

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
**Bid Receiving Public Works and Government
Services Canada/Réception des soumissions**
Travaux publics et Services gouvernementaux
Canada
Pacific Region
401 - 1230 Government Street
Victoria, B.C.
V8W 3X4
Bid Fax: (250) 363-3344

INVITATION TO TENDER
APPEL D'OFFRES

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

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

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

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

Comments - Commentaires

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

Issuing Office - Bureau de distribution
Public Works and Government Services Canada -
Pacific Region
401 - 1230 Government Street
Victoria, B. C.
V8W 3X4

| | |
|--|--|
| Title - Sujet CCGS Gordon Reid - Refit & Docking | |
| Solicitation No. - N° de l'invitation F1782-15C728/A | Date 2015-10-16 |
| Client Reference No. - N° de référence du client F1782-15C728 | GETS Ref. No. - N° de réf. de SEAG PW-\$XLV-242-6822 |
| File No. - N° de dossier XLV-5-38126 (242) | CCC No./N° CCC - FMS No./N° VME |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-11-16 | |
| Time Zone Fuseau horaire Pacific Standard Time PST | |
| F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/> | |
| Address Enquiries to: - Adresser toutes questions à: Szczesniak, Michal | Buyer Id - Id de l'acheteur xlv242 |
| Telephone No. - N° de téléphone (250) 363-8312 () | FAX No. - N° de FAX () - |
| Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: FISHERIES AND OCEANS CANADA SEE HEREIN | |

Instructions: See Herein

Instructions: Voir aux présentes

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

Solicitation No. - N° de l'invitation Amd. No. - N° de la modif. Buyer ID - Id de l'acheteur

F1782-15C728/A xlv242

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

File No. - N° du dossier

CCC No./N° CCC - FMS No/ N° VME

F1782-15C728

XLV-5-38126

Solicitation
F1782-15C728/A

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CCGS Gordon Reid – Refit and Drydocking

PART 1 - GENERAL INFORMATION

1-1 Introduction

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

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

The Annexes include the Statement of Work, the Basis of Payment, the Federal Contractors Program for Employment Equity-Certification, the Insurance Requirements and any other annexes.

1-2 Summary

1. The Statement of work is as follows:

- a. The Canadian Coast Guard (CCG) requires a Contractor to carry out the docking and refit for the Canadian Coast Guard Ship CCGS Gordon Reid. The Work must be conducted in accordance with the associated Technical Specifications detailed in the Statement of Work; Inspections, Tests and Trials; and Project Management Services attached as Annexes A, D and E.

For specifications, drawings, test sheets, annexes and appendices, bidders must contact the Contracting Authority identified in Article 7-5.1.

- b. The Contractor must carry out any approved unscheduled work not covered in paragraph a. above.

2. Term of Contract

Work must commence and be completed as follows:

Commence: 31 December 2015;

Complete: 28 January 2016.

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

3. Bidder Capabilities

Bidders will be required to supply with their bid:

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

4. Security Requirement

There is no security requirement applicable to this Contract.

5. Bidders' Conference and Optional Site Visit

There is an optional bidders' conference and site visit associated with this requirement. Consult Part 2 – Bidder Instructions.

6. Sourcing Strategy

The sourcing strategy related to this procurement will be limited to suppliers in the area of Origin of the vessel, in accordance with the PWGSC Supply Manual Article 3.170.10(b). This procurement is subject to AIT and is exempt from NAFTA [see Chapter 10, Annex 1001.2b, paragraph 1 (a)] and from the WTO-AGP (see Annex 4).

7. Federal Contractors Program (FCP) for Employment Equity

The Federal Contractors Program (FCP) for employment equity applies to this procurement; see Part 5 - Certifications, Part 7 - Resulting Contract Clauses and the annex named Federal Contractors Program for Employment Equity - Certification.

1-3 Debriefings

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

PART 2 - BIDDER INSTRUCTIONS

2-1 Standard Instructions, Clauses and Conditions

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

The 2003 (2015-07-03) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2-2 Submission of Bids

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

2-3 Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than five (5) working days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the question(s) or may request that the Bidder do so, so that the proprietary nature of the question(s) is eliminated and the enquiry can be answered to all bidders. Enquiries not submitted in a form that can be distributed to all bidders may not be answered by Canada.

2-4 Applicable Laws - Bid

1. Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in British Columbia.
2. Bidder may, at its discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of their choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the Bidders.

2-5 Bidders' Conference

A bidders' conference will be held at 8500 Granville St, Port Hardy, BC on November 4, 2015. The conference will begin at 11:00 am (PST) on board the vessel. The scope of the requirement outlined in the bid solicitation will be reviewed during the conference and questions will be answered. It is recommended that bidders who intend to submit a bid attend or send a representative.

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

Any clarifications or changes to the bid solicitation resulting from the bidders' conference will be included as an amendment to the bid solicitation. Bidders who do not attend will not be precluded from submitting a bid.

2-6 Site Visit - Vessel

It is recommended that the Bidder or a representative of the Bidder visit the vessel. Arrangements have been made for the vessel visit to be held at 8500 Granville St, Port Hardy, BC on November 4, 2015 immediately following the Bidders Conference.

Bidders are requested to communicate with the Contracting Authority no later than two (2) day(s) before the scheduled visit to confirm attendance and provide the name(s) of the person(s) who will attend. Bidders may be requested to sign an attendance sheet. Bidders who do not attend or do not send a representative will not be given an alternative appointment but they will not be precluded from submitting a bid. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

PART 3 - BID PREPARATION INSTRUCTIONS

3-1 Bid Preparation Instructions

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

- Section I: Technical Bid (1 copy)
- Section II: Financial Bid (1 copy)
- Section III: Certifications (1 copy)

Prices must appear in the financial bid only. No prices must be indicated in any other section of the bid.

Canada requests that bidders follow the format instructions described below in the preparation of their bid:

- a. use 8.5 x 11 inch (216 mm x 279 mm) paper;
- b. use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process Policy on Green Procurement (<http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>).

To assist Canada in reaching its objectives, bidders should:

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

3-1.1 Section I: Technical Bid

In their technical bid, bidders should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability in a thorough, concise and clear manner for carrying out the work.

3-1.2 Section II: Financial Bid

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

3-1.3 Section III: Certification Requirements

Bidders must submit the certifications required under Part 5.

3-2 Tables of Bid Deliverables

3-2.1 Mandatory Bid Deliverables

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

| Item | Description | Completed and Attached |
|---------------------------------|--|------------------------|
| Section I Technical Bid | | |
| 1 | Solicitation document part 1 page 1, completed and signed | |
| Section II Financial Bid | | |
| 1 | Annex H <u>Financial Bid Presentation Sheet</u> , completed | |
| 2 | Appendix 1 to Annex H <u>Pricing Data Sheets</u> , completed | |

3-2.2 Supporting Bid Deliverables

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

| Item | Description | Completed and Attached | To be forwarded if requested by the CA |
|--------------------------------|--|------------------------|--|
| Section I Technical Bid | | | |
| 1 | Details of Bidder capabilities, how they will comply with mandatory requirements and how they will deliver any other requested goods and services, as per article 1-2.3 & 3-1.1. | | |
| 2 | Docking facility certification and capacity, as per article 6-9 | | |
| 3 | Proof of welding certification, as per article 6-10 | | |
| 4 | Preliminary Work Schedule, as per article 6-13 | | |
| 5 | Examples of work schedules, tracking and reporting, as per article 6-13 | | |
| 6 | ISO Registration Certificate or Quality Assurance Documentation, as per article 6-14 | | |

| Section II Financial Bid | | | |
|-----------------------------------|---|--|--|
| 1 | Changes to Applicable Laws (if any) as per article 2-4 | | |
| 2 | Information related to the Contract Financial Security, as per article 6-3 | | |
| 3 | Proof of good standing with Worker's Compensation Board as per article 6-6 | | |
| 4 | Subcontractor List (if any) as per article 6-12 | | |
| 5 | Contractor's Representative(s) as per article 7-5.4 | | |
| 6 | Project Management Team Details, as per article E-5 | | |
| Section III Certifications | | | |
| 1 | Code of Conduct articles 1-2.6 & 5-2.1 - Provide a complete list of names of all individuals who are currently directors of the Bidder. | | |
| 2 | Annex I, section 1 - Federal Contractors Program for Employment Equity Certification, completed. | | |

