

SEND BIDS TO:

Industry Canada
Contracts & Materiel Management
235 Queen Street
Bid Receiving Area,
Mail Scanning, Room S-143, Level S1
Ottawa, ON
K1A 0H5
Attention: Ginette Hupé

REQUEST FOR PROPOSAL

Proposal to: Industry 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 hereof.

Issuing Office:

Industry Canada
Contracts & Materiel Management
235 Queen Street
Ottawa, ON
K1A 0H5

Title Spectrum Auction Services for the 600 MHz Auction	
Solicitation N° IC 401460	Date April 19, 2016
Solicitation Closes At 2:00 PM on May 30, 2016	Time Zone Daylight Saving Time
F.O.B. Destination	
Address inquiries to: Ginette Hupé	
Telephone N° 343-291-2938	Email address ginette.hupe@canada.ca
Destination – of Goods, Services or Construction See Herein	

Instructions: See Herein

Comments:

This document contains a Security Requirement

Delivery Required: See Herein
Bidder's Name and address
Name and title of person authorized to sign on behalf of the Bidder (type or print)
Signature:
Date:



Request for Proposal (RFP)

For the provision of

**Spectrum Auction Services for
the 600 MHz Auction**

for

Industry Canada

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PART 1 - GENERAL INFORMATION

1. Summary

Industry Canada (IC) is seeking to establish a contract for the services of a Contractor to provide Spectrum Auction Services for the 600 MHz Auction as defined in Annex "A", Statement of Work, for a period commencing from date of contract award to December 31, 2022.

2. Security

There is a security requirement associated with this requirement. For additional information, consult Part 6 – Security Requirements, and Part 7 – Resulting Contract Clauses.

3. Legal Capacity

The Bidder must have the legal capacity to contract. If the Bidder is a sole proprietorship, a partnership or a corporate body, the Bidder must provide, if required by the Contracting Authority, a statement and any requested supporting documentation indicating the laws under which it is registered or incorporated together with the registered or corporate name and place of business. This also applies to bidders submitting a bid as a joint venture.

4. Debriefings

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

5. Period of Contract

The services will be required from date of Contract award to December 31, 2022.

6. Option to Extend

The Contractor grants to IC the irrevocable option to extend the terms of the Contract by two (2) periods of one (1) year each under the same terms and conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Terms of Payment. IC may exercise this option, by sending a written notice to the Contractor before the expiry date of the contract. The option may only be exercised by the Contracting Authority, and be evidenced for administrative purposes only, through a contract amendment.

PART 2 – INSTRUCTIONS TO BIDDERS

1. Glossary of Terms

TERM	DEFINITION / MEANING
RFP	Request for Proposal
IC	Industry Canada or the Department of Industry
Mandatory requirements	Whenever the words “shall”, “must”, “will” and “mandatory” appear in this document or any related document forming a part hereof, the item being described is a mandatory requirement. Failure to comply or demonstrate compliance with a mandatory requirement will render the bid non-responsive and the bid will not be considered further.
Should	The word “should” means an action that is preferred but not mandatory.
Minister	The Minister of Industry (known as the Minister of Innovation, Science and Economic Development).
Canada	“means Her Majesty the Queen in right of Canada as represented by the Minister of Industry and any other person duly authorized to act on behalf of that Minister”.

2. General Conditions

Attachment 1 to part 7, Industry Canada General Conditions of a Service Contract will form part of and shall be incorporated into the resulting contract.

3. Submission of Bids

- 3.1 Bids must be submitted only to Industry Canada’s Bid Receiving Area by the date, time and place indicated on page 1 of the bid solicitation. Bidders are hereby advised that the Bid Receiving Area of IC is open Monday to Friday inclusive, between the hours of 7:30 am and 4:30 pm, excluding Statutory Holidays.

ELECTRONIC BIDS WILL NOT BE ACCEPTED. Due to the nature of this bid solicitation, bids transmitted by facsimile or electronic mail to Industry Canada will not be accepted.

- 3.2 Canada requires that each bid, at closing time, be signed by the Bidder or by an authorized representative of the Bidder. In the event of a bid submitted by a contractual joint venture, the bid shall either be signed by all members of the joint venture or a statement shall be provided to the effect that the signatory represents all parties of the joint venture.

- 3.3 It is the Bidder's responsibility to:
- a. obtain clarification of any terms, conditions or technical requirements contained in the solicitation, if necessary, before submitting a bid;
 - b. prepare its bid in accordance with the instructions contained in the bid solicitation;
 - c. submit by closing date and time a signed complete bid;
 - d. send its bid only to the Industry Canada Bid Receiving Area specified on Page 1 of the bid solicitation or to the address specified in the bid solicitation;
 - e. ensure that the Bidder's name, return address, the bid solicitation number, and bid solicitation closing date and time are clearly visible on the envelope(s) or the parcel(s) containing the bid;
 - f. provide a comprehensible and sufficiently detailed bid, including all requested pricing details, that will permit a complete evaluation in accordance with the criteria set out in the bid solicitation; and
 - g. include the name and telephone number of a representative who may be contacted for clarification or other matters relating to the Bidder's proposal.
- 3.4 Bids will remain open for acceptance for a period of not less than one-hundred and twenty (120) calendar days from the closing date of the bid solicitation, unless specified otherwise in the bid solicitation. Canada reserves the right to seek an extension of the bid validity period from all responsive bidders in writing, within a minimum of three (3) business days before the end of the bid validity period. If the extension is accepted by all responsive bidders, Canada will continue with the evaluation of the bids. If the extension is not accepted by all responsive bidders, Canada will, at its sole discretion, either continue with the evaluation of the bids of those who have accepted the extension or cancel the solicitation.
- 3.5 Bid documents and supporting information must only be submitted in either English or French.
- 3.6 Pricing information must not be included in any section of the proposal other than the Financial Proposal section of the bid.
- 3.7 Bids received on or before the stipulated bid solicitation closing date and time will become the property of Canada and will not be returned. All bids will be treated as confidential, subject to the provisions of the *Access to Information Act*, R.S. 1985, c.A-1 and the *Privacy Act*, R.S. 1985, c. P-21.
- 3.8 Unless specified otherwise in the bid solicitation, Canada will evaluate only the documentation provided with a Bidder's proposal. Canada will not evaluate information such as references to website addresses where additional information can be found, or technical manuals or brochures not submitted with the bid.
- 3.9 Proposals received after the closing time and date shown will not be considered and will be returned unopened to the sender.
- 3.10 The Bidder's signature indicates acceptance of the terms and conditions governing the resulting contract and the Minister reserves the right to reject any proposal including any condition proposed by the Bidder that would not be, in the opinion of the Contracting Authority, in Canada's interest.

4. Notice to bidders

The following terms and conditions may apply to this solicitation:

- 4.1 Bidders may be required to provide, prior to contract award, specific information with respect to their legal and financial status, and their technical capability to satisfy the requirement as stipulated in this solicitation.
- 4.2
 - a) For Canadian-based bidders, prices must be firm (in Canadian funds) with Canadian customs duties and excise taxes as applicable INCLUDED, and Goods and Services Tax (GST) or Harmonized Sales Taxes (HST) as applicable EXCLUDED.
 - b) For Foreign-based bidders, prices must be firm (in Canadian funds) and EXCLUDE Canadian customs duties, excise taxes and GST or HST as applicable. CANADIAN CUSTOMS DUTIES AND EXCISE TAXES PAYABLE BY INDUSTRY CANADA WILL BE ADDED, FOR EVALUATION PURPOSES ONLY, TO THE PRICES SUBMITTED BY FOREIGN-BASED BIDDERS.
- 4.3 The contract term "Employment Equity" and any clause relating to international sanctions, if and when included in this document, apply to Canadian-based bidders only.

5. Enquiries - Bid Solicitation Period

- 5.1 To ensure the integrity of the competitive bid process, enquiries and other communications regarding the bid solicitation, from the issue date of the solicitation up to the closing date, must be directed ONLY to the Contracting Authority identified in the bid solicitation. Enquiries and other communications are NOT to be directed to any other government official(s). Failure to comply with this request may (for that reason alone) result in the bid being declared non-responsive.
- 5.2 Bidders must reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care must 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 proprietary in nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the questions or may request that the Bidder do so, so that the proprietary nature of the question is eliminated, and the enquiry can be answered with copies to all bidders.
- 5.3 All enquiries regarding this bid solicitation must be submitted in writing to the Contracting Authority named below as early as possible within the solicitation period to allow sufficient time to provide a response. All enquiries must be submitted in writing no later than four (4) working days before the bid closing date. Enquiries received after that time may not be answered.

The Contracting Authority is:

Name: Ginette Hupé
Title: Contracts and Procurement Officer
Email address: ginette.hupe@canada.ca
Telephone Number: 343-291-2938

Back-up on RFP:

Name: Caroline Dupuis
Title: Senior Contracts and Procurement Officer
Email address: caroline.dupuis@canada.ca
Telephone Number: 343-291-2952

- 5.4 To ensure consistency and quality of information provided to bidders, the Contracting Authority will simultaneously distribute any information with respect to significant enquiries received and the replies to such enquiries without revealing the sources of the enquiries.
- 5.5 Meetings will not be held with individual bidders prior to the closing date and time of this Request for Proposal (RFP).
- 5.6 Notwithstanding the Rights of Canada, amendments to the Bidder's proposal will not be accepted after the RFP closing date and time.

6. Applicable Laws

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

Bidders may, at their discretion, substitute the applicable laws of a Canadian province or Canadian territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or Canadian 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 Bidder.

7. Rights of Canada

Canada reserves the right to:

- a. reject any or all bids received in response to the bid solicitation;
- b. enter into negotiations with bidders on any or all aspects of their bids;
- c. accept any bid in whole or in part without negotiations;
- d. cancel the bid solicitation at any time;
- e. reissue the bid solicitation;
- f. if no responsive bids are received and the requirement is not substantially modified, re-tender the requirement by inviting only the bidders who bid to re-submit bids within a period designated by Canada;
- g. negotiate with the sole responsive Bidder to ensure best value to Canada;
- h. accept, or waive, a non material error of form in a Bidder's proposal or, where practical to do so, request a Bidder to correct a non material error of form in the Bidder's proposal provided there is no change in the price quoted;
- i. award more than one contract for the requirement if it is determined that no single proposal satisfies the project objectives; and
- j. retain all proposals submitted in response to this bid solicitation.

8. Price Support

In the event that the Bidder's proposal is the sole responsive bid received, the Bidder must provide, on Canada's request, one or more of the following price support if applicable:

- a. a current published price list indicating the percentage discount available to Canada; or

- b. copies of paid invoices for the like quality and quantity of the goods, services or both sold to other customers; or
- c. a price breakdown showing the cost of direct labour, direct materials, purchased items, engineering and plant overheads, general and administrative overhead, transportation, etc., and profit; or
- d. price or rate certifications; or
- e. any other supporting documentation as requested by Canada.

9. Bid Costs

No payment will be made for costs incurred in the preparation and submission of a bid in response to the bid solicitation. Costs associated with preparing and submitting a bid as well as any costs incurred by the Bidder associated with the evaluation of the bid, are the sole responsibility of the Bidder.

10. Conduct of Evaluation

In conducting its evaluation of the bids, Canada may, but will have no obligation to, do the following:

- a. seek clarification or verification from bidders regarding any or all information provided by them with respect to the bid solicitation;
- b. contact any or all references supplied by bidders to verify and validate any information submitted by them;
- c. request, before award of any contract, specific information with respect to Bidder's legal status;
- d. conduct a survey of Bidder's facilities and/or examine their technical, managerial, and financial capabilities to determine if they are adequate to meet the requirements of the bid solicitation;
- e. correct any error in the extended pricing of bids by using unit pricing and any error in quantities in bids to reflect the quantities stated in the bid solicitation;
- f. verify any information provided by bidders through independent research, use of any government resources or by contacting third parties;
- g. interview, at the sole costs of bidders, any Bidder and/or any or all of the resources proposed by bidders to fulfil the requirement of the bid solicitation.

Bidders will have the number of days specified in the request by the Contracting Authority to comply with any request related to any of the above items. Failure to comply with the request may result in the bid being declared non-responsive.

11. Conflict of Interest – Unfair Advantage

In order to protect the integrity of the procurement process, bidders are advised that Canada may reject a bid in the following circumstances:

- a. if the Bidder, any of its subcontractors, any of their respective employees or former employees was involved in any manner in the preparation of the bid solicitation;
- b. if the Bidder, any of its subcontractors, any of their respective employees or former employees had access to information related to the bid solicitation that was not available to other bidders and that would, in Canada's opinion, give the Bidder an unfair advantage.

The experience acquired by a Bidder who is providing or has provided the goods and/or services described in the bid solicitation (or similar goods and/or services) will not, in itself, be considered by Canada as conferring an unfair advantage or creating a conflict of interest. This Bidder remains however subject to the criteria established above.

Where Canada intends to reject a bid under this section, the Contracting Authority will inform the Bidder and provide the Bidder an opportunity to make representations before making a final decision. Bidders who are in

doubt about a particular situation should contact the Contracting Authority before bid closing. By submitting a bid, the Bidder represents that it does not consider itself to be in conflict of interest nor to have an unfair advantage. The Bidder acknowledges that it is within Canada's sole discretion to determine whether a conflict of interest or unfair advantage exists.

12. Entire Requirement

The bid solicitation documents contain all the requirements relating to the solicitation. Any other information or documentation provided to or obtained by a Bidder from any source are not relevant. Bidders should not assume that practices used under previous contracts will continue, unless they are described in the bid solicitation. Bidders should also not assume that their existing capabilities meet the requirements of the bid solicitation simply because they have met previous requirements.

PART 3 – BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

Canada requests that bidders prepare and submit their formal proposal as four (4) separately bound documents as follows:

Section I:	Technical Bid	4 hard copies (1 original + 3 copies)
Section II:	Financial Bid	2 hard copies (1 original + 1 copy)
Section III:	Certifications	2 hard copies (1 original + 1 copy)
Section IV:	Additional Information	2 hard copies (1 original + 1 copy)

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

To further the policy on Green Procurement, issued in April 2006, Canada is directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process. To assist Canada in meeting the policy requirements, Canada requests that bidders follow the format instructions described below in preparing their bid:

- a. use 8.5 x 11 inch (216 mm x 279 mm) bond paper;
- b. use a numbering system that corresponds to the bid solicitation;
- c. use paper containing fibre certified as originating from a sustainably-managed forest and containing a minimum of 30% recycled content; and
- d. use an environmentally-preferable format including:
 - i. black and white printing instead of colour printing
 - ii. printing double sided/duplex instead of single sided
 - iii. using staples or clips instead of cerlox, duotangs or binders

All references to descriptive material, technical manuals and brochures must be included in the bid. Reduction in the size of documents will contribute to Industry Canada's sustainable development initiatives and reduce waste.

Section I: Technical Bid

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

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

Resumes for proposed resources: Unless specified otherwise in the RFP, the technical bid must include resumes for each of the consultants identified in the bid solicitation that demonstrate that each proposed individual meets the requirement(s).

Education: Academic Certification (Degree, etc.) must be obtained through a recognized academic institution in the field of expertise.

