive activities and the sentinel fisher has begun gear reduction, the sentinel fisher must remain at the same position (latitude & longitude). A sentinel fisherman is not authorized to move their gear (change latitude and longitude), once gear reduction is occurring. If the sample size of 250 fish is being reached, then the sentinel fisher must remain at the same position.

## GROUND FISH SENTINEL PROGRAM FIXES GEAR 2014 (SECTION A. CONTINUED)

### FISH FORM (LENGTH FREQUENCIES) (refer to page 5):

- One *Fish Form* must be filled for each line in the logbook where Cod was caught.
- If fishing at 2 sites the same day, catches must be kept separated and 2 *Fish Form* must be filled (2 lines in logbook).
- **Fishing Set No. (Use same Number as in the logbook).**
- "Landed weight" must be the same as catch weight kept in the logbook.
- Sample weight: Total weight of the fish measured. It is equal to the landed weight when all fish are measured.
- Measure cod, fork length (cm)

### OTOLITHS:

- Otoliths: **1 sample every 3 weeks.**
- Sample 1 pair of otoliths for every centimeter (same as last year).
- Use pre-identified envelopes. (**Sample No.= Fishing Set No.**)
- Fish No. is the number used on the "Fish Form". Starts at "1" for each activity.

### CONDITION

- See detailed protocol, section B.

### MARINE MAMMALS:

- Record species and weights in the logbook in the "comments" section.
- See specific protocol in the case of harbour porpoise.

### SCALE –PESOLA (supplied by the Contractor)

#### ➤ **Make sure the scales are working properly**

This is very important since this is the key to the index catch per unit effort.

- Procedure for proper weighing
- **Adjust zero** position on the scale. With the scale in measuring position attach empty basket on the hook of the scale. Turn the screw on top of the scale to set the zero (front screw read Zero). This is done to remove the weight of the basket to measure weight of fish only, not basket.
- Weight of the fish. Put the fish in the basket (same as the one used for zero adjustment), not over 48 Kg or the weight will not be accurate. To make sure you have accurate measurements the basket must not touch anything while being weighted.
- After use, rinse the scale with fresh water. This is important to keep the scale in good working condition.

SENTINEL FISHERMAN LOG

INSHORE FISHERY

GILLNET  LONGLINE  OTHER  TYPE OF GEAR

VESSEL NAME \_\_\_\_\_ FISHERMAN \_\_\_\_\_

C.F.V. No. \_\_\_\_\_ PORT OF LANDING \_\_\_\_\_

DATE	POSITION Loran-C or Latitude/Longitude or Description	ZONE	SET NUMBER	DEPTH (fathoms)	No. of NETS or HOOKS hauled	START TIME (hh:mm)	SOAK TIME (duration)	GILLNETS Mesh size	LONGLINES type of hooks (Circle or J)	Main Species Sought	CATCH IN KILOGRAMS				
											Species	COD	FLOUNDER	OTHER SPECIES	
											Kept				
											Discarded				
											Kept				
											Discarded				
											Kept				
											Discarded				
											Kept				
											Discarded				
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											Discarded				
											Kept				
											Discarded				
											Kept				
											Discarded				
											Kept				
											Discarded				

COMMENTS (Weather, Fish spawning, Presence of seals, etc.)

## FISH-FORM

Coded by: _____	Species: _____	Fishing Set No. _____
District: _____	Date: _____ ddmmyy	Fishing loc.(Nafo): _____
Vessel: _____	C.F.V. _____	Gear: _____

Sorting criteria: _____	Category code: _____
Landed weight: _____ kg	Sample weight: _____ kg

Fish No	Length	Sex: __ Interval: __ Type of length: __	Total		Fish No	Length	Sex: __ Interval: __ Type of length: __	Total
0					0			
1					1			
2					2			
3					3			
4					4			
5					5			
6					6			
7					7			
8					8			
9					9			
0					0			
1					1			
2					2			
3					3			
4					4			
5					5			
6					6			
7					7			
8					8			
9					9			
0					0			
1					1			
2					2			
3					3			
4					4			
5					5			
6					6			
7					7			
8					8			
9					9			
0					0			
1					1			
2					2			
3					3			
4					4			
5					5			
6					6			
7					7			
8					8			
9					9			

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



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## GROUND FISH SENTINEL PROGRAM FIXES GEAR 2014

### B. Sampling Protocol for cod condition in 4S (Fixed gear)

The fish condition reflects the ability of an individual or a population in finding and storing energy under prevailing environmental conditions. Fish in good condition have better chances of survival than fish in poor condition. Fish condition is evaluated by laboratory analysis of the samples you collected.