3-2.3 Supplementary Bid Deliverables

The following information, which supports the bid, may be requested by the Contracting Authority, from the bidder and it must be provided within **5 working days** of the written request:

| Item | Description | Completed and Attached | To be forwarded if requested by the CA |
|--------------------------------|---|-------------------------------|---|
| Section I Technical Bid | | | |
| 1 | Details of environmental emergency response plans and waste management procedures, as per article 6-7 | | |
| 2 | Details of formal environmental training completed by employees, as per article 6-7 | | |
| 3 | Details of safety measures for fueling and disembarking fuel, name and qualifications of person in charge, as per article 6-8 | | |
| 4 | Examples of Inspections Plans, as per article 6-16 | | |
| 5 | Details of parking facility offered, as per article 6-19 | | |

| Section II Financial Bid | | | |
|----------------------------|---|--|--|
| 1 | Financial Statements and information, as per article 6-2 | | |
| 2 | Either proof of insurance coverage, as required by Annex C, or a letter substantiating that the required insurance coverage will be provided, as per article 6-5 | | |
| 3 | Proof of valid Labour Agreement or similar instrument covering the work period as per article 6-11 | | |
| Section III Certifications | | | |
| 1 | Signed Consent Form (<u>Consent to a Criminal Record Verification</u> form- PWGSC-TPSGC 229) (http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html), as per articles 1-2.5 & 5-2.1 | | |

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4-1 Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

4-1.2. Financial Evaluation

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

- 2) **Unscheduled Work and Evaluation Price**

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

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

4-2. Basis of Selection

A bid must comply with all requirements of the bid solicitation to be declared responsive. The responsive bid with the lowest evaluation price will be recommended for award of a contract.

4-3 Public Bid Opening

A public bid opening will be held in 1230 Government Street, Victoria, BC at 14:30 PST on the date noted on page one (1) of this bid solicitation.

PART 5 – CERTIFICATIONS

5-1 General

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

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

The Contracting Authority will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply and to cooperate with any request or requirement imposed by the Contracting Authority may render the bid non-responsive or constitute a default under the Contract.

5-1.2 Certifications Required With the Bid

Bidders must submit the following duly completed certifications as part of their bid

5-1.2.1 Declaration of Convicted Offences

As applicable, pursuant to subsection Declaration of Convicted Offences of section 01 of the Standard Instructions, the Bidder must provide with its bid, a completed Declaration Form (<http://www.tpsgc-pwgsc.gc.ca/ci-if/formulaire-form-eng.html>), to be given further consideration in the procurement process.

5-2 Certifications Precedent to Contract Award and Additional Information

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

5-2.1 Integrity Provisions – List of Names

Bidders who are incorporated, including those bidding as a joint venture, must provide a complete list of names of all individuals who are currently directors of the Bidder.

Bidders bidding as sole proprietorship, as well as those bidding as a joint venture, must provide the name of the owner(s).

Bidders bidding as societies, firms or partnerships do not need to provide lists of names.

5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

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

Canada will have the right to declare a bid non-responsive if the Bidder, or any member of the Bidder if the Bidder is a Joint Venture, appears on the "FCP Limited Eligibility to Bid" list at the time of contract award.

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

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

PART 6 - SECURITY, FINANCIAL, AND OTHER REQUIREMENTS

6-1 Security Requirement

There is no security requirement applicable to this Contract.

6-2 Financial Capability

SACC Manual Clause A9033T (2012-07-16) Financial Capability

6-3 Contract Financial Security

1. If the bid is accepted, the Bidder must provide one of the following contract financial securities within 5 calendar days after the date of contract award. The Bidder is to indicate below, the type of Contract Financial Security they intend to provide and for which they have inserted a cost in Annex H:

EITHER

- a. a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 50% percent of the contract price. Any bond must be accepted as security by one of the bonding companies listed in Treasury Board Contracting Policy, Appendix L, Acceptable Bonding Companies.

OR

- b. a security deposit (as defined in Paragraph 4 below) to the value of 10 percent of the contract price.
2. Security deposits in the form of government guaranteed bonds with coupons attached will be accepted only if all coupons that are unmaturing, at the time the security deposit is provided, are attached to the bonds. The Contractor must provide written instructions concerning the action to be taken with respect to coupons that will mature while the bonds are pledged as security, when such coupons are in excess of the security deposit requirement.
3. If Canada does not receive the required financial security within the specified period, Canada may terminate the Contract for default pursuant to the Contract default provision.
4. In this clause:

"Security deposit" means

- a. a bill of exchange that is payable to the Receiver General for Canada and certified by an approved financial institution or drawn by an approved financial institution on itself; or
- b. a government guaranteed bond; or

- c. an irrevocable standby letter of credit, or
- d. such other security as may be considered appropriate by the Contracting Authority and approved by Treasury Board;

“Approved financial institution” means

- a. any corporation or institution that is a member of the Canadian Payments Association;
- b. a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the "Régie de l'assurance-dépôts du Québec" to the maximum permitted by law;
- c. a credit union as defined in paragraph 137(6) of the Income Tax Act;
- d. a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by a Canadian province or territory;
- e. the Canada Post Corporation.

"Government guaranteed bond" means

- a. a bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:
 - i. payable to bearer;
 - ii. accompanied by a duly executed instrument of transfer of the bond to the Receiver General for Canada in accordance with the Domestic Bonds of Canada Regulations;
 - iii. registered in the name of the Receiver General for Canada.

"Irrevocable standby letter of credit" means

- a. means any arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its behalf,
 - i. will make a payment to or to the order of Canada, as the beneficiary;
 - ii. will accept and pay bills of exchange drawn by Canada;
 - iii. authorizes another financial institution to effect such payment, or accept and pay such bills of exchange; or
 - iv. authorizes another financial institution to negotiate, against written demand(s) for payment, provided that the conditions of the letter of credit are complied with.

“conditions” of the letter of credit are

- a. must state the face amount which may be drawn against it;
- b. must state its expiry date;
- c. must provide for sight payment to the Receiver General for Canada by way of the financial institution's draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his/her office;

- d. must provide that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the letter of credit;
- e. must provide that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600;
- f. must clearly specify that it is irrevocable or considered to be irrevocable pursuant to article 6c) of the ICC Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600; and
- g. must be issued (Issuer) or confirmed (Confirmor), in either official language, by a financial institution that is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmor. The format is left to the discretion of the Issuer or Confirmor.

6-4 NOT USED - Controlled Goods Requirement

6-5 Insurance Requirements

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

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

6-6 Workers' Compensation Certification - Letter of Good Standing

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

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

6-7 Environmental Protection

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

6-8 Safety Measures for Fueling and Disembarking Fuel

Fueling and disembarking fuel from Canadian government vessels must be conducted under the supervision of a responsible supervisor trained and experienced in these operations.

Before contract award and within five (5) working days of written request by the Contracting Authority, the successful Bidder must provide details of its safety measures for fueling and disembarking fuel together with the name and qualifications of the person in charge of this activity.

6-9 Docking Facility Certification

Before contract award, the successful Bidder may be required to demonstrate to the satisfaction of Canada that the certified capacity of the docking facility, including any means or conveyance to remove the vessel from the water, is adequate for the anticipated loading in accordance with the related dry docking plans and other documents detailed in the Contract.

The successful Bidder will be notified in writing and will be allowed a reasonable period of time to provide detailed keel block load distribution sketches and blocking stability considerations, along with the supporting calculations to show the adequacy of the proposed docking arrangement.

Before contract award and within twenty-four (24) hours of written notification by the Contracting Authority, the successful Bidder must provide current and valid certification of the capacity and condition of the docking facility to be used for the Work. The certification must be provided by a recognized consultant or classification society and must have been issued within the past two years.

Although a dry docking facility may have a total capacity greater than the vessel to be docked, the weight distribution of the vessel may cause individual block loading to be exceeded. Also, while the physical dimensions of a dry docking facility may indicate acceptability for docking of a specific vessel, other limitations such as spacing of rails on a marine railway, concrete piers or abutments adjoining the dry dock may, preclude the facility from being considered as a possible dry docking site and render the bid non-responsive.

If the Bidder intends to use the Public Works and Government Services Graving Dock in Esquimalt, B.C., then the certification is not required.

6-10 Welding Certification - Bid

1. Welding must be performed by a welder certified by the Canadian Welding Bureau and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a. CSA W47.1-09, (R2014) Certification of Companies for Fusion Welding of Steel (Minimum Division Level 2.1); and,

b. CSA W47.2-11, Certification of Companies for Fusion Welding of Aluminum (Minimum Division Level 2.1).