Part 4, Section 1 – Evaluation Procedures and Attachment 1 to Part 4, Evaluation Criteria, contain additional instructions that bidders must consider when preparing their technical bid.

Section II: Financial Bid

The financial bid must be submitted as a separate package to the technical bid.

Bidders must submit their financial bid in Canadian funds and in accordance with the pricing schedule detailed in Attachment 1 to Part 3.

When the Bidder is required to bid a firm price for the work or any portion of the work, bidders must provide in their financial bid a price breakdown for the firm price quoted,

When preparing their financial bid, bidders must review the Terms of Payment in Annex B and Stage One and Stage Four in Part 4.

Section III: Certifications

Bidders must submit the certifications required under Part 5.

Section IV: Additional Information

In section IV of their bid, bidders must provide the following information:

1. their legal name
2. their Procurement Business Number (PBN)
3. their full mailing address
4. the name of the contact person (including this person's mailing address, phone number and email address) authorized by the Bidder to enter into communications with Canada with regards to their bid, and any contract that may result from their bid.

ATTACHMENT 1 TO PART 3 PRICING SCHEDULE

1.0 Professional Fees

Since auction durations are difficult to predict, certain costs associated with the Work to be carried out, as stated in Annex A – Statement of Work, must be provided as per diem rates while others must be provided as fixed cost prices. The Pricing Schedule below identifies the costing components and identifies whether the Bidder must provide per diem rates or fixed cost prices.

The Pricing Schedule is broken down by various requirements/tasks for each Phase of the Work:

Phase 1 work consists of consulting services to provide advice and assistance in the development of the auction policy and licensing documents. All Phase 1 work must be provided as per diem rates.

Phase 2 work consists of the development, testing, and implementation of the auction system including training as well as the day-to-day operations and support of the auction system. The Contractor will be providing advice throughout the conduct of the auction and consulting services post auction. This consulting advice as detailed in Table 2 must be provided as per diem rates. Other work detailed in Table 2 must be provided as fixed cost prices, as indicated.

The Bidder must submit a cost breakdown using the Pricing Schedule below and include it in its financial bid.

1.1 The Contractor shall be bound by the per diem rates and fixed cost prices quoted in its financial bid for Phase 1 and Phase 2 work. No increase in its rates or prices will be accepted during the period of the Contract.

1.2 The inclusion of volumetric data (level of effort) in the Pricing Schedule is for evaluation purposes only and does not represent a commitment by IC that IC's future usage of the services described in the bid solicitation will be consistent with this data.

CONTRACT PERIOD: From date of contract award to December 31, 2022

Phase 1: Consulting Services for Spectrum Auction Design – Per Diem Rate

Item Number	Requirement	Proposed Resource	Estimated Level of Effort	Per Diem Rate (CAD)	Total (in Canadian Funds)
			A	B	$C = A \times B$
1	Consulting Services for Spectrum Auction Design for the 600 MHz Auction – Senior Consultant		Up to 50 days, dependent upon the level of effort		
2	Consulting Services for Spectrum Auction Design for the 600 MHz Auction - Consultant		Up to 110 days, dependent upon the level of effort		
Pricing Schedule 1 Total (TAX excluded):					\$ _____ CAD

Phase 2: Development, Testing, Implementation and Operation of a Spectrum Auction over the Internet

Phase 2 Consulting Services – Per Diem Rate

Item Number	Requirement	Proposed Resource	Estimated Level of Effort	Per Diem Rate (CAD)	Total (in Canadian Funds)
			A	B	C = A X B
3	Conducting training sessions with IC for the 600 MHz Auction – Operations and Technical Resources		5 days		
4	Consulting Services during Phase 2 for the 600 MHz Auction - Senior Consultant (if needed)		6 days		
5	Consulting Services during Phase 2 for the 600 MHz Auction - Consultant (if needed)		6 days		
6	Additional fees should the 600 MHz Auction last longer than 25 days - Operations and Technical Resources (if needed)		3 days		
7	Fees for Software Changes for the 600 MHz Auction – Operations and Technical Resources (if needed)		1 day		
8	Third level client support for the mock auctions - Operations and Technical Resources (if needed)		4 days		
Pricing Schedule 2 Total (TAX excluded):					\$_____ CAD

Phase 2: Development, Testing, Implementation and Operation of the 600 MHz Auction – Fixed Cost Prices

Item Number	Requirement	Fixed Cost Price (in Canadian Funds)
9	Development, testing and delivery of the auction system, IC auction administrator manual and auction bidder user manual	
10	Development, testing and delivery of a bidder tool and user manual (including support time which is capped at 10 days)	
11	Provide training on the management of the auction system and bidder tool to the IC auction administrator. Provide remote training for IC staff on the auction system and bidder tool.	
12	Development of presentations and participation in a bidder information seminar describing and demonstrating the capability of the auction system and bidder tool.	
13	Mock Auction #1 for each auction bidder	
14	Mock Auction #2 for each auction bidder	
15	Mock Auction #3 for each auction bidder	
16	Conduct the live 600 MHz auction from within Canada (up to 25 days)	
17	Produce an auction post-mortem report for the 600 MHz Auction	
Pricing Schedule 3 Total (TAX excluded):		\$ _____ CAD

Pricing Schedule 4: Summary Pricing Schedule

TOTAL PRICE – Sum of Schedule 1, 2 and 3 (Tax excluded) =	
+ TRAVEL BUDGET	\$ 50,000.00 CAD
BIDDER’S TOTAL EVALUATED PRICE (Tax excluded) =	
APPLICABLE TAXES	

As stated in Attachment 1 to Part 4 – Evaluation Criteria, Mandatory Financial Criteria MF1, the Bidder’s total Evaluated Price must not exceed a budget of \$1,327,433.00 Canadian dollars, including up to \$50,000.00 for travel and all other expenses, excluding applicable taxes. Proposals costing more will be rejected and will not be evaluated.

2.0 Cost Reimbursable Expenses

2.1 Authorized travel and living expenses for Work performed in Canada

For the requirements relative to travel described in Annex A, Statement of Work, the estimated Travel and Living Expenses:

Up to \$ 50,000.00 (including all applicable taxes)

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and administrative overhead, in accordance with the provisions of the National Joint Council Travel Directive and the Treasury Board Directive on Special Travel Authorities. See Section 2 of Annex B for more details and links to these directives.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures

Proposals will be assessed in accordance with the entire requirement of the bid solicitation.

An evaluation team comprised of representatives of Industry Canada will evaluate the bids.

The evaluation team reserves the right but is not obliged to perform any of the following:

- a) seek clarification or verify any or all information provided by the Bidder with respect to this RFP;
- b) contact any or all of the references supplied and to interview, at the sole costs of the Bidder, the Bidder and/or any or all of the resources proposed by the Bidder to fulfill the requirement, at Industry Canada in Ottawa, Ontario, Canada, on 48 hours notice, to verify and validate any information or data submitted by the Bidder.

The evaluation and selection process is comprised of four (4) separate stages as follows:

Stage One: Evaluation of Mandatory Technical and Financial Criteria

During Stage One, the proposals will be evaluated for compliance with each of the mandatory requirements (technical and financial criteria). Refer to Attachment 1 to Part 4.

At Stage One, proposals that do not meet all of the mandatory requirements will be set aside and not be given any further consideration.

Proposals meeting all mandatory requirements under Stage One will proceed to Stage Two of the evaluation process.

Stage Two: Evaluation of the Point Rated Technical Criteria

Compliant proposals shall be further evaluated against the point rated technical criteria and scored in accordance with the available points for each point rated criteria. The total points available for the point rated requirements is **100** points. Refer to Attachment 1 to Part 4. Point-rated technical criteria not addressed will be given a score of zero.

To be further evaluated, the Bidder's proposal must achieve an overall minimum technical score of **75%**.

Any proposal which fails to achieve the overall minimum score requirement of **75%** of the total points available (**e.g. 75 /100**) or which fails to achieve the required minimum score for any rated item will be eliminated from further consideration at the end of Stage Two and the Bidder will not be invited to take part in the Auction System Demonstration, e.g. Stage Three.

Stage Three: Evaluation of the Requirements for the Auction System Demonstration

Proposals that meet or exceed the overall minimum score requirement and the minimum score for each rated item will be further evaluated by taking part in an Auction System Demonstration.

The bidders will hold a sample auction demonstration electronically over the Internet. IC's evaluation team will use this demonstration to evaluate the various aspects of the bidder's auction system using the requirements, as listed in Attachment 1 to Part 4.

The time and date of the demonstration to take place will be mutually agreed upon by IC and the Bidder.

The Bidder's system demonstration must be in accordance with the Sample Auction Scenario provided in Attachment 1 to Annex A of the RFP.

System demonstrations that do not meet all of the mandatory requirements of the Auction System Demonstration will be given no further consideration and will be eliminated from this process.

System demonstrations that the evaluation team deems to be compliant will proceed to Stage Four of the evaluation. The decision of the evaluation team shall be final.

Stage Four: Evaluation of the Financial Proposal

Proposals that have met all the mandatory requirements (technical and financial criteria), and that have met or exceeded the overall minimum score requirements and the minimum score for each rated item, and that have met all the requirements of the Auction System Demonstration will be evaluated further.

The volumetric data included in the pricing schedule detailed in Attachment 1 to Part 3 are provided for bid evaluated price determination purposes only. They are not to be considered as a contract guarantee.

For bid evaluation and contractor(s) selection purposes only, the evaluated price of a bid will be determined in accordance with the Pricing Schedule detailed in Attachment 1 to Part 3.

2. Basis of Selection

2.1 Basis of Selection - Highest Combined Rating of Technical Merit (80%) and Price (20%)

1. To be declared responsive, a bid must:
 - (a) comply with all the requirements of the bid solicitation;
 - (b) meet all the mandatory evaluation criteria; including the mandatory requirements of the Sample Auction System Demonstration; and
 - (c) obtain the required minimum number of points specified in Attachment 1 to Part 4 for the point rated technical criteria.
2. Bids not meeting (a) or (b) or (c) will be declared non-responsive. Neither the responsive bid obtaining the highest number of points nor the one with the lowest evaluated price will necessarily be accepted.
3. The lowest evaluated price (LP) of all responsive bids will be identified and a pricing score (PS), determined as follows, will be allocated to each responsive bid (i) : $PS_i = LP / P_i \times 20$. P_i is the evaluated price (P) of each responsive bid (i).
4. A technical merit score (TMS), determined as follows, will be allocated to each responsive bid (i): $TMS_i = OS_i \times 80$. OS_i is the overall score (OS) obtained by each responsive bid (i) for all the point rated technical criteria specified in Attachment 1 to Part 4, determined as follows: total number of points obtained / maximum number of points available.

5. The combined rating (CR) of technical merit and price of each responsive bid (i) will be determined as follows: $CR_i = P_{Si} + TMS_i$.
6. The responsive bid with the highest combined rating of technical merit and price will be recommended for award of a contract. In the event two or more responsive bids have the same highest combined rating of technical merit and price, the responsive bid that obtained the highest overall score for all the point rated technical criteria detailed in Attachment 1 to Part 4 will be recommended for award of a contract.
7. The table below illustrates an example where the selection of the contractor is determined by a **80/20** ratio of the technical merit and price, respectively.

Basis of Selection - Highest Combined Rating of Technical Merit (80%) and Price (20%)			
Bidder	Bidder 1	Bidder 2	Bidder 3
Overall Technical Score	76	82	88
Bid Evaluated Price	C\$1,275,000	C\$1,300,000	C\$1,325,000
Calculations	Technical Merit Points	Price Points	Total Score
Bidder 1	$76 / 100 \times 80 = 60.8$	$1,275,000 / 1,275,000 \times 20 = 20.0$	80.8
Bidder 2	$82 / 100 \times 80 = 65.6$	$1,275,000 / 1,300,000 \times 20 = 19.6$	85.2
Bidder 3	$88 / 100 \times 80 = 70.4$	$1,275,000 / 1,325,000 \times 20 = 19.2$	89.6

In this example, Bidder 3 would be considered the successful Bidder.

ATTACHMENT 1 TO PART 4 EVALUATION CRITERIA

There are three stages to the evaluation process:

- Stage 1 – Mandatory Technical Criteria**
- Stage 2 – Point-Rated Technical Criteria**
- Stage 3 – Sample Auction Demonstration**
- Stage 4 – Mandatory Financial Criteria**

All requirements must be met in Stage 1 – Mandatory Technical Criteria in order to proceed to Stage 2 – Point-Rated Technical Criteria. In Stage 2, the Bidder’s proposal must achieve an overall minimum technical rating of 75 points in order to continue to Stage 3 of the evaluation. In Stage 3 – Sample Auction Demonstration, twenty eight (28) mandatory requirements must be met in order to continue to be evaluated.

1. Stage 1 - Mandatory Technical Criteria

To be considered responsive, the proposal must meet the mandatory technical criteria specified below. The Bidder must provide the necessary documentation to support compliance with this requirement.

No points are awarded for the mandatory requirements, but each one must be met in order for the Bidder’s proposal to proceed to receive consideration and points for the point-rated technical criteria.

Proposals which fail to meet the mandatory technical criteria will be declared non-responsive. Each mandatory technical criterion must be addressed separately.

IC will terminate the evaluation upon the first finding of non-compliance of a mandatory requirement.

Mandatory Technical Criteria (MT)				
For the purpose of the mandatory technical criteria specified below, the experience of the Bidder* will be considered.				
* “Bidder” means the person or entity (or, in the case of a joint venture, the persons or entities) submitting a bid to perform a contract for goods, services or both. It does not include the parent, subsidiaries or other affiliates of the Bidder, or its subcontractors.				
Number	Mandatory Technical Criteria	MET	NOT MET	Referenced Section/ Page in the Bidder’s Proposal
MT1	The Bidder must provide the curriculum vitae (CV) of all team members who are proposed to work on the Contract and identify the role of each team member (e.g. senior consultant, consultant, operations resource, technical resource). The CVs of team members providing Consulting Services under Phase 1 of the			

	<p>Contract must demonstrate:</p> <ul style="list-style-type: none"> • Experience in the provision of expert advice and recommendations specifically in the areas of spectrum auction policy and execution as it relates to the work listed in Section 6.0, Project Details. • The number of years of experience providing spectrum auction consulting services. A minimum of three (3) years of experience of providing such services within the past eight (8) years is required. • Evidence of an advanced university degree in the field of Economics or Mathematics. 			
MT2	The Bidder must identify in its proposal one (1) senior team member from the list above that will act as the sole point of contact for IC for the duration of the Contract.			
MT3	<p>The financial proposal must be submitted as a separate document to the technical proposal</p> <p>(NO FINANCIAL INFORMATION FROM THE FINANCIAL PROPOSAL MAY APPEAR IN THE TECHNICAL PROPOSAL).</p>			

2. Stage 2 - Point Rated Technical Criteria

Bidder proposals will be evaluated and scored as specified in the tables inserted below.

In order to qualify for the rating process, proposals **MUST** respond to the following point rated technical requirements **IN THE ORDER SHOWN** and **MUST** include the referenced Section/Page from the Statement of Work (Annex A) in the Bidder's proposal.