Sample fish between 30 and 80 cm

#### **Sample collection:**

**Fishing season: Collect two samples per month (June, July, August and September) in 4S at different sites.**

- Samples must be collected with **longline or gillnet**.
- **One sample is composed of 170 fish:** 10 fish by 3 cm length classes, sizes from 30 to 80 cm, use the stratification sheet.
- **If it's not possible to fill some length classes, complete the sample with fish between 30 and 55 cm in length.**

#### **Method:**

- Collect only **round fish (very important)**.
- Collect fish between measuring between **30 and 80 cm**.
- Put a sturdy plastic bag into a waxed box. Lay the fish flat in the plastic bag. Do not put too many per bag this could prevent the fish from freezing. Make sure the plastic bag is closed properly to prevent fish from drying in the freezer.
- Keep different samples in different boxes.
- All boxes must be well identified.
  - Write with an indelible marker on the box.
  - Use a lead pencil to fill in the labels which will be placed in the bag.

- Fill a label for fish condition and place it in the box or bag so it can be seen easily

FISH CONDITION (FIXED GEAR)

STN: \_\_\_\_\_

DATE: \_\_\_\_\_

SET #: \_\_\_\_\_

NUMBER OF FISH: \_\_\_\_\_

- Freeze as soon as possible.

## GROUND FISH SENTINEL PROGRAM FIXES GEAR 2014 (Section B. Continued)

### Sampling Protocol for cod condition in 4S (Fixed gear)

#### Very important

If you have any doubts on the quality of preservation of the fish, if it is rotten or the liver is liquefied (runny) or the fish is damaged to a point you are not sure of the measurements, do not take any measurements **discard the fish**.

Complete the information on the “**Biological measurements**”.

### BIOLOGICAL MEASUREMENTS

- **Identify each fish with a sequential number.**
- Fork length to the nearest mm ( $\pm 1$  mm)
- Total weight ( $\pm 0.1$  g)
- Sex
  - 1 = male
  - 5 = female
  - 9 = immature
  - 0 = Unknow
- Maturity, see chart
- Gonad weight ( $\pm 0.01$  g)
- Liver weight ( $\pm 0.01$  g)
- Stomach **content** weight ( $\pm 0.01$  g). Tare a container on the scale. Empty the stomach contents into this container and weight the content.



## CERTIFICATIONS

### 1. CERTIFICATION OF FORMER PUBLIC SERVANT

Contracts awarded to former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. In order to comply with Treasury Board policies and directives on contracts awarded to FPSs, bidders must provide the information required below before contract award. If the answer to the questions and, as applicable the information required have not been received by the time the evaluation of bids is completed, Canada will inform the Bidder of a time frame within which to provide the information. Failure to comply with Canada's request and meet the requirement within the prescribed time frame will render the bid non-responsive.

#### Definitions

For the purposes of this clause,

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

- a. an individual;
- b. an individual who has incorporated;
- c. a partnership made of former public servants; or
- d. a sole proprietorship or entity where the affected individual has a controlling or major interest in the entity.

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

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

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

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

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

- a. name of former public servant;
- b. date of termination of employment or retirement from the Public Service.

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

**Work Force Adjustment Directive**

Is the Bidder a FPS who received a lump sum payment pursuant to the terms of the Work Force Adjustment Directive? Yes ( ) No ( )

If so, the Bidder must provide the following information:

- a. name of former public servant;
- b. conditions of the lump sum payment incentive;
- c. date of termination of employment;
- d. amount of lump sum payment;
- e. rate of pay on which lump sum payment is based;
- f. period of lump sum payment including start date, end date and number of weeks;
- g. number and amount (professional fees) of other contracts subject to the restrictions of a work force adjustment program.

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

**EVALUATION CRITERIA**

**MANDATORY REQUIREMENTS:**

Proposals will be evaluated in accordance with the mandatory evaluation criteria as detailed herein. Bidders' proposals must clearly demonstrate that they meet all Mandatory Requirements for the proposal to be considered for further evaluation. Proposals not meeting the mandatory criteria will be excluded from further consideration.