2. Before contract award and within twenty four (24) of the written request by the Contracting Authority, the Bidder must submit evidence demonstrating its (or its subcontractor's) certification to the welding standards. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.

6-11 Valid Labour Agreement

If the Bidder has a labour agreement, or other suitable instrument, in place with its unionized labour or workforce, it must be valid for the proposed period of any resulting contract. Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide evidence of that agreement.

6-12 List of Proposed Sub-contractors

If the bid includes the use of subcontractors, the Bidder agrees, upon written request from the Contracting Authority, to provide a list of all subcontractors including a description of the things to be purchased, a description of the work to be performed by specification section and the location of the performance of that work. The list should not include the purchase of off-the-shelf items, software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business, or the provision of such incidental services as might ordinarily be subcontracted in performing the Work, i.e. subcontract work valued at less than \$5,000.00.

6-13 Project Schedule and Reports

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

Before contract award and within twenty four (24) of written notification by the Contracting Authority the Bidder must provide a sample document from its scheduling system including a typical progress report, a quality control inspection report and a milestone event network.

6-14 ISO 9001:2008 - Quality Management Systems

Before contract award and within twenty four (24) hours of written notification by the Contracting Authority the Bidder must provide its current ISO Registration Documentation indicating its registration to ISO 9001:2008.

Documentation and procedures of bidders not registered to the ISO standards may be subject to a Quality System Evaluation (QSE) by the Inspection Authority or designate before award of a contract.

6-15 NOT USED - Quality Plan - Solicitation

6-16 Inspection and Test Plan

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide an example of its Inspection and Test Plans.

6-17 NOT USED - Material and Supply Support

6-18 NOT USED - Accommodation

6-19 Parking

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide details of the parking proposed.

6-20 Vessel Refit, Repair and Docking - Cost

The following costs must be included in the evaluation price:

1. **Services:** include all costs for ship services such as water, steam, electricity, etc., required for vessel maintenance for the duration of the Contract. This price must be firm and is subject to increase only if the period of the Contract is extended with the approval of the Contracting Authority.
2. **Docking and Undocking include:**
 - a. all costs resulting from drydocking, wharfage, security, shoring, shifting and/or moving of the vessel within the successful Bidder's facility;
 - b. the cost of services to tie up the vessel alongside and to cast off.

Unless specified otherwise, the vessel will be delivered by Canada to the successful Bidder's facility alongside a mutually agreed safe transfer point, afloat and upright, and the successful Bidder will do the same when the Work is completed. The cost of services to tie up the vessel alongside and to cast off must be included in the evaluation price.

3. **Field Service Representatives/Supervisory Services:** include all costs for field service representatives/supervisory services including manufacturers' representatives, engineers, etc. These services must not be an extra charge except where unscheduled work requiring these services is added to the Contract.
4. **Removals:** include all costs for removals necessary to carry out the Work and will be the responsibility of the successful Bidder whether or not they are identified in the specifications, except those removals not apparent when viewing the vessel or examining the drawings. The successful Bidder will also be responsible for safe storage

of removed items and reinstalling them on completion of the Work. The successful Bidder will be responsible for renewal of components damaged during removal.

- 5. Sheltering, Staging, Cranage and Transportation:** include the cost of all sheltering, staging including handrails, cranage and transportation to carry out the Work as specified. The successful Bidder will be responsible for the cost of any necessary modification of these facilities to meet applicable safety regulations.

PART 7 - RESULTING CONTRACT CLAUSES

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

7-1 Statement of Work - Contract

The Contractor must:

- a. The Canadian Coast Guard (CCG) requires a Contractor to carry out the docking and refit for the Canadian Coast Guard Ship CCGS Gordon Reid. The Work must be conducted in accordance with the associated Technical Specifications detailed in the Statement of Work; Inspections, Tests and Trials; and Project Management Services attached as Annexes A, D and E.
- b. Carry out any approved unscheduled work not covered in the above paragraph (a).

7-2 Standard Clauses and Conditions

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

7-2.1 General Conditions

2030 (2015-09-03), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract.

Section 22 entitled “Warranty” of General Conditions 2030 incorporated by reference above is hereby deleted in its entirety and replaced with the following:

1. At the discretion of the Minister, the Contractor will replace or make good at its own expense any finished work, excluding Government Issue incorporated therein, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.
2. Notwithstanding prior acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor hereby warrants that the following are free from all defects and conform to the requirements of the contract:
 - a. The painting of the underwater portion of the hull for a period of three hundred sixty five (365) days commencing from the date of undocking, except that the Contractor will only be liable to repair and/or replace to a value to be determined as follows:

Original cost to Canada of the underwater painting Work, divided by three hundred sixty five (365) days and multiplied by the number of days remaining in the warranty period. The resultant would represent the "Dollar Credit" due to Canada from the Contractor.

All other painting Work for a period of three hundred sixty five (365) days commencing from the date of acceptance of the Work;

- b. All parts and materials supplied for the Work for a period of three hundred and sixty five (365) days commencing from the date of acceptance of the Work;
- c. All other items of Work for a period of ninety (90) days commencing from the date of acceptance of the Work, except that:
 - i. the warranty on the Work related to any system or equipment not immediately placed in continuous use or service must extend for a period of ninety (90) days from the date of acceptance of the vessel;
 - ii. for all outstanding defects, deviations, and Work items listed on the Acceptance Document at Delivery, the Warranty will be ninety (90) days from the subsequent date of acceptance for each item.
3. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the Materials and/or labour supplied or held by the Contractor which exceed the periods indicated above.

Section 26 entitled "Liability" of General Conditions 2030 incorporated by reference above is hereby deleted in its entirety and replaced with the following:

1. This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.
2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$10 million per incident or occurrence to an annual aggregate of \$20 million for losses or damage caused in any one year of carrying out the Contract, each year starting on the date of coming into force of the Contract or its anniversary. This limitation of the Contractor's liability does not apply to nor include:
 - (a) Any infringement of intellectual property rights;
 - (b) Any breach of warranty obligations;
 - (c) Any liability of Canada to a third party arising from any act or omission of the Contractor in performing the Contract; or
 - (d) Any loss for which the policies of insurance specified in the Contract or any other policies of insurance held by the Contractor would provide insurance coverage.
3. Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim

against Canada or the Contractor. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada for that amount.

4. The Parties agree that nothing herein is intended to limit any insurable interest of the Contractor nor to limit the amounts otherwise recoverable under any insurance policy. The Parties agree that to the extent that the insurance coverage required to be maintained by the Contractor under this Contract or any additional insurance coverage maintained by the Contractor, whichever is greater, is more than the limitations of liability described in sub article (2), the limitations provided herein are increased accordingly and the Contractor shall be liable for the higher amount to the full extent of the insurance proceeds recovered.
5. If, at any time, the total cumulative liability of the Contractor for losses or damage suffered by Canada caused by the Contractor's performance of or failure to perform the Contract, excluding liability described under subsection 2(a), (b), (c) and (d) exceeds \$40 million, either Party may terminate the Contract by giving notice in writing to the other Party and neither Party will make any claim against the other for damages, costs, expected profits or any other such loss arising out of the termination. However, no such termination or expiry of the Contract shall reduce or terminate any of the liabilities that have accrued to the effective date of the termination but which liabilities are subject to the limitations as specified in sub-article (1) through (4) above.
6. The date of termination pursuant to this Article, shall be the date specified by Canada in its notice to terminate, or, if the Contractor exercises the right to terminate, in a notice to the Contractor from Canada in response to the Contractor's notice to terminate. The date of termination shall be in Canada's discretion to a maximum of 12 months after service of the original notice to terminate served by either Party pursuant to sub-article 5, above.

7-2.2 Supplemental General Conditions

1029 (2010-08-16), Ship Repairs, apply to and form part of the Contract.

7-3 Security Requirement

There is no security requirement applicable to this Contract.

7-4 Term of Contract

Work Period- Marine

1. Work must commence and be completed as follows:
Commence: 31 December 2015;
Complete: 28 January 2016.
2. The Contractor certifies that they have sufficient material and human resources allocated or available and that the above work period is adequate to both complete the known work and absorb a reasonable amount of unscheduled work.