In addition, the Bidder's proposal must achieve an overall minimum technical rating of **75%**.

Proposals which fail to obtain the required minimum number of points will be declared non-responsive. Each point-rated technical criterion must be addressed separately.

Number	Point Rated Technical Criteria (RT)	Maximum Number of Points	Minimum Number of Points	Referenced Section/Page in Bidder's Proposal
RT1	<p>Previous Experience</p> <p>The Bidder must provide in its proposal a written section to demonstrate its involvement on three (3) projects conducted within the past eight (8) years demonstrating its experience in offering services, including: evaluating and advising on spectrum auction policies and methods, and developing, implementing and operating spectrum auctions over the Internet. Each project will be rated on the specific activities conducted in response to the project and their similarities to the services and activities outlined in the Statement of Work (Annex A). If more than three (3) projects are provided to demonstrate this experience, then only the first three (3) projects in the list of projects will be evaluated.</p> <p>The Bidder must provide in its proposal a written section that specifically demonstrates that each of the team members associated with Phase 1 of the Work have experience in producing written reports detailing the findings and recommendations for various types of analysis. This may include, but is not limited to, reports documenting the results of simulation analysis or presenting issues and recommendations related to auction rules or features.</p>	40	30	
RT2	<p>Understanding of the Requirement</p> <p>The Bidder must provide in its proposal a written section to demonstrate its understanding of the scope and objectives of the Work (Phase 1 and Phase 2). The Bidder's response must not simply repeat the requirements.</p> <p>In addition, a specific section in the Bidder's proposal must be written to demonstrate the Bidder's understanding of the following:</p> <ul style="list-style-type: none"> • Framework for Spectrum Auctions in Canada; • Spectrum Policy Framework for Canada; • Decision on Repurposing the 600 MHz 	5	0	



	<p>Band; and</p> <ul style="list-style-type: none"> International band plans in the 600 MHz range. 			
RT3	<p>Auction solution capabilities</p> <p>The Bidder must provide in its proposal a written section that demonstrates that its auction system has the capability of conducting auction services for spectrum where aggregation of multiple objects and package preferences are possible for bidders.</p>	10	0	
RT4	<p>Auction system attributes</p> <p>The Bidder must provide in their proposal a written section that specifically demonstrates the various auction system attributes that are available for use within its auction system.</p> <p>Auction System Interfaces</p> <p>The Bidder must provide in its proposal a written section to demonstrate that the bidder's auction system interfaces can present the information as indicated in Section 6.2.4 of the Statement of Work (Annex A). The Bidder must submit examples in its proposal.</p>	10	0	
RT5	<p>Project Management</p> <p>The Bidder must provide in its proposal a written section that provides at a minimum, a project management plan and timelines that will demonstrate the Bidder's ability to meet the requirements of both Phases 1 and 2 of the Work. The project plan must include the development, testing and quality assurance processes of the auction software, bidder tool as well as other deliverables, such as the auction system and bidder tool user manuals.</p>	10	0	
RT6	<p>Quality Assurance and Control</p> <p>The Bidder must provide in its proposal a written section that demonstrates that they have quality assurance systems, reports, tools and processes in place in order to ensure that deliverables are of acceptable quality, are complete and accurate.</p>	10	0	

RT7	System testing The Bidder must provide in its proposal a written section that describes its auction system testing plan, including stress testing, to ensure that the auction system and bidder tool are functional. Sample test reports must be included with the proposal.	10	0	
RT8	Training Solution The Bidder must provide in its proposal a written section that describes how they propose to provide training to IC staff and auction bidders.	5	0	
Stage 2 - Total maximum technical points		100		Overall minimum points required: 75

3. Stage 3 –Sample Auction System Demonstration

In order for a Bidder to continue in the evaluation process, the Bidder must agree to hold a sample spectrum auction over the Internet. IC’s evaluation team will use this demonstration to evaluate the various aspects of the bidder’s auction system using the requirements below. The bidder’s auction system demonstration must meet all of the mandatory requirements of this solicitation. System demonstrations not meeting all of the mandatory requirements listed below will be given no further consideration.

The system demonstration must be in accordance with the Sample Auction Scenario provided in Attachment 1 to Annex A, attached to this RFP. The time and date of the demonstration will be mutually agreed upon by IC and the Bidder.

Auction System Demonstration		
Number	Mandatory Requirement	Pass / Fail
1	Successful connectivity to the application (via MAC or PC)	
2	Access to application is encrypted	
3	Secure Bidder login (successful login screen; invalid login screen; account locked after x number of invalid login attempts)	
4	Home page	
5	Auction schedule page	
6	Real-time notifications / error messages (e.g. current bid points exceed eligibility; warning, reduction of eligibility)	
7	Bidder change password	
8	Bidder logout	

9	Activity based bid increments	
10	Anonymous bidding	
11	Flexibility to change bid increments	
12	Auction bidders must be able to select the products to bid on and submit their bid	
13	Bid confirmation screen	
14	Permit changes to auction parameters during the auction process	
15	Messaging facility permitting IC staff to send messages to individual auction bidders as well as all auction bidders	
16	Start time and date, duration and/or end time of the next round in the auction	
17	A real-time countdown clock on the auction bidder's interface	
18	Current high bid for each of the licences in the auction	
19	All active bids for each of the licences in the latest completed round of the auction	
20	Display current round prices of products on a webpage. A history of round-by-round prices must be available on a separate page	
21	Display the bid increment for each object in the next round of the auction	
22	Display the auction bidder's current total eligibility / bidding entitlement	
23	Display the auction bidder's used eligibility / bidding entitlement in the current auction round	
24	Display the number of active auction bidders in the latest auction round for each licence	
25	Display the name or identifier of all active auction bidders in the latest auction round for each licence	
26	The above information for all previous rounds must also be available to auction bidders for their own information	
27	Traceability – The content and timestamp of all information that is received by the system from the auction bidders	
28	Traceability – The content and timestamp of all information that is entered into the system by IC staff	

Bidders may include elements of a Combinatorial Clock Auction (CCA) in the auction system demonstration. These optional requirements will not affect the assessment of the Mandatory Requirements in Stage 3.

Optional Requirements for the Auction System Demonstration		
Number	Requirement	Yes / No
29	3-stage auction (clock rounds, supplementary round, assignment rounds)	
30	Package bidding (auction bidders identify packages at IC-announced prices in the clock rounds)	
31	Package bidding (auction bidders identify packages at bidder-defined prices in the supplementary round)	

32	Supplementary round bids linked to clock round bidding history based on a revealed preference rule	
33	Auction system identifies winners and base prices after the supplementary round	
34	Assignment round provides opportunity for auction bidders to bid for specific licences	
35	Auction system identifies winners of specific licences and additional price to be paid from the assignment round	
36	Auction system identifies what auction bidders have won and the total price to be paid	
37	Competitive measures (such as spectrum caps and set-asides)	

4. Stage 4 - Mandatory Financial Criteria

Bids must meet the mandatory financial criteria specified in the table inserted below.

Bids which fail to meet the mandatory financial criteria will be declared non-responsive. Each criterion must be addressed separately.

Mandatory Financial Criteria (MF)		
Number	Mandatory Financial Criteria	Referenced Section/Page in Bidder's Proposal
MF1	<p>The total cost of the project (Phase 1 and Phase 2 work) of the Bidder's financial proposal must not exceed \$1,327,433.00 Canadian dollars, including up to \$50,000.00 for travel and all other expenses, excluding applicable taxes. The Contractor must provide a full cost breakdown as per Attachment 1 to Part 3 – Pricing Schedule.</p> <p>Proposals exceeding the limits noted above will be rejected and will not be evaluated. No financial information from the financial proposal may appear in the technical proposal.</p>	

PART 5 – CERTIFICATIONS

Bidders must provide the required certifications and associated information to be awarded a contract. Canada shall declare a proposal non-responsive if the certifications are not submitted or completed as required.

The certifications provided by the Bidder to Canada are subject to verification by Canada at all times. Canada will declare a bid non-responsive, or will declare the 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 with any request will also render the bid non-responsive or constitute a default under the Contract.

1. Certifications Required with the Bid

Bidders must submit as part of their bid, the certifications included in Attachment 1 to Part 5, duly completed by bid closing date.

ATTACHMENT 1 TO PART 5 CERTIFICATIONS REQUIRED WITH THE BID

1.0 Former Public Servant

Contracts awarded to former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny and reflect fairness in the spending public funds. In order to comply with Treasury Board policies and directives on contracts with FPS, bidders must provide the information required below before contract award.

Definitions

For the purposes of this clause,

"Fee abatement formula" means the formula applied in the determination of the maximum fee payable during the one-year fee abatement period when the successful Bidder is a former public servant in receipt of a pension paid under the Public Service Superannuation Act.

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

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

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

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

Former Public Servant in Receipt of a Pension

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

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

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

If the answer to the question and, as applicable, the information are not submitted in or with 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.

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

A contract for the services of a FPS who has been retired for less than one year and who is in receipt of a pension as defined above is subject to a fee abatement formula, as required by Treasury Board Policy.

Work Force Adjustment Directive

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

If so, the Bidder must provide the following information:

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

If the answer to the question and, as applicable, the information are not submitted in or with 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.

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

2.0 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://publiservice.gc.ca/services/fcp-pcf/index_f.htm) available from Human Resources and Skills Development Canada (HRSDC) - 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 the certification relative to the Federal Contractors Program for employment equity included in Attachment 2 to Part 5, completed in accordance with the instructions provided.

3.0 Status and Availability of Resources

The Bidder certifies that, should it be awarded a contract as a result of the bid solicitation, every individual proposed in its bid will be available to perform the Work as required by Canada's representatives and at the time specified in the bid solicitation or agreed to with Canada's representatives.

If the Bidder has proposed any individual who is not an employee of the Bidder, the Bidder certifies that it has the permission from that individual to propose his/her services in relation to the Work to be performed and to submit his/her resumé to Canada. The Bidder must, upon request from the Contracting Authority, provide a written confirmation, signed by the individual, of the permission given to the Bidder and of his/her availability.

4.0 Education and Experience

The Bidder certifies that all the information provided in the resumes and supporting material submitted with its bid, particularly the information pertaining to education, achievements, experience and work history, has been verified by the Bidder to be true and accurate. Furthermore, the Bidder warrants that every individual proposed by the Bidder for the requirement is capable of performing the Work described in the resulting contract.

5.0 Conflict of Interest

In order to provide impartial and objective advice to IC and to avoid any real or apparent conflict of interest, the Contractor represents and warrants that any proposed individual(s) assigned to perform any work under a Contract shall not be in a situation of conflict of interest that would render it unable to provide impartial assistance or advice to IC, or affect or otherwise impair its objectivity in performing the work.

A Contract for services will be on the condition that there are no conflicts of interest for the duration of the project. Therefore, upon receiving a Contract from IC, the Contractor shall not perform any services for any entity other than IC in relation to the 600 MHz auction, notably for a potential auction bidder in the related auction. The Contractor must certify that there is no actual conflict of interest or an appearance of a conflict of interest in relation to the project by submitting a signed declaration to the Project Authority prior to awarding the Contract. The Contractor shall at all times keep IC updated on potential conflicts of interest related to the auction and the Contractors' other clients.

Should a Contractor subsequently become aware of such a potential conflict, it will notify the Project Authority immediately.

By signing below, the Bidder hereby certifies that it has read the solicitation document and is in compliance with the above noted certifications, that all statements made in its proposal are accurate and factual, that it is aware that IC reserves the right to verify all information provided in this regards, and that untrue statements may result in the proposal being declared non-responsive or in other action being taken which IC deems appropriate.

Date: _____

Signature: _____

Title: _____
(Title of duly authorized representative of business)

Name of Business: _____

ATTACHMENT 2 TO PART 5 Federal Contractor's Program for Employment Equity – Bid Certification

1. Federal Contractors Program for Employment Equity - Certification

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

The Bidder must complete A and B.

A. The Bidder must include in the certification one of the following statements:

A1. The Bidder is not a Joint Venture.

or

A2. The Bidder is a Joint venture.

B. The Bidder must include in the certification: "I, the Bidder, submitting the present information to the Contracting Authority, certify that the information provided is true as of the date indicated above. 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 A1, the Bidder must include in the certification: "The Bidder:" followed by the applicable statement among the statements B.1 to B.5 appearing below.

For A2: the Bidder must include in the certification for each member of the Joint Venture: 1) "I, [insert the name of the member of the Joint Venture], member of the Joint Venture: " followed by the applicable statement among the statements B.1 to B.5 appearing below.

Choose only one of the following statements:

B1. certifies having no work force in Canada.

B2. certifies being a public sector employer.

B3. certifies being a federally regulated employer being subject to the Employment Equity Act.

B4. 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]).

B5. certifies having a combined workforce in Canada of 100 or more employees; and

B5.1. certifies already having a valid and current Agreement to Implement Employment Equity (AIEE) in place with HRSDC-Labour.

or

B5.2. certifies having submitted the Agreement to Implement Employment Equity (LAB1168) to HRSDC-Labour. As this is a condition precedent to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to HRSDC-Labour.

For further information on the Federal Contractors Program for Employment Equity visit HRSDC-Labour's website.

PART 6 – SECURITY REQUIREMENTS

1. Security Requirements

The Bidder must comply with the provisions of the Security Requirements Check List (SRCL) and security guide attached at [Annex C](#).

In addition, the Bidder must submit, as part of their bid, the completed and signed Attestation Form (Part I) provided in [Attachment 1 to Part 6](#).

The Bidder must also review the Security Requirements in Section 2 of Part 7 - Resulting Contract Clauses, including [Annex C](#) – Approved Verifications for the required Criminal Record Background Check, for security requirements related to this requirement which the winning Bidder must meet.



ATTACHMENT 1 TO PART 6 ATTESTATION FORM

ATTESTATION FORM

PART I

APPOINTMENT OF COMPANY SECURITY OFFICER

I, _____, _____ of _____
(Chief Executive Officer or Designated Key Senior Official*) (Title) (Company/Organization)

hereby appoint the following individual as our Company Security Officer:

(Full name of Appointee)

Dated at _____ the _____ day of _____ 20_____.

(Signature of Chief Executive Officer or Designated Key Senior Official*)

* Designated Key Senior Officials* includes the owners, officers, directors, executives, and partners who occupy positions which would enable them to adversely affect the organization's policies or practices in the performance of the Contract.

PART 7 – RESULTING CONTRACT CLAUSES

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

1. General Conditions

Attachment 1 of Part 7, Industry Canada General Conditions of a Service Contract, will be attached to the contract.