**Bidders should include the following table in their proposal, indicating that their proposal meets the mandatory criteria, and providing the proposal page number or section that contains information to verify that the criteria has been met.**

**The following mandatory criteria will be evaluated:**

No.	Mandatory Criteria	Meets Criteria (✓)	Proposal Page No.
1	The contractor <b>MUST</b> be a fishermen's' association.		
2	The contractor <b>MUST</b> demonstrate that participating vessel captains have at least 2 years of experience in groundfish fishing or in sentinel surveys and that the captains hold valid groundfish licences.		
3	The contractor <b>MUST</b> demonstrate that it has at least 5 years of experience in project management of similar size and scope.		
4	The contractor <b>MUST</b> name the dockside monitoring company certified to provide services in the Gulf of St. Lawrence that it will use for its work.		

In their bids, bidders must submit proof and demonstrate that they meet each mandatory criterion stated above.

**FINANCIAL EVALUATION:**

The financial bid is on an aggregate basis (Firm and option years).

Financial Evaluation of the bids will be the total of the proposed firm unit prices for the three (3) years (Aggregate amount).

**METHOD OF SELECTION:**

The compliant bidder with the highest combined rated criteria points and price points shall be selected as the bidder providing best value.

**GENERAL CONDITIONS (MANUAL SERVICES)**

**Text:**

- 01 Interpretation
- 02 Powers of Canada
- 03 Status of the Contractor
- 04 Conduct of the Work
- 05 Subcontracts
- 06 Time of the Essence
- 07 Excusable Delay
- 08 Inspection and Acceptance of the Work
- 09 Invoice Submission
- 10 Taxes
- 11 Payment Period
- 12 Interest on Overdue Accounts
- 13 Audit
- 14 Compliance with Applicable Laws
- 15 Liability
- 16 Government Property
- 17 Amendment
- 18 Assignment
- 19 Suspension of the Work
- 20 Default by the Contractor
- 21 Termination for Convenience
- 22 Right of Set-off
- 23 Conflict of Interest and Values and Ethics Codes for the Public Service
- 24 Contingency Fees
- 25 International Sanctions
- 26 Code of Conduct and Certifications
- 27 The Code of Conduct for Procurement
- 28 Harassment in the Workplace
- 29 Entire Agreement

## **01 Interpretation**

In the Contract, unless the context otherwise requires:

"Articles of Agreement" means the clauses and conditions set out in full text to form the body of the Contract; it does not include these general conditions, any supplemental general conditions, annexes, the Contractor's bid or any other document;

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada as represented by the Minister of Fisheries and Oceans and any other person duly authorized to act on behalf of the Minister;

"Contract" means the Articles of Agreement, these general conditions, any supplemental general conditions, annexes and any other document specified or referred to as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contracting Authority" means the person designated by that title in the Contract, or by notice to the Contractor, to act as Canada's representative to manage the Contract;

"Contractor" means the person, entity or entities named in the Contract to supply goods, services or both to Canada;

"Contract Price" means the amount stated in the Contract to be payable to the Contractor for the Work, exclusive of Goods and Services Tax and Harmonized Sales Tax;

"Government Property" means anything supplied to the Contractor by or on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work, the cost of which is paid by Canada under the Contract;

"Party" means Canada, the Contractor, or any other signatory to the Contract and "Parties" means all of them;

"Work" means all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the Contractor under the Contract.

## **02 Powers of Canada**

All rights, remedies, powers and discretions granted or acquired by Canada under the Contract or by law are cumulative, not exclusive.

## **03 Status of the Contractor**

The Contractor is an independent contractor engaged by Canada to perform the Work. Nothing in the Contract is intended to create a partnership, a joint venture or an agency between Canada and the other Party or Parties. The Contractor must not represent itself as an agent or representative of Canada to anyone. Neither the Contractor nor any of its personnel is engaged as an employee or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees.

**04**     ***Conduct of the Work***

1. The Contractor represents and warrants that:
  - a. it is competent to perform the Work;
  - b. it has everything necessary to perform the Work, including the resources, facilities, labour, technology, equipment, and materials; and
  - c. it has the necessary qualifications, including knowledge, skill, know-how and experience, and the ability to use them effectively to perform the Work.
  