7-5 Authorities

7-5.1 Contracting Authority

The Contracting Authority for the Contract is:

Michal Szczesniak

Public Works and Government Services Canada

Pacific Region, Acquisitions, Marine

401 - 1230 Government Street

Victoria, BC V8W 3X4

Telephone: 250.363.8312

E-mail: michal.szczesniak@pwgsc-tpsgc.gc.ca

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

7-5.2 Technical Authority

The Technical Authority for the Contract is:

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

7-5.3 Inspection Authority

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

The Inspection Authority may designate, and be represented by, an Inspector (TI), Quality Assurance Representative (QAR) or Designated Engineering Authority (DEA).

7-5.4 Contractor's Representative

Name and telephone numbers of the person responsible for production:

Name: _____ Telephone: _____

Facsimile: _____ E-mail: _____

Name and telephone numbers of the person responsible for delivery:

Name: _____ Telephone: _____

Facsimile: _____ E-mail: _____

7-6 Payment

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

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price as specified in Annex B. Customs duties are included and Applicable Taxes are extra.

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

7-6.2 Progress Payments

1. Canada will make progress payments in accordance with the payment provisions of the Contract, no more than once a month, for cost incurred in the performance of the Work up to 90 percent of the amount claimed and approved by Canada if:
 - a. an accurate and complete claim for payment using form PWGSC-TPSGC 1111 and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract.
 - b. the amount claimed is in accordance with the basis of payment;
 - c. the total amount for all progress payments paid by Canada does not exceed 90 percent of the total amount to be paid under the Contract;
 - d. all certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives.
2. The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of all work required under the Contract if the Work has been accepted by Canada and a final claim for the payment is submitted.
3. Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time during the performance of the Work. Any overpayment resulting from progress payments or otherwise must be refunded promptly to Canada.

7-6.3 SACC Manual Clauses

C0711C (2008-05-12) Time Verification

H4500C (2010-01-11) Lien - Section 427 of the Bank Act

7-6.4 Warranty Holdback

A warranty holdback of 3% of the Total Revised Estimated Cost of the Contract will be applied to the final claim for payment. This holdback will be payable by Canada upon the expiry of the 90 day warranty period(s) applicable to the Work. Applicable Taxes are to be calculated and paid on the total amount of the claim before the 3% holdback is applied. At the time that the holdback is released, there will be no Applicable Taxes payable, as they were included in the previous payments.

7-7 Invoicing Instructions

7-7.1 Progress Payment Claim

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment.

Each claim must show:

- a. all information required on form PWGSC-TPSGC 1111;
- b. all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;

Each claim must be supported by an invoice.

Applicable Taxes must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.

3. The Contractor must prepare and certify one original and two (2) copies of the claim on form PWGSC-TPSGC 1111, and forward it to the Technical Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.

The Technical Authority will then forward the original and two (2) copies of the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.

4. The Contractor must not submit claims until all work identified in the claim is completed.

7-7.2 Invoice is to be made out to:

CCG/Marine Engineering
Institute of Ocean Sciences
9860 West Saanich Road,
Sidney, BC, V8L 4B2

Attention: _____

7-8 Certifications - Contract

7-8.1 Compliance

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

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

The Contractor understands and agrees that, when an Agreement to Implement Employment Equity (AIEE) exists between the Contractor and Employment and Social Development Canada (ESDC)-Labour, the AIEE must remain valid during the entire period of the Contract. If the AIEE becomes invalid, the name of the Contractor will be added to the "FCP Limited Eligibility to Bid" list. The imposition of such a sanction by ESDC will constitute the Contractor in default as per the terms of the Contract.

7-9 Applicable Laws - Contract

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

7-10 Priority of Documents

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

- a. the Articles of Agreement;
- b. the Supplemental General Conditions 1029 (2010-08-16), Ship Repairs;
- c. the General Conditions 2030 (2015-09-03), Higher Complexity - Goods;
- d. Annex A, Statement of Work;
- e. Annex B, Basis of Payment;
- f. Annex C, Insurance Requirements;
- g. Annex D, Inspection/Quality Assurance/Quality Control;
- h. Annex E, Project Management Services;
- i. Annex F, Warranty Procedures and Claim Form; and,
- j. the Contractor's bid dated _____.

7-11 Defence Contract

The Contract is a defence contract within the meaning of the Defence Production Act, R.S.C. 1985, c. D-1, and must be governed accordingly.

Title to the Work or to any materials, parts, work-in-process or finished work must belong to Canada free and clear of all claims, liens, attachments, charges or

encumbrances. Canada is entitled, at any time, to remove, sell or dispose of the Work or any part of the Work in accordance with section 20 of the Defence Production Act.

7-12 Insurance - Requirements

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

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

The Contractor must forward to the Contracting Authority within ten (10) days after the date of award of the Contract, a Certificate of Insurance evidencing the insurance coverage and confirming that the insurance policy complying with the requirements is in force. For Canadian-based Contractors, coverage must be placed with an Insurer licensed to carry out business in Canada, however, for Foreign-based Contractors, coverage must be placed with an Insurer with an A.M. Best Rating no less than "A-". The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

7-13 NOT USED - Controlled Goods Requirement

7-14 Procedures for Design Change or Additional Work

SACC Manual Clause B5007C (2010-01-11) Procedures for Design Change or Additional Work.

In addition, refer to Annex G – Procedure for Processing Unscheduled Work.

7-15 Financial Security

7-15.1 Financial Security Requirement

1. The Contractor must provide one of the following contract financial securities within five (5) calendar days after the date of contract award:

EITHER

- a. a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 50 percent of the Contract Price;

OR

- b. a security deposit as defined in clause E0008C in the amount of 10 percent of the Contract Price.

Any bond must be accepted as security by one of the bonding companies listed in Treasury Board Contracting Policy, Appendix L, Acceptable Bonding Companies.

2. Security deposits in the form of government guaranteed bonds with coupons attached will be accepted only if all coupons that are unmatured, at the time the security deposit is provided, are attached to the bonds. The Contractor must provide written instructions concerning the action to be taken with respect to coupons that will mature while the bonds are pledged as security, when such coupons are in excess of the security deposit requirement.
3. If Canada does not receive the required financial security within the specified period, Canada may terminate the Contract for default pursuant to the Contract default provision.

7-15.2 Term of Financial Security

Any bond, bill of exchange, letter of credit or other security provided by the Contractor to Canada in accordance with the terms of the Contract must not expire before 90 days after the completion date indicated in the Contract.

The Contracting Authority can, at its sole discretion, require an extension to the period of the security. The Contractor can apply for financial compensation to pay for this extension.

Provided that no risk will accrue to Canada as a result, the Contracting Authority can, at its sole discretion, return the financial security to the Contractor before the expiration date indicated in the Contract.

7-16 Environmental Protection

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

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

All waste disposal certificates are to be provided to the Inspection Authority or designate, with information copies sent to the Contracting Authority. Furthermore, additional evidence of compliance with municipal, provincial and federal environmental laws and regulations is to be furnished by the Contractor to the Contracting Authority when so requested.

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

7-17 Trade Qualifications

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

7-18 Welding Certification - Contract

1. The Contractor must ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a. CSA W47.1-09, (R2014) Certification for Companies for Fusion Welding of Steel (Minimum division level 2.1); and
 - b. CSA W47.2-11, Certification for Companies for Fusion Welding of Aluminum (Minimum division level 2.1).
2. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.
3. Before the commencement of any fabrication work, and upon request from the Inspection Authority or designate, the Contractor must provide approved welding procedures and/or a list of welding personnel he intends to use in the performance of the Work. The list must identify the CWB welding procedure qualifications attained by each of the personnel listed and must be accompanied by a copy of each person's current CWB welding certification.

7-19 Sub-contracts and Sub-contractor List

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

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

7-20 Project Schedule

The Contractor must provide a preliminary project schedule to the Contracting and Technical Authorities no later than three (3) Working Days after contract award.

The Contractor must provide a detailed work schedule to the Contracting and Technical Authorities no later than five (5) working days before the commencement of the Work showing the commencement and completion dates for the Work in the available work period, including realistic target dates for significant events. During the Work Period

the schedule is to be reviewed on an ongoing basis by the Inspection Authority and the Contractor, updated when necessary, and available in the Contractor's office for review by Canada's authorities to determine the progress of the Work.

The schedules must be revised on a pre-defined basis. (The revised schedules must show the effect of progressed work and approved work arising's. Any changes to the dates of the Work Period of the contract due to unscheduled work will not be accepted except as negotiated in accordance with article 7.14, Procedures for Design Change or Additional Work.