2. Security Requirements

The following security requirements (SRCL, security guide and related clauses) apply and form part of the Contract:

SECURITY REQUIREMENTS FOR SUPPLIER(S) INDUSTRY CANADA RFP # 401460 600 MHz Auction Services

PROTECTED B, RELIABILITY STATUS

1. The Foreign recipient (Bidder) defined as an individual or legal entity possessing the legal capacity to enter into a Contract, shall provide confirmation of compliance with the below terms and condition, in writing, to the Canadian Designated Security Authority (DSA), prior to the execution of the works, services or performance, of which requires or involves access to Canadian restricted sites and Canadian PROTECTED information.
2. The Canadian DSA is the International Industrial Security Directorate (IISD), Public Works and Government Services Canada (PWGSC). The Foreign (Bidder) shall not begin the work, services or performance until the Canadian DSA is satisfied that all Contract security requirement conditions have been met. Canadian DSA confirmation shall be provided, in writing, to the Foreign recipient (Bidder) in an Attestation form, to provide confirmation of compliance and authorization for services to be performed.
3. The Foreign recipient (Bidder) and all proposed personnel and sub-(Bidder)s who will be involved in the performance of Phase 2 work in Canada, involving access to PROTECTED B information, shall not permit access to Canadian restricted sites or grant access to CANADA PROTECTED B information, except to its personnel subject to the following conditions:
 - a) Personnel have a need-to-know for the performance of the Contract;
 - b) Personnel have been subject to a criminal record Background Check, with favourable results, from a recognized Governmental agency in the applicable Country. The approved verifications for the required criminal record background check are listed at Annex C.

- c) The Foreign (Bidder) will ensure that its Chief Executive Officer (CEO) or Senior Official of the company will appoint a Contract Security Officer (CSO) and/or an Alternate Contract Security Officer (ACSO) in order to ensure compliance with all contracting security requirements.
- d) The Foreign recipient (Bidder) shall ensure that personnel provide consent to share results of the Criminal record and Background Checks with the Canadian DSA and other Canadian Government Officials, if requested;
- e) The Government of Canada reserves the right to deny access to Canadian Protected information and/or assets to a Foreign (Bidder) for cause.
4. The Foreign recipient (Bidder) shall not use the CANADA PROTECTED information/assets for any purpose other than for the performance of the Contract without the prior written approval of the Government of Canada. This approval must be obtained by contacting the Canadian DSA.
5. The Foreign recipient (Bidder) visiting Canadian Government, under this contract, will submit a Request for Visit form to the Departmental Security Officer of INDUSTRY CANADA.
6. The Foreign recipient (Bidder) shall immediately report to the Canadian DSA all cases in which it is known or there is reason to suspect that CANADA PROTECTED information / assets pursuant to this Contract have been compromised.
7. The Foreign recipient (Bidder) shall immediately report to its respective NSA/DSA all cases in which it is known or there is reason to suspect that CANADA PROTECTED information / assets accessed by the Foreign recipient (Bidder), pursuant this Contract, have been lost or disclosed to unauthorized persons.
8. The Foreign recipient (Bidder) shall not disclose the CANADA PROTECTED information to a third party government, person, firm or representative thereof, without the prior written consent of the Government of Canada.
9. The Foreign recipient (Bidder) must comply with the provisions of the Security Requirements Check List attached at Annex C.

3. Statement of Work

The Contractor must perform the Work in accordance with the Statement of Work in Annex A.

4. Term of the Contract

4.1 Period of Work

The Contractor shall, between the ____ day of _____, 2016 and the 31st day of December, 2022, perform and complete with care, skill, diligence and efficiency the work that is described in the Statement of Work. *(to be completed at contract award)*

4.2 Option to Extend the Contract

The Contractor grants to IC the irrevocable option to extend the term of the Contract by two (2) additional one (1) year period(s) under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Terms of Payment.

IC may exercise this option at any time by sending a written notice to the Contractor before the expiry date of the Contract. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

5. Authorities

5.1 Contracting Authority

The Contracting Authority for the Contract is:

Name: Ginette Hupé
Title: Contracts and Procurement Officer
Department: Industry Canada
Telephone: 343-291-2938
Email: ginette.hupe@canada.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.

5.2 Project Authority

The Project Authority for the Contract is:

(The Project Authority's name will be provided at contract award)

The Project 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 Project Authority; however, the Project 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.

5.3 Contractor's Representative

(Will be completed at contract award)

6. Certifications - Compliance

Compliance with the certifications provided by the Contractor in its bid is a condition of the Contract and subject to verification by Canada during the term of the Contract. If the Contractor does not comply with any certification or 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. Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in _____ (*specify Canadian province or Canadian territory at contract award*).

8. 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 General Conditions
- (c) Annex A, Statement of Work
- (d) Annex B, Terms of Payment
- (e) Annex C, Security Requirements Check List (SRCL)
- (f) the Contractor's proposal dated _____ (*insert date of bid at contract award*)

9. Foreign Nationals (Foreign Contractor) (SACC Manual Clause A2001C – 2006-06-16)

The Contractor must comply with Canadian immigration legislation applicable to foreign nationals entering Canada to work temporarily in fulfillment of the Contract. If the Contractor wishes to hire a foreign national to work in Canada to fulfill the Contract, the Contractor should immediately contact the nearest Canadian Embassy, Consulate or High Commission in the Contractor's country to obtain instructions, information on Citizenship and Immigration Canada's requirements and any required documents. The Contractor is responsible to ensure that foreign nationals have the required information, documents and authorizations before performing any work under the Contract in Canada. The Contractor is responsible for all costs incurred as a result of non-compliance with immigration requirements.

ATTACHMENT 1 TO PART 7 INDUSTRY CANADA GENERAL CONDITIONS OF A SERVICE CONTRACT

Industry Canada's General Conditions of a Service Contract, as set out in Attachment 1 to Part 7, forms part of and is incorporated in the Contract.

For the purposes of any confidentiality agreement and Sections GC01, GC18 and GC20, all information provided or supplied to the Contractor by or on behalf of Canada includes all information or data provided or supplied by auction participants, including qualified bidders or potential bidders in the 600 MHz spectrum auction, participants in related mock auctions, and users of the deliverables in connection with the Work, and any information or data generated by their participation or use.

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GC01 Interpretation

1.1 In the present Contract, unless the context otherwise requires:

1.1.1 "Articles of Agreement" means the clauses and conditions forming part of the body of the Contract not including these general conditions, any supplemental general conditions, schedules, appendices and annexes, the Contractor's bid or any other document;

1.1.2 "Terms of Payment" defines the amounts that the Contractor will be paid for the services or goods acquired, for the duration of the Contract. It must also include other related costs, such as travel and administrative expenses. (as set out in Appendix B of the Contract)

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

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

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

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

1.1.7 "Contractor" means the person, entity or entities identified in the Articles of Agreement to supply goods, services or both to Canada;

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

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

1.1.10 "Project Authority" means the individual designated in the the Contract and delegated by the Contracting Authority to act as administrative liaison between the Contractor and the Contracting Authority; (as set out in Appendix D)

1.1.11 "Specifications" means the description of the essential, functional or technical requirements of the Work in the Contract, including the procedures for determining whether the requirements have been met;

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

GC02 Standard Clauses and Conditions

In the event that clauses and conditions identified by number, date and title in the Contract are incorporated by reference, then such clauses and conditions form part of the Contract as though expressly set out in the Contract.

GC03 Powers of Canada

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

GC04 Status of the Contractor

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

GC05 Conduct of the Work

5.1 The Contractor represents and warrants that:

- (a) it is competent to perform the Work;
- (b) it has everything necessary to perform the Work, including the human resources, facilities, labour, technology, equipment, and materials; and
- (c) it has the necessary qualifications, including knowledge, skill, know-how and experience, and the ability to use them effectively to perform the Work.

5.2 The Contractor must:

- (a) perform the Work diligently and efficiently;
- (b) except for Government Property, supply everything necessary to perform the Work;
- (c) select and employ a sufficient number of qualified people;
- (d) perform the Work in accordance with standards of quality acceptable to Canada and in full conformity with the Specifications and any requirements established under the Contract;
- (e) provide effective and efficient supervision to ensure that the quality of workmanship meets the requirements established under the Contract.

5.3 The Work must not be performed by any person who, in the opinion of Canada, is incompetent, unsuitable or has been conducting himself/herself improperly.

5.4 All services rendered under the Contract must be free from defects in workmanship and conform to the requirements of the Contract. If the Contractor is required to correct or replace the Work or any part of the Work, it will be at no cost to Canada.

5.5 Canada's facilities, equipment and personnel are not available to the Contractor to perform the Work unless the Contract specifically provides for it. The Contractor is responsible for advising the Contracting Authority in advance if it requires access to Canada's facilities, equipment or personnel to perform the Work. The Contractor must comply and ensure that its employees and subcontractors comply with all security measures, standing orders, policies or other rules in force at the site where the Work is performed.

5.6 Unless the Contracting Authority orders the Contractor to suspend the Work or part of the Work pursuant to section 24, the Contractor must not stop or suspend the Work or part of the Work pending the settlement of any dispute between the Parties about the Contract.

5.7 The Contractor must provide all reports that are required by the Contract and any other information that Canada may reasonably require from time to time.

5.8 The Contractor is fully responsible for performing the Work. Canada will not be responsible for any negative consequences or extra costs if the Contractor follows any advice given by Canada unless the Contracting Authority provides the advice to the Contractor in writing and includes a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might result from following the advice.

GC06 Subcontracts

6.1 Except as provided in subsection 6.2 the Contractor must obtain the Contracting Authority's written consent before subcontracting or permitting the subcontracting of any part of the Work. A subcontract includes a contract entered into by any subcontractor at any tier to perform any part of the Work.

6.2 The Contractor is not required to obtain consent for subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:

- (a) purchase "off-the-shelf" items and any standard articles and materials that are ordinarily produced by manufacturers in the normal course of business;
- (b) permit its subcontractors at any tier to make purchases as permitted in paragraph (a).

6.3 In any subcontract other than a purchase referred to in paragraph 6.2 (a) or (b), the Contractor must, unless the Contracting Authority agrees in writing, ensure that the subcontractor is bound by conditions compatible with and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract.

6.4 Even if Canada consents to a subcontract, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any subcontractors for any part of the Work they perform.

GC07 Specifications

7.1 All Specifications provided by Canada or on behalf of Canada to the Contractor in connection with the Contract belong to Canada and must be used by the Contractor only for the purpose of performing the Work.

7.2 If the Contract provides that Specifications furnished by the Contractor must be approved by Canada, that approval will not relieve the Contractor of its responsibility to meet all requirements of the Contract.

GC08 Replacement of Specific Individuals

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

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

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

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

8.3 The Contractor must not, in any event, allow performance of the Work by unauthorized replacement persons. The Contracting Authority may order that a replacement stop performing the Work. In such a case, the Contractor must immediately comply with the order and secure a further replacement in accordance with subsection 2.

8.4 The fact that the Contracting Authority does not order that a replacement stop performing the Work does not relieve the Contractor from its responsibility to meet the requirements of the Contract.

GC09 Time of the Essence

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

GC10 Excusable Delay

10.1 A delay in the performance by the Contractor of any obligation under the Contract that is caused by an event that:

(a) is beyond the reasonable control of the Contractor;
(b) could not reasonably have been foreseen;
(c) could not reasonably have been prevented by means reasonably available to the Contractor; and
(d) occurred without the fault or neglect of the Contractor, will be considered an "Excusable Delay" if the Contractor advises the Project Authority of the occurrence of the delay or of the likelihood of the delay as soon as the Contractor becomes aware of it. The Contractor must also advise the Project Authority, within fifteen (15) working days, of all the circumstances relating to the delay and provide to the Project Authority for approval a plan explaining in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay.

10.2 Any delivery date or other date that is directly affected by an Excusable Delay will be postponed for a reasonable time that will not exceed the duration of the Excusable Delay.

10.3 However, if an Excusable Delay has continued for thirty (30) days or more, the Contracting Authority may, by giving notice in writing to the Contractor, terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unearned at the date of the termination.

10.4 Unless Canada has caused the delay by failing to meet an obligation under the Contract, Canada will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.

10.5 If the Contract is terminated under this Section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work not delivered and accepted before the termination and anything that the Contractor has acquired or produced specifically to perform the Contract. Canada will pay the Contractor:

(a) the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price, plus applicable taxes; and
(b) the Cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

10.6 The total amount paid by Canada under the Contract to the date of termination and any amounts payable under this Section must not exceed the Terms of Payment.

GC11 Inspection and Acceptance of the Work

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

11.2 The Contractor must provide representatives of Canada access to all locations where any part of the Work is being performed at any time during working hours. Representatives of Canada may make examinations and such tests of the Work as they may think fit. The Contractor must provide all assistance and facilities, test pieces, samples (including software) and documentation that the representatives of Canada may reasonably require for the carrying out of the inspection. The Contractor must forward or otherwise provide access to, such test pieces and samples (including software) to such person or location as Canada specifies.

11.3 The Contractor must inspect and approve any part of the Work before submitting it for acceptance or delivering it to Canada. The Contractor must keep accurate and complete inspection records that must be made available to Canada on request. Representatives of Canada may make copies and take extracts of the records during the performance of the Contract and for up to three (3) years after the end of the Contract.

GC12 Invoice Submission

12.1 Invoices must be submitted in the Contractor's name. The Contractor must submit invoices for each delivery, shipment, or otherwise as set out in the Terms of Payment. Invoices must only apply to the Contract.

12.2 Invoices must show:

- (a) the date, the name and address of the Project Authority, item or reference numbers, deliverable and/or description of the Work, contract number, Procurement Business Number (PBN), and financial code(s);
- (b) details of expenditures in accordance with the Terms of Payment, exclusive of Goods and Services Tax (GST) or Harmonized Sales Tax (HST) (such as item, quantity, unit of issue, unit price, fixed time labour rates and level of effort, subcontracts, as applicable);
- (c) deduction for holdback, if applicable;
- (d) the extension of the totals, if applicable; and
- (e) if applicable, the method of shipment together with date, case numbers and part or reference numbers, shipment charges and any other additional charges.

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

12.4 By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work performed and is in accordance with the Contract.

GC13 Taxes

13.1 Applicable Taxes

Federal government departments and agencies are required to pay applicable taxes

13.1.1 Responsibility of Canada and of the Contractor

(a) applicable taxes will be paid by Canada as provided in the Invoice Submission section. It is the sole responsibility of the Contractor to charge applicable taxes at the correct rate in accordance with applicable legislation. The Contractor agrees to remit to appropriate tax authorities any amounts of applicable taxes paid or due;

(b) the Contractor is not entitled to use Canada's exemptions from any tax, such as provincial sales taxes, unless otherwise specified by law. The Contractor must pay applicable provincial sales tax, ancillary taxes, and any commodity tax, on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable legislation), including for material incorporated into real property.

13.1.2 Changes to Taxes and Duties

In those cases where applicable taxes, customs duties, and excise taxes are included in the Terms of Payment, the Terms of Payment will be adjusted to reflect any increase, or decrease, of such taxes and duties that will have occurred between bid submission and contract award. However, there will be no adjustment for any change to increase the Terms of Payment if public notice of the change was given before bid submission date in sufficient detail to have permitted the Contractor to calculate the effect of the change.

13.1.3 Tax Withholding of 15 Percent

Pursuant to the *Income Tax Act*, 1985, c. 1 (5th Supp.) and the *Income Tax Regulations*, Canada must withhold 15 percent of the amount to be paid to the Contractor in respect of services provided in Canada if the Contractor is not a resident of Canada, unless the Contractor obtains a valid waiver from the *Canada Revenue Agency*. The amount withheld will be held on account for the Contractor in respect to any tax liability which may be owed to Canada.