2. The Contractor must:
  - a. perform the Work diligently and efficiently;
  - b. except for Government Property, supply everything necessary to perform the Work;
  - c. use, as a minimum, quality assurance procedures, inspections and controls generally used and recognized by the industry to ensure the degree of quality required by the Contract;
  - d. select and employ a sufficient number of qualified people;
  - e. perform the Work in accordance with standards of quality acceptable to Canada and in full conformity with the specifications and all the requirements of the Contract;
  - f. provide effective and efficient supervision to ensure that the quality of workmanship meets the requirements of the Contract.

**05**     ***Subcontracts***

The Contractor may subcontract the supply of goods or services that are customarily subcontracted by the Contractor. Subcontracting does not relieve the Contractor from any of its obligations under the Contract or impose any liability upon Canada to a subcontractor. In any subcontract, the Contractor agrees to bind the subcontractor by the same conditions by which the Contractor is bound under the Contract, unless the Contracting Authority agrees otherwise.

**06**     ***Time of the Essence***

It is essential that the Work be performed within or at the time stated in the Contract.

**07**     *Excusable Delay*

1. A delay in the performance by the Contractor of any obligation under the Contract that is caused by an event that:
  - a. is beyond the reasonable control of the Contractor;
  - b. could not reasonably have been foreseen;
  - c. could not reasonably have been prevented by means reasonably available to the Contractor; and
  - d. occurred without the fault or neglect of the Contractor,

will be considered an "Excusable Delay" if the Contractor advises the Contracting Authority of the occurrence of the delay or of the likelihood of the delay as soon as the Contractor becomes aware of it. The Contractor must also advise the Contracting Authority, within fifteen (15) working days, of all the circumstances relating to the delay and provide to the Contracting Authority for approval a clear work around plan explaining in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay.

2. Any delivery date or other date that is directly affected by an Excusable Delay will be postponed for a reasonable time that will not exceed the duration of the Excusable Delay.
3. However, if an Excusable Delay has continued for thirty (30) days or more, the Contracting Authority may, by giving notice in writing to the Contractor, terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Unless Canada has caused the delay by failing to meet an obligation under the Contract, Canada will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.

**08**     *Inspection and Acceptance of the Work*

All the Work is subject to inspection and acceptance by Canada. Inspection and acceptance of the Work by Canada does not relieve the Contractor of its responsibility for defects or other failures to meet the requirements of the Contract. Canada will have the right to reject any work that is not in accordance with the requirements of the Contract and require its correction or replacement at the Contractor's expense.

**09 Invoice Submission**

1. Invoices must be submitted in the Contractor's name. The Contractor must submit invoices for each delivery or shipment; invoices must only apply to the Contract. Each invoice must indicate whether it covers partial or final delivery.
2. Invoices must show:
  - a. the date, the name and address of the client department, item or reference numbers, deliverable and/or description of the Work, contract number and financial code(s);
  - b. details of expenditures in accordance with the Basis of Payment, exclusive of Goods and Services Tax (GST) or Harmonized Sales Tax (HST) (such as item, quantity, unit of issue, unit price, fixed time labour rates and level of effort, subcontracts, as applicable);
  - c. deduction for holdback, if applicable;
  - d. the extension of the totals, if applicable; and
  - e. if applicable, the method of shipment together with date, case numbers and part or reference numbers, shipment charges and any other additional charges.
3. If applicable, the GST or HST must be specified on all invoices as a separate item. All items that are zero-rated, exempt or to which the GST or HST does not apply, must be identified as such on all invoices.
4. By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.

**10 Taxes**

1. Municipal Taxes

Municipal Taxes do not apply.