7-21 Meetings

7-21.1 Pre-Refit Meeting

A Pre-Refit meeting will be convened and chaired by the Contracting Authority at the Repair facility up to three (3) weeks before the commencement of the work period.

7-21.2 Progress Meetings

Progress meetings, chaired by the Contracting Authority, will take place at the Contractor's facility as and when required, generally once a month. Interim meetings may also be scheduled. Contractor's attendees at these meetings will, as a minimum, be its Contract (Project) Manager, Production Manager (Superintendent) and Quality Assurance Manager. Progress meetings will generally incorporate technical meetings to be chaired by the Technical Authority.

7-21.3 Outstanding Work and Acceptance

1. The acceptance of vessels must be in accordance with form PWGSC-TPSGC 1205, Acceptance (Refits and Repairs).

The Inspection Authority or designate, in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the work period. This list will form the annexes to the formal acceptance document for the vessel. A contract completion meeting will be convened by the Inspection Authority on the work completion date to review and sign off the Acceptance Document.

In addition to any amount held under the Warranty Holdback Clause, a holdback of twice the estimated value of outstanding work will be held until completion of the Work. Applicable Taxes will be calculated on this outstanding work holdback amount and paid at the time that the outstanding work holdback is released.

7-22 ISO 9001:2008 - Quality Management Systems

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

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

7.3 Design and development.

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

Assistance for Government Quality Assurance (GQA):

The Contractor must provide the Inspection Authority or designate with the accommodation and facilities required for the proper accomplishment of GQA and must provide any assistance required by the Inspection Authority for evaluation, verification, validation, documentation or release of product.

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

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

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

7-23 NOT USED - Quality Plan

7-24 Equipment/Systems: Inspection/Test

The Contractor must comply with the requirements stipulated in Annex D regarding equipment and systems inspections and testing.

7-25 Inspection and Test Plan

The Contractor must submit for approval to the Technical authority and implement prior to the commencement of the work in support of its QCP, an approved Inspection and Test Plan (ITP) in accordance with the Inspection and Test Plan requirements at Annex D1. The Contractor must provide at no additional cost to Canada, all applicable test data, all Contractor technical data, test pieces and samples as may reasonably be required by the Inspection Authority to verify conformance to contract requirements. The Contractor must forward at his expense such technical data, test data, test pieces and samples to such location as the Inspection Authority or designate may direct.

7-26 NOT USED - Material and Supply Support

7-27 Loan of Equipment - Marine

The Contractor may apply for the loan of the Government special tools and test equipment particular to the subject vessel as identified in the Specifications. The provision of other equipment required for the execution of work in the Specifications is the sole responsibility of the Contractor.

Equipment loaned under this provision must be used only for work under this Contract and may be subject to demurrage charges if not returned on the date required by Canada. In addition, equipment loaned under the above provision must be returned in a like condition, subject to normal wear and tear.

A list of Government equipment that the Contractor intends to request must be submitted to the Contracting Authority within three (3) working days of Contract Award to permit timely supply or for alternate arrangements to be made. The request must state the time frame for which the equipment is required.

7-28 Insulation Materials - Asbestos Free

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

7-29 NOT USED - Accommodation

7-30 Parking

The Contractor must provide four (3) reserved parking spaces within the confines of the shipyard for Government personnel, one (1) of which must be clearly designated "for PWGSC use only" for the period of the Contract, commencing one (1) week before the work period and completing two (2) weeks after the work period.

7-31 Vessel Unmanned Refits

The vessel will be unmanned during the work period and will be considered to be out-of-commission. The vessel during that period will be in the care or custody of the Contractor and under its control. Please refer to 1029 - Ship Repairs, Supplemental General Conditions Article 09 and Annex C for the Vessel Custody requirements, and associated Acceptance Certificates.

7-32 SACC Manual Clauses

| | | |
|--------|------------|---|
| A0285C | 2007-05-25 | Workers Compensation |
| A0290C | 2008-05-12 | Hazardous Waste – Vessels |
| A2000C | 2006-06-16 | Foreign Nationals (Canadian Contractor) |
| A9047C | 2008-05-12 | Title to Property - Vessel |

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| | | |
|--------|------------|--|
| A9055C | 2010-08-16 | Scrap and Waste Material |
| A9056C | 2008-05-12 | Supervision of Fueling and Disembarking Fuel |
| A9066C | 2008-05-12 | Vessel - Access by Canada |
| A9068C | 2010-01-11 | Government Site Regulations |
| B6100C | 2008-05-12 | Stability |

ANNEX A - STATEMENT OF WORK

A-1 Work Site

The vessel must be drydocked at the Contractor's facility located at _____

A-2 Interpretation

The words "shall" or "must" or "is required" or "mandatory", where they appear in the Statement of Work and/or referenced specifications, are to be read as obligations of the Contractor in the performance of the Work within the Contract Price.

The word "should" is to be read as a preference or recommendation that is not obligatory.

A-3 The Statement of Work [SOW] is provided in a separate electronic document entitled:

"Gordon Reid Major Docking 2015-2016 Version001.pdf"

To obtain the SOW the Bidder must make a request in writing to the Contracting Authority identified in Article 7-5.1.

ANNEX B - BASIS OF PAYMENT

B-1 Contract Price

| | | |
|-----------|---|--------|
| a. | Known Work For work as stated in Part 7 Article 1, as specified in Annexes A, D & H and as detailed on the Pricing Data Sheets, For a FIRM PRICE of: | \$0.00 |
| b. | Cost of Financial Security As per Part 7 Article 15 | \$0.00 |
| c. | Contract Price [a + b]: For a FIRM PRICE of: Customs duties are included and Applicable Taxes are extra | \$0.00 |

Note: The "Total Estimated Cost" or "Revised Estimated Cost" given on Page 1 of the Contract or Contract Amendment includes an estimate of the Applicable Taxes [refer to the General Conditions].

B-2 Unscheduled Work

A. Price Breakdown:

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

B. Pro-rated Prices:

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

C. Payment for Unscheduled Work:

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

Number of hours (to be negotiated) X \$____, being the Contractor's firm hourly charge-out labour rate which includes overhead and profit, plus net laid-down cost of materials to which will be added a mark-up of 10 percent, plus applicable Taxes calculated on the total cost of material and labour.

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

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

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

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

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

B-3 Overtime - Marine

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

Payment for authorized overtime will be calculated as follows:

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

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

For double time: \$ _____ per hour.

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

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

For double time: \$ _____ per hour.

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

B-4 Lay Day/Berthage Day Fees

The following fees are to be provided by the Bidder. In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

-
- a. Lay day fee for a working day: \$ _____
- b. Lay day fee for a non-working day: \$ _____
- c. Berthage Fee per day (49.95M X \$ _____ / Meter): \$ _____

A lay day is defined as “a day of delay in port” with the vessel docked (i.e. removed from the water) at the contractor’s facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor’s facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

ANNEX C - INSURANCE REQUIREMENTS

C-1 Ship Repairers' Liability Insurance

1. The Contractor must obtain Ship Repairer's Liability Insurance and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence. *(For annual and maximum liabilities see article 7-2.1 of the Contract.)*
2. The Ship Repairer's Liability insurance must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada.
 - b. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada for any and all loss of or damage to the vessel, however caused.
 - c. Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of cancellation.
 - d. Contractual Liability: The policy must, on a blanket basis or by specific reference to the contract, extend to assumed liabilities with respect to contractual provisions.
 - e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.

C-2 Commercial General Liability

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence.
2. The Commercial General Liability Insurance policy must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada.
 - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
 - c. Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.
 - d. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided.

Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.

- e. Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
- f. Employees and, if applicable, Volunteers must be included as Additional Insured.
- g. Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
- h. Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
- i. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
- j. Owners' or Contractors' Protective Liability: Covers the damages that the Contractor becomes legally obligated to pay arising out of the operations of a subcontractor.
- k. Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution

C-3 Vessel Custody

- 1. This work is going to take place with the vessel "out of commission" and therefore in the "care, control and custody" of the Contractor.
- 2. The "CERTIFICATE of CUSTODY - ASSUMPTION OF CUSTODY OF FEDERAL GOVERNMENT SHIPS BY CONTRACTOR" (Appendix 1 to Annex C) must be completed as required and a copy passed to the Inspection Authority.
- 3. To facilitate this turnover, representatives of the Contractor and Canada must confirm the condition of the vessel.
- 4. A vessel condition report must be appended to the above noted certificate and must be accompanied by colour photographs or videos in either conventional or digital format.
- 5. When the vessel is to be returned to the "care, control and custody" of Canada, the "CERTIFICATE of CUSTODY - RESUMPTION OF CUSTODY OF FEDERAL GOVERNMENT SHIPS BY THE CLIENT DEPARTMENT" (Appendix 2 to Annex C) must be completed and a signed copy passed to Canada for distribution.