GC14 Payment Period

14.1 Canada's standard payment period is thirty (30) days. The payment period is measured from the date an invoice in acceptable form and content is received in accordance with the Contract or the date the Work is delivered in acceptable condition as required in the Contract, whichever is later. A payment is considered overdue on the 31st day following that date and interest will be paid automatically in accordance with section 15.

14.2 If the content of the invoice and its substantiating documentation are not in accordance with the Contract or the Work is not in acceptable condition, Canada will notify the Contractor within fifteen (15) days of receipt. The 30-day payment period begins upon receipt of the revised invoice or the replacement or corrected Work. Failure by Canada to notify the Contractor within fifteen (15) days will only result in the date specified in subsection 1 to apply for the sole purpose of calculating interest on overdue accounts.

GC15 Interest on Overdue Accounts

15.1 For the purpose of this section:

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

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

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

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

15.2 Canada will pay to the Contractor simple interest at the Average Rate plus 3 percent per year on any amount that is overdue; from the date that amount becomes overdue until the day before the date of payment, inclusive. The Contractor is not required to provide notice to Canada for interest to be payable.

15.3 Canada will pay interest in accordance with this section only if Canada is responsible for the delay in paying the Contractor. Canada will not pay interest on overdue advance payments.

GC16 Compliance with Applicable Laws

16.1 The Contractor must comply with all laws applicable to the performance of the Contract. The Contractor must provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.

16.2 The Contractor must obtain and maintain at its own cost all permits, licences, regulatory approvals and certificates required to perform the Work. If requested by the Project Authority, the Contractor must provide a copy of any required permit, licence, regulatory approvals or certificate to Canada.

GC17 Ownership

17.1 Unless provided otherwise in the Contract, the Work or any part of the Work belongs to Canada after delivery and acceptance by or on behalf of Canada.

17.2 However if any payment is made to the Contractor for or on account of any Work, either by way of progress or milestone payments, that work paid for by Canada belongs to Canada upon such payment being made. This transfer of ownership does not constitute acceptance by Canada of the Work or any part of the Work and does not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.

17.3 Despite any transfer of ownership, the Contractor is responsible for any loss or damage to the Work or any part of the Work until it is delivered to Canada in accordance with the Contract. Even after delivery, the Contractor remains responsible for any loss or damage to any part of the Work caused by the Contractor or any subcontractor.

17.4 Upon transfer of ownership to the Work or any part of the Work to Canada, the Contractor must, if requested by Canada, establish to Canada's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances. The Contractor must execute any conveyances and other instruments necessary to perfect the title that Canada may require.

GC18 Confidentiality

18.1 The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.

18.2 The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.

18.3 Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1 and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.

18.4 The obligations of the Parties set out in this section do not apply to any information if the information:

- (a) is publicly available from a source other than the other Party; or
- (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information or that provides the information on behalf of the other Party; or
- (c) is developed by a Party without use of the information provided by or on behalf of the other Party.

18.5 Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of Industry (Industry Canada (IC)) Contract No. (fill in Contract Number)". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.

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

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

GC19 Liability

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

GC20 Contractor to Own Intellectual Property Rights in the Foreground Information

20.1 Interpretation

20.1.1 In the Contract, unless the context otherwise requires:

"Background Information" means all Intellectual Property that is not Foreground Information that is incorporated into the Work or necessary for the performance of the Work and that is proprietary to or the confidential information of the Contractor, its subcontractors or any other third party (other than auction participants, including qualified bidders or potential bidders in the 600 MHz spectrum auction, participants in mock auctions, and users of deliverables in connection with the Work);

"Firmware" means computer programs that are stored in integrated circuits, read-only memory or other similar devices within the hardware or other equipment;

"Foreground Information" means all Intellectual Property first conceived, developed, produced or reduced to practice as part of the Work under the Contract;

"Intellectual Property" means any information or knowledge of an industrial, scientific, technical, commercial, literary, dramatic, artistic or otherwise creative nature relating to the Work, whether oral or recorded in any

form or medium and whether or not subject to copyright; this includes but is not limited to any inventions, designs, methods, processes, techniques, know-how, show-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, manuals and any other documents, Software, and Firmware;

"Intellectual Property Right" means any intellectual property right recognized by law, including any intellectual property right protected by legislation such as patents, copyright, industrial design, integrated circuit topography, and plant breeders' rights, or subject to protection under the law as trade secrets;

"Software" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, including any modification.

20.1.2 Canada's primary objective in entering into the Contract is performance of the Work, including receipt of the deliverables contracted for, to be able to use those deliverables, and any Intellectual Property arising by virtue of the Contract for Canada's activities, including future contracts, procurements and to protect or advance the broader public interest. GC20 does not affect ownership of any existing Intellectual Property Rights belonging to Canada, the Contractor or a third party.

20.1.3 References in these conditions to the Contractor owning rights in the Foreground Information refer to the Contractor, its subcontractors, its suppliers, its agents, its representatives or any of their employees owning such information or rights, as applicable.

20.2 Records and disclosure of Foreground Information

20.2.1 During and after the performance of the Contract, the Contractor must keep detailed records of the Foreground Information, including details of its creation, ownership and about any sale or transfer of any right in the Foreground Information. The Contractor must report and fully disclose to Canada all Foreground Information as required by the Contract. If the Contract does not specifically state when and how the Contractor must do so, the Contractor must provide this information when requested by the Contracting Authority or a representative of the department or agency for which the Contract is performed, whether before or after the completion of the Contract.

20.2.2 Before and after final payment to the Contractor, the Contractor must provide Canada with access to all records and supporting data that Canada considers pertinent to the identification of Foreground Information.

20.2.3 For any Intellectual Property that was developed or created in relation to the Work, Canada will be entitled to assume that it was developed or created by Canada, if the Contractor's records do not list that Intellectual Property or do not indicate that it was created by the Contractor, or by someone on behalf of the Contractor, other than Canada.

20.3 Ownership of Intellectual Property Rights in Foreground Information

20.3.1 All Intellectual Property Rights in the Foreground Information belong to the Contractor as soon as they come into existence.

20.3.2 Despite the Contractor's ownership of all the Intellectual Property Rights in the Foreground Information, Canada has unrestricted ownership rights in any prototype, model, custom or customized system or equipment that is a deliverable under the Contract, including manuals and other operating and maintenance documents. This includes the right to make them available for public use, whether for a fee or otherwise, sell them or otherwise transfer ownership in them.

20.3.3 Any personal information, as defined in the *Privacy Act*, R.S., 1985, c. P-21, collected by the Contractor in the execution of the Work under the Contract becomes the property of Canada immediately

upon collection and must be used only for the performance of the Work. The Contractor has no right in any such personal information.

20.3.4 If the Work involves the preparation of a database or other compilation using information or data supplied by or on behalf of Canada and any personal information referred to above, the Intellectual Property Rights in the database or compilation containing such information will belong to Canada. The Contractor's Intellectual Property Rights in the Foreground Information are restricted to those capable of being exploited without the use of the information or data supplied by or on behalf of Canada and the personal information.

20.3.5 The Contractor must maintain the confidentiality of the information or data supplied by or on behalf of Canada and the personal information as required in the Contract. The Contractor must return all the information provided by or on behalf of Canada to Canada on request or on completion or termination of the Contract. This includes returning all hard copies and electronic copies as well as any paper or electronic record that contains any part of the information or information derived from it.

20.4 Licences to Intellectual Property Rights in Foreground and Background Information

20.4.1 As Canada has contributed to the cost of developing the Foreground Information, the Contractor grants to Canada a licence to exercise all Intellectual Property Rights in the Foreground Information for Canada's activities. Subject to any exception described in the Contract, this licence allows Canada to do anything that it would be able to do if it were the owner of the Foreground Information, other than exploit the Intellectual Property Rights commercially and transfer or assign ownership of them. The Contractor also grants to Canada a licence to use the Background Information to the extent that it is reasonably necessary for Canada to achieve its objectives in entering into the Contract and to exercise fully all its rights in the deliverables and in the Foreground Information.

20.4.2 These licences are non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free. Neither licence can be restricted in any way by the Contractor providing any form of notice to the contrary, including the wording on any shrink-wrap or click-wrap licence or any other kind of packaging, attached to any deliverable.

20.4.3 For greater certainty, Canada's licences include, but are not limited to:

- (a) the right to disclose the Foreground and Background Information to auction participants, including qualified bidders or potential bidders in the 600 MHz spectrum auction, participants in mock auctions, and users of deliverables in connection with the Work, to third parties bidding on or negotiating contracts with Canada and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such contracts. Canada will require these third parties and contractors not to use or disclose that information except as may be necessary to bid on, negotiate or carry out those contracts;
- (b) the right to disclose the Foreground and Background Information to other governments for information purposes;
- (c) the right to reproduce, modify, improve, develop or translate the Foreground and Background Information or have it done by a person hired by Canada. Canada, or a person designated by Canada, will own the Intellectual Property Rights associated with the reproduction, modification, improvement, development or translation;
- (d) without restricting the scope of any licence or other right in the Background Information that Canada may otherwise hold, the right, in relation to any custom-designed or custom-manufactured part of the Work, to exercise such of the Intellectual Property Rights in the Background Information as may be required for the following purposes:
 - (i) for the use, operation, maintenance, repair or overhaul of the custom-designed or custom-manufactured parts of the Work;
 - (ii) in the manufacturing of spare parts for maintenance, repair or overhaul of any custom-designed or custom-manufactured part of the Work by Canada, if those parts are not available on reasonable commercial terms to enable timely maintenance, repair or overhaul;
- (e) for Software that is custom designed or adapted for Canada, the right to use any source code the Contractor must deliver to Canada under the Contract.

20.4.4 The Contractor agrees to make the Background Information, including in the case of Software, the source code promptly available to Canada for any purpose mentioned above. The does not apply to any Software that is subject to detailed licence conditions that are set out elsewhere in licence the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada applies only to source code that is within the control of or can be obtained by the Contractor or any subcontractor.

20.5 Contractor's Right to Grant Licences

The Contractor represents and warrants that it has the right to grant to Canada the licences and any other rights to use the Foreground and Background Information. If the Intellectual Property Rights in any Foreground or Background Information are or will be owned by a subcontractor or any other third party, the Contractor must have or obtain promptly a licence from that subcontractor or third party that permits compliance with subsection 20.4 or arrange, without delay, for the subcontractor or third party to grant promptly any required licence directly to Canada.

20.6 Waiver of Moral Rights

If requested by Canada, during and after the Contract, the Contractor must provide a written permanent waiver of moral rights, as defined in the *Copyright Act*, R.S., 1985, c. C-42, from every author or performer that contributes to any Foreground Information subject to copyright protection that is a deliverable to Canada under the Contract. If the Contractor is an author or performer of the Foreground Information, the Contractor permanently waives the Contractor's moral rights in that Foreground Information.

20.7 Licence to Intellectual Property Rights to Canada's Information

20.7.1 Any information supplied by or on behalf of Canada to the Contractor for the performance of the Work remains the property of Canada. The Contractor must use this information only to perform the Contract.

20.7.2 If the Contractor wants to use any information supplied by or on behalf of Canada for the commercial exploitation or further development of the Foreground Information, the Contractor must obtain a licence from Canada.

20.8 Transfer or Licence of Contractor's Rights

20.8.1 During the Contract, the Contractor must not sell, transfer, assign or exclusively licence Intellectual Property Rights in Foreground Information without first obtaining the Contracting Authority's written permission.

20.8.2 After the Contract, if the Contractor transfers ownership of Intellectual Property Rights in the Foreground Information, the Contractor is not required to obtain Canada's permission, but must notify the department or agency for whom the Contract is performed in writing of the transfer by referring to the serial number of the Contract and its date and by providing details about the transferee, including the conditions of the transfer. The Contractor must ensure that the transfer requires the transferee to notify Canada of any future transfer. Any transfer must be subject to all Canada's rights to use the Foreground Information and Canada's licence to exercise all Intellectual Property Rights in the Foreground Information.

20.8.3 After the Contract, if the Contractor grants a licence or any other right (other than a transfer of ownership) to a third party to use Intellectual Property Rights in the Foreground Information, the Contractor is not required to notify Canada, but the licence or right granted must not affect Canada's rights in any way.

20.8.4 If the Contractor at any time transfers or grants rights in its Intellectual Property Rights in the Foreground Information that interferes in any way with Canada's rights to use the Foreground Information or Canada's licence to exercise all Intellectual Property Rights in the Foreground Information, the Contractor must, if requested by Canada, immediately take all steps necessary to restore Canada's rights. If the

Contractor is not successful in doing so, within the time reasonably required by Canada, the Contractor must immediately reimburse Canada for all costs Canada incurs to do so itself.

20.9 Transfer of Intellectual Property Rights upon Termination of the Contract for Default

20.9.1 If Canada terminates the Contract in whole or in part for default, Canada may, by giving notice to the Contractor, require the Contractor to transfer to Canada all the Intellectual Property Rights in the Foreground Information, including the rights owned by subcontractors. In the case of Intellectual Property Rights in the Foreground Information that have been sold or assigned to a third party, the Contractor must pay to Canada on demand, at Canada's discretion, the fair market value of the Intellectual Property Rights in the Foreground Information or an amount equal to the payment received by the Contractor from the sale or assignment of the Intellectual Property Rights in the Foreground Information.

20.9.2 In the event of the issuance of a notice under subsection 20.9.1, the Contractor must, at its own expense and without delay, execute such documents relating to ownership of the Intellectual Property Rights as Canada may require. The Contractor must, at Canada's expense, provide all reasonable assistance in the preparation of applications and in the prosecution of any applications for registration of any Intellectual Property Rights in any jurisdiction, including the assistance of the inventor in the case of an invention.

20.10 Products created using the Foreground Information

If the Contractor uses the Foreground Information to develop any new product or any improvement in any existing product, the Contractor agrees that, if Canada wishes to purchase such new or improved product, the Contractor must sell them to Canada at a discount off the lowest price for which it has sold those products to other customers, to recognize Canada's financial contribution to the development of those products.

GC21 Intellectual Property Infringement and Royalties

21.1 The Contractor represents and warrants that, to the best of its knowledge, neither it nor Canada will infringe any third party's intellectual property rights in performing or using the Work, and that Canada will have no obligation to pay royalties of any kind to anyone in connection with the Work.

21.2 If anyone makes a claim against Canada or the Contractor concerning Intellectual property rights infringement or royalties related to the Work, that Party agrees to notify the other Party in writing immediately. If anyone brings a claim against Canada, according to Canada's *Department of Justice Act*, R.S., 1985, c. J-2, the Attorney General of Canada must have the regulation and conduct of all litigation for or against Canada, but the Attorney General may request that the Contractor defend Canada against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable as a result of the claim, including the amount of any settlement. Both Parties agree not to settle any claim unless the other Party first approves the settlement in writing.