2. Provincial Taxes

- a. Excluding legislated exceptions, federal government departments and agencies are not required to pay any sales tax payable to the province in which the taxable goods or services are delivered. This exemption has been provided to federal government departments and agencies under the authority of one of the following:
  - i. Provincial Sales Tax (PST) Exemption License Numbers, for the provinces of:

British Columbia: 1000-5001

Manitoba: 390-516-0

- ii. for Quebec, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, an Exemption Certification, which certifies that the goods or services purchased are not subject to the provincial/territorial sales and consumption taxes because they are purchased by the federal government with Canada funds for the use of the federal government.
- b. Currently, in Alberta, the Yukon Territory, the Northwest Territories and Nunavut, there is no general PST. However, if a PST is introduced in Alberta, the Yukon Territory, the Northwest Territories or Nunavut, the sales tax exemption certificate would be required on the purchasing document.
- c. Federal departments must pay the HST in the participating provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario and Prince Edward Island.
- d. The Contractor is not exempt from paying PST under the above Exemption Licence Numbers or Exemption Certification. The Contractor must pay the PST on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable provincial legislation), including material incorporated into real property.

### 3. Changes to Taxes and Duties

If there is any change to any tax or duty payable to any level of government in Canada after the bid submission date that affects the costs of the Work to the Contractor, the Contract Price will be adjusted to reflect the increase or decrease in the cost to the Contractor. However, there will be no adjustment for any change that increases the cost of the Work to the Contractor if public notice of the change was given before bid submission date in sufficient detail to have permitted the Contractor to calculate the effect of the change on its cost. There will be no adjustment if the change takes effect after the date required by the Contract for delivery of the Work.

### 4. GST or HST

The estimated GST or HST, if applicable, is included in the total estimated cost on page 1 of the Contract. The GST or HST is not included in the Contract Price but will be paid by Canada as provided in the Invoice Submission section above. The Contractor agrees to remit to Canada Revenue Agency any amounts of GST and HST paid or due.

### 5. Tax Withholding of 15 Percent

Pursuant to the *Income Tax Act*, 1985, c. 1 (5th Supp.) and the *Income Tax Regulations*, Canada must withhold 15 percent of the amount to be paid to the Contractor in respect of services provided in Canada if the Contractor is a non-resident unless the Contractor obtains a valid waiver. The amount withheld will be held on account for the Contractor in respect to any tax liability which may be owed to Canada.

**11 Payment Period**

1. Canada's standard payment period is thirty (30) days. The payment period is measured from the date an invoice in acceptable form and content is received in accordance with the Contract or the date the Work is delivered in acceptable condition as required in the Contract, whichever is later. A payment is considered overdue on the 31<sup>st</sup> day following that date and interest will be paid automatically in accordance with the section 13.
2. If the content of the invoice and its substantiating documentation are not in accordance with the Contract or the Work is not in acceptable condition, Canada will notify the Contractor within fifteen (15) days of receipt. The 30-day payment period begins upon receipt of the revised invoice or the replacement or corrected Work. Failure by Canada to notify the Contractor within fifteen (15) days will only result in the date specified in subsection 1 to apply for the sole purpose of calculating interest on overdue accounts.

**12 Interest on Overdue Accounts**

1. For the purpose of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Time each day during the calendar month immediately before the calendar month in which payment is made;

"Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association;

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada to pay any amount under the Contract;

an amount becomes "overdue" when it is unpaid on the first day following the day on which it is due and payable according to the Contract.

2. Canada will pay to the Contractor simple interest at the Average Rate plus 3 percent per year on any amount that is overdue, from the date that amount becomes overdue until the day before the date of payment, inclusive. The Contractor is not required to provide notice to Canada for interest to be payable.
3. Canada will pay interest in accordance with this section only if Canada is responsible for the delay in paying the Contractor. Canada will not pay interest on overdue advance payments.

**13 Audit**

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

**14 Compliance with Applicable Laws**

1. The Contractor must comply with all laws applicable to the performance of the Contract. The Contractor must provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.
2. The Contractor must obtain and maintain at its own cost all permits, licenses, regulatory approvals and certificates required to perform the Work. If requested by the Contracting Authority, the Contractor must provide a copy of any required permit, license, regulatory approvals or certificate to Canada.

**15 Liability**

The Contractor is liable for any damage caused by the Contractor, its employees, subcontractors, or agents to Canada or any third party. Canada is liable for any damage caused by Canada, its employees or agents to the Contractor or any third party. The Parties agree that no limitation of liability or indemnity provision applies to the Contract unless it is specifically incorporated in full text in the Articles of Agreement. Damage includes any injury to persons (including injury resulting in death) or loss of or damage to property (including real property) caused as a result of or during the performance of the Contract.