APPENDIX 1 to ANNEX C

CERTIFICATE of CUSTODY

***ASSUMPTION OF CUSTODY OF CANADIAN GOVERNMENT SHIPS BY
CONTRACTOR***

ACCEPTANCE OF: CCGS GORDON REID

1. The undersigned, on behalf of the Department of Fisheries and Oceans and of _____ acknowledge to have handed over and received respectively *CCGS Gordon Reid* for the purpose of refit, all in accordance with the terms and conditions of PWGSC Contract Serial Number *F1782-15C730/001/XLV* and such documents which form part of the said contract.
2. It is mutually agreed by all parties that the condition report by compartment or area must be considered as an addendum to this Contract; and must be a valid document in the taking over of the vessel by the Contractor, even if the inspection and signing occur after the signing of the Contract but within the agreed ten (10) day period.
3. It is further agreed by all parties that the liabilities and responsibilities of _____ as defined in Article 9 of PWGSC 1029 Supplemental General Conditions for Ship Repairs, for a vessel out of commission, will commence as at..... hours on(date).

SIGNED AT.....
ON THE DAY OF..... 20.....
AT HOURS.

FOR:
DEPARTMENT OF FISHERIES AND OCEANS

FOR:
CONTRACTOR

WITNESSED BY:
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

APPENDIX 2 to ANNEX C

CERTIFICATE of CUSTODY

***RESUMPTION OF CUSTODY OF CANADIAN GOVERNMENT SHIPS BY THE CLIENT
DEPARTMENT***

ACCEPTANCE OF: CCGS GORDON REID

1. The undersigned, on behalf of _____ and of the Department of Fisheries and Oceans, acknowledge to have handed over and to have received respectively the Name of Vessel CCGS Gordon Reid, said vessel having been received _____ on _____, for the purpose of refit in accordance with the terms and conditions of PWGSC Contract Serial Number *F1782-15C730/001/XLV*.
2. It is mutually agreed by all parties that the liabilities and responsibilities of _____, as defined in Article 9 of PWGSC 1029 Supplemental General Conditions for Ship Repairs, for a vessel out of commission, will automatically cease as at _____ hours on _____ (date).
3. That effective from _____ hours on the _____ (date). Article 8 of PWGSC 1029 for a vessel "in commission" Shall apply, and that responsibility for the care and protection of the said vessel will revert to Canada.

SIGNED AT _____

ON THE _____ DAY OF _____ 20_____

AT _____ HOURS.

FOR: _____
DEPARTMENT OF FISHERIES AND OCEANS

FOR: _____
CONTRACTOR

WITNESSED BY: _____
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

ANNEX D - INSPECTION/QUALITY ASSURANCE/QUALITY CONTROL

D-1 Inspection and Test Plan (ITP):

1. The Contractor must prepare an Inspection and Test Plan (ITP) comprising individual inspection and test plans for each specification item of this project, in accordance with the Quality Standard. The ITP must be submitted to the TA for review no later than 5 working days prior to the commencement of the work and amended by the Contractor to the satisfaction of the TA.
 - a. Each ITP must contain all inspection points identified in the specification, or in the Manufacturer's Instructions, highlighting points that must be witnessed by the TA and other "hold" points imposed by the Contractor to ensure the quality of the work.
 - b. Milestone delivery date for the ITP is given in the Contract however individual ITPs should be forwarded for review as developed.

2. Inspection and Test Plan Criteria:

Inspection criteria, procedures and requirements are stated in the specifications, drawings, technical orders and reference standards invoked by the Specifications. Test and trial documentation is also included or referenced in the Specification. An individual Inspection and Test Plan (ITP) is required for each Specification item.

All ITPs must be prepared by the Contractor in accordance with the above criteria, their Quality Plan, and must provide the following reference information:

- a. the ship's name;
 - b. the Specification item number;
 - c. equipment/system description and a statement defining the parameter which is being inspected;
 - d. a list of applicable documents referenced or specified in the inspection procedure;
 - e. the inspection, test or trial requirements specified in the Specification;
 - f. the tools and equipment required to accomplish the inspection;
 - g. the environmental conditions under which the inspections are to be conducted and the tolerances on the inspection conditions;
 - h. a detailed step-by step procedure of how each inspection is to be performed, conformance parameters, accept/reject criteria and recording of results, deficiencies found and description of corrective action(s) required;
 - i. name and signature of the person who prepared the plan, date prepared and amendment level; and,
 - j. names and signatures of the persons conducting and witnessing the inspection, test or trial.
3. Contractor Imposed Testing:
Tests and trials in addition to those given in the Specification must be approved by the TA.

4. Amendments:

Amendment action for the Inspection and Test Plans must be ongoing throughout the refit and reflect the inspection requirements for unscheduled work. Amendments must be submitted as developed, but not less frequently than once every second week.

D-2 Conduct of Inspection

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

D-3 Inspection Records and Reports

1. The Contractor on the inspection record, test or trials sheets as applicable must record the results of each inspection. The Contractor must maintain files of completed inspection records consistent with the Quality Standard and their Quality Plan for this project.
2. The Contractor's QC representative (and the FSR when required) must sign as having witnessed the inspection, test or trial on the inspection record. The Contractor must forward originals of completed inspection records, together with completed test(s) and/or trials sheets to the TA.
3. Unsatisfactory inspection/test/trial results, for which corrective action cannot be completed during the normal course of the inspection/test/trial, will require the Contractor to establish and record the cause of the unsatisfactory condition to the satisfaction of the TA. Representatives of Canada may assist in identification where appropriate.

-
4. Corrective action to remove cause of unsatisfactory inspections must be submitted to the TA in writing by the Contractor, for approval prior to affecting such repairs and rescheduling of the unsatisfactory inspection/test/trial.
 5. The Contractor must undertake rectification of defects and deficiencies in the Contractor's installation or repair as soon as practicable. The Contractor is responsible to schedule such repairs at their own risk.
 6. The Contractor must reschedule unsatisfactory inspections after any required repairs have been completed.
 7. Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the TA upon request.

D-4 NOT USED - Provisional Acceptance Certificate

ANNEX E - PROJECT MANAGEMENT SERVICES

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

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

E-2. Project Manager

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

E-3. Project Management Team

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

E-4. Reports

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

E-5. Bid Deliverables

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

ANNEX F - WARRANTY PROCEDURES AND CLAIM FORM

F-1 Warranty Procedures

1. Scope

- a. The following are the procedures which suit the particular requirements for warranty considerations for a vessel on completion of a refit.

2. Definition

- a. There are a number of definitions of “warranty” most of which are intended to describe its force and effect in law. One such definition is offered as follows:
“A warranty is an agreement whereby the vendor’s or manufacturer’s responsibility for performance of its product is extended for a specific period of time beyond the date at which the title to the product passes to the buyer.”

3. Warranty Conditions

- a. General Conditions 2030 (2015-09-03), General Conditions - Higher Complexity - Goods are augmented by clauses incorporated into the subject Contract.
- b. The warranty periods may be stated in more than one part:
 - i. 90 days commencing from the day the PWGSC 1205 Acceptance Document is signed for workmanship provided by the contractor for the refit work specified;
 - ii. 365 days from the date of acceptance for the specified areas of painting;
 - iii. 365 days commencing from the day the PWGSC 1205 Acceptance Document is signed for parts and material provided by the contractor for the refit work specified;
 - iv. Any other specific warranty periods that may be required in the contract or offered by the Contractor.
- c. The foregoing does not cover the disposition of other deficiencies that will be directly related to Technical Authority problem areas of the following nature:
 - i. items becoming unserviceable that were not included in the refit specification;
 - ii. refit specifications or other related documentation requiring amendments or corrections to increase viability; and
 - iii. work performed that is directly related to the Technical Authority.