21.3 The Contractor has no obligation regarding claims that were only made because:

- (a) Canada modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract; or
- (b) Canada used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications); or
- (c) the Contractor used equipment, drawings, specifications or other information supplied to the Contractor by Canada (or by someone authorized by Canada); or
- (d) the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Authority; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software:

"[Supplier named herein] acknowledges that the purchased items will be used by the Government of Canada. If a third party claims that equipment or software supplied under this contract infringes any intellectual

property right, [supplier name], if requested to do so by either [Contractor named herein] or Canada, will defend both [Contractor name] and Canada against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement." Obtaining this protection from the supplier is the Contractor's responsibility and, if the Contractor does not do so, it will be responsible to Canada for the claim.

21.4 If anyone claims that, as a result of the Work, the Contractor or Canada is infringing its intellectual property rights, the Contractor must immediately do one of the following:

- (a) take whatever steps are necessary to allow Canada to continue to use the allegedly infringing part of the Work; or
- (b) modify or replace the Work to avoid intellectual property rights infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
- (c) take back the Work and refund any part of the Contract Price plus applicable taxes that Canada has already paid.

If the Contractor determines that none of these alternatives can reasonably be achieved, or if the Contractor fails to take any of these steps within a reasonable amount of time, Canada may choose either to require the Contractor to do (c), or to take whatever steps are necessary to acquire the rights to use the allegedly infringing part(s) of the Work itself, in which case the Contractor must reimburse Canada for all the costs it incurs to do so.

GC22 Amendment and Waivers

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

22.2 While the Contractor may discuss any proposed modifications to the Work with other representatives of Canada, Canada will not be responsible for the cost of any modification unless it has been incorporated into the Contract in accordance with subsection 22.1.

22.3 A waiver will only be valid, binding or affect the rights of the Parties if it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.

22.4 The waiver by a Party of a breach of any condition of the Contract will not be treated or interpreted as a waiver of any subsequent breach and therefore will not prevent that Party from enforcing that term or condition in the case of a subsequent breach.

GC23 Assignment

23.1 The Contractor must not assign the Contract without first obtaining the written consent of the Contracting Authority. Any assignment made without that consent is void and will have no effect. The assignment will be effective upon execution of an assignment agreement signed by the Parties and the assignee.

23.2 Assignment of the Contract does not relieve the Contractor from any obligation under the Contract and it does not impose any liability upon Canada.

GC24 Suspension of the Work

24.1 The Project Authority may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract for a period of up to seven hundred and thirty (730) days. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so. While such an order is in effect, the Contractor must not remove any part of the Work from any premises without first obtaining the written consent of the Project Authority. Within these seven hundred and thirty (730) days,

the Contracting Authority may either cancel the order or terminate the Contract, in whole or in part, under section 24 or section 25.

24.2 When an order is made under subsection 24.1, unless the Contracting Authority terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor will be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit.

24.3 When an order made under subsection 24.1 is cancelled, the Contractor must resume work in accordance with the Contract as soon as practicable. If the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for performing the part of the Work affected by the suspension will be extended for a period equal to the period of suspension plus a period, if any, that in the opinion of the Project Authority, following consultation with the Contractor, is necessary for the Contractor to resume the Work. Any equitable adjustments will be made as necessary to any affected conditions of the Contract.

GC25 Default by the Contractor

25.1 If the Contractor is in default in carrying out any of its obligations under the Contract, the Contracting Authority may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.

25.2 If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding down of the Contractor, the Contracting Authority may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.

25.3 If Canada gives notice under subsection 25.1 or 25.2, the Contractor will have no claim for further payment except as provided in this section. The Contractor will be liable to Canada for all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unearned at the date of the termination.

25.4 Upon termination of the Contract under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work, not delivered and accepted before the termination and anything the Contractor has acquired or produced specifically to perform the Contract. In such a case, subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada will pay or credit to the Contractor:

- (a) the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price plus applicable taxes, including the proportionate part of the Contractor's profit or fee included in the Contract Price plus applicable taxes; and
- (b) the cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

The total amount paid by Canada under the Contract to the date of the termination and any amount payable under this subsection must not exceed the Terms of Payment.

25.5 Title to everything for which payment is made to the Contractor will, once payment is made, pass to Canada unless it already belongs to Canada under any other provision of the Contract.

25.6 If the Contract is terminated for default under subsection 25.1, but it is later determined that grounds did not exist for a termination for default, the notice will be considered a notice of termination for convenience issued under subsection 26.1.

GC26 Termination for Convenience

26.1 At any time before the completion of the Work, the Contracting Authority may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.

26.2 If a termination notice is given pursuant to subsection 26.1, the Contractor will be entitled to be paid, for costs that have been reasonably and properly incurred to perform the Contract to the extent that the Contractor has not already been paid or reimbursed by Canada. The Contractor will be paid:

- (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
- (b) the cost to the Contractor plus a fair and reasonable profit for all work terminated by the termination notice before completion; and
- (c) all costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.

26.3 Canada may reduce the payment in respect of any part of the Work, if upon inspection; it does not meet the requirements of the Contract.

26.4 The total of the amounts, to which the Contractor is entitled to be paid under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Terms of Payment. The Contractor will have no claim for damages, compensation, loss of profit, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unearned at the date of the termination.

GC27 Accounts and Audit

27.1 The Contractor must keep proper accounts and records of the cost of performing the Work and of all expenditures or commitments made by the Contractor in connection with the Work, including all invoices, receipts and vouchers. The Contractor must retain records, including bills of lading and other evidence of transportation or delivery, for all deliveries made under the Contract.

27.2 If the Contract includes payment for time spent by the Contractor, its employees, representatives, agents or subcontractors performing the Work, the Contractor must keep a record of the actual time spent each day by each individual performing any part of the Work.

27.3 Unless Canada has consented in writing to its disposal, the Contractor must retain all the information described in this section **for six (6) years** after it receives the final payment under the Contract, or until the settlement of all outstanding claims and disputes, whichever is later. During this time, the Contractor must make this information available for audit, inspection and examination by the representatives of Canada, who may make copies and take extracts. The Contractor must provide all reasonably required facilities for any audit and inspection and must furnish all the information as the representatives of Canada may from time to time require to perform a complete audit of the Contract.

27.4 The amount claimed under the contract, calculated in accordance with the Terms of Payment, is subject to government audit both before and after payment is made. If an audit is performed after payment, the Contractor agrees to repay any overpayment immediately on demand by Canada. Canada may hold back, deduct and set off any credits owing and unpaid under this section from any money that Canada owes to the Contractor at any time (including under other contracts). If Canada does not choose to exercise this right at any given time, Canada does not lose this right.

GC28 Right of Set-off

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

GC29 Notice

Any notice under the Contract must be in writing and may be delivered by hand, courier, mail, facsimile or other electronic method that provides a paper record of the text of the notice. It must be sent to the Party for whom it is intended at the address stated in the Contract. Any notice will be effective on the day it is received at that address. Any notice to Canada must be delivered to the Contracting Authority.

GC30 Conflict of Interest and Values and Ethics Codes for the Public Service

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

GC31 No Bribe or Conflict

31.1 The Contractor declares that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

31.2 The Contractor must not influence, seek to influence or otherwise take part in a decision of Canada knowing that the decision might further its private interest. The Contractor must have no financial interest in the business of a third party that causes or would appear to cause a conflict of interest in connection with the performance of its obligations under the Contract. If such a financial interest is acquired during the period of the Contract, the Contractor must immediately declare it to the Contracting Authority.

31.3 The Contractor warrants that, to the best of its knowledge after making diligent inquiry, no conflict exists or is likely to arise in the performance of the Contract. In the event the Contractor becomes aware of any matter that causes or is likely to cause a conflict in relation to the Contractor's performance under the Contract, the Contractor must immediately disclose such matter to the Contracting Authority in writing.

31.4 If the Contracting Authority is of the opinion that a conflict exists as a result of the Contractor's disclosure or as a result of any other information brought to the Contracting Authority's attention, the Contracting Authority may require the Contractor to take steps to resolve or otherwise deal with the conflict or, at its entire discretion, terminate the Contract for default. Conflict means any matter, circumstance, interest, or activity affecting the Contractor, its personnel or subcontractors, which may or may appear to impair the ability of the Contractor to perform the Work diligently and independently.

GC32 Survival

All the Parties' obligations of confidentiality, representations and warranties set out in the Contract as well as the provisions, which by the nature of the rights or obligations might reasonably be expected to survive, will survive the expiry or termination of the Contract.

GC33 Severability

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision will be removed from the Contract without affecting any other provision of the Contract.

GC34 Successors and Assigns

The Contract is to the benefit of and binds the successors and permitted assignees of Canada and of the Contractor.

GC35 Contingency Fees

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

GC36 International Sanctions

36.1 Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions.

Details on existing sanctions can be found at:

<http://www.international.gc.ca/sanctions/index.aspx?lang=eng>

36.2 The Contractor must not supply to the Government of Canada any goods or services which are subject to economic sanctions.

36.3 The Contractor must comply with changes to the regulations imposed during the period of the Contract. The Contractor must immediately advise Canada if it is unable to perform the Work as a result of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services. If the Parties cannot agree on a work around plan, the Contract will be terminated for the convenience of Canada in accordance with section 26.

GC37 Code of Conduct for Procurement

The Contractor certifies that it has read the Code of Conduct for Procurement and agrees to be bound by its terms.

GC38 Harassment in the Workplace

38.1 The Contractor acknowledges the responsibility of Canada to ensure, for its employees, a healthy work environment, free of harassment. A copy of the Treasury Board policy, the Policy on the Prevention and Resolution of Harassment in the Workplace which is also applicable to the Contractor, is available on the Treasury Board Web site. <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=26041>

38.2 The Contractor must not, either as an individual, or as a corporate or unincorporated entity, through its employees or subcontractors, harass abuse, threaten, discriminate against or intimidate any employee,

contractor or other individual employed by, or under contract with Canada. The Contractor will be advised in writing of any complaint and will have the right to respond in writing. Upon receipt of the Contractor's response, the Contracting Authority will, at its entire discretion, determine if the complaint is founded and decide on any action to be taken.

GC39 Entire Agreement

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

ANNEX A STATEMENT OF WORK

1.0 Purpose

Industry Canada (IC) or the Department requires spectrum auction services for the upcoming 600 MHz auction. The services will be required for a period commencing from date of contract award to December 31, 2022.

2.0 Title of Project

Spectrum Auction Services for the 600 MHz Auction

3.0 Background

Radio frequency spectrum is a finite public resource. Both private users and wireless communications service providers require spectrum for a diverse range of uses. IC, through the Department of Industry Act, the Radiocommunication Act and the Radiocommunication Regulations, with due regard to the objectives of the Telecommunications Act is responsible for spectrum management in Canada. The Spectrum Management Program operates under the guidance of the Spectrum Policy Framework for Canada, which provides a single policy objective and a set of guidelines to guide IC's management of this resource.

Where the demand for spectrum is not expected to exceed the supply, IC generally uses a first-come, first-served licensing process to award spectrum licences. In instances where the demand for spectrum is expected to exceed supply, a competitive licensing process, such as an auction, is generally used.

The Framework for Spectrum Auctions in Canada describes the general approaches that IC will use to auction spectrum licences. As indicated in the Spectrum Policy Framework for Canada, the Department has adopted a policy objective to maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum resource.

The Department has assigned spectrum licences in the following auction processes, details of which can be found at the following link: http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/h_sf01714.html.

- (1) Auction of the 24 and 38 GHz Frequency Bands
- (2) Auction of Additional PCS Spectrum in the 2 GHz Frequency Range
- (3) Auction of the 2300 MHz and 3500 MHz Frequency Bands
- (4) Two Phase Residual Licence Auction in the 2300 MHz and 3500 MHz Frequency Bands
- (5) Auction for Advanced Wireless Services and other spectrum in the 2 GHz range
- (6) Auction of the 849-851 MHz and 894-896 MHz Frequency Bands for Air-Ground Services
- (7) Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands
- (8) Auction of Spectrum Licences for Mobile Broadband Services in the 700 MHz Band
- (9) Auction of Spectrum Licences for Advanced Wireless Services in the Bands 1755- 1780 MHz and 2155-2180 MHz (AWS-3)
- (10) Auction of Spectrum Licences for Broadband Radio Service in the Band 2500-2690 MHz
- (11) Auction of Residual Spectrum Licences in the 700 MHz and AWS-3 Bands

Five of these auctions were simultaneous multiple round ascending (SMRA) auctions run over the Internet using the Auction Management System (AMS) software developed in the 1990's. Bidders were able to participate remotely from their premises using a secure Internet connection. Auction numbers 6, 7, 9 and 11

were conducted using a second-price sealed-bid format. Auction numbers 8 and 10 were conducted over the Internet using a combinatorial clock auction (CCA) format.

During some of these auction processes, IC enlisted the help of external auction consultants to assist and provide advice to IC staff with respect to policies, rules and procedures of the auction, to assist in monitoring the auction event as it took place, and to complete a post-auction evaluation. For auction numbers 8 and 10, auction consultants hosted the auctions in Canada.

On December 18, 2014, the Department's Spectrum, Information Technologies and Telecommunications (SITT) Sector published a consultation paper seeking input on a proposal to repurpose spectrum in the 600 MHz band to mobile use while enabling virtually all of Canada's over-the-air television broadcasters to continue to have access to the spectrum they need to remain on air. The consultation was undertaken to determine whether Canada would participate in a joint repurposing initiative along with the United States. The decision has now been made to proceed with the initiative.

After the amount of spectrum to be repurposed has been determined by the US incentive auction (started on March 29, 2016), the Department will consult on the format and rules that would apply to the mobile spectrum licences. Consistent with the approach taken for the 700 MHz and 2500 MHz auctions that were of similar levels of complexity and importance, the services of a Contractor will be required to provide auction advice which will form part of the policy and technical licensing rules for the 600 MHz auction. The Contractor will also be responsible for the development, testing and implementation of the auction system as well as being involved in the operation of the auction.

4.0 Objective

IC requires the services of a Contractor for the provision of spectrum auction services for a successful 600 MHz auction. The success of the 600 MHz auction is defined as: the provision of world-class spectrum auction advice; flawless auction execution; and participants that are generally satisfied that they were able to participate in the auction to the full extent set out in the auction policy and rules.

5.0 Scope of Work

The following outlines the Scope of Work to be carried out by the Contractor.

5.1 Phase 1: Consulting Services for Spectrum Auction Design

The Contractor will provide consulting services for the development of consultation(s), decisions and responses to any subsequent questions or requests for clarification related to 600 MHz spectrum licensing, leading to specific auction policies, rules, attributes and design to be set out by the Minister of IC, in the final auction policy, technical, and licensing decision(s).

5.2 Phase 2: Development, Testing, Implementation and Operation of a Spectrum Auction over the Internet

The Contractor will develop, test, implement and operate an auction system for Canada's 600 MHz auction as set out in the final auction policy, technical, and licensing decision(s).

6.0 Project Details

The following outlines the Work for Phase 1 and Phase 2 to be carried out by the Contractor.