**16 Government Property**

The Contractor must take reasonable and proper care of all Government Property while it is in its possession or subject to its control. The Contractor is responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.

**17 Amendment**

To be effective, any amendment to the Contract must be done in writing by the Contracting Authority and the authorized representative of the Contractor.

**18 Assignment**

1. The Contractor must not assign the Contract without first obtaining the written consent of the Contracting Authority. Any assignment made without that consent is void and will have no effect. The assignment will be effective upon execution of an assignment agreement signed by the Parties and the assignee.
2. Assignment of the Contract does not relieve the Contractor from any obligation under the Contract and it does not impose any liability upon Canada.

**19 Suspension of the Work**

The Contracting Authority may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so.

**20**     ***Default by the Contractor***

1. If the Contractor is in default in carrying out any of its obligations under the Contract, the Contracting Authority may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.
2. If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding down of the Contractor, the Contracting Authority may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.
3. If Canada gives notice under subsection 1 or 2, the Contractor will have no claim for further payment except as provided in this section. The Contractor will be liable to Canada for all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

**21**     ***Termination for Convenience***

1. At any time before the completion of the Work, the Contracting Authority may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.
2. If a termination notice is given pursuant to subsection 1, the Contractor will be entitled to be paid, for costs that have been reasonably and properly incurred to perform the Contract to the extent that the Contractor has not already been paid or reimbursed by Canada. The Contractor will be paid:
  - a. on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
  - b. the Cost to the Contractor plus a fair and reasonable profit for all work terminated by the termination notice before completion; and

- c. all costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.
3. Canada may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract.
4. The total of the amounts, to which the Contractor is entitled to be paid under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Contract Price. The Contractor will have no claim for damages, compensation, loss of profit, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

## **22 *Right of Set-off***

Without restricting any right of set-off given by law, Canada may set-off against any amount payable to the Contractor under the Contract, any amount payable to Canada by the Contractor under the Contract or under any other current contract. Canada may, when making a payment pursuant to the Contract, deduct from the amount payable to the Contractor any such amount payable to Canada by the Contractor which, by virtue of the right of set-off, may be retained by Canada.

## **23 *Conflict of Interest and Values and Ethics Codes for the Public Service***

The Contractor acknowledges that individuals who are subject to the provisions of the *Conflict of Interest Act*, 2006, c. 9, s. 2, the Conflict of Interest Code for Members of the House of Commons, the Values and Ethics Code for the Public Service or all other codes of values and ethics applicable within specific organizations cannot derive any direct benefit resulting from the Contract.

## **24 *Contingency Fees***

The Contractor certifies that it has not, directly or indirectly, paid or agreed to pay and agrees that it will not, directly or indirectly, pay a contingency fee for the solicitation, negotiation or obtaining of the Contract to any person, other than an employee of the Contractor acting in the normal course of the employee's duties. In this section, "contingency fee" means any payment or other compensation that depends or is calculated based on a degree of success in soliciting, negotiating or obtaining the Contract and "person" includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbying Act*, 1985, c. 44 (4<sup>th</sup> Supplement).

**25** *International Sanctions*

1. Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions.
2. The Contractor must not supply to the Government of Canada any goods or services which are subject to economic sanctions.
3. The Contractor must comply with changes to the regulations imposed during the period of the Contract. The Contractor must immediately advise Canada if it is unable to perform the Work as a result of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services. If the Parties cannot agree on a work around plan, the Contract will be terminated for the convenience of Canada in accordance with section 21.