4. Reporting Failures with Warranty Potential

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

5. Procedures

- a. Immediately it becomes known to the Ship's Staff that an equipment/system is performing below accepted standards or has become defective, the procedures for the investigation and reporting are as follows:
 - i. The vessel advises the Technical Authority when a defect, which is considered to be directly associated with the refit work, has occurred.
 - ii. On review of the Specification and the Acceptance Document, the Technical Authority in consort with Ship's Staff is to complete the Tombstone Data and section 1 of the Warranty Claim Form Appendix 1 to Annex F and forward the original to the Contractor for review with a copy to the PWGSC Contracting Authority. If the PWGSC Contracting or Inspection Authority is unable to support warranty action, the Defect Claim Form will be returned to the originator with a brief justification. (It is to be noted that in the latter instance PWGSC will inform the Contractor of its decision and no further action will be required of the Contractor.
Warranty defect claims may be forwarded in hard copy, by fax or by e-mail whichever format is the most convenient.
 - iii. Assuming the Contractor accepts full responsibility for repair, the Contractor completes Section 2 and 3 of the Warranty Claim Form, returns it to the Inspection Authority who confirms corrective action has been completed, and who then distributes the form to the Technical Authority and the PWGSC Contracting Authority.
- b. In the event that the Contractor disputes the claim as a warranty defect, or agrees to share, the contractor is to complete Part 2 of the Warranty Claim Form with the appropriate information and forward it to the Contracting Authority who will distribute copies as necessary.
- c. When a warranty defect claim is disputed by the Contractor, the Technical Authority may arrange to correct the defect by in-house resources or by contracting the work out. All associated costs must be tracked and recorded as a possible charge against the contractor by PWGSC action. Material costs and man-hours expended in correcting the defect are to be recorded and entered in Section 5 of the warranty defect claim by the Technical Authority who will forward the warranty defect claim to the PWGSC Contracting Authority for action. Defective parts of equipment are to be retained pending settlement of claim.
- d. Defective equipment associated with potential warranty should not normally be dismantled until the contractor's representative has had the opportunity to observe the defect. The necessary work is to be undertaken through normal repair methods and costs must be segregated as a possible charge against a contractor by PWGSC action.

6. Liability

- a. Agreement between the Contracting Authority, Inspection Authority, Technical Authority and the Contractor will result in one of the following conditions:
 - i. The contractor accepts full responsibility for costs to repair or overhaul under the warranty provisions of the contract;

- ii. The Technical Authority accepts full responsibility for repair and overhaul of item concerned; or
 - iii. The Contractor and the Technical Authority agree to share responsibility for the costs to repair or overhaul the unserviceable item, in such cases the PWGSC Contracting Authority will negotiate the best possible sharing arrangement.
- b. In the event of a disagreement as in paragraph 5c, PWGSC will take necessary action with the contractor while the Technical Authority informs its Senior Management including pertinent data and recommendations.
- c. The total cost of processing warranty claims must include accommodation and travel costs of the contractor's employees as well as equipment/system down time and operational constraints. Accordingly, the cost to remediate the defect, in man-hours and material, will be discussed between the Contracting/Inspection Authorities and the Technical Authority to determine the best course of action.

7. Alongside Period for Warranty Repairs and Checks

- a. If at all possible, an alongside period for the vessel is to be arranged just before the expiration of the 90 day warranty period. This alongside period is to provide time for warranty repair and check by the contractor.
- b. In respect to the underwater paint, should it become defective during the associated warranty period the contractor is only liable to repair to a value determined as follows:
"Original cost to Canada for painting and preservation of the underwater section of the hull, divided by three hundred sixty five (365) days and multiplied by the number of days remaining in the period. The resultant would represent the 'Dollar Credit' due to Canada from the Contractor."
- c. The Underwater paint system, before expiration of the warranty, should be checked by divers. The Technical Authority, is to arrange the inspection and inform the Contracting Authority of any adverse results.

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F1782-15C728

Amd. No. - N° de la modif.
File No. - N° du dossier

Buyer ID - Id de l'acheteur
xlv242
CCC No./N° CCC - FMS No./N° VME

APPENDIX 1 TO ANNEX F



Public Works and
Government
Services Canada

Travaux publics et Services
gouvernementaux Canada

Warranty Claim Réclamation De Garantie

| | | |
|---|-----------------------------|--|
| Vessel Name – Nom de navire CCGS GORDON REID | File No. – N° de dossier | Contract No. - N ° de contrat F1782-15C730 |
| Customer Department – Ministère client | | Warranty Claim Serial No. Numéro de série de réclamation de garantie |
| Contractor – Entrepreneur | | <u>Effect on Vessel Operations</u> <u>Effet sur les opérations de navire</u> Critical Degraded Operational Non-operational Critique Dégradé Opérationnel Non-opérationnel |

1. Description of Complaint – Description de plainte

Contact Information – Informations de contact

Name – Nom

Tel. No. - N ° Tél

Signature – Signature

Date

2. Contractor's Investigative Report – Le rapport investigateur de l'entrepreneur

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File No. - N° du dossier

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

Contractor's Name and Signature – Nom et signature de l'entrepreneur
Corrective Action - Date de modalité de reprise

Date of

Client Name and Signature - Nom et signature de client
Date

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

Solicitation No. - N° de l'invitation
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F1782-15C728

Amd. No. - N° de la modif.
File No. - N° du dossier

Buyer ID - Id de l'acheteur
xlv242
CCC No./N° CCC - FMS No./N° VME

Signature – Signature

Date

5. Additional Information – Renseignements supplémentaires

Canada

PWGSC-TPSGC

ANNEX G - PROCEDURE FOR UNSCHEDULED WORK

G1. Purpose

The unscheduled work Procedure has been instituted for the following purposes:

- a. To establish a uniform method of dealing with requests for unscheduled work;
- b. To obtain the necessary Technical Authority approval and Contracting Authority authorization before unscheduled work commences;
- c. To provide a means of maintaining a record of unscheduled work requirements including serial numbers, dates and accumulated cost. The Contractor shall have a cost accounting system that is capable of assigning job numbers for each unscheduled work requirement so that each requirement can be audited individually.

G2. Definitions

- a. An unscheduled work Procedure is a contractual procedure whereby changes to the scope of work under the Contract may be defined, priced and contractually agreed to. Such changes may arise from:
 - i. "Work Arising" from opening up of machinery and/or surveys of equipment and material,
OR
 - ii. "New Work" not initially specified but required on the Vessel.
- b. The procedure does not allow for the correction of deficiencies in the Contractor's Bid.
- c. No unscheduled work may be undertaken by the Contractor without written authorization by the Contracting Authority, except under emergency circumstances as described in sub paragraph 3(b) unscheduled work.
- d. Work undertaken without written Contracting Authority authorization will be considered the Contractor's responsibility and cost.
- e. The appropriate PWGSC form is the final summary of the definition of the unscheduled work requirement, and the costs negotiated and agreed to.

G3. Procedures

- a. The procedure involves the electronic form PWGSC 1379 for refit and repair and will be the only form for authorizing all unscheduled work.

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- b. Emergency measures required to prevent loss or damage to the Vessel which would occur if this procedure were followed, shall be taken by the Contractor on its own authority. The responsibility for the cost of such measures shall be determined in accordance with the terms and conditions of the Contract.
- c. The Technical Authority will initiate a work estimate request by defining the unscheduled work requirement. It will attach drawings, sketches, additional specifications, other clarifying details as appropriate, and allocate their serial number for the request.
- d. Notwithstanding the foregoing, the Contractor may propose to the technical Authority in writing either by letter or some type of Defect Advice Form (A Contractor owned form) that certain unscheduled work should be carried out.
- e. The Technical Authority will either reject or accept such proposal and advise the Contractor and Contracting Authority. Acceptance of the proposal is not to be construed as authorization for the work to proceed. If required, the Technical Authority will then define the unscheduled work requirement in accordance with sub paragraph 3(c).
- f. The Contractor will electronically submit its proposal to the Contracting Authority together with all price support and any qualifications, remarks or other information as requested.
The price support shall demonstrate the relationship between the scope of work, the Contractor's estimated costs and its selling price. It is a breakdown of the Contractor's unit rates, estimates of person hours by trade, estimate of material cost per item for both the Contractor and all of its subcontractors including quotations, estimates and any related schedule impact and an evaluation of the Contractor's time required to perform the unscheduled work.
- g. The Contractor shall provide copies of purchase orders and paid invoices for subcontracts and/or material, including stocked items. The Contractor shall provide a minimum of two quotations for subcontracts or material. If other than the lowest or sole source is being recommended for quality and/or delivery considerations, this shall be noted. Upon request by the Contractor, the Contracting Authority shall be permitted to meet with any proposed subcontractor or material supplier for discussion of the price, and always with the Contractor's representative present.
- h. After discussion between the Contracting Authority and the Contractor and if no negotiation is required, the Contracting Authority will seek confirmation from the Technical Authority to proceed with the work by signing the form noted above in sub paragraph 3(d). The Contracting Authority will then sign and authorize the unscheduled work to proceed.