6.1 Phase 1 – Consulting Services for Spectrum Auction Design

6.1.1 Consulting Services

Leading to the setting of specific auction policies, rules, attributes and design in the final auction policy, technical, and licensing decision(s), Phase 1 services will include, but are not limited to, the following, when and as requested by IC:

- Provide technical and economic advice and recommendations with respect to the development and implementation of spectrum auction designs, formats, methods, technologies, and best practices, and conduct of an auction for 600 MHz licences. Auction designs that will be considered will include, but are not limited to: SMRA, Clock auction and CCA. Selected attributes could include, but are not limited to:
 - Combinatorial bidding capabilities;
 - Activity based bid increments;
 - Anonymous bidding;
 - Flexibility to change bid increments;
 - Competitive measures (such as spectrum caps and set-asides) if required;
 - Price determination rules;
 - User defined preferred properties; and
 - Bilingual Bidder interface.
- Provide auction format advice that can be implemented in the auction system in Phase 2 of the Work;
- Assist the Department in the development of auction policy, technical, and licensing framework documents, including: consultations, licensing frameworks, frequently asked questions (FAQs) and responses to questions and requests for clarification;
- Review comments, reply comments and evidence resulting from policy and licensing framework public consultation(s) and provide analysis and recommendations;
- Provide access to an auction system (e.g. SMRA, Clock or CCA) in order to test various auction policy options for auction formats, rules, designs, etc.;
- Provide other auction-related advice on an as-requested basis;
- Communicate effectively both orally and in writing in English; and
- Submit all reports and correspondence to IC in English.

All Phase 1 Work must be provided as per diem rates.

6.1.2 Deliverables

Generally, the work carried out under Phase 1 is ad-hoc based. As such, the Contractor will provide the deliverables on an as and when requested basis.

Phase 1 deliverables include, but are not limited to, the following:

- Detailed project plan and deliverables schedule
- Weekly status reports
- Teleconferences or on-site debriefings
- Proposal papers
- Simulation analyses and quality assurance plan
- Interim (draft) and final reports
- Executive summary reports

All written deliverables will be provided in English in MS Word. Presentations will be in MS PowerPoint, spreadsheets will be in MS Excel, and any project management files (Gantt charts) will be in MS Project.

6.2 Phase 2 - Development, Testing, Implementation and Operation of a Spectrum Auction over the Internet

6.2.1 Contractor Services

Phase 2 services include, but are not limited to, the following, when and as required by IC:

- Develop, test and deliver an auction system, as set out in, and required by, the final auction policy, technical, and licensing decision(s), as well as IC auction administrator and auction bidder user manuals;
- Develop, test and deliver an Internet-based bidder tool, as well as IC auction administrator and auction bidder user manuals. An example would be an on-line tool permitting bidders to simulate auction bidding and have the bidder tool calculate the winners and the prices to be paid;
- Provide training for IC staff and qualified bidders and mock auctions as required;
- Test the developed auction system with the application of rules and procedures as selected by IC in the final auction policy decision;
- Test the auction system thoroughly, including tests that will stress the auction system well beyond the expected parameters. Testing parameters will be determined by IC. Detailed test plans, and reports are to be provided to IC;
- Configure and security-harden the auction system operating system (OS) and adequately apply security patches;
- Prepare and participate in a presentation on the auction software for the auction information session that will be organized by IC for the auction bidders;
- Attend and monitor the mock auctions and live auction on-site at IC offices in Canada and address any functionality or performance issues immediately;
- While in Canada at IC, monitor the auction in its entirety and, on an ongoing basis, immediately report any breach of rules, anomalies or collusive behaviour that are discovered;
- Provide round-by-round analysis and assistance as requested during the auction; and
- Provide advice on various elements of auction execution including, but not limited to: the round schedules, stage changes, activity rule changes, minimum-bid increments and levels, and information communicated to auction bidders.

Phase 2 Work consists of consulting advice which must be provided as per diem rates and the development, testing, implementation and operation of the auction which must be provided as fixed cost prices.

The following activities will remain the responsibility of IC:

- IT infrastructure with the operating system (OS) installed;
- Auction bidder qualification;
- Receipt of payments for deposits, assigned licences and licence assignments;
- Translation of documents and text from English to French;
- First line support for auction bidders;
- Drafting and distribution of all consultation papers and decision papers; and
- Third party verification of the live auction results.

6.2.2 Auction Type and Features

The final auction design, rules, and format will be decided by the Minister of IC, through the publication of the final auction policy, technical, and licensing decision(s).

The Contractor must develop or adapt its electronic auction system to the auction design selected by IC in the final auction policy, technical, and licensing decision(s), implement and host the auction in Canada on the mutually agreed upon IT infrastructure to be provided by IC, and operate the actual auction process, under the direction of IC.

The Contractor's auction system will:

- Support the number of auction products as defined in the final auction policy, technical, and licensing decision(s);
- Support the number of auction bidders beyond what is expected, as determined by IC;
- Permit changes to auction parameters during the auction process such as minimum bid, bid increments, auction stages, bidder activity requirements, etc.;
- Allow bidders to select their preferred language between an English and French interface. IC will provide the Contractor with the related translation from English to French; and
- Have a messaging facility permitting IC staff to send messages to individual bidders as well as all bidders. Bidders must be able to send messages to IC staff.

6.2.3 Reliability Requirements

The Contractor will provide the auction system implementation with functional redundancy. In the case of an infrastructure or auction system failure, it must be possible to restore the system to the system state after the last completed auction round and restart the auction process from the point of the last completed round within 30 minutes.

The Contractor will describe the IT infrastructure solution required to reach the redundancy and restart requirements, to substantiate the fulfilment of the requirements detailed above.

Auction bidders' Internet connections are outside of the control of the Contractor and are not within the scope of the reliability requirements. Also, any bidders' IT infrastructure problems are not within the scope of the reliability requirements, with the exception of reliability problems that can be traced back to the bidder interface functionality that is provided by the Contractor.

6.2.4 Auction System Interfaces

In an effort to deliver websites and applications that are more accessible and usable, the Treasury Board of Canada Secretariat has developed Web Standards for the Government of Canada for all Government of Canada institutions.

In accordance with the Web Standards for the Government of Canada, it is desirable that the Contractor's auction system respects the Standard on Web Usability and the Standard on Web Accessibility of the Web Standards for the Government of Canada, as specified at the following link: <http://www.tbs-sct.gc.ca/ws-nw/>.

English and French are recognized as Canada's official languages under the *Official Languages Act*. The Contractor will respect the purpose of the Act and will ensure the services provided to the Canadian public will be available in both official languages.

Therefore, the Contractor's auction system must allow auction bidders to select their preferred language between an English and French Interface and operate entirely within the official language of their choice. IC will provide the Contractor with the related translation from English to French.

The Contractor's auction system must accept an upload file to be provided by the Department in order to load the products into the auction system. In the event the auction system accepts a different file format, the Contractor will provide a translation tool that converts the Department's file into the appropriate file format for the auction system.

At the conclusion of the auction, the Contractor's auction system must produce a download file of the auction results in a format specified by the Department. In the event the auction system already produces a results

file, the Contractor will provide a translation tool that transforms the results file into the file format provided or required, by the Department.

6.2.4.1 Auction Bidder Interface

It must be possible to run the auction bidder interface on industry standard computers (including PC and MAC) operating systems and web-browsers. The auction bidder interface must operate a minimum viewing resolution of 1024 X 768.

It must be possible for auction bidders to use the auction bidder interface over a standard Internet connection.

Where relevant for the appropriate auction format, it must be possible to present the following information to the auction bidder:

- Start time and date, duration and/or end time of the next round in the auction;
- A real-time countdown clock on the auction bidder's interface (accurate to within 5 seconds);
- Current high bid for each of the products in the auction;
- All active bids for each of the products in the latest completed round of the auction;
- The bid increment for each product in the next round of the auction;
- The bidder's current total eligibility / bidding entitlement;
- Price information;
- The auction bidder's used eligibility / bidding entitlement in the current auction round;
- The number of active auction bidders in the latest auction round for each licence;
- The name or identifier of all active auction bidders for each auction round for each licence; and
- The above information for all previous rounds must also be available to auction bidders on a web page.

The Contractor's auction system will be capable of notifying auction bidders in real-time of ineligible bids due to auction rules such as activity rules or other types of restrictions specified by IC.

The auction system shall provide auction bidders with the result of each auction round in a downloadable file format (e.g. csv, xml) for the purpose of allowing auction bidders to process and analyse the data between rounds.

6.2.4.2 Public Interface

If or when and as requested by IC, auction results will be made available to the public in a downloadable file format (e.g. csv, xml) in both English and French. In such cases, IC will provide the Contractor with the translated text or document from English to French.

6.2.5 Authentication and Security

The Contractor will provide a security solution allowing secure authentication of auction bidders and IC staff over the Internet.

The authentication solution must include token-based two-factor authentication and permit up to three (3) designated auction bidders for each company, to connect from at least three different terminals. The Contractor is required to support multiple concurrent connections from various terminals at each instance in time.

An encryption solution for protecting the secrecy of the bids over the Internet and to ensure that all bid data has been digitally signed (or encrypted) for non-repudiation purposes shall be supported. In the case where an alternate non-repudiation solution is to be used (e.g. other than digital signature), the Contractor must

demonstrate and substantiate how the Department's requirements will be met to the satisfaction of the Department.

The Contractor will describe the authentication and security solution, to substantiate the fulfilment of the requirements detailed above.

The Contractor's auction system will be subjected to one or more threat and risk and vulnerability assessment(s) to ensure the overall security of the auction system. IC will arrange for the assessments and will cover any associated cost. At the discretion of IC, the Contractor will be responsible to repair any defects that are identified in the assessments.

6.2.6 Traceability of the auction process

The Contractor's auction system will ensure the traceability of interactions during the auction process between the auction bidders, the system and IC so that a detailed audit trail can be produced at any time during the auction as well as at the end of the auction process.

As a minimum, the following information must be stored:

- The content and timestamp of all information that is received by the system from the auction bidders;
- The content and timestamp of all information that is sent to the auction bidders' interface; and
- The content and timestamp of all information that is entered into the system by IC staff.

The Contractor will provide the information above to IC in a downloadable file format (e.g. csv, xml). At the conclusion of the auction, the Contractor will provide IC with a copy of the auction system database export (e.g. Oracle). If the Contractor's auction system does not use a standard database, it will provide a copy of all auction configuration, bid and interaction data to IC in a mutually agreed upon format.

A senior official of the Contractor must certify that the contents of the database provided accurately reflect the interactions required above.

6.2.7 Project Management, Auction System Testing, Training and Mock Auctions

6.2.7.1 Project Management

The Contractor will provide a project plan detailing the development, testing and quality assurance processes of the auction system and bidder tool as well as other deliverables, such as the user manuals, to be approved by IC. The project plan will be kept evergreen throughout Phase 2 of the Work.

6.2.7.2 Auction System Testing

The Contractor will provide a detailed test plan, including stress testing, for the auction system and bidder tool, to be approved by IC. Test reports are to be provided as required by IC.

6.2.7.3 Training

The Contractor will provide auction administration user manuals to IC detailing all aspects of configuring and running the auction system and bidder tool. Additionally, the Contractor will provide training on the management of the auction system and bidder tool to the IC auction administrator. At the discretion of IC, this training may take place at the Contractor's premises or at IC's office in Ottawa, Ontario, Canada. The Contractor will also provide remote training on the auction system and bidder tool to IC staff. To facilitate IC's training on the auction system, the Contractor will provide IC with unlimited online access to the auction system and bidder tool.

The Contractor will provide auction system and bidder tool user manuals for the auction bidders. The manuals must include, but are not limited to:

- System authentication;
- Review of all system screens;
- Placing bids;
- Downloading results; and
- Submitting messages.

The Contractor will provide all user manuals and presentation materials for IC staff and auction bidders in English. These must be acceptable to and approved by IC. IC will be responsible for translating the auction bidder material to French and providing it to the Contractor for inclusion in the overall training package.

The Contractor, in collaboration with IC, will develop a presentation for auction bidders on how to use the auction system, how it works with the auction rules and provide a demonstration of the auction system at the auction bidder information seminar. The Contractor will also develop a presentation for auction bidders on how to use the bidder tool as well as provide a demonstration of the bidder tool at the auction bidder information seminar.

6.2.7.4 Mock Auctions

The Contractor will be required to support up to three (3) mock auctions per auction bidder. The mock auctions will be held on-site at IC's office in Ottawa, Ontario, Canada.

The mock auctions will utilize the auction system as set out in, and required by, the final auction policy, technical, and licensing decision(s).

The Contractor will provide advice and recommendations on the mock auction scripts and schedules.

The Contractor will provide two auction consultants (one operations and one technical) on-site in Ottawa to aid in the conduct of the mock auctions with auction bidders.

6.2.8 Auction Operations

The Contractor will evaluate and advise on IC's proposed auction operations processes; test the auction's technical support resources; and test the back-up bidding process.

The Contractor will implement, operate and manage the auction system within Canada, from IC premises, on information technology equipment and infrastructure provided by IC.

IC will be responsible for the provision of two servers, one to be used as the primary server and the second to be used as the secondary or backup server. The Contractor will provide IC with specifications regarding server capacity and functionality required to host and operate the auction system.

The Contractor will be required to provide two auction consultants (one operations and one technical) on-site at IC's premises for the duration of the auction. Additionally, the Contractor will provide a senior auction consultant on-site as required. The Contractor will also provide third level technical support for the auction, however, that function may be carried out from the Contractor's premises.

All live auction bid data must remain within Canada. At no time during the live auction will the Contractor be permitted to extract bid data from the auction server(s) and export it outside of Canada.

After the auction process is completed, the Contractor will provide IC with a post-auction report.

6.2.9 Technical Support

In the event auction bidders require technical support during a mock auction or the live auction, IC and the Contractor's on-site staff will work together to form a solution and IC will respond to the auction bidders directly. In the event of a severe problem that cannot be resolved by IC and the on-site staff, the Contractor will make additional technical staff available remotely to support IC and the Contractor's on-site staff in order to solve the problem.

6.2.10 Quality Assurance and Control

The Contractor will have a quality assurance and control plan in effect during all project phases in order to ensure and demonstrate to IC that deliverables are of acceptable quality, are complete and accurate.

6.2.11 Deliverables

Phase 2 deliverables include, but are not limited to, the following:

- Detailed project plan(s) and deliverables schedule;
- Weekly status reports;
- Detailed test plan including stress testing and test reports;
- Quality assurance and control plans and reports;
- Detailed functional specification document of the auction system;
- Development, testing and delivery of the auction system IC auction administrator manual and auction bidder user manual that meet the requirements of the final auction policy, technical, and licensing decision(s) and to be delivered at least eight (8) months in advance of the auction;
- Bidder tool, IC auction administrator manual and auction bidder user manual to be delivered at least eight (8) months in advance of the auction;
- Provide training on the management of the auction system and bidder tool to the IC auction administrator;
- Provide remote training for IC staff on the auction system and bidder tool;
- Development of presentations and participation for a bidder information seminar describing and demonstrating the capability of the auction system and bidder tool;
- Up to three mock auctions per auction bidder;
- Conduct the live 600 MHz auction from IC's office at Ottawa, Ontario, Canada;
- Monitor the auction in its entirety and, on an ongoing basis, immediately report any breach of rules, anomalies or collusive behaviour that are discovered; provide advice on various elements of auction execution including, but not limited to: the round schedules, stage changes, activity rule changes, minimum-bid increments and levels, and information communicated to auction bidders;
- Provide auction bid data; and
- Post-auction report upon completion of the auction process.

All written deliverables will be provided in English in MS Word. Presentations will be in MS PowerPoint, spreadsheets will be in MS Excel, and any project management files (Gantt charts) will be in MS Project.

The Contractor will provide auction data to IC in a downloadable file format (e.g. csv, xml). At the conclusion of the auction, the Contractor will provide IC with a copy of the auction system database export (e.g. Oracle). If the Contractor's auction system does not use a standard database, it will provide a copy of all auction configuration, bid and interaction data to IC in a mutually agreed upon format.

Note: At the end of the auction process, a separate RFP process may be launched for an independent post-mortem evaluation of all activities related to the 600 MHz auction. The Contractor selected for the 600 MHz auction services covered in this RFP will not be eligible to bid on the subsequent RFP for the independent post-mortem evaluation, as the Department requires an independent analysis of the auction process.

6.2.12 Timing

The Contractor's auction system and bidder tool must be configured to the specifications of IC in accordance with the final auction policy, technical, and licensing decision(s), and be functional, fully tested and delivered to IC at least eight (8) months prior to the start of the auction.

7.0 Work Location

Most of the Work will be performed at the Contractor's place of work (Phase 1) with the exception of the auction information session, mock auctions and live auction (Phase 2), which will take place at IC's premises in Ottawa, Ontario, Canada.

8.0 Travel

The Contractor may be required to attend meetings in Ottawa, Canada with IC's team members and will be required to be present during an auction information seminar. Project meetings will typically be held by teleconference in order to minimize travel costs.

The Contractor will be required to be on-site, at IC's offices in Ottawa, Ontario, Canada, for the conduct of mock auctions and the live auction.

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and administrative overhead, in accordance with the provisions of the National Joint Council Travel Directive and the Treasury Board Directive on Special Travel Authorities. See Section 2 of Annex B for more details and links to these directives.

9.0 Management of the Project

This project will be managed by the Spectrum Licensing Policy Branch of the Spectrum, Information Technologies and Telecommunications (SITT) Sector of IC. The name of the Project Authority will be provided at contract award.

ATTACHMENT 1 TO ANNEX A SAMPLE AUCTION DEMONSTRATION SCENARIO

1. Purpose

The sample auction demonstration scenario outlined below is to be used for demonstration and evaluation purposes only and does not represent a real auction. The purpose of the sample auction demonstration is to test the Bidder's ability to deliver various components and attributes that may be required in the auction system. The Bidder shall use the specifications provided in this document for the purposes of the demonstration.

2. Sample Auction Demonstration Process

Upon confirming that all Stage 1 – Mandatory Technical Criteria and Stage 2 – Point Rated Technical Criteria have been met, IC will contact the Bidder to schedule the sample auction demonstration. The time and date of the demonstration will be mutually agreed upon by IC and the Bidder. The demonstration will be held over the Internet, there will be no requirement for the Bidder to be onsite at IC's offices.

3. Sample Auction Design

The sample auction demonstration consists of a Simultaneous Multiple Round Ascending (SMRA) Auction, providing at least four rounds of bidding. In addition, bidders may include elements of a Combinatorial Clock Auction (CCA) in the demonstration.

- 3.1 The auction will be run electronically over the Internet, and auction bidders will be able to participate remotely from their chosen premises using a secure Internet connection. The related set of licences will be offered at the same time in various geographic service areas (see Section 4 of this document).
- 3.2 The Bidder shall provide IC with a valid login for each of the accounts listed below. IC will access the bidder's auction system with the provided accounts in order to make its determination as to whether the bidder's system passes all of the requirements. Specifically, various accounts will be used to conduct general testing while at least one account will be used to validate the account locking requirement.
- 3.3 Auction bidding starts with opening bids set by IC as outlined in Section 4 of this document. During each round auction bidders will indicate licences they would like to bid on given the prevailing prices. When there is excess demand for a licence, its price increases in the next round. Auction bidding remains open on all licences until there is no excess demand for any of the licences.
- 3.4 The auction bid increments will start at 10% of previous round prices in round one, but it must be possible for IC to change them to between 1-20% between any rounds. The software must provide the flexibility to modify the auction bid increments, both across all products or on a product-by-product basis. All prices are to be rounded up to the nearest thousand dollars.
- 3.5 A minimum pace of auction bidding in the auction is established by the "activity rule" which penalizes auction bidders who are inactive. As a minimum, the demonstration must include an eligibility-based activity rule. Every licence will be assigned a specific number of eligibility points, determined prior to the auction. Refer to Sections 4 and 5 for a listing of the points for each licence and auction bidder associated with this sample scenario.
- 3.6 Auction bidders begin each round with a set number of eligibility points (Section 5) and these determine the maximum activity level for that round. The eligibility-based activity rule requires an auction bidder to bid on licences whose total sum of associated points is equal to 100% of its eligibility

points if it wishes to maintain that eligibility level in the subsequent round. When an auction bidder bids to a smaller number of licences in terms of eligibility points than it has previously bid on, (that is, has fewer eligibility points worth of licences), the auction bidder's eligibility is reduced to the amount it bid on. If an auction bidder's eligibility drops to zero, the auction bidder should no longer be able to bid.

- 3.7 The demonstration may include a revealed preference activity rule. This rule allows auction bidders to exceed their eligibility points in order to bid on packages that have become comparatively less expensive. If this rule is included in the demonstration, an explanation of how the revealed preferences are calculated must be included in the Bidder's proposal.
- 3.8 The demonstration may include package bidding. All bids submitted by each auction bidder during each round will be considered as a package (all or nothing) bids. The highest value combination of package bids must be identified subject to the requirements that each auction bidder wins no more than one of its packages and that each licence is allocated no more than once.
- 3.9 Once winners are determined, prices must also be calculated for each winning bidder. In the SMRA format, a first price rule is used, where winning bidders pay their bid price. In the CCA, winning auction bidders must pay an amount that is, individually and collectively, sufficient to ensure that there is no other auction bidder or group of auction bidders prepared to pay more for the licences.
- 3.10 For the CCA, a reserve bid for every licence, at the opening bid price, must be included in the determination of winning auction bidders and prices. In this process, it is as if IC is an auction bidder in the auction, placing a bid on every licence at the opening bid price.

4. Frequency blocks / Band Plan / Number of Licences / Service Areas

Spectrum Block	Bandwidth (MHz)	Number of licences	Lower Frequency (MHz)	Upper Frequency (MHz)
A	10	14	667 – 672	688 – 693
B	10	14	672 – 677	693 – 698

Service Area	Service Area Name	Opening Bid per Licence (\$)	Eligibility Points per Licence
2-01	Newfoundland and Labrador	1,364,000	10
2-02	Nova Scotia and P.E.I.	2,814,000	22
2-03	New Brunswick	1,987,000	14
2-04	Eastern Quebec	4,421,000	34
2-05	Southern Quebec	39,042,000	296
2-06	Eastern Ontario and Outaouais	7,677,000	57
2-07	Northern Quebec	505,000	4
2-08	Southern Ontario	69,324,000	524
2-09	Northern Ontario	2,053,000	16
2-10	Manitoba	3,198,000	24
2-11	Saskatchewan	2,755,000	20
2-12	Alberta	11,904,000	89
2-13	British Columbia	14,388,000	109
2-14	Yukon, N.W.T. and Nunavut	284,000	2

5. Participants

Auction bidder number	Auction bidder name	Initial eligibility
101	Bidder 1	2442
102	Bidder 2	2442
103	Bidder 3	2442
104	Bidder 4	1221
105	Bidder 5	782
106	Bidder 6	92
107	Bidder 7	48
108	Bidder 8	16
109	Bidder 9	40
110	Bidder 10	4

6. Information released during the auction

The demonstration must allow for anonymous bidding. The auction bidders' identities will be hidden from other auction bidders in the auction. Only information about prices and demand will be released during the auction.

ATTACHMENT 2 TO ANNEX A CONFIDENTIALITY AGREEMENT

For the purposes of this confidentiality agreement all information provided or supplied to the Contractor by or on behalf of Canada includes all information or data provided or supplied by auction participants, including qualified bidders or potential bidders in the 600 MHz spectrum auction, participants in related mock auctions, and users of the deliverables in connection with the Work, and any information or data generated by their participation or use.

1. The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.

2. The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.

3. Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1 and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.

4. The obligations of the Parties set out in this section do not apply to any information if the information:

(a) is publicly available from a source other than the other Party; or

(b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information or that provides the information on behalf of the other Party; or

(c) is developed by a Party without use of the information provided by or on behalf of the other Party.

5. Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of Industry (Industry Canada (IC)) Contract No. (fill in Contract Number)". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.

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



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

Date: _____

Signature: _____

Title: _____
(Title of duly authorized representative of business)

Name of Business: _____

ANNEX B TERMS OF PAYMENT

1.0 TERMS OF PAYMENT

Her Majesty the Queen in right of Canada agrees to pay the Contractor a sum not to exceed \$_____, plus applicable taxes, for the work performed in accordance to the Statement of Work. (will be completed at contract award)

1.1 Phase 1 and Phase 2 Consulting Services

The Contractor will be paid at the following per diem rates: *(will be completed at contract award)*

Name of consultant/ Senior Consultant or Consultant or Operations and Technical Resources / per diem rate / level of effort (if applicable) / total.

1.2 Phase 2 Development, Testing, Implementation and Operation of the 600 MHz Auction

Her Majesty the Queen in right of Canada agrees to pay the Contractor a firm or fixed price of \$_____, plus applicable taxes, for the work performed in accordance to the Statement of Work. *(will be completed at contract award)*

1.3 Definition of a Day / Proration:

A day is defined as 7.5 hours exclusive of meal breaks. Payment will be for days actually worked with no provision of annual leave, statutory holidays and sick leave. Time worked ("days worked" in the formula below) which is less than a day will be prorated to reflect actual time worked in accordance with the following formula:

$$\text{Days worked} = \frac{\text{hours worked}}{7.5 \text{ hours per day}}$$

1.4 Overtime Work:

All proposed personnel must be available to work outside normal office hours during the duration of the Contract. No overtime charges will be authorized under this Contract.

2.0 TRAVEL AND LIVING EXPENSES

Canada agrees to reimburse the Contractor a sum not to exceed \$50,000.00 including taxes, for any of its travel related expenses properly incurred in the performance of the Work, and only upon submission of original receipts.

All travel must be preauthorized by Industry Canada (IC) Project Authority and must be in accordance to Section 7 of Treasury Board (TB) Special Travel Authorities rather than those applying to Government of Canada employees. The amounts specified in Appendices B, C and D of the National Joint Council Travel Directive only represent the maximum claimable and not the actual allocation to the Contractor for authorized travel and living expenses.

For further guidance see the following links:

TB Directive on Special Travel Authorities: http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/tbm_113/sta01-eng.asp#Toc65556474

National Joint Council Travel Directive: <http://www.njc-cnm.gc.ca/directive/index.php?did=10&lang=eng>

3.0 LIMITATION OF EXPENDITURES

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

4.0 METHOD OF PAYMENT

Phases 1 and 2 Consulting Services: Monthly Payments

Progress payments shall be made no more frequently than once a month following completion by the Contractor and acceptance by the Project Authority of the work performed as stated in the Statement of Work.

Phase 2 Development, Testing, Implementation and Operation of the 600 MHz Auction: Milestone Payments

Milestone payments shall be made in accordance with the Schedule of Milestones or specific deliverable as defined in the Statement of Work.

5.0 Invoicing Instructions

The invoice(s) shall be sent to address indicated (*include name, address and telephone number at contract award*). Each invoice should include the contract number, the Contractor's name, address and GST/HST registration number (*if applicable*), including the number of days worked (*when the per diem rates are applicable*) or the report provided at the satisfaction of the Project Authority (*when the payments are done against deliverables*) and a description of the work performed during the period covered by the invoice. The applicable tax(es) shall be submitted as a separate amount on the invoice.

All of the above will be to the satisfaction of the Project Authority.



**ANNEX C
SECURITY REQUIREMENTS CHECK LIST (SRCL),
SECURITY GUIDE AND RELATED CLAUSES**

See attached PDF document - SRCL

Security Guide – 600 MHz Auction Services

For the 600 MHz auction, the Contractor will be required to provide the following key services:

- Phase 1 Work
 - Auction consulting for the purpose of choosing an auction design
 - Throughout the development of the auction policies and framework material and continuing throughout the software development phase, the Contractor will never have access to Protected B material
 - The Contractor and all proposed personnel and sub-contractors who will be performing any work on the contract will be required to sign a confidentiality agreement.
- Phase 2 Work
 - Develop custom auction software based on the specifications provided by Industry Canada
 - Provide on-site support at Industry Canada during the live auction – Reliability clearance required
 - It has been determined that the bid data that is submitted by auction participants via the auction software is rated at Protected B. Since the contractors and all proposed personnel and sub-contractors who will be working on-site in Canada running the live auction will have access to this bid data, they will require an equivalent to a Reliability clearance.
 - The Contractor and all proposed personnel and sub-contractors who will be involved in the performance of work in Canada for the live auction must possess a valid security clearance at the level of Reliability (or equivalent) obtained by the Canadian Federal Government. The work in Canada during the live auction cannot start prior to this condition being met. Industry Canada will initiate a security screening request if the successful contractor is not security cleared at this level.

**ATTACHMENT 1 TO ANNEX C
SECURITY REQUIREMENTS FOR SUPPLIER(S)
600 MHz Auction Services RFP**

PROTECTED B, RELIABILITY STATUS

The Contractor must perform a security screening of all its personnel who will need access to CANADA Protected information or sites;

- a) Identity check
 - i. Copies of two valid original pieces of government issued identity documentation, one of which must include a photo
 - ii. Surname (last name)
 - iii. Full given names (first name) – underline or circle usual name used
 - iv. Family name at birth
 - v. All other names used (aliases)
 - vi. Name changes
 - 1. Must include the name they changed from and the name they changed to, the place of change and the institution changed through
 - vii. Sex
 - viii. Date of birth
 - ix. Place of birth (city, province/state/region, and country)
 - x. Citizenship(s)
 - xi. Marital status/common-law partnership
 - 1. Current Status (married, common-law, separated, widowed, divorced, single)
 - 2. All current spouses (if applicable)
 - a. Surname (last name)
 - b. Full given names (first name) – underline or circle usual name used
 - c. Date and duration of marriage/common-law partnership
 - d. Date of birth
 - e. Family name at birth
 - f. Place of birth (city, province/state/region, and country)
 - g. Citizenship
- b) Residency check
 - i. The last five (5) years of residency history starting from most recent with no gaps in time
 - 1. Apartment number, street number, street name, city, province or state, postal code or zip code, country, from-to dates
- c) Educational check
 - i. The educational establishments attended and the corresponding dates
- d) Employment history check
 - i. The last five (5) years of employment history starting from most recent with no gaps in time
 - ii. Three (3) employment reference checks from the last five (5) years
- e) Criminal records check:
 - i. report(s) containing all criminal convictions for the last five (5) years in and outside of the candidate's country of residence