**26** *Code of Conduct and Certifications*

1. The Contractor agrees to comply with the Code of Conduct for Procurement and to be bound by its terms. Furthermore, in addition to the Code of Conduct for Procurement, the Contractor must comply with the terms set out in this section.
2. The Contractor certifies that except for those offences where a criminal pardon has been obtained or leniency granted, neither the Contractor nor any of the Contractor's parent, subsidiaries or other affiliates has ever been convicted or is the subject of outstanding criminal charges subsequent to September 1, 2010 in respect of any of the following:
  - a. payment of a contingency fee to a person to whom the Lobbying Act (1985, c. 44 (4th Supp.)) applies;
  - b. corruption, collusion, bid-rigging or any other anti-competitive activity in the procurement process.
3. The Contractor certifies that except for those offences where a criminal pardon has been obtained, neither the Contractor nor any of the Contractor's parent, subsidiaries or other affiliates has ever been convicted or is the subject of outstanding criminal charges in respect of any of the following:
  - a. section 121 (*Frauds on the government and Contractor subscribing to election fund*), section 124 (*Selling or Purchasing Office*), section 380 (*Fraud committed against Her Majesty*) or section 418 (*Selling defective stores to Her Majesty*) of the *Criminal Code of Canada*, or
  - b. paragraph 80(1)(d) (*False entry, certificate or return*), subsection 80(2) (*Fraud against Her Majesty*) or section 154.01 (*Fraud against Her Majesty*) of the *Financial Administration Act*.

4. For the purpose of this section, business concerns, organizations or individuals are Contractor's affiliates if, directly or indirectly:
  - a. either one controls or has the power to control the other, or
  - b. a third party has the power to control both.

Indicia of control, include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity created following the charges or convictions contemplated in this section which has the same or similar management, ownership, or principal employees as the Contractor that is charged or convicted, as the case may be.

5. In circumstances pursuant to subsections 2 and 3, where the Contractor or any of the Contractor's parent, subsidiaries or other affiliates has obtained a criminal pardon or is granted leniency in relation to such offences, the Contractor must provide a certified copy of confirming documentation from the National Parole Board or the Competition Bureau of Canada.
6. If the Contractor or any of the Contractor's parent, subsidiaries or other affiliates does not remain free and clear of any charges or convictions mentioned at subsections 2 and 3 during the period of the Contract, Canada reserves the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

## **27     *The Code of Conduct for Procurement***

1. The Contractor confirms that it has read the Code of Conduct for Procurement and agrees to be bound by its terms.
2. The office of the Procurement Ombudsman (OPO) was established by the Government of Canada to provide an independent avenue for suppliers to raise complaints regarding the award of contracts under \$25,000.00 for Goods and under \$100,000.00 for Services. You have the option of raising issues or concerns regarding the solicitation, or the award resulting from it. With the OPO by contacting them by telephone at 1-866-734-5169 or by e-mail at [boa.opo@boa.opo.gc.ca](mailto:boa.opo@boa.opo.gc.ca). You can also obtain more information on OPO services available to you on their website at [www.opo-boa.gc.ca](http://www.opo-boa.gc.ca).
3. For further information, the Contractor may refer to the following PWGSC site :  
<http://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/contexte-context-eng.html>.

## **28     *Harassment in the Workplace***

1. The Contractor acknowledges the responsibility of Canada to ensure, for its employees, a healthy work environment, free of harassment. A copy of the *Policy on the Prevention and Resolution of Harassment in the Workplace*, which is also applicable to the Contractor, is available on the Treasury Board Web site.

2. The Contractor must not, either as an individual, or as a corporate or unincorporated entity, through its employees or subcontractors, harass, abuse, threaten, discriminate against or intimidate any employee, contractor or other individual employed by, or under contract with Canada. The Contractor will be advised in writing of any complaint and will have the right to respond in writing. Upon receipt of the Contractor's response, the Contracting Authority will, at its entire discretion, determine if the complaint is founded and decide on any action to be taken.

**29**    *Entire Agreement*

The Contract constitutes the entire and only agreement between the Parties and supersedes all previous negotiations, communications and other agreements, whether written or oral, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the Parties other than those contained in the Contract.

## INSURANCE CONDITIONS

### 1. Marine Liability Insurance

Upon contract award the successful bidder will be required to supply insurance as per the attached insurance conditions. Additionally, the following conditions must be met:

1. The Contractor must obtain Protection & Indemnity (P&I) insurance that must include excess collision liability and pollution liability. The insurance must be placed with a member of the International Group of Protection and Indemnity Associations or with a fixed market in an amount of not less than the limits determined by the *Marine Liability Act*, S.C. 2001, c. 6. Coverage must include crew liability, if it is not covered by Worker's Compensation as detailed in paragraph (2.) below.
2. The Contractor must obtain Worker's Compensation insurance covering all employees engaged in the Work in accordance with the statutory requirements of the Territory or Province or state of nationality, domicile, employment, having jurisdiction over such employees. If the Contractor is assessed any additional levy, extra assessment or super-assessment by a Worker's Compensation Board, as a result of an accident causing injury or death to an employee of the Contractor or subcontractor, or due to unsafe working conditions, then such levy or assessment must be paid by the Contractor at its sole cost.
3. The Protection and Indemnity insurance policy must include the following:
  - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada as represented by the Minister of Fisheries and Oceans.
  - b. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by Fisheries & Oceans Canada and Public Works and Government Services Canada for any and all loss of or damage to the watercraft however caused.
  - c. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of cancellation.
  - d. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
  - e. Litigation Rights: Pursuant to subsection 5(d) of the *Department of Justice Act*, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

**For the province of Quebec, send to:**

Director Business Law Directorate,  
Quebec Regional Office (Ottawa),  
Department of Justice,  
284 Wellington Street, Room SAT-6042,  
Ottawa, Ontario, K1A 0H8

**For other provinces and territories, send to:**

Senior General Counsel,  
Civil Litigation Section,  
Department of Justice  
234 Wellington Street, East Tower  
Ottawa, Ontario K1A 0H8

4. A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

**2. Commercial General Liability Insurance**

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$2,000,000 per accident or occurrence and in the annual aggregate.
2. The Commercial General Liability policy must include the following:
  - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by Public Works and Government Services Canada.
  - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
  - c. Products and Completed Operations: Coverage for bodily injury or property damage arising out of goods or products manufactured, sold, handled, or distributed by the Contractor and/or arising out of operations that have been completed by the Contractor.

- d. Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.
- e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
- f. Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
- g. Employees and, if applicable, Volunteers must be included as Additional Insured.
- h. Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
- i. Broad Form Property Damage including Completed Operations: Expands the Property Damage coverage to include certain losses that would otherwise be excluded by the standard care, custody or control exclusion found in a standard policy.
- j. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
- k. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
- l. Amendment to the Watercraft Exclusion to extend to incidental repair operations on board watercraft.
- m. Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
- n. Litigation Rights: Pursuant to subsection 5(d) of the *Department of Justice Act*, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

**For the province of Quebec, send to:**

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Quebec Regional Office (Ottawa),  
Department of Justice,  
284 Wellington Street, Room SAT-6042,  
Ottawa, Ontario, K1A 0H8

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Senior General Counsel,  
Civil Litigation Section,  
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Ottawa, Ontario K1A 0H8

A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

**ADDITIONAL VESSEL CHARTER CONTRACT CONDITIONS**

1. The Contractor must keep and maintain the vessel, engines, gear and equipment in good and sufficient repair for the duration of the Contract and must pay for all necessary repairs, renewals and maintenance.
2. The Contractor must:
  - a. indemnify and save harmless Canada from and against any claim for loss or damage to the vessel or any other property, engines, gear, or equipment, arising from the charter, and for injury or property of persons aboard the vessel, excepting any injury or damage to property of Canada's employees or agents;
  - b. ensure that the operations are only carried out by Canada's authorized representatives as specified by the Technical Authority;
  - c. ensure that approved personal floatation devices for all persons on board are in readily accessible positions at all times;
  - d. ensure that the use or possession of illegal drugs or alcohol is prohibited. If any member of the crew is found under the influence of such drugs and/or intoxicants while on duty, it will be cause for termination of the Contract for default.
3. If the vessel is disabled or is not in running order or is laid up without the consent of Canada, then Canada will not be liable for payment for the hire of the vessel during this period. If this period exceeds one week, Canada may terminate the Contract immediately for default.
4. If any gear or equipment necessary for the efficient operation of the vessel for the purpose of the Contract is not in good working order for any period of time, then the payment of hire will cease for the lost time, and if during the voyage the speed is reduced by a defect in or breakdown of any part of the hull, machinery or equipment, the time lost will be deducted from the hire. Canada will be the sole judge of the capability of the vessel.
5. If the vessel is unable to operate safely in the work area because of sea or weather conditions, as agreed to by the representative of the Contractor and the representative of Canada, then the charter for the day will be terminated and a pro-rated payment made to the Contractor for that period engaged in the Work in accordance with the terms of the Contract.
6. If the particulars furnished by the Contractor and set out in the Contract are incorrect or misleading, Canada may, at Canada's discretion, terminate the Contract for default.