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- i. In the event that the Technical Authority does not wish to proceed with the work, the Contracting Authority will cancel the proposed unscheduled work in writing.
- j. In the event the negotiation involves a credit, the appropriate PWGSC form will be noted accordingly.
- k. In the event that the Technical Authority requires unscheduled work of an urgent nature or an impasse has occurred in negotiations the commencement of unscheduled work should not be unduly delayed and should be processed as follows:
- The Contractor will complete PWGSC 1379 form indicating the estimated cost and provide it to the Contracting Authority.
 - If the Technical Authority wishes to proceed, both the Technical Authority and the Contracting Authority will sign the completed PWGSC form. It will be understood and accepted that this cost will be a ceiling price cost and therefore only subject to downward adjustment.
 - A serial number will be allocated and will include Suffix A.

The work will proceed with the understanding that following an audit of the Contractor's actual costs for completing the described work, the cost will be finalized no higher than the ceiling price and less as applicable and justified. A new PWGSC form will be completed with the finalized cost and duly signed and issued with the same serial number but without suffix A. This form is replacing the original and will be the final approved form.

NOTE: PWGSC forms bearing serial numbers with a suffix A shall not be included in any contract amendments and therefore no payment shall be made until final resolution of the prices and subsequent incorporation into the contract have been completed.

G4. Amendment to Contract or Formal Agreement

The contract will be amended from time to time in accordance with the contract terms in order to incorporate costs that have been authorized on the proper PWGSC form(s).

ANNEX H - FINANCIAL BID PRESENTATION SHEET

H-0 Proposed Work Period Location: _____

H-1 Evaluation of Price

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

| | | |
|-----------|--|----------|
| a. | Known Work For work as stated in Part 1 article 1.2, specified in Annexes A, D and E and detailed in the attached Pricing Data Sheet Annex H, Appendix 1 for a FIRM PRICE of: | \$ _____ |
| b. | Unscheduled Work <i>Labour Cost:</i> Estimated labour hours at a firm <i>Charge-out Labour Rate</i> , including overhead and profit: 1000 person hours X \$ _____ per hour for a PRICE of: See articles H2.1 and H2.2 below. | \$ _____ |
| c. | Lay day/ Berthage Fees As per article H4 i. Five (5) working lay days X \$ _____ = \$ _____ ii. Two (2) non-working lay days X \$ _____ = \$ _____ iii. Three (3) berthing days X \$ _____ = \$ _____ | \$ _____ |
| d. | Vessel Transfer Costs As per article H5 | \$ _____ |
| e. | Cost of Financial Security As per Part 6 Financial Security article, 6-3 | \$ _____ |
| f. | EVALUATION PRICE Applicable Taxes Excluded, [a + b + c + d + e]: For an EVALUATION PRICE of : | \$ _____ |

H-2 **Unscheduled Work**

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

Number of hours (to be negotiated) X _____, being your firm hourly *Charge-out Labour Rate* which includes *Overhead* and profit, plus net laid-down cost of materials to which will be added a 10% mark-up, plus applicable taxes calculated on the total cost of material and labour.

The firm hourly *Charge-out Labour Rate* and the material mark-up will remain firm for the duration of the Contract and any subsequent amendments.

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

Elements of *Related Labour Costs* identified in H2.2 will not be negotiated, but will be compensated for in accordance with H2.2 It is therefore incumbent upon the Bidder to enter values in the above table which will result in fair compensation, regardless of the structure of their Cost Management System.

H-2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* entered in Table H1 line I1b. above.

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

H-3 **Overtime - Marine**

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

Payment for authorized overtime will be calculated as follows:

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

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

For double time: \$_____ per hour.

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

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

For double time: \$_____ per hour.

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

H-4 Lay Day/Berthage Day Fees

The following fees are to be provided by the Bidder. In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

- a. Lay day fee for a working day: \$_____
- b. Lay day fee for a non-working day: \$_____
- c. Berthage Fee per day (49.95 Metres X \$_____ / Meter): \$_____

A lay day is defined as “a day of delay in port” with the vessel docked (i.e. removed from the water) at the contractor’s facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor’s facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

H-5 Vessel Transfer Costs

1. The evaluation price will include the cost for transferring the vessel from its home port to the shipyard/ship repair facility where the majority of the Work will be undertaken and the cost of returning the vessels to their home port following completion of the Work, in accordance with the following:
- a. The Bidder will enter on Line **H-0**, the location of the shipyard/ship repair facility where it proposes to undertake the Work. The applicable vessels' transfer costs provided under section 3 of this clause will be entered into table H1.

- b. Should the list in section 3. of this clause not provide the shipyard/ship repair location where the Bidder intends to undertake the Work, then the Bidder must advise the Contracting Authority, in writing, no later than **five (5) calendar days** before the bid closing date, of its proposed location for undertaking the Work. The Contracting Authority will acknowledge to the bidder, in writing, no later than **three (3) calendar days** before the bid closing date, the location of the shipyard/ship repair and confirm the applicable vessel transfer cost.

A Bid that specifies a location for undertaking the Work which is not in the list under section 3. of this clause, and for which a notification in writing has not been received by the Contracting Authority five (5) calendar days before the bid closing date, will be declared non-responsive.

2. Transfer costs, in this case, are based on using a government delivery crew and include the fuel cost at the vessel's most economical speed of transit and crew transportation costs for the delivery crew based on the location of the vessel's home port and the shipyard/ship repair facility.
3. Round trip transfer costs applicable to the following facilities are:

| Company | Facility | City | Transfer Cost |
|---------------------------|------------------------------|-------------|---------------|
| Allied Shipbuilders | Harbour Rd | N Vancouver | \$4,975.00 |
| Seaspan Shipyards Co. Ltd | Vancouver Drydock | Vancouver | \$4,975.00 |
| Seaspan Shipyards Co. Ltd | Vancouver Shipyards | N Vancouver | \$4,975.00 |
| Seaspan Shipyards Co. Ltd | Esquimalt Graving Dock | Esquimalt | \$1,821.00 |
| Point Hope Maritime Ltd. | Point Hope Maritime Shipyard | Victoria | \$0.00 |

APPENDIX 1 TO ANNEX H - PRICING DATA SHEET

The Pricing Data Sheet [PDS] is provided in a separate electronic document entitled:

“F1782-15C728 Gordon Reid Pricing Data Sheet Version001.xls”

To obtain the PDS the Bidder must make a request in writing to the Contracting Authority identified in Article 7-5.1.

ANNEX I – CERTIFICATIONS

(1) FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY - CERTIFICATION

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

For further information on the Federal Contractors Program for Employment Equity visit [HRSDC-Labour's website](#).

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

Complete both A and B.

A. Check only one of the following:

- ☐ A1. The Bidder certifies having no work force in Canada.
 - ☐ A2. The Bidder certifies being a public sector employer.
 - ☐ A3. The Bidder certifies being a federally regulated employer being subject to the Employment Equity Act.
 - ☐ A4. The Bidder certifies having a combined work force in Canada of less than 100 employees (combined work force includes: permanent full-time, permanent part-time and temporary employees [temporary employees only includes those who have worked 12 weeks or more during a calendar year and who are not full-time students
 - ☐ A5. The Bidder has a combined workforce in Canada of 100 or more employees; and
 - ☐ A5.1 The Bidder certifies already having a valid and current Agreement to Implement Employment Equity (AIEE) in place with HRSDC-Labour
- or**
- ☐ A5.2 The Bidder certifies having submitted the Agreement to Implement Employment Equity (LAB1168) to HRSDC-Labour. As this is a condition to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to HRSDC-Labour.

B. Check only one of the following:

☐ B1. The Bidder is not a Joint Venture
or

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

(2) INFORMATION REQUIRED FOR CODE OF CONDUCT VERIFICATION

Please provide list of names of the following entities, according to the ownership nature of the company

1. For a Corporation - each current member of the Bidder's Board of Directors:

2. For a Partnership, General Partnership or Limited Partnership - the names of all current partners:

3. For a Sole Proprietorship or an individual doing business under a firm name - the name of the sole proprietor or individual:

4. For a Joint Venture - the names of all current members of the Joint venture:

5. For an individual - the full name of the person:
