



**RETURN BIDS TO:  
RETOURNER LES SOUMISSIONS À:**

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

**REQUEST FOR PROPOSAL  
DEMANDE DE PROPOSITION**

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

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

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

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

**Comments - Commentaires**

<b>Title - Sujet</b> PHD 6 Service Contract	
<b>Solicitation No. - N° de l'invitation</b> W8486-163029/A	<b>Date</b> 2016-06-22
<b>Client Reference No. - N° de référence du client</b> W8486-163029	
<b>GETS Reference No. - N° de référence de SEAG</b> PW-\$\$PV-896-71124	
<b>File No. - N° de dossier</b> pv896.W8486-163029	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> <b>on - le 2016-08-03</b>	
<b>Time Zone</b> <b>Fuseau horaire</b> Eastern Daylight Saving Time EDT	
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input checked="" type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Beach, Isabelle	<b>Buyer Id - Id de l'acheteur</b> pv896
<b>Telephone No. - N° de téléphone</b> (613) 867-0709 ( )	<b>FAX No. - N° de FAX</b> (819) 956-3817
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b> Canadian Forces Supply Depot Montreal, Quebec Canada	

**Instructions: See Herein**

**Instructions: Voir aux présentes**

**Vendor/Firm Name and Address**

**Raison sociale et adresse du  
fournisseur/de l'entrepreneur**

**Issuing Office - Bureau de distribution**

Scientific, Medical and Photographic Division / Division de  
l'équipement scientifique, des produits photographiques et  
pharmaceutiques  
11 Laurier St./ 11 rue, Laurier  
6B1, Place du Portage  
Gatineau, Québec K1A 0S5

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

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## **PART 1 - GENERAL INFORMATION**

### **1.1 Introduction**

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

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

The Annexes include the Statement of Work, the Basis of Payment, Technical Evaluation Criteria, DND 626 Task Authorization Form and Reference Document A-LM-184-001/JS/001.

### **1.2 Summary**

The Department of National Defence (DND) has a requirement to establish a Repair & Overhaul (R&O) contract for the in-service PHD 6 Detector kits and Docking Stations. The contract will be for a period of two (2) years with three (3) option periods of two (2) years each.

### **1.3 Debriefings**

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

## **PART 2 - BIDDER INSTRUCTIONS**

### **2.1 Standard Instructions, Clauses and Conditions**

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

Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

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

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

Delete: 60 days  
Insert: 90 days

## **2.2 Submission of Bids**

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

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

## **2.3 Enquiries - Bid Solicitation**

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

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

## **2.4 Applicable Laws**

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

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

## **PART 3 - BID PREPARATION INSTRUCTIONS**

### **3.1 Bid Preparation Instructions**

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

- Section I: Technical Bid, two (2) hard copies and one (1) soft copies on CD/DVD.
- Section II: Financial Bid, one (1) hard copy and one (1) soft copy on CD/DVD.
- Section III: Certifications, two (2) hard copies and one (1) soft copies on CD/DVD.

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If there is a discrepancy between the wording of the soft copy and the hard copy, the wording of the hard copy will have priority over the wording of the soft copy.

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

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

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

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

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

### **Section I: Technical Bid**

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

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

### **Section II: Financial Bid**

Bidders must submit their financial bid in accordance with the Basis of Payment in Annex "B". The total amount of Applicable Taxes must be shown separately.

#### **3.1.1 Exchange Rate Fluctuation**

[C3011T](#) 2013-11-06, Exchange Rate Fluctuation

### **Section III: Certifications**

Bidders must submit the certifications required under Part 5.

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## PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

### 4.1 Evaluation Procedures

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

#### 4.1.1 Technical Evaluation

##### 4.1.1.1. Mandatory Technical Criteria

Refer To Annex C - Technical Evaluation Criteria.

#### 4.1.2 Financial Evaluation

##### 4.1.2.1 Mandatory Financial Criteria

*SACC Manual* Clause [A0220T](#) 2014-06-26, Evaluation of Price

### 4.2 Basis of Selection

#### 4.2.1 Mandatory Technical Criteria

*SACC Manual* Clause [A0031T](#) 2010-08-16, Basis of Selection – Mandatory Technical Criteria

## PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION

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

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

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

### 5.1 Certifications Required with the Bid

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

#### 5.1.1 Declaration of Convicted Offences

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

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## 5.2 Certifications Precedent to Contract Award and Additional Information

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

### 5.2.1 Integrity Provisions – List of Names

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

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

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

### 5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

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

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

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Signature of Contractor's Authorized Representative

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Date

### 5.2.3 Additional Certifications Precedent to Contract Award

#### 5.2.3.1 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 for reasons beyond its control, the Bidder is unable to provide the services of an individual named in its bid, the Bidder may propose a substitute with similar qualifications and experience. The Bidder must advise the Contracting Authority of the reason for the substitution and provide the name, qualifications and experience of the proposed replacement. For the purposes of this clause, only the following reasons will be considered as beyond the control of the Bidder: death, sickness, maternity and parental leave, retirement, resignation, dismissal for cause or termination of an agreement for default.

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 résumé 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. Failure to comply with the request may result in the bid being declared non-responsive.

### 5.2.3.2 Education and Experience

5.2.3.2.1 *SACC Manual* clause [A3010T](#) 2014-06-26, Education and Experience

## PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

### 6.1 Security Requirements

There are no security requirements associated with this solicitation.

## PART 7 - RESULTING CONTRACT CLAUSES

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

### 7.1 Statement of Work

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

#### 7.1.2 Task Authorization

A portion of the Work described at Annex A – Statement of Work, and Annex E, specifically Technical Investigations & Engineering Support (TIES), training and procurement of spares to be performed under the Contract will be on an "as and when requested basis" using a Task Authorization (TA). The Work described in the TA must be in accordance with the scope of the Contract.

##### 7.1.2.1 Task Authorization Process

###### Task Authorization:

The Work or a portion of the Work to be performed under the Contract will be on an "as and when requested basis" using a Task Authorization (TA). The Work described in the TA must be in accordance with the scope of the Contract.

###### Task Authorization Process:

1. The Procurement Authority will provide the Contractor with a description of the task using the DND 626, Task Authorization Form specified in Annex D.
2. The Task Authorization (TA) will contain the details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major activities or submission dates for the deliverables. The TA will also include the applicable basis and methods of payment as specified in the Contract.
3. The Contractor must provide the Procurement Authority, within five (5) calendar days of its receipt, the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.

4. The Contractor must not commence work until a TA authorized by the Procurement Authority has been received by the Contractor. The Contractor acknowledges that any work performed before a TA has been received will be done at the Contractor's own risk.

#### **7.1.2.2 Task Authorization Limit**

The Procurement Authority may authorize individual task authorizations up to a limit of \$75,000.00, Applicable Taxes included, inclusive of any revisions.

Any task authorization to be issued in excess of that limit must be authorized by the Contracting Authority before issuance.

#### **7.1.2.3 Task Authorization - Department of National Defence**

The administration of the Task Authorization process will be carried out by DLP A/3-4-1. This process includes monitoring, controlling and reporting on expenditures of the contract with task authorizations to the Contracting Authority.

### **7.2 Standard Clauses and Conditions**

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

#### **7.2.1 General Conditions**

[2010C](#) 2015-09-03, General Conditions – Services (Medium Complexity), apply to and form part of the Contract.

### **7.3 Security Requirements**

**7.3.1** There is no security requirement applicable to this Contract.

### **7.4 Term of Contract**

#### **7.4.1 Period of the Contract**

The period of the Contract is from date of Contract to March 31, 2018 inclusive.

#### **7.4.2 Option to Extend the Contract**

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to three (3) additional two (2) 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 Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least thirty (30) calendar days 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.

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## 7.5 Authorities

### 7.5.1 Contracting Authority

The Contracting Authority for the Contract is:

Isabelle Beach  
Supply Specialist  
Public Works and Government Services Canada  
Acquisitions Branch  
Commercial and Consumer Products Directorate  
Portage III, 6<sup>th</sup> Floor, Rm 42  
11 Laurier Street  
Gatineau, Quebec  
K1A 0S5

Telephone: 613-867-0709  
Facsimile: 819-956-3814  
E-mail address: [Isabelle.Beach@tpsgc-pwgsc.gc.ca](mailto:Isabelle.Beach@tpsgc-pwgsc.gc.ca)

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

### 7.5.2 Technical Authority (to be identified at Contract award)

The Technical Authority for the Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_

Telephone: \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
Facsimile: \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
E-mail address: \_\_\_\_\_

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

### 7.5.3 Procurement Authority (to be identified at Contract award)

The Procurement Authority for the Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_

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Address: \_\_\_\_\_

Telephone: \_\_\_\_-\_\_\_\_-\_\_\_\_\_

Facsimile: \_\_\_\_-\_\_\_\_-\_\_\_\_\_

E-mail address: \_\_\_\_\_

The Procurement Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Procurement Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority however the Procurement Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

#### 7.5.4 Contractor's Representative (to be inserted by Bidder)

The contact information of the person responsible for:

##### General Enquires & Delivery Follow-Up

Name: \_\_\_\_\_

Telephone: \_\_\_\_-\_\_\_\_-\_\_\_\_\_

Facsimile: \_\_\_\_-\_\_\_\_-\_\_\_\_\_

E-mail address: \_\_\_\_\_

#### 7.6 Payment

##### 7.6.1 Basis of Payment

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract or the authorized Task Authorization (TA), the Contractor will be paid in accordance with the basis of payment, in Annex B, and as specified in the authorized TA. Customs duties are included and Applicable Taxes are extra.

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

##### 7.6.2 Limitation of Expenditure

1. Canada's total liability to the Contractor under the Contract must not exceed \$ \_\_\_\_\_ (To be inserted at Contract award). Customs duties are included and Applicable Taxes are extra.
2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:
  - a. when it is 75 percent committed, or
  - b. four (4) months before the contract expiry date, or

- c. as soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work, whichever comes first.
3. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

### 7.6.3 Multiple Payments

SACC *Manual* clause [H1001C](#) 2008-05-12, Multiple Payments

### 7.7 Invoicing Instructions

1. The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the general conditions. Invoices cannot be submitted until all work identified in the invoice is completed.
2. Invoices must be distributed as follows:
  - a. The original and one (1) copy must be forwarded to the following address for certification and payment.  
National Defence Headquarters  
Mgen George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, Ontario, K1A 0K2  
Attn: **(To be inserted at Contract Award)**
  - b. One (1) copy must be forwarded to the Contracting Authority identified under the section entitled "Authorities" of the Contract.
  - c. one (1) copy must be forwarded to the consignee.

### 7.8 Certifications

#### 7.8.1 Compliance

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

### 7.9 Applicable Laws

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

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## 7.10 Priority of Documents

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

- (a) the Articles of Agreement;
- (b) the general conditions 2010C 2015-09-03, General Conditions – Services (Medium Complexity);
- (c) Annex A, Statement of Work;
- (d) Annex B, Basis of Payment;
- (e) the signed Task Authorizations;
- (f) the Contractor's bid dated \_\_\_\_\_, (*insert date of bid*)

## 7.11 Defence Contract

SACC *Manual* clause [A9006C](#) 2012-07-16, Defence Contract

## 7.12 SACC Manual Clauses

SACC *Manual* clause D2000C 2007-11-30, Marking  
SACC *Manual* clause D2001C 2007-11-30, Labelling  
SACC *Manual* clause D9002C 2007-11-30, Incomplete Assemblies  
SACC *Manual* clause D5510C 2012-07-16, Quality Assurance Authority – Canadian-based Contractor  
SACC *Manual* clause D5540C 2010-08-16, ISO 9001:2008 Quality Management Systems – Requirement (QAC Q)  
SACC *Manual* clause D5606C 2012-07-16, Release Documents – Canadian-based Contractor  
SACC *Manual* clause D2025C 2013-11-06, Wood Packaging Materials  
SACC *Manual* clause D6010C 2007-11-30, Palletization

## 7.13 Shipping Instructions – Canadian-based Contractor

1. Delivery will be FCA Free Carrier at \_\_\_\_\_ (*Insert the named place, e.g. Contractor's facility*) Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

Inbound Logistics Central Area (ILCA)  
Telephone: 1-866-371-5420 (toll free)  
Facsimile: 1-866-419-1627 (toll free)  
E-mail: [ILCA@forces.gc.ca](mailto:ILCA@forces.gc.ca)

3. The Contractor must provide the following information to the DND Inbound Logistics Coordination Center when arranging for shipment:
  - a) consignee address (for multiple addresses, items must be packaged and labelled separately with each consignee address);
  - b) description of each item;

- 
- c) the number of pieces and type of packaging (i.e., carton, crate, drum, skid);
  - d) actual weight and dimensions of each piece type, including gross weight;
  - e) full details of dangerous goods/hazardous products, as required for the applicable mode of transportation, signed certificates for dangerous goods/hazardous products as required for shipment by the International Maritime Dangerous Goods Code, the International Air Transport Association regulations or the applicable Canadian Transportation of Dangerous Goods Regulations, and a copy of the safety data sheet in English and French.
4. Following receipt of this information by Canada, Canada will provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, and the marking of each piece with a Transportation Control Number.
  5. The Contractor must not ship the goods before receiving shipping instructions from the DND Inbound Logistics contact.
  6. If the Contractor delivers the goods at a place and time which are not in accordance with the given delivery instructions or fail to fulfill reasonable delivery instructions given by Canada, the Contractor must reimburse Canada any additional expenses and costs incurred.
  7. If Canada is responsible for delays in delivering the goods, ownership and risk will be transferred to Canada upon expiry of either thirty (30) days following the date on which a duly completed shipping application is received by Canada or by its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.

#### **7.14 Meeting Administration**

Meetings must be convened at the Contractor's facilities, DND sites, or other agreed upon locations.

The Contractor must provide paper and electronic copies of all view graphs, handouts, and other materials to be presented to each government attendee. The Contractor should provide draft or preliminary documentation on electronic version at least five (5) working days prior to a meeting.

#### **7.15 Kick-Off Meeting**

The Contractor must host a Kick-off Meeting, no later than thirty (30) working days after Contract award to review the contractual, procedural and technical issues. Participants may include representatives of the Contractor, DND Design Authority, DND Quality Assurance Representative (DNDQAR), DND project Authority, Contracting Authority and the DND Administrative Authority. Other meetings may be convened as required.

The Contractor is responsible for the recording and distribution of the minutes for all contract related meeting. The minutes must be sent to the Contracting Authority for acceptance prior to the distribution to all participants or as otherwise directed in the contract within ten (10) calendar days of the subject meeting. The minutes must be used only as a record of proceedings.

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**ANNEX "A"**

**STATEMENT OF WORK**

**FOR IN SERVICE SUPPORT**

**AND**

**REPAIR AND OVERHAUL  
OF**

**PHD 6 DETECTOR KITS  
NSN 6665-20-007-3423  
NSN 6665-20-007-3623**

**AND**

**DATA DOCKING STATIONS  
NSN 6665-20-007-3621**

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## ACRONYMES

CAF	Canadian Armed Forces
CFBs	Canadian Forces Bases
DND	Department of National Defence
HAZMAT	Hazardous Material
HVOC	Heavy Volatile Organic Compound
LEL	Lower Explosive Limit
MRC	Maximum Repair Cost
NSN	NATO Stock Number
QAR	Quality Assurance Representative
OEM	Original Equipment Manufacturer
PA	Procurement Authority
CA	Contracting Authority
R&O	Repair and Overhaul
RFI	Radio Frequency Interference
SOW	Statement of Work
STEL	Short Term Exposure Limit
TA	Technical Authority
TAT	Turn-Around-Time
TWA	Time Weighted Average

## 1. SCOPE

### 1.1 Purpose

This Statement of Work (SOW) defines the work efforts required to repair and overhaul the following PHD 6 Detector Kits and Docking Stations:

1. Detector Kit Part Number IV5453A1028000NWDND (NSN 6665-20-007-3423),
2. Detector Kit Part Number IV5453A14005280NWDND (NSN 6665-20-007-3623), and
3. Data Docking Stations Part Number V54549400NDND (NSN 6665-20-007-3621).

This includes investigating serviceability, performing Repair and Overhaul (R&O) and kitting by the Contractor, in accordance with industry standard practice, prior to returning the fully operational PHD 6 Kits and Docking Stations to the Canadian Armed Forces (CAF).

1.2 The PHD 6 Kits Data Docking Stations consist of items as per individual Family trees (see related Figures 1-3, at the end of the SOW).

### 1.3 Background

The CAF has in-service PHD 6 Detector kits and Docking stations. The Original Equipment Manufacturer (OEM) warranty has expired. Repair is beyond the capabilities of in-house maintenance facilities to restore the kits to the current OEM standards. The Original Equipment Manufacturer (OEM) has authorized several Canadian facilities to perform the required repairs. Historically the average number of kits repaired annually has been quantity 160.

PHD 6 Detector kits and Docking station Inventory		
NSN	Description	Quantity
6665-20-007-3423	Detector Kit	500
6665-20-007-3623	Detector	310
6665-20-007-3621	Docking Station	140

## 2. APPLICABLE DOCUMENTS

### 2.1 Government Publications

Honeywell Analytics Reference Manual PHD 6 Multi Gas Detector and the Family trees are the only manuals held by the CAF, (see related Figures 1-3, at the end of the SOW). The Contractor will be responsible to obtain repair manuals from the OEM, Honeywell Analytics. A-LM-184-001/JS-001 Special Instructions Repair and Overhaul Contractors, Annex E, will apply to this contract.

### 2.2 Precedence of Documents

In the event of a conflict between the text of this SOW and the references stated herein, the SOW must take precedence.

### 2.3 Discrepancies

The Contractor must notify the Technical Authority of any discrepancies discovered between the referenced documents, this SOW, and the equipment undergoing repair.

### 2.4 Applicability

The reference manual, that is referred to in paragraph 2.1 is copyrighted by Honeywell Analytics. Repair part numbers contained in the documents may not be current, and it is the Contractor's responsibility to verify all parts information.

### 3. REQUIREMENTS

#### 3.1 General

The Department of National Defence (DND) has a requirement to restore subject equipment to original OEM and DND performance parameters and to provide the CAF users with safe, reliable multi gas detector kits and docking stations. Therefore, the emphasis on completing required Repair and Overhaul (R&O) within the Maximum Repair Cost (MRC) must be on safety, functionality, and reliability.

#### 3.2 Facilities

The Contractor must have a minimum of one Honeywell Analytics certified repair facility in Canada.

##### 3.2.1 Certified Technicians

Two Honeywell Analytics Certified Technicians must be available at repair facilities in Canada.

#### 3.3 Repair /Condemn Decisions

In the event that a component, e.g. power supply, cannot be repaired within the MRC of \$1.2k, the Contractor must refer relevant data to the Technical Authority for decision. The Technical Authority will respond in one of three ways:

- a. Proceed with the repairs with authorization to exceed the MRC by a stated amount,
- b. Condemn the PHD6 Kits and Docking Stations; or
- c. Condemn the PHD 6 with authorization to remove and reuse serviceable parts (cannibalize), with reference to A-LM-184-001/JS-001 Chapter 8.9.

The forecasted repair quantities of the three (3) NATO Stock Numbers (NSNs), per fiscal year (April 1 – March 31), are as per table below (Actual quantity may be more or less, depending on operational tempo):

<b>PHD 6 Detector kits and Docking station Arising's</b>			
<b>NSN</b>	<b>Description</b>	<b>Quantity</b>	<b>MRC</b>
6665-20-007-3423	Detector Kit	80	\$1200
6665-20-007-3623	Detector	80	\$1200
6665-20-007-3621	Docking Station	10	\$1200

#### 3.4 Provision of Parts

##### 3.4.1 Government Supplied Material

The Government does not intend, in most cases, to provide spare parts to the Contractor. At the request of the Contractor, the Government will, if available, provide assistance in locating parts sources.

##### 3.4.2 Contractor Supplied Parts

The Contractor must be responsible to provide the repair parts required, including the locating of sources for the required parts. In the event that an original part is no longer available, and the Contractor determines that a replacement part will serve with respect to fit, form and function, and reasonable cost, then the use of that part must be reported to the Technical Authority with a form, fit, and function analysis for approval.

##### 3.4.3 Spare parts and consumables

The Contractor must provide spare parts and consumables on an as required basis that will be detailed in a DND 626 Task Authorization. A Recommended spare parts list must be provided by the Contractor annually, in an agreed upon format.

### 3.4.4 Hazardous Materials

The Contractor will have a Workplace Hazardous Materials Information System (WHMIS) program in place within its facility. The Contractor will meet all of the current Federal and Provincial environmental standards for the handling, transportation and disposal of waste and hazardous wastes. The Contractor will be solely responsible for the handling, transportation and disposal of all waste, and hazardous waste material generated as a result of the work. All scrap materiel must be disposed of in accordance with HAZMAT Goods Regulations and environmental policies. Refer to A-LM-184-001/JS-001 Chapter 8-10.

### 3.5 Extent of Repair and Overhaul

#### 3.5.1 Mechanical

All mechanical systems must be inspected and repaired as required.

#### 3.5.2 Electrical

All electrical components must be inspected and tested to meet the PHD 6 OEM operating specifications. Sensors that have expired, or that have less than six (6) months life remaining, must be replaced. The PHD 6 Detector Kits and Docking Stations must be tested to the latest OEM specification, for proper sensor operation, DND approved alarm levels, Radio Frequency Interference (RFI) protection, and display segment operation. If any of these do not meet specification, the Contractor will correct this by adjusting, repairing or replacing components.

#### 3.5.3 DND Alarm Levels / Safety.

All systems/components affecting the safety of the user/operator or those affecting hazardous operation of the PHD 6 must be inspected and tested for correct operation. All warning decals and labels and data plates will be clear and legible. The national alarm levels must be checked and reset to DND levels:

i. Oxygen	22.0% high & 20% Low
ii. Carbon Monoxide	Ceiling.....200ppm
	STEL.....50 ppm
	TWA..... 25 ppm
iii. Hydrogen Sulphide	Ceiling..... 10 ppm
	STEL.....5 ppm
	TWA.....1 ppm
iv. LEL	10%
v. HVOC	STEL..... 25 ppm
	TWA..... 10 ppm

#### 3.5.4 Test Report

The Contractor must prepare a test report in PDF format, for each tested PHD 6, to ensure the units are certified operational and complete. A copy must be placed in the carrying case. The test report must contain the following, but not be limited to:

1. Kit complete as per DND kit family trees;
2. Lists Serial number, last certification date, Current certification date;
3. DND alarm levels set;
4. RFI protection;
5. Sensor Readings;
6. Battery status
7. Test gases used information;
8. Serial Number, and;
9. Technician's info, signature.

#### 3.5.5 Test Report Filing

The Contractor must hold a copy of the test report for a minimum of the duration of the contract.

### 3.5.6 Calibration

All equipment returned from repair must be in all ways fully operable, including being fully calibrated, if due for calibration. The unit should be exposed to a known concentration of calibration gas, to see if it is functioning correctly, as per OEM specs and reference manuals.

### 3.5.7 Calibration Sticker

A calibration date sticker, in an agreed upon format, should be affixed to the monitor stating the Calibration date and next due date. A second sticker also including the serial number, must be affixed to the outer case.

### 3.5.8 Certificate of Calibration

The Contractor must prepare a Certificate of Calibration in an agreed upon format for each tested PHD 6 Detector Kit, and Docking Station, that is acceptable to the Technical Authority . Certificate of Calibration must be dated and signed by the technician who did the work.

### 3.5.9 Certificate of Calibration Filing

The Contractor must forward a copy of the Certificate of Calibration with the equipment and a copy must be held for the duration of the contract.

### 3.5.10 Kit Completeness

Items missing from the Kits must be replaced. Refer to Family trees, (see related Figures 1-3, at the end of the SOW). Defective or missing Kit components must be repaired or replaced.

### 3.6 Documentation

The Contractor must provide supporting data attached to the invoice to substantiate the billable costs identified, to the PA with a copy to the TA, stating the serial number(s) and parts repaired/replaced.

### 3.7 Packaging

It is required that all PHD 6 Detector Kits and Docking Stations leave the Contractors facility in the approved kit case to prevent in-transit damage while being returned to the CAF. The Contractor is to use best commercial packaging to prevent damage during transit. [Refer to A-LM-184-001/JS-001 Chapter 8.10.]

### 3.8 Training

The Contractor must provide operator training sessions on an as required basis, for a class size of approximately 5 to 15 students, at Canadian Forces Bases (CFBs) located across Canada. The training must be provided in Canada's' official languages, as required at each specific location. The Contractor will provide the Technical Authority with lesson plans and electronic copies of training materials, for Technical Authority review and approval, no later than sixty (60) calendar days after contract award. DND will provide details of required training via a DND 626 call-up, to the Contractor's Representative, 60 calendar days prior. The training courses are to include the following:

- a) Equipment description;
- b) Set up and pack up with/without wireless laptop connection;
- c) Sampling;
- d) Analysis;
- e) Saving, retrieving and sending reports;
- f) Power connections, battery change; and
- g) Calibration.

### 3.9 Firmware and Software support

The Contractor must provide firmware and software support on an as required basis for the duration of the contract. This must include but not be limited to upgrades, improvements and fixes.

## 4. QUALITY ASSURANCE

### 4.1 Quality Assurance Representative (QAR)

All stages of the R&O procedures must be subject to inspection by a Government QAR.

### 4.2 Tests and Inspection

Each repaired/overhauled PHD 6 Detector Kits and Docking Stations must undergo test using the standards set by the OEM and standard industrial methods.

## 5. MANAGEMENT

### 5.1 Meetings

#### 5.1.1 Record of Decisions

No formal schedule of meetings is anticipated; however, meetings may be called at the request of either the Contractor or the Government as required. At any such meeting called, the Contractor must maintain a record of decisions in the format of their choice and provide a copy to the Contracting Authority (CA), Technical Authority, and Procurement Authority (PA) for approval within 14 calendar days.

#### 5.1.2 Reports

A monthly activity report is to be provided in an agreed upon format. The report must include at a minimum in/out date, kit serial number, repair cost and remarks should be addressed.

#### 5.1.3 Contractor's Representative

The Contractor must provide a representative for this R&O contract (identified in Article 5.4 of the Resulting Contract). The individual will have the responsibility and authority to manage all aspects of the work and be able to make decisions on behalf of the company. The Representative will be the sole interface with DND's Technical Authority. Contact information to be provided to the CA and TA.

### 5.2 Access to Facilities

#### 5.2.1 Government Access to Contractors Facilities

Authorized Government representatives must be granted free access to the Contractor's facilities, and to those of any subcontractors. The Contractor is entitled to require that visiting Government personnel be escorted by Contractor or subcontractor personnel.

#### 5.2.2 Contractor Access to Government Facilities

If required, access by Contractor or subcontractors personnel must be arranged through the Technical Authority.

### 5.3 Requests for Technical Information/Assistance

All requests for technical information and/or assistance must be directed to the Technical Authority.

### 5.4 Security Classification

All work performed and data provided by the Contractor through this R&O effort must be UNCLASSIFIED.

### 5.5 Warranty

The Contractor must provide their standard warranty and warranty relief as defined in the Contract documents, A-LM-184-001/JS-001 Chapter 9.

## 5.6 Scrap

All scrap materiel must be disposed of in accordance with HAZMAT Goods Regulations and environmental policies. Refer to A-LM-184-001/JS-001 Chapter 8.9.

## 6. **DELIVERABLES**

### 6.1 Repaired Material

All repaired material must be returned to the regional Supply Depot. In cases of urgent DND requirements, the Contractor may be required to ship units to specific Canadian Forces Bases (CFB) through the CAF supply system with the support of QAR. Unless specifically identified within the contract, equipment Turn-Around-Time (TAT) to a serviceable state shall be achieved in 90 Calendar days. TAT is defined as that period of time from "date of receipt to date item is reported serviceable".

### 6.2 Documentation

A copy of any documentation produced by the Contractor, as a result of this SOW, must be provided to the Technical Authority. This must include changed parts/procedures data discussed at Para 3.6, and test reports as per Para 3.5.4. All documentation such as reports and certificates must be in bilingual format to reflect both official languages of Canada.

### 6.3 Training

The Contractor must provide operator training sessions on an as required basis, for a class size of approximately 5 to 15 students, at Canadian Forces Bases (CFBs) located across Canada. As per 3.8

### 6.4 Spare Parts and Consumables

The Contractor must provide spare parts and consumables on an as required basis. As per para 3.4.3.



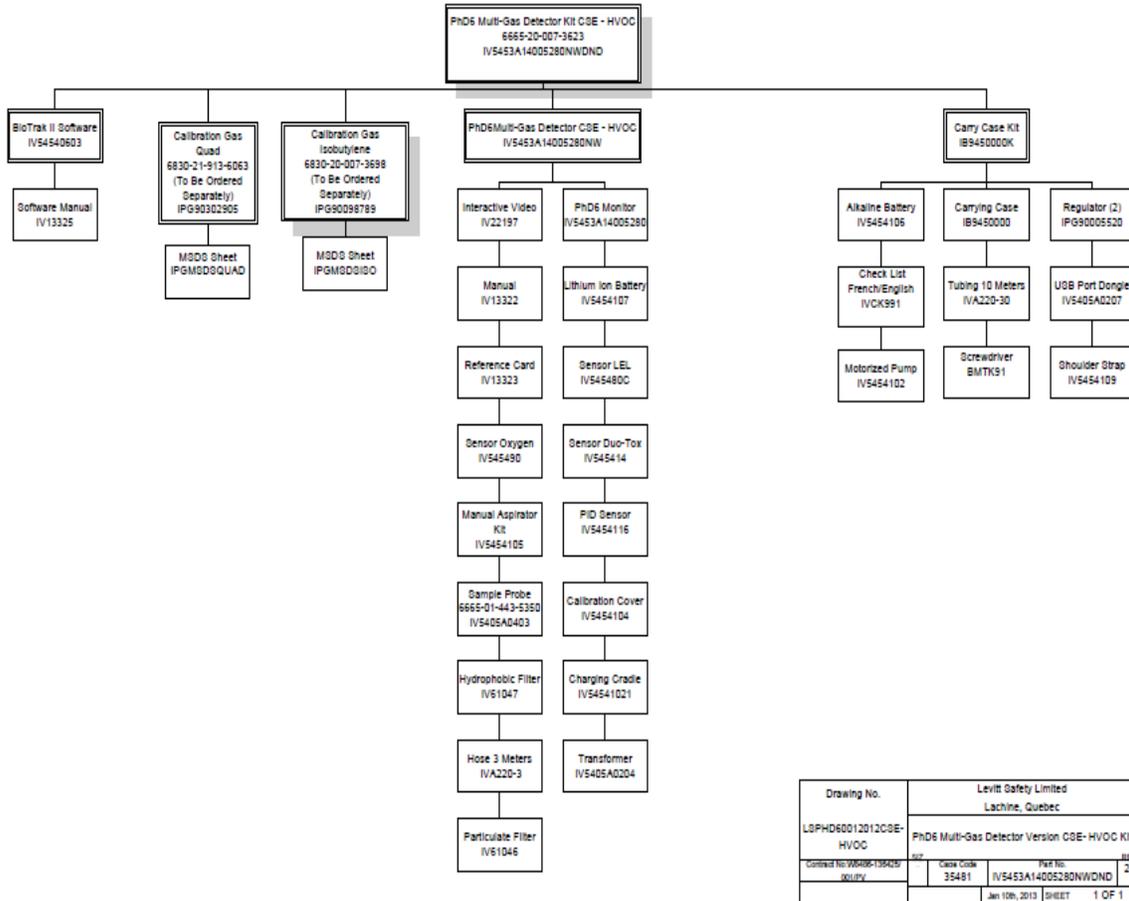
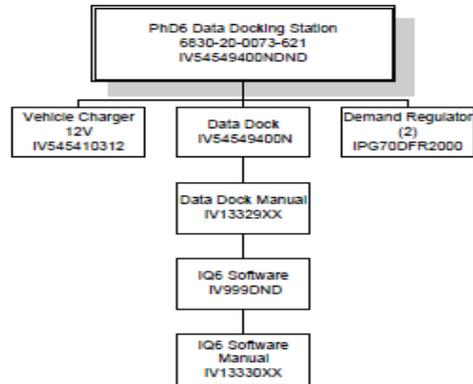


Figure 2-PHD 6 HVOC Family Tree

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Drawing No.	Levitt Safety Limited Lachine, Quebec		
LSDATA9400N	Data Dock Station Kit		
Contract No: W8486-135425 001/0V	REV -	Clear Code 35461	Part No. IV54549400NDND 2
		Jan 10 <sup>th</sup> , 2013	SHEET 1 OF 1

Figure 3-PHD 6 Data Dock Family Tree

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**ANNEX "B"**

**BASIS OF PAYMENT AND MRSPL PRICING**

Category	Initial Contract Period (Contract award to Mar 31, 2018)	Option 1 (Apr 1, 2018 to Mar 31, 2020)	Option 2 (Apr 1, 2020 to Mar 31, 2022)	Option 3 (Apr 1, 2022 to Mar 31, 2024)	Estimated number of hours per Contract Period *	Total Cost per Category
Repair and Overhaul Labour Rate (\$/Hrs)	\$	\$	\$	\$	3,900 Hrs	\$
TIES Labour Rate (\$/Hrs)	\$	\$	\$	\$	62 Hrs	\$
Training Sessions (5-15 students per class)	Initial Contract Period (Contract award to Mar 31, 2018) \$ (Cost per session)	Option 1 (Apr 1, 2018 to Mar 31, 2020) \$ (Cost per session)	Option 2 (Apr 1, 2020 to Mar 31, 2022) \$ (Cost per session)	Option 3 (Apr 1, 2022 to Mar 31, 2024) \$ (Cost per session)	Estimated number of sessions per Contract Period*	
					10 sessions	\$
<b>Total Estimated Cost:</b>						<b>\$</b>

\* The estimated number of hours is for evaluation purposes only and should in no way be considered as a guarantee of time or training sessions.

MRSPL Mark-Up	Initial Contract Period	Option 1	Option 2	Option 3
Percentage Mark-Up on Parts	%	%	%	%

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## MANUFACTURER'S RECOMMENDED SPARE PARTS LIST (MRSPL)

MRSPL Mark-Up Percentage Mark-Up on Parts			Initial Contract Period
Item	OEM Part #	Description	Unit Price
1	54-54-02	Smart Sensor (H <sub>2</sub> S) Hydrogen Sulphide	\$
2	54-54-90	Smart Sensor (O <sub>2</sub> ) Oxygen	\$
3	54-54-80C	Smart Sensor (LEL) Combustible	\$
4	54-04-401	Smart Sensor (CO) Carbon Monoxide	\$
5	54-54-14	Smart Sensor Duo-Tox (CO/H <sub>2</sub> S)	\$
6	54-54-116	PIO Sensor	\$
7	54-54-106	Alkaline Battery	\$
8	54-54-107	LI-Ion Batteries	\$
9	54-54-104	Calibration Adaptor	\$
10	54-54-109	Shoulder Strap	\$
11	54-54-102	Pump Electric Continuous Sample	\$
12	61-047	Hydrophobic Filter	\$
13	54-05-A0403	Sample Probe Assembly	\$
14	54-05-K0401	Filter Replacement Kit (3 Hydrophobic and 10 particulate)	\$
15	54-54-105	Sample Draw Kit including probe, 3 meter hose and sampling pump.	\$
16	54-05-A0207	RS232 Cable	\$
17	54-54-0603	Software BloTrak IIONO Version	\$
18	945	Carrying case c/w etched permanently NSN & Manufacturer Numbers Black	\$
19	22-197	Interactive Training CO-ROM	\$
20	13-322	Manual English/French (separate manuals)	\$
21	13-322F	Manuel Anglais/Français (manuels séparés)	\$
22	13-323	Quick Reference Cards	\$
23	13-323F	Carte de Référence	\$
24	A220-30	Hose 10 Meters	\$
25	54-260-605U	Infra Communications Kit	\$

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26	99 999CL 99-999CLF	Check List Laminated	\$
27	54-54-115	Replacement PIO Electrode Stack Kit	\$
28	54-54-103-1	LI- on Battery Charger	\$
29	54-54-103-12	Vehicle Charger 12 Volt	\$
30	54-54-108	PIO Lamp Cleaning Kit	\$
31	IPGQUAD	Calibration Cylinder Quad Gas Mix 15ppm H <sub>2</sub> S, 100ppm CO, 50% LEL, 18% O <sub>2</sub> balance N <sub>2</sub> , 58 liters	\$
32	IPGIS0	Calibration cylinder isobutylene 100ppm, balance air, 58 liters	\$
33	70DFR 2001	Regulator Demand Flow for Docking Stations (2)	\$
34	945	PhD6 Carrying Case	\$
35	54-54-9400N	Docking Station	\$

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## ANNEX "C"

### TECHNICAL EVALUATION CRITERIA

ID	Mandatory Requirements for PHD 6 Repair & Overhaul	Compliance Matrix		Evaluation Compliance Method	Additional Instructions	Bidder's Response
		Yes	No			
	<b>3. REQUIREMENTS</b>					
	<b>3.2 Facilities</b>			N/A		
M-D1	The Bidder must have a minimum of one certified repair facility in Canada.			Provide Shipping Address		
M-D2	Bidder must provide a Letter from Honeywell Analytics stating that they are an Authorized Canadian repair facility for the PHD 6.			Letter must be provided on Honeywell Analytics letterhead and signed by OEM executive.		
M-D3	Two Honeywell Analytics PHD6 Certified Technicians must be available at repair facilities in Canada.			Proof of Certification of each technician must be provided.	Biosystems/Sperian certification for PHD6 repair is acceptable.	

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CCC No./N° CCC - FMS No./N° VME

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**ANNEX "D" - DND 626 TASK AUTHORIZATION FORM**

**ANNEX "E" – A-LM-184/001/JS-001**

**These annexes are provided as separate folders.**

## TASK AUTHORIZATION AUTORISATION DES TÂCHES

<p>All invoices/progress claims must show the reference Contract and Task numbers. Toutes les factures doivent indiquer les numéros du contrat et de la tâche.</p>		Contract no. – N° du contrat
		Task no. – N° de la tâche
Amendment no. – N° de la modification	Increase/Decrease – Augmentation/Réduction	Previous value – Valeur précédente
To – À	<p><b>TO THE CONTRACTOR</b></p> <p>You are requested to supply the following services in accordance with the terms of the above reference contract. Only services included in the contract shall be supplied against this task.</p> <p>Please advise the undersigned if the completion date cannot be met. Invoices/progress claims shall be prepared in accordance with the instructions set out in the contract.</p> <p><b>À L'ENTREPRENEUR</b></p> <p>Vous êtes prié de fournir les services suivants en conformité des termes du contrat mentionné ci-dessus. Seuls les services mentionnés dans le contrat doivent être fournis à l'appui de cette demande.</p> <p>Prière d'aviser le signataire si la livraison ne peut se faire dans les délais prescrits. Les factures doivent être établies selon les instructions énoncées dans le contrat.</p>	
Delivery location – Expédié à		
Delivery/Completion date – Date de livraison/d'achèvement	<p>_____</p> <p>Date <span style="margin-left: 150px;">for the Department of National Defence</span> pour le ministère de la Défense nationale</p>	
Contract item no. N° d'article du contrat	Services	Cost Prix
	GST/HST TPS/TVH	
	Total	
<p><b>APPLICABLE ONLY TO PWGSC CONTRACTS:</b> The Contract Authority signature is required when the total value of the DND 626 exceeds the threshold specified in the contract.</p> <p><b>NE S'APPLIQUE QU'AUX CONTRATS DE TPSGC :</b> La signature de l'autorité contractante est requise lorsque la valeur totale du formulaire DND 626 est supérieure au seuil précisé dans le contrat.</p>		
<p>_____</p> <p>for the Department of Public Works and Government Services pour le ministère des Travaux publics et services gouvernementaux</p>		

## Instructions for completing DND 626 - Task Authorization

### Contract no.

Enter the PWGSC contract number in full.

### Task no.

Enter the sequential Task number.

### Amendment no.

Enter the amendment number when the original Task is amended to change the scope or the value.

### Increase/Decrease

Enter the increase or decrease total dollar amount including taxes.

### Previous value

Enter the previous total dollar amount including taxes.

### To

Name of the contractor.

### Delivery location

Location where the work will be completed, if other than the contractor's location.

### Delivery/Completion date

Completion date for the task.

### for the Department of National Defence

Signature of the DND person who has delegated **Authority** for signing DND 626 (level of authority based on the dollar value of the task and the equivalent signing authority in the PAM 1.4). **Note:** the person signing in this block ensures that the work is within the scope of the contract, that sufficient funds remain in the contract to cover this task and that the task is affordable within the Project/Unit budget.

### Services

Define the requirement briefly (attach the SOW) and identify the cost of the task using the contractor's quote on the level of effort. The Task must use the basis of payment stipulated in the contract. If there are several basis of payment then list here the one(s) that will apply to the task quote (e.g. milestone payments; per diem rates/labour category hourly rates; travel and living rates; firm price/ceiling price, etc.). All the terms and conditions of the contract apply to this Task Authorization and cannot be ignored or amended for this task. Therefore it is not necessary to restate these general contract terms and conditions on the DND 626 Task form.

### Cost

The cost of the Task broken out into the individual costed items in **Services**.

### GST/HST

The GST/HST cost as appropriate.

### Total

The total cost of the task. The contractor may not exceed this amount without the approval of DND indicated on an amended DND 626. The amendment value may not exceed 50% (or the percentage for amendments established in the contract) of the original value of the task authorization. The total cost of a DND 626, including all amendments, may not exceed the funding limit identified in the contract.

### Applicable only to PWGSC contracts

This block only applies to those Task Authorization contracts awarded by PWGSC. The contract will include a specified threshold for DND sole approval of the DND 626 and a percentage for DND to approve amendments to the original DND 626. Tasks that will exceed these thresholds must be passed to the PWGSC Contracting Authority for review and signature prior to authorizing the contractor to begin work.

### Note:

Work on the task may not commence prior to the date this form is signed by the DA Authority - for tasks within the DND threshold; and by both DND and PWGSC for those tasks over the DND threshold.

## Instructions pour compléter le formulaire DND 626 - Autorisation des tâches

### N° du contrat

Inscrivez le numéro du contrat de TPSGC en entier.

### N° de la tâche

Inscrivez le numéro de tâche séquentiel.

### N° de la modification

Inscrivez le numéro de modification lorsque la tâche originale est modifiée pour en changer la portée.

### Augmentation/Réduction

Inscrivez le montant total de l'augmentation ou de la diminution, y compris les taxes.

### Valeur précédente

Inscrivez le montant total précédent, y compris les taxes.

### À

Nom de l'entrepreneur.

### Expédié à

Endroit où le travail sera effectué, si celui-ci diffère du lieu d'affaires de l'entrepreneur.

### Date de livraison/d'achèvement

Date d'achèvement de la tâche.

### pour le ministère de la Défense nationale

Signature du représentant du MDN auquel on a délégué le **pouvoir d'approbation** en ce qui a trait à la signature du formulaire DND 626 (niveau d'autorité basé sur la valeur de la tâche et le signataire autorisé équivalent mentionné dans le MAA 1.4). **Nota :** la personne qui signe cette attache de signature confirme que les travaux respectent la portée du contrat, que suffisamment de fonds sont prévus au contrat pour couvrir cette tâche et que le budget alloué à l'unité ou pour le projet le permet.

### Services

Définissez brièvement le besoin (joignez l'ET) et établissez le coût de la tâche à l'aide de la soumission de l'entrepreneur selon le niveau de difficulté de celle-ci. Les modalités de paiement stipulées dans le contrat s'appliquent à la tâche. Si plusieurs d'entre elles sont prévues, énumérez ici celle/celles qui s'appliquera/ront à la soumission pour la tâche à accomplir (p.ex. acompte fondé sur les étapes franchies; taux quotidien ou taux horaire établi selon la catégorie de main-d'œuvre; frais de déplacement et de séjour; prix fixe ou prix plafond; etc.). Toutes les modalités du contrat s'appliquent à cette autorisation de tâche et ne peuvent être négligées ou modifiées quant à la tâche en question. Il n'est donc pas nécessaire de répéter ces modalités générales afférentes au contrat sur le formulaire DND 626.

### Prix

Mentionnez le coût de la tâche en le répartissant selon les frais afférents à chaque item mentionné dans la rubrique **Services**.

### TPS/TVH

Mentionnez le montant de la TPS/TVH, s'il y a lieu.

### Total

Mentionnez le coût total de la tâche. L'entrepreneur ne peut dépasser ce montant sans l'approbation du MDN, formulaire DND 626 modifié à l'appui. Le coût de la modification ne peut pas être supérieur à 50 p. 100 du montant initial prévu dans l'autorisation de tâche (ou au pourcentage prévu dans le contrat pour les modifications). Le coût total spécifié dans le formulaire DND 626, y compris toutes les modifications, ne peut dépasser le plafond de financement mentionné dans le contrat.

### Ne s'applique qu'aux contrats de TPSGC

Le présent paragraphe s'applique uniquement aux autorisations de tâche accordées par TPSGC. On inscrira dans le formulaire DND 626 un plafond précis qui ne pourra être approuvé que par le MDN et un pourcentage selon lequel le MDN pourra approuver des modifications au formulaire DND 626 original. Les tâches dont le coût dépasse ces plafonds doivent être soumises à l'autorité contractante de TPSGC pour examen et signature avant qu'on autorise l'entrepreneur à débiter les travaux.

### Nota :

Les travaux ne peuvent commencer avant la date de signature de ce formulaire par le responsable du MDN, pour les tâches dont le coût est inférieur au plafond établi par le MDN, et par le MDN et TPSGC pour les tâches dont le coût dépasse le plafond établi par le MDN.

**A-LM-184-001/JS-001**

**SPECIAL INSTRUCTIONS**

# **REPAIR AND OVERHAUL CONTRACTORS**

**(Supersedes A-LM-184-001/JS-001 dated 2002-11-30)**

**Issued on Authority of the Chief of the Defence Staff  
Publiée avec l'autorisation du Chef d'état-major de la Défense**

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BPR : DPPM 9 2016-01-30**

# **Canada**

**Record of Changes**

Identification of changes		Date Entered	Signature
CH #.	Date		

## DISTRIBUTION AUTHORITY

1. This instruction is distributed on the authority of the Assistant Deputy Minister (Materiel) ADM (Mat). It will be distributed to Repair and Overhaul (R&O) (in and out of country) contractors through the applicable National Defence Quality Assurance Region (NDQAR) and the Procurement Authority/Contract authority. This manual will provide a more detailed explanation for a Logistical Statement of Work (LOG SOW) that is included in all R&O contracts. The LOG SOW will be read in conjunction with this manual for detailed explanations.

## SCOPE

2. This publication contains special instructions and procedures for all in and out of country civilian contractors engaged in the R&O (including refit) on behalf of the Department of National Defence (DND). In addition, the information contained herein can be used for DND R&O facilities, where applicable.

3. This publication is intended to provide “additional” instructions to the Logistical Statement of Work (LOG SOW) that will be included in each R&O contract.

**Note: LOGISTIC STATEMENT OF WORK (LOG SOW):** There is one common logistical statement of work designed and available to scope the work for a potential contractor. The LOG SOW is a mandatory part of the contract, costed and also subject to negotiation. The LOG SOW is a generic format that is provided to the Procurement Authority, who tailors it specific to meet the requirements of individual contracts. The intent is that the LOG SOW informs the contractor of the work required by the crown, and provides the contractor with procedures/instruction as to how to carry out the work. The LOG SOW will entail information and conditions for In and Out of Country repair contracts, Major Equipment and Accountable Advance Spares and must be read in conjunction with this instruction manual.

Should instructions in this publication differ from the terms and conditions of a contract, the contract shall take precedence.

4. Periodically, reference is made to Supply Procedures in the [A-LM-007-100/AG-001, Supply Administration Manual \(SAM\)](#), [Procurement Administration Manual \(PAM\)](#), [Disposal Surplus Material Guidance, \(DSMG\)](#) and other publications that contain additional R&O instructions.

**Contractors will not be issued publications but should request information or clarification from the supporting NDQAR or the PA/contract authority for out of country contracts.**

Contractors/vendors who do not have access to the various links will have to contact the supporting NDQAR or the PA/contract authority for out of country contracts for assistance.

5. Any clarification or amplification of instructions in this publication will be provided by the Procurement Authority (PA) through the NDQAR/OCRS or the contract authority identified in the contract.

6. This is a procedural document that reflects policies and procedures in effect at any given point in time. The intent is for this document to be used by contractors in the performance of their day-to-day business. Contractors shall adhere to all subsequent amendments of the procedures, policies or practices within this set of instructions.

7. If a contractor considers that an amendment has financial or contractual implications, which are disadvantageous, the contractor may address these concerns with the contract authority for resolution (waiver, amendment and/or renegotiations) for the duration of the existing contract.

## **CONTEXT**

8. Unless otherwise indicated, the term R&O covers repair, overhauls, or refits.

9. In this publication, the term “CAF unit” is used in its broadest sense to mean any Canadian Armed Forces (CAF) base, station, unit, supply depot or any other DND organization.

10. The term “NDQAR” (National Defence Quality Assurance Representative), is a Headquarters of a field representative of the Director Quality Assurance (DQA) who is authorized to act on behalf of DQA.

OCRS (Out of country Repair Section) supports all out of country repair facilities and are located in both supply depots. The supply depots are 25 CFSD Montreal and 7 CFSD Edmonton.

## **CHANNELS OF COMMUNICATION**

11. The Contract Authority (CA) named in the contract is responsible for all contractual matters, including contract pricing. Therefore, any questions having contractual implications are normally addressed to the contract authority; however the contract and its supplementary documents allow direct communication between the contractor and TA/PA on all matters relative to the performance of the work.

12. The NDQAR at the contractor’s facility are the official DND representatives responsible for DND interests at civilian contractors; therefore, all direct communication for in country contracts involving DND shall normally be transmitted through the NDQARs. For Out of country contracts the company/vendor is to deal with the Procurement Authority/Contract authority

13. In order to ensure that DND’s interests are protected, the NDQAR reserves the right to exercise surveillance over all aspects of the contractors supply operations and carry out performance checks on the contractor’s materiel management system.

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## **Ch. 1.0 GENERAL INTRODUCTION**

### **1.1 AIM**

This section will describe the system of record for use by DND ([DRMIS](#)). It will explain the various supply accounts/Plants/ Storage Locations (SLOCs) that all contractors will use and the different types of spares involved.

#### **DRMIS:**

[Defence Resource Management Information System \(DRMIS\)](#) provides total asset visibility of all Canadian Forces (CF) materiel, whether it is in use, in stock, or on a repair line. As a fundamental policy, all supply transactions and movement of materiel must be visible and traceable. All transactions for goods movements must be supported by appropriate computer transactions. The contractors responsibilities related to management of the accounts in DRMIS are explained and outlined below. Contractors having access to DRMIS will process required transactions as instructed in this publication. NDQAR/OCRS will assist those contractors with no DRMIS access and will provide detailed instruction, guidance and training on DRMIS transaction processing and on DRMIS account management to all contractors. DQA/R&O Support Cell will only grant vendor access to DRMIS to personnel that have successfully completed the DRMIS NDQAR Supply Course. The supporting NDQAR in conjunction with DSCO reserves the right to revoke access to DRMIS due to non-compliance.

#### **RMA:**

A **Repairable Material Account** is an account that will be allocated to the contractor to hold the authorized material for repair that is approved on the contract. The RMA is represented within the system *by* a three Alpha character format followed by a number “1” i.e. “WAL1”. There will be two storage locations (SLOC) allocated. One will be a Serviceable storage location and the other will be an Unserviceable Storage Location (SLOC).

#### **CIS (Contract Issue Spares):**

CIS are DND-owned materiel issued to R&O contractor facilities for incorporation into DND equipment undergoing repair, overhaul and modification. This material is catalogued and is in DND inventory. This inventory will be managed in a Contractor Repair Parts Account (CRPA). Catalogued serviceable spare parts salvaged by the contractors on NDHQ authority are included. Prior to approval of the CIS being issued to a contractor the Procurement Authority must ensure

- All spare parts issued to a contractor as part of CIS are to be catalogued and are visible in the system of record ([DRMIS](#)) for National Defence.
- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS

or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM.

- DND is prepared to accept the scheduled risk consequential to the late delivery of CIS from DND supporting facilities (CFSD).

#### **CRPA:**

**Contractor Repair Parts Account (CRPA):** [DRMIS](#) provisioning account (\_P) with a Serviceable and an Unserviceable storage location. It records all managed spare parts pre-proportioned within that CRPA Plant /Serviceable Storage Location. The spares are located at the contractor's repair facility and are to be used to assist on the repair of the repairable items contracted out for repair. These spares are called Contract Issue Spares (CIS) because they are DND spares issued to the contractor in order to affect the repair or overhaul of DND equipment.

#### **GFOS:**

##### **Government Furnished Overhaul Spares (GFOS):**

- Non-catalogued spares that are provided to an R&O contractor from AAS held by another contractor;
- A contractor by the prime manufacturer and/or a representative holding a contract to provide spares to contractors engaged in R&O
- A contractor as a result of procurement action by PWGSC (Public Works and Government Services Canada) with the US Government
- Non-catalogued spare parts that are salvaged by the contractor, on NDHQ and/or CFQAR authority, from DND materiel undergoing repair, overhaul, re-life or modification.

Refer to the Supply Support [Section 8.2.6](#) for more information on GFOS

#### **AAS:**

##### **Accountable Advance Spares**

AAS are spares purchased by the contractor using DND funds, in order to support DND equipment on the repair line. The authority to purchase AAS is granted by a contract that outlines maximum cash levels and the circumstances under which AAS may be purchased. Refer to Section 8.2.7 for more information on AAS.

#### **GFE / GFI:**

- **Government Furnished Equipment (GFE)** is DND-owned equipment provided by DND to a contractor, on a loan agreement, to be used during the contract period and returned in essentially the same condition (subject to fair wear & tear) at the end of the contract. The equipment included in GFE is any equipment used in the production

process, such as machine tools, special production tooling, tooling, ground handling equipment, and any other items or equipment that are considered to be in the best interest of DND. Any equipment used in testing process, such as prototypes, sealed samples, models, and any other items or equipment that are considered to be in the best interest of DND. The equipment NOT normally included in GFE is: materiel to be consumed or used in the manufacture or maintenance process, or materiel that will be used for any purpose that would prevent it being returned in substantially the same condition as when loaned, subject to fair wear and tear.

- **Government Furnished Information (GFI)** is any information that DND will provide, on a loan agreement, to the contractor to enable contract fulfillment. This normally includes items such as DND specifications, NATO (North Atlantic Treaty Organization) codification requirements, and Technical Data Packages (TDP). GFE/GFI clauses will be included in original contract; otherwise a contract amendment will be required. Refer to the Supply Support Section in [Section 8.4.2](#) and [Annex F](#) for more information on the loan of GFE/GFI.

## 1.2 EXTENT OF WORK/TYPES OF EQUIPMENT

This section will outline the extent of work and the different types of equipment repair. The Contractor shall repair and/or overhaul only those items for which they have received authorization. This authority is in accordance with the Selection Notice and Priority Summary (SNAPS), Stores Removal Request (SRR), an approved Repairable Materiel Request (RMR) for a Repairable Materiel Account (RMA) and/or Task Authorization/DND 626.

**The different types of DND equipment to be repaired are categorized as either:**

- a. **Selected Equipment.** “A” accountable equipment’s/components that have received authorization for repair and/or overhaul and appears on the Selection Notice and Priority Summary (SNAPS) for a Repair Materiel Account (RMA).
- b. **Non Selected Equipment.** “A” Accountable equipment that has received authorization on an approved Repairable Materiel Request (RMR), an approved Stores Removal Request (SRR) or a DND 626 (Task Authorization).
- c. **Major Equipment.** “M for vehicles” (replace “A” Class) equipment’s which, in themselves, fulfil prime operational functions and which do not lose their identity or become integral parts of other equipment or installations, e.g., ships, tanks, aircraft, engines, etc.
- d. **Repair of sub-components and accessories** Repair the component as per [Annex A](#) and if item is not selected raise an RMR as per [Annex P](#). A component or accessory received as part of the major equipment and having a repair potential, is to be repaired as part of the major equipment by the contractor without any replacement from the DND. The following are exceptions to this replacement procedure:

- The component or the accessory is beyond economical repair (BER) and is conditioned as scrap;
- The contract to repair or overhaul the major equipment does not include the particular component or accessory as part of the contract pricing arrangement;
- The component is selected to a different repair facility; and
- The particular component or accessory is categorized as Repairable Reserve (RR) or has been designated surplus to requirements.

When the contract calls for the major equipment to be overhauled, a separate Statement of Work will be required. The Contractor shall monitor and ensure that the total costs of the overhaul remains within the approved Maximum Repair Cost (MRC). Any repairable component that is removed for the major equipment that is on the Contractor's SNAP list will be subject to selected process as per [ref 1.2](#).

**The contractor shall ensure that storage and maintenance facilities provide sufficient protection to DND material to minimize the risk of:**

- Unauthorized use;
- Theft or misappropriation;
- The elements including special handling requirements for sensitive and shelf-life items;
- An excess of dust and dirt;
- A possible breach of security; and
- Animal droppings and infestation.

### **1.3 REPAIR & OVERHAUL (IN AND OUT OF COUNTRY) PROCESS**

Refer to [Annex B](#) for step by step Process Flowchart. The process flowchart will describe who does what in the repair process.

## **Ch. 2.0 RECEIPTS**

Upon receipt of DND equipment for repair, the Contractor shall:

- Identify the equipment and ensure they are authorized to repair (SNAPS, RMR, SRR, DND 626, EPM Fax or Email);
- Open a separate work order for each repairable item;
- Carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;
- complete receipt documentation, including any adjustment transactions or work order number;

- Carry out a physical check to ensure that the item is complete according to any Material Authorization Document (MA) checklists in [DRMIS](#). MA documents can be found in DRMIS by individual Material Master Records (MMR) by using the T-Code (MM03) and under the Basic data 1 and Material Planning Object or Services for Object tabs;
- Action warranty materiel. (If warranty repair required refer to [Ch 9](#)); and
- If item is Major Equipment (M Class), verify the completeness of the equipment against the appropriate check list and process IAW [Annex O- EMO to R&O and return to Supply System](#).

**NOTE:** [DRMIS](#) Work order shall be raised within 48 working hours of delivery to plant. The contractor will contact NDQAR advising that the item has been received for repair and obtain the DND Work Order. The turnaround time will start once the DND Work Order is created. The exception to this is when the work is contracted out to an In-Service Support provider responsible for R&O. The part will be sent to the contractor and remain on charge in DRMIS until such a time as it is issued out to the subcontractor/OEM. For in country contracts NDQAR will raise the DND work order and issue the parts out of stock to commence the work order process. For out of country OCRS in supporting depot will raise the DND Work Order.

If the required information is missing or insufficient to proceed with the repair, the contractor will send an email, notifying the supporting NDQAR/OCRS. The supporting NDQAR/OCRS will then raise an e-mail, to the unit responsible/consignor and request the necessary information be forwarded through the NDQAR/OCRS. NDQAR/OCRS will complete all hastening action in dealing with the unit responsible.

For those items where the basis of payment is other than firm fixed price, and based upon available information and/or inspection of the item, the Contractor shall determine the extent of work required, prepare a cost estimate, and if cost to repair is below the maximum repair cost (MRC), proceed with the repair. Whenever cost to repair threatens to exceed the MRC, the Contractor shall request authority using a SNOM (Selection Notice Observation Message) / email to proceed with the repair in accordance with [Annex D](#) of A-LM-184-001/JS-001

Where it is impossible to determine the cost to repair, the Contractor may be granted authority by the PA to strip the equipment so as to assess its repair and/or overhaul potential and to estimate the costs. Unless otherwise specified, and regardless of the value of the equipment, the cost of the work involved in estimating repair is chargeable to the item whether or not it is subsequently repaired.

Upon receipt of DND “**non-selected**” equipment, the Contractor has no authority to repair and the item should be referred to the Procurement Authority via a (SNOM)/email including all pertinent information. See template for SNOM in [Annex D](#). A [DRMIS](#) Work Order has to be initiated if repair is authorized

On receipt of Major (A Class) equipment, the Contractor shall check the completeness of the major equipment against the appropriate check lists and the consignor's issue voucher, and report any discrepancy to the consignor with an information copy to the National Defence Quality

Assurance Representative (NDQAR) and the Procurement Authority. The Contractor shall, within three working days of receipt of equipment, notify their supporting NDQAR, by email stating the applicable Stock Transport Order/Vehicle Movement Order (QTO/EMO/BMO) message, type and model, CFR, serial number(s)/EMR and date of receipt.

## **2.1 DISCREPANCIES IN SHIPMENTS**

Discrepancies are reported to the NDQAR and they are to contact the consignor. A discrepancy in shipment can consist of any of the following:

- Quantity;
- Serial/Equipment Number;
- Substitute material;
- Improper Packaging; and/or
- Condition.

The Contractor shall contact their supporting NDQAR/OCRS to report and action discrepancies in shipments. If the discrepant item is one of the commodities listed below the supporting NDQAR must be contacted immediately. The supporting NDQAR will then take immediate reporting action.

### **Commodity**

- Weapons, Ammunition, Explosive Ordnance, Self-Contained Weapons Systems, and Guided Missiles;
- Classified Equipment including Crypto and accountable COMSEC Materiel;
- Deficient Controlled Goods as defined in DAOD 3003-0; and
- Night Vision Devices (NVD).

## **2.2 INITIAL INSPECTION OF REPAIRABLE MATERIAL**

Where it is impossible to determine the cost to repair, the Contractor may be granted authority by the Procurement Authority (PA) to strip the equipment so as to assess its repair and/or overhaul potential and to estimate the costs. Unless otherwise specified, and regardless of the value of the equipment, the cost of the work involved in estimating repair is chargeable to the item whether or not it is subsequently repaired.

### **Ch. 3.0 WORK CONTROL**

The Contractor shall ensure that the repair of all DND equipment is controlled by an internal serial numbered work order. Upon completion of work, the work order shall include as a minimum the following:

- a. a contract serial number against which all costs incurred are chargeable;
- b. the MMR, description, quantity and serial number, if any, of item repaired;
- c. A cross reference to all Supply Documents. This includes receipt, issues and returns, including scrap activity, finalization of repair, inspection, and final acceptance;
- d. reference to the applicable technical data;
- e. details of the work performed;
- f. a list of all the parts, by part number and description, found unserviceable and requiring repair and/or overhaul, ensuring that the repair scheme is referenced;
- g. a list of parts used in repair, identifying the type of stores from which they were issued (e.g., CIS, GFOS, AAS or CFM);
- h. repair cost estimate; and
- i. The identity of the person opening the work order.

The Contractor shall provide to the NDQAR, and as necessary amend, a list of Contractor personnel authorized to open work orders. A work order has to be opened for each item received for repair.

#### **3.1 COMPLETION OF WORK**

On completion of Repair and/or Overhaul, the Contractor shall transfer the material from unserviceable Storage Location or Work Order to the serviceable Storage Location.

The following "Contractor Certification" shall be stamped on the Supply Document and the DND 2227 and

Signed \_\_\_\_\_

**Contractor Certification**

**I certify that the item(s) listed above have been inspected, tested and conform to all specifications and requirements detailed in the contract or purchase order.**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**(Contractor QC)**

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Once the DND 2227 is signed and stamped on completion of work by the contractor it is sent to the NDQAR sup tech with the [DRMIS](#) job ticket and they finalize the closure of the work order process and the shipping process. The contractor will keep a copy for audit purposes. An additional copy of the DND2227 (signed and stamp) would be required to be attached with the item in the shipment.

### **3.2 STOP REPAIR ACTION**

Upon receipt of a PAL (Procurement Authority List) or an updated SNAPS indicating Stop Repair Action the contractor will action the Repairable as per the Instructions supplied. This will apply to all stoppage of repairs for:

- SRD (Stop Repair Delete-is when an MMR is removed from SNAPS and repair line is closed);
- SRT (Stop Repair Transfer – is when MMR is removed from SNAPS and new repair line is opened; and
- Repairable Reserve (00RR) MMR is not removed from SNAPS and repair line is suspended.

The Contractor/NDQAR will identify all outstanding Work Orders. If the contractor is authorized to finish the repair work against the outstanding Work Orders, he will complete these Work Orders.

If the contractor is not authorized to finish the repair work against the outstanding Work Orders, he will close the Work Orders, and return the unserviceable items as per direction on PAL.

Note: In the case that work was authorized and the contractor was advised to stop, the contractor will be paid for the work done up to that point.

## **Ch. 4.0 ANNUAL REPAIR FORECAST - SNAPS**

The contractor shall notify the PA when the receipt for a selected repairable line item exceeds the current (fiscal) year forecast (CYF) in the SNAPS report. The CYF is the quantity of items the contractor is authorized to repair from the 1<sup>st</sup> of April to the 31<sup>st</sup> Mar. The contractor shall not

repair the line item until written approval is received from the PA or the SNAPS forecast amended.

The SNAPS is a report found in the [DRMIS](#) BI Portal application and is designed to show all MMRs which are selected for repair to that RMA/SLOC, the Maximum Repair Cost (MRC) and the 24-month forecast of arising's. The information on the SNAPS plus the R&O contract provides the contractor with the authority to repair.

NDQAR will distribute the SNAPS for in country repair facilities on a monthly basis. The applicable PA will provide the out of country repair facility with a SNAPS report once a month. The contractor will be advised of the selection of a new MMR item or of changes to the current SNAPS by means of a PAL by email.

A MMR annotated with a repair priority code (RPC) "routine" or higher on the SNAPS are to be repaired in accordance with their "Priority" unless otherwise advised. MMRs annotated Repairable Reserve (RR) should not be repaired unless the repair is already in progress. RR items awaiting repairs shall be returned to regional depot.

If R&O contractors need to make observations on information contained in the SNAPS, they are to submit their observations to the PA using the Selection Notice Observation Message (SNOM). See [8.6](#) for reasons to use the SNOM.

The contractor is responsible for scheduling work. Within these categories, the principle of "First in-First out" (FIFO) shall apply. To assist in this scheduling, DND will provide each contractor with a copy of the SNAPS report that lists the Repair Priority of each item on the selection list. The Repair Priority Codes (RPCs) are as follows:

- C: Critical 0 - 3 Months of Serviceable assets available
- U: Urgent 3 - 6 Months of Serviceable assets available
- R: Routine 6 - 24 Months of Serviceable assets available
- P: Pending 24+ Months of Serviceable assets available

## **Ch. 5.0 COST CONTROL**

The Contractor shall monitor the cost of each repair to ensure that total repair costs remain within approved limits. Appropriate management control procedures must be in place and records maintained. These control procedures and records shall be available for review and/or audit on request.

While undergoing repair, total cost must be monitored to determine whether or not to continue the repair. The terminology associated with cost often varies among different organizations even though the intent may be the same. To ensure better understanding, the following terms are to be used when dealing with DND equipment:

- **Cost Control.** The use of management devices in the performance of any necessary operation so that pre-established objectives of quality, quantity and time may be attained at the lowest possible outlay for goods and services. Such devices include a bill of materials, instructions, standard of performance, competent supervision, cost limits on items and operations, studies, interim reports, and decisions based on these reports;
- **Average Repair Cost.** True cost pro-rated over the number of items produced in a time period;
- **True Cost of Repair.** The total cost of repair or overhaul in plant or by subcontract including all labour charges, overhead, and all materiel spares costs, sub-contracting and shipping (by spares type with their applicable profit mark-ups or embodiment fees; and/or
- **Maximum Repair Cost (MRC),** the MRC is a standard established by DND to guard against the possibility of an item being repaired at a cost that exceeds its replacement value to DND. The MRC is the maximum amount including all labour, sub-contracting and shipping ,materiel costs and administration fees that the contractor or DND repair facility is authorized to spend to repair an item. It is not the cost DND necessarily intends to pay for all repairs.

**Note:** In circumstances where the final cost of repair will exceed the MRC, contractors are required to cease repair and report complete details to the PA using the SNOM via email and informing NDQAR. The SNOM/ email will provide full disclosure of all costs where the final cost has exceeded the MRC without prior authorization. DND will not pay costs which exceed the MRC without prior authorization.

## **Ch. 6.0 COSTING RECORDS**

The Contractor shall prepare forms and maintain records which will provide:

- a cost listing, by serial number if applicable, of each item or job lot going through the repair line;
- a detail of the extent of work carried out, in-process inspections completed and materiel embodied at any stage of the repair process;
- the average cost of repair and/or overhaul, by MMR; and
- The total repair cost for a MMR, by work order.

**NOTE:** This data shall be provided as requested by the Procurement Authority and /or NDQAR

## **6.1 INVOICES / CLAIMS FOR PAYMENTS (applicable to AAS)**

The Contractor shall submit monthly invoices for AAS, but only after receipt and acceptance of the materiel and inspection IAW the CGCS quality assurance code (QAC) in the event that a certificate of conformance and/or test data is required.

For purchased AA spare parts, the invoice/claim must be supported by supplier's invoices. For manufactured AA spare parts, invoices shall reflect the item price in accordance with the contract. In support of invoices, the Contractor shall provide the following information:

- The total value of AAS inventory as last reported, held in support of the R&O work for which this contract was issued (opening inventory);
- The total value of AAS received into inventory during the previous month (receipts), supported by actual invoices;
- The total value of AAS removed from inventory for embodiment or transfer during the previous month (issues);
- The total value of inventory remaining at month end (closing inventory - book value);
- The total value of outstanding AAS commitments (open purchase orders) against this contract; and
- The balance of uncommitted funds remaining in the contract.

Upon expiration of contract, the Contractor shall provide a listing of outstanding purchase orders to the PA with a copy to the NDQAR. Only those purchase orders listed will be accepted for payment. This list of outstanding purchase orders is to identify the supplier, cost and estimated delivery date. The Contractor shall deliver the listing to the PA within 30 days of contract expiry.

In the event that the responsibility of repairing and overhauling equipment has been transferred to another Contractor, the new Contractor shall not procure AA spare parts until available stocks and usage data have been received from the former Contractor and have been taken into account.

## **Ch. 7.0 MAINTENANCE SUPPORT- MINOR REPAIRS**

If DND supplied parts are urgently required to effect delivery of repairable components and are not immediately available from DND, then minor repair may be carried out to the unserviceable part by the Contractor, as approved by the PA who will advise NDQAR accordingly.

### **7.1 MOBILE REPAIR PARTY (MRP)**

If requested, the Contractor shall submit two (2) copies of a monthly progress report covering MRP activities to the Procurement Authority. The level of detail and format will be stipulated in the individual DND 626 tasking should such a report deemed to be necessary.

## **7.2 EQUIPMENT TURN AROUND TIME (TAT)**

Unless specifically identified within the contract, equipment Turn-Around-Time (TAT) to a serviceable state shall be achieved in 90 Calendar days. TAT is defined as that period of time from "date of receipt to date item is reported serviceable". Repair priority is governed by the SNAPS. The principle of "first-in / first-out" (FIFO), shall be observed whenever possible.

## **7.3 PRIORITY REPAIR REQUEST (PRR)**

A Priority Repair Request (PRR) is a direction to the contractor to repair an item on a priority basis. These requests originate from NDHQ/Supply Managers (SM) and are communicated to NDQAR by e-mail. The SM forwards the information to the contractor for action. A sample copy of a PRR format is illustrated in [Annex E](#).

On receipt of a PRR, the contractor is to determine whether DND's Required Delivery Date (RDD) can be met. If not, the contractor is required to provide to the appropriate Supply Manager at NDHQ and the consignee designated on the PRR format with a realistic Estimated Delivery Date (EDD). The format of the e-mail/fax to be forwarded by the contractor is illustrated in [Annex E](#) using the PRR format. Correspondence in response to PRRs is the contractor's responsibility.

Unless otherwise specified in accordance with the contract, overtime may be authorized by applicable EPM through the NDQAR. However, overtime will not be authorized to clear any backlog resulting from unsatisfactory contractor performance.

On completion of repairs or overhaul, either NDQAR or the contractor will return repairable item using T code (IW8W-Perform GR with refurbishment WO). The contractor will then prepare the items for shipment to the consignee as instructed in the PRR. NDQAR/Contractor is to notify PA/SM and LCMM by email of shipping details.

## **7.4 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)**

When authorized by the Procurement Authority via a Task Authorization/DND 626, the Contractor shall open a work order undertake special investigation and technical studies and shall provide relevant data to these investigations as and when required. The scope of work normally covered under special investigation and technical studies is to cater for equipment not meeting fit form and function specification standards or due to repetitive failures. This excludes studies and/or investigations which have or will have fleet fitment application.

## **7.5 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)**

When authorized by the PA, via a Task Authorization/DND 626, the Contractor shall undertake technical investigations and engineering studies. This activity includes the provision of system

and maintenance support and management services. It includes the requirement analysis and planning to ensure current reliability availability of specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as the development of policies and maintenance procedures. It includes the contract management activities as well as the validation/acceptance of deliverables when maintenance activity is contracted.

## **7.6 TERMINATION OF CONTRACT**

When an R an O contract is not extended, or cancelled by mutual consent or terminated for convenience or by default, a Contract close-out Planning Team, chaired by the Procurement Authority will be formed to: provide the contractor with instruction for the completion of the work already on the repair line and to provide instruction and to coordinate the transfer of DND-owned equipment. The DQA/R&O staff will be included in the close out team. The following are some of the areas/topics that are considered in the Close-Out Plan:

- Repairable material in the custody of the contractor;
- Spares in the custody of the contractor;
- Tooling and test equipment on loan;
- Publications and other documents;
- Perform 100 %stocktaking;
- Set Max/Min to zero (stop automated replenishment) and change MRP setting to non-replenishment;
- Clear all pending [DRMIS](#) transactions;
- Issues spares and repairable to new repair contractor Plant/SLOC or depot as per the PA directions; and
- NDQAR to provide all stock on hand/dues and pending transaction reports.

## **Ch. 8.0 SUPPLY SUPPORT/IN SERVICE SUPPORT**

### **8.1 TRANSACTION DOCUMENTATION**

The DND 2227 is the supply document used by all contractors when performing supply related transactions.

The Contractor's Document Control Group (DCG) facilities will file and retain auditable transaction documentations by applicable Storage location/account either by MMR or by Requisition Number:

Items that cannot be requisitioned through [DRMIS](#) because of special circumstances are to be submitted to the NDQAR for furtherance to the supply manager. A QD DIR can be accessed in [DRMIS](#). The QD template can be found in [Annex G](#). Items in this category are items governed by special instructions or specifically authorized for off-line management IM advisory code.

When a requisition requires amending or cancelling, the contractor/NDQAR/OCRS clerk must process an IW32 or ME52N. To inquire about a requisition contractor/NDQAR/OCRS can use IW33 or ME53N.

## **8.2 CONTRACTOR SUPPLY ACCOUNTING**

**8.2.1 RMA:** When company is awarded a contract for the Repair or Overhaul of DND materiel, a Storage Location (SLOC) Repairable Materiel Account (RMA) code will be allocated to the Contractor and represented within the system by a three Alpha SLOC character format followed by a Number "1" i.e. "WAL1". It will have a Serviceable and Non-Serviceable Storage Location (SLOC). All pre-authorized **repairable** materiel shipped to that contractor will be identified and documented on the Selection Notice and Priority Summary (SNAPS) for the associated RMA. This is known as "selected" material.

In many circumstances a contractor will need spare parts from DND. These spare parts are either called Contract Issue Spares (CIS), GFOS or AAS and the contract will specify what spares will be used. To account for the CIS, the contractor will be allocated a Contractor Repair Parts Account (CRPA). Account structure can be found in [Annex H](#).

**8.2.2 CRPA/CIS (Contract Issued Spares):** Contract Issued Spares are DND-owned materiel issued to Vendor/ Contractors exclusively for use on the repair line in support of DND equipment. DND shall authorize vendors to use or request CIS when Spare Parts are catalogued, and managed in [DRMIS](#) using a CRPA account.

\*Note: CIS is also catalogued salvaged parts from R&O activities.

Prior to approval of the CIS being issued to a contractor the Procurement Authority must ensure:

- Initial Max and Min levels are to set by DQA R&O (where applicable) on authority of the PA for MMR's held on a CRPA. Subsequent amendments to levels will be actioned by NDQAR/ Contractor upon PA approval,
- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM
- DND is prepared to accept the schedule risk consequential to the late delivery of CIS from DND supporting facilities. Deviations to the foregoing may be acceptable in the following circumstances and if authorized by the contract authority:
  - a. Urgent operational requirements may justify the use DND inventory even though the spare part would normally be obtained by the contractor through other means.
  - b. Safety considerations may require the use of DND inventory.

### **8.2.3 CIS MATERIEL RECEIVED OFF CONTRACT/PROCUREMENT**

All receipts of CIS material from a purchase order will be performed by the supporting NDQAR

#### **8.2.4 SHORTAGE OF CONTRACT ISSUE SPARES**

When [DRMIS](#) cannot satisfy a requisition for a consumable (C) MMR CIS, and the lack of this spare has a negative impact on the repair line, the PA may exceptionally authorize the spare to be procured using AAS funding, if available. Sufficient quantities may be procured to satisfy the contractor's requirement up to the time when [DRMIS](#) may again satisfy the requisition (s). Items obtained through AAS funding will be treated as normal AAS. The consumption of the spares obtained through AAS funding will be annotated on the Manual Consumption Work Order Form. In the event that a surplus was purchased because of economic order quantities, the remaining stock will be immediately converted to CIS and brought on charge using the un-forecasted receipt process, cross referencing the original purchase order used to procure the items.

#### **8.2.5 ORDERING/RECEIVING CATALOGUED CIS IN DRMIS**

To order CIS in [DRMIS](#) the contractor originates a requisition using Work orders.as detailed in the [DRMIS](#) process model. When parts are required to replenish stock in the CRPA warehouse the max/min will automatically replenish the CRPA. If no max/min is set, parts can be manually replenished through [DRMIS](#) spare parts demand process. For all HPR requirements, input a requisition with a priority code 1 with a RDD date within 1 to 6 days.

For all other non HPR requirements see Priority Code List below.

- A. Priority Code1 Operational Critical RDD of 1 to 6 days
- B. Priority Code 2 Essential RDD of 7 to 14 days
- C. Priority Code 3 Routine RDD of 15 to 30 days
- D. Priority Code 4 System Replenishment Redistribution RDD system default to 30 days

#### **8.2.6 GFOS: Government Furnished Overhaul Spares:**

**Government Furnished Overhaul Spares** (GFOS) are non-catalogued spare parts that are salvaged by the vendor/contractor, on PA / NDQAR authority, from DND materiel undergoing repair, overhaul, re-life or modification. GFOS will be accounted for by the contractor electronically or a manual stock record system.

GFOS received from external sources and initially entering the system are to be brought on charge by the contractor with a stock adjustment using the CRPA Serviceable Storage Location. A DND 2227 will support this transaction. The DND 2227 has to be signed and approved prior to processing the transaction

The contractor is responsible for accounting of the GFOS to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at [Annex R](#) for step by step instruction. The Technical authority is responsible to provide all disposal instructions IAW the Disposal Surplus Material Guidance document found at this link:

[http://materiel.mil.ca/assets/MAT\\_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf](http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf)

If contractor does not have access to the link they are to contact supporting NDQAR for assistance

The contractor establishes a price for the **GFOS** item. Price will reflect as laid down price in the contract or book value. The Procurement Authority is the final authority on the pricing.

If a GFOS item needs to be repaired so it can be utilized in the repair of a main catalogued item (repairable), a work order will be opened against the main catalogued item, and all catalogued components will be issued into this work order thus ensuring the cost of the GFOS repair will be charged against the repair of the main catalogued item.

The contractor is responsible for maintaining stock records for both repairable and serviceable GFOS. The contractor will not establish the reprovisioning levels. GFOS stock will be reduced to the lowest level possible.

There is a continuing need to guard against the build-up of catalogued materiel in GFOS inventory. The contractor will establish and maintain a stock control (inventory control) section for GFOS.

All catalogued MMRs found in GFOS stores, which then becomes CIS shall be brought on charge to the CRPA using the step by step process in [Annex T](#) for stock adjustment with a DND 2227 to support the transaction.

It is possible to have the same line items in both GFOS and AAS stores so the contractor will ensure that serviceable GFOS are used first and the records are cross referenced.

The contractor will determine which items of GFOS are no longer fit for use by DND. Examples of such material are:

- Batch considered contaminated;
- Items rendered unusable because of corrosion attributable to factors beyond the control of the contractor or Complete inability to establish serviceability at a viable cost, etc.;
- Or items that fail to meet the quality assurance standards;
- Material unfit for use because of unserviceable conditions; and
- Shelf life expired.

For these items listed above the contractor shall remove these items from stock and prepare a

DND 2227 to correct your stock record accordingly.

### **8.2.7. Accountable Advance Spares-AAS**

AAS are spares purchased by the Vendor/contractor using DND funds, in order to support DND equipment on the repair line. The authority to purchase AAS is granted through a contract that outlines maximum cash levels and the circumstances under which AAS may be purchased.

The purpose of the AAS is to ensure the repair of DND materiel is not jeopardized by a lack of spare parts.

The circumstances under which AAS may be purchased are:

- One time procurement;
- Only to be used to repair something that is on the repair line; and
- An un-forecasted part that is not available from DND is required in order to meet the repair turnaround time as stated in the contract.

The contractor is responsible for accounting of the AAS to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at [Annex R](#) for step by step instruction. The Technical authority is responsible to provide all disposal instructions IAW the Disposal Surplus Material Guidance document found at this link:

[http://materiel.mil.ca/assets/MAT\\_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf](http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf)

The Contractor shall order AA spare parts only during the period covered by this contract. The Contractor shall be responsible for establishing provisioning of AAS based on, but not limited to:

- a. repair forecasts;
- b. estimated and actual consumption;
- c. the manufacturer's list of recommended spares;
- d. the supplier's lead time; and
- e. Economic order quantities.

**Note: DND will neither pay costs nor embodiment fees for AAS which are obsolete or surplus as a result of inadequate contractor materiel management (i.e., AAS purchased in excess of requirements, AAS purchased which do not meet the limitations of the contract, etc.)**

AAS transferred between repair facilities on the approval of EPM will be brought on charge (if catalogued) or reported on the GFOS inventory list (if not catalogued) There is a continuing need to guard against the build-up of catalogued materiel in AAS inventory. The contractor will establish and maintain a stock control (inventory control) section for AAS.

All catalogued spares, MMRs found in AAS stores except those spares procured as per 8.2.4, shall be brought on CRPA warehouse charge with a stock adjustment. The contractor shall provide the NDQAR with the full details on why a MMR (SC) spare was held in AAS stores.

### **8.3 MANAGEMENT OF DND-OWNED SPARES**

**8.3.1** Spares shall be used in the following order:

- Government Furnished Overhaul Spares (GFOS);
- Contract Issue Spares (CIS);
- Accountable Advance Spares (AAS); and
- Contractor Furnished Materiel (CFM).

### **8.4 SPARES REVIEW**

In conjunction with the two year stocktaking schedule, the Contractor shall carry out a review of CIS, AAS, and GFOS to determine if holdings of any particular item:

- Exceed the economic stock retention level. The level is normally equal to an estimated four (4) months stock;
- have become surplus to requirements as a result of a modification, disposal, obsolescent or transfer of the major equipment;
- Are no longer fit for use in the R&O of DND equipment; and/or
- If AAS/GFOS is catalogued then transfer to CIS.

The contractor is responsible for accounting of the spares to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at [Annex R](#) for step by step instruction. The Technical authority is responsible to provide all disposal instructions IAW the Disposal Surplus Material Guidance document found at this link:

[http://materiel.mil.ca/assets/MAT\\_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf](http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf)

The Contractor shall ensure that there is a continuing safeguard against the build-up of AAS inventory, in accordance with 8.2.7, to determine if stock holdings include any item which:

- has become surplus to requirement as a result of removal of the end item from the SNAPS;
- has become redundant because of modification, change notice, product improvement etc.;
- is held in excess of usage requirements; or
- Is a catalogued item which should have been transferred to CIS.

**NOTE:**For AAS, disposal/transfer actions include cancelling any outstanding purchase or production orders. The Contractor shall notify the Contract Authority prior to amending/cancelling any portion of a purchase order. Furthermore, the Contractor is to inform the PA and NDQAR of any charges resulting from cancellation of procurement actions as a result of materiel becoming surplus or obsolete.

#### **8.4.1 IMPORTATION OF AAS:**

Purchase orders which are placed with Canadian Suppliers for AAS are to include the following clause:

*"This is an urgent Defence requirement. If you are importing materiel from the United States to fulfil this contract, obtain a United States Defence Priority Rating or a United States Controlled Materials Allotment from the Materiel Priorities Officer, Materiel Data Management Branch, 4B1, PWGSC Hull, Quebec, K1A 0S5. The rating or allotment number is to be entered on the purchase order that you send to the United States supplier."*

#### **8.4.2 LOANS/GFI/GFE ( Government Furnished Information/ Government Furnished Equipment):**

The vendor will submit to the PA all requests for GFE/GFI. After careful review of the Loan Agreement form, the PA, in consultation with the Life Cycle Material Manager (LCMM), will determine if the loan is supported or not, based on the criteria listed below.

If the loan is supported, the PA will submit a loan request to DQA Loan section. DND will loan GFE/GFI to a vendor only when it is considered to be in the interest of DND to do so, under the conditions that:

- The equipment is available and loaning it will not jeopardize DND operations;  
and
- Loaned equipment may be recalled at any time that DND requires it without penalty.

Contract must have GFE/GFI Clause. (Government Property Clause accepted also.) If not, amendment must be done prior to any loans related transactions are completed. Loan Agreement must be signed prior to any loans related transactions are completed. Some delays may occur and are to be expected. (Signatures, SLOC creations, stock availability.

The PA is responsible to assist Vendors with their application and to maintain a record of loans for each applicable Vendor:

- No stock movement (Issues & Returns) to be done without going through the PA and DQA Loans first;
- Vendors must not submit requests directly to DQA Loans; they must go through PA every time; and/or
- Vendors are not allowed to process any loans transactions. Except Goods Receipts when they have access.

Vendor responsibilities:

- Account for DND supplied equipment;
- Hold equipment in a secure area; and
- Carry out 100% stocktaking at least every two years; or
  - More often on the items that require more control (3 or 6 months); or
  - On closing down of the activity; or
  - On termination of the applicable Contract(s); or
  - Any event or series of events, which, in the opinion of DND, warrants such action.

When the loaned materiel is no longer required and/or upon termination of the loan, the Vendor will:

- Arrange for the return of the equipment to DND through the PA, in writing, in accordance with the terms and conditions stipulated in the contract and/or the loan agreement; and
- Provide a copy of the advice to the NDQAR. The advice must include:
  - Description of the items;
  - Identification number/Stock Code; and
  - Condition/Serviceability of the item.

Check the equipment for condition and quantity, and prepare it for return accompanied with a CF 942 (with the help of the NDQAR, if necessary);

If the loan is NOT supported, the PA must inform the vendor and provide justification. DND will NOT normally loan equipment to a vendor if it:

- Would seriously disrupt military training and operations;
- Could be subject to misuse or depreciation;
- Necessitates unwarranted expenditure of defence funds such as but not limited to cost associated to transportation, materiel handling, packaging, etc;
- Is reasonably available from commercial sources or other facilities; or
- Creates an unfair advantage for any Vendor.

## **8.5 STOCKTAKING**

The PA shall initiate and complete a one hundred per cent (100%) manual stocktaking of in and out of country RMAs, CRPAs(CIS), GFOS, AAS and Loan Accounts as a minimum once every two years in accordance with Chapter 8.5 of A-LM-184-001/JS-001. The PA will be responsible to monitor all stocktaking activity for in and out of country RMAs working with NDQAR for in country RMAs and OCRS in both depots for out of country RMAs. Refer to [Annex L](#) for step by step Process.

### **8.5.1 The stocktaking process consists of:**

- Verifying stock integrity. This is measured by comparing DND Owned material held under the Contractor's responsibility with all records and documentation;
- Adjusting the associated records or documents according to the materiel held;
- Investigating discrepancies; and, if required,
- Action write-off reports in conjunction with Loans and NDQAR/OCRS sections.

### **8.5.2 The Contractor is responsible for:**

- Any discrepancies in stockholdings versus stock records;
- Initiating and completing stocktaking IAW the stocktaking plan;
- Note: Some repairable items, because of their material types will require stocktaking on a more frequent basis. (Refer to [Annex I](#)- Stocktaking Security Requirements for material types);
- Adjusting stock records, through the NDQAR, ensuring that the quantity on stock records is reconciled with the quantity on hand;
- Investigating discrepancies as requested by NDQAR;
- Conducting adhoc stocktaking upon DND's request;
- Verifying serial numbers; and
- Holding all transactions from the cut-off date until completion of the stocktaking. Local co-ordination will be required to ensure which transactions were not processed by the cut-off date because of mail delays, machine downtime, etc. in order for them to include these transactions when doing the stocktaking and reconciliation.

**Note:** In the event of discrepancies between the [DRMIS](#) and the Contractor's records, DRMIS is to be considered the source record.

**Refer to [Annex L](#) for step by step process to carry out stocktaking at a contractor facility. The supporting NDQAR will assist in the stocktaking process for contractor facilities.**

### **8.5.3 Adhoc Stocktaking**

The Contractor will initiate an adhoc stocktaking no later than 48 hours after a discrepancy is found or reported, or is suspected either for a single or a range of MMRs or part numbers. The Contractor will investigate discrepancies identified by the NDQAR or the Out-of-Country

Repair Section (OCRS), and if such discrepancies are not resolved, submit a supply document to adjust the Contractor's [DRMIS](#) records. DND will determine the action to be taken to either report surpluses or deficiencies using a write-off report, and/or request reimbursement from the Contractor for shortages, depending on the circumstances.

In instances where the stocktaking indicates that the Contractor's inventory management system is inadequate, DND will request that improvements be implemented. Failure to rectify these problems over a period of time may result in cancellation of the contract with cause.

Note: The contract authority will receive all DND requests for financial recovery or other action against the Contractor.

#### **8.5.4 Stocktaking Plan**

No later than 2 months after contract award and every year thereafter, on or before the first of March, the Contractor will be responsible to prepare and submit to the PA and the NDQAR/OCRS, a two-year stocktaking plan. The stocktaking plan will provide information on the Contractor's planned stocktaking schedule for the next two year period, calculated from the time responsibility of DND Owned material has been assumed. The Contractor will ensure that 100% of the DND Owned material is planned to undergo stocktaking at least one time during this two year period or more frequently as dictated at [Annex I](#). The Stocktaking Plan template is attached at [Annex J](#).

The Contractor will distribute a copy of the Stocktaking Plan to the Procurement Authority and the NDQAR/OCRS for review and concurrence. The Contractor will not initiate any 100% stocktaking unless PA approval has been given. Once the approval has been given NDQAR/OCRS will provide further directions on using the applicable reports to provide visibility of material into Work Orders.

Changes to the stocktaking plan must be submitted to the PA, through the NDQAR/OCRS, for approval.

#### **8.5.5 Scheduled Stocktaking Notice**

Two weeks prior to the planned stocktaking start date, the Contractor will send a Stocktaking Notice to the NDQAR/OCRS, advising of the scheduled stocktaking. The Stocktaking Notice will also direct the NDQAR/OCRS to produce Count Sheets for the materiel maintained and held in the (serviceable and unserviceable storage locations) for the RMA, CRPA and, Loan storage location.

The Stocktaking Notice submitted to the NDQAR/OCRS will include the following:

- Storage location (Serviceable or unserviceable);
- Date the first stock count will be completed; and
- Range of MMRs to be counted.

If the materiel is not on charge (GFOS or AAS) in [DRMIS](#) the Contractor will also include the following details with the Stocktaking Notice:

- Date information extracted;
- Account Type (GFOS, AAS, Loans);
- MMR;
- Part Number;
- Description;
- Unit of Issue;
- Unit Price;
- Qty. (held in contractor accounting system);
- Inventory Category Code;
- Location; and
- Serial Number if directed by NDQAR/OCRS.

Stock movements and stock transactions that could affect computer or manual record balances will be stopped or reduced to the minimum from the time the count sheets are produced by DRMIS until the count sheets are populated and confirmed; or any other system used by the Contractor to manage its inventory. If during the stocktaking, stock transactions that affect computer or manual record balances cannot be stopped, the Contractor is required to keep track of all transactions on a separate register.

### **8.5.6 COUNT SHEETS**

One day prior to the start date reported on the Stocktaking Notice the Contractor will receive count sheets from the NDQAR/OCRS **for inventory recorded in [DRMIS](#)**

For GFOS and AAS (**inventory not recorded in [DRMIS](#)**) the Contractor will produce count sheets using their own system. The Contractor will provide a copy of the count sheets to the NDQAR/OCRS. The count sheets will, as a minimum, contain the following

- MMR or/and Part Number;
- Description;
- Stock location;
- Condition / Status recorded; and
- Qty. counted (to be filled-out on materiel count).

### **8.5.7 STOCK COUNT**

The Contractor will proceed to carry out the first stock count of all materiel and report quantity on first count sheets within five days. Materiel found not listed on the count sheets will be identified and reported on a separate count sheet.

The Contractor will submit a copy of each completed first stock count sheets to NDQAR/OCRS. Refer to [Annex K](#) for count sheet template.

## **8.5.8 REPORT AND RESOLVE STOCKTAKING DISCREPANCIES**

### **8.5.8.1 For inventory recorded in [DRMIS](#)**

The NDQAR/OCRS is responsible to process DRMIS transactions that will confirm the first stock count, in accordance with the count sheets, or to adjust stock balances in DRMIS where necessary. For discrepancies, the NDQAR/OCRS will submit to the Contractor a list of all MMRs, including the stock quantity adjusted, and identify the materiel requiring a second count. If identified, further investigation will be initiated to resolve the discrepancy.

### **8.5.8.2 For inventory not recorded in [DRMIS](#)**

The Contractor will compare the count results with the actual quantities recorded in the Contractor's local system, immediately adjust their records and forward to the NDQAR/OCRS on a Stock Discrepancy Report. The NDQAR/OCRS will notify the latter to proceed in identifying the materiel that will require a second count.

The Contractor is responsible to:

- Provide an explanation/justification for each discrepancy;
- List referenced documents, referenced computer transactions, corrective actions taken and, where possible, the reasons for surpluses or deficiencies;
- Adjust, when possible, computer balances or inventory control cards when the discrepancy is the result of an error that can be corrected locally; and
- Prepare a Supply Document when a stock balance will require adjustment for approval by the NDQAR/OCRS.

Once all investigations have been completed for each discrepancy found at the first count, the Contractor will submit to the NDQAR/OCRS, a Stocktaking Investigation Report within one month. The report shall contain the following information:

- Inventory materiel type;
- MMR / Part Number;
- Description;
- Unit price (Use average price method for AAS);
- Stock balance before stocktaking (First Count);
- Stock quantity counted (First Count);
- Stock Quantity Adjusted;
- Stock balance after adjustment;
- Stock balance before (Second count);
- Stock counted (Second count);

- Stock quantity adjusted (if required); and
- Corrective actions, reference transaction and justification.

Prices for deficiencies and surpluses shall be entered and extended. Netting is not authorized.

The Contractor will prepare a Stocktaking Summary Report for each account type (see [Annex N](#)).

The Contractor will submit the original copy of the Write-off Report CF 152 and the Stocktaking Summary Report to the NDQAR/OCRS for DND approval.

### **8.5.8.3 THIRD COUNT/INVESTIGATIONS**

For in country contractors the investigation may include an onsite visit from the supporting NDQAR to review supply related contractor records and carry out physical stock checks. This may be carried out by the PA or a delegated DND representative for out of country contractors.

### **8.5.9 AAS AND GFOS STOCKTAKING**

Contractors and their subcontractors will use the following procedures for AAS and GFOS stocktaking:

- Post all transactions to the Inventory Control Card (Non-Catalogued) (ICC) prior to stocktaking as per [Annex Q](#);
- List the part number and description of each line item on the count sheets normally used. The quantity on the ICCs will not be transcribed to the count sheet at this time;
- Ensure issues from stock are not discontinued unless it is essential to do so;
- Quarantine all receipts of spares and suspend posting action for a maximum period of four working days from the time of receipt;
- Conduct a physical count and show the quantity counted in one column of the count sheets. The person counting the stock will add to the list items found in stock for which there is no entry on the count sheets;
- Enter the quantity on the ICC's the appropriate column of the count sheets after the physical count takes place;
- Check for issues, receipts, etc., when quantities do not agree. Re-count the items if quantities still do not agree;
- Compare the quantity shown as "actual count" and the quantity on stock records and the discrepancies indicated on Form CF 152;
- Forward the CF 152 and any adjusting vouchers to the NDQAR/OCRS under a covering letter;
- Identify surplus and obsolete items for disposal, in accordance with the contract; and
- Ensure that items with a MMR are identified for transfer to the CRPA warehouse.

**Note: All adjustment transactions will be carried out by the supporting NDQAR.**

### **8.5.10 E TRACKED ITEMS VERIFICATION/STOCKTAKING**

The Contractor shall conduct a physical verification/stocktaking of all Tracked equipment:

A. Semi-annually:

- Classified Equipment – ST “E” e.g. Vehicles, Night Vision goggles, GPS, Radios etc... and IM Advisory Code “1P” (item is Classified); and
- Classified Cryptographic Equipment – ST “E” and IM Advisory Code “1Q” (Classified Crypto Materiel).

B. Quarterly:

- Small Arms (SA) – ST “E” and NSG “10” and “99”; and
- Self-Contained Weapon Systems – ST “A” and NSG “13” & “14”.

The Contractor shall submit an itemized listing of all E tracked equipment to the Procurement Authority within Forty five (45) calendar days of completion of the stocktaking/Verification. The Contractor shall provide an info copy to DQA at the same time.

### **8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM)**

8.6.1 The SNOM is used by contractors to report any observation for:

- MRC exceeded on SNAPS;
- Forecast exceeded /suspended on SNAPS;
- Item under repair found Beyond Economical Repair (BER); and
- MMRs received at the repair Contractor that is not authorised for repair:
  - not selected on SNAPS;
  - without an RMR; or
  - Without a tasking authorization.

In-country contractors submit their observations to the appropriate supply manager; out-of-country contractors submit their observations to the PA, who will pass it to the appropriate SM for action

Refer to [Annex D](#) for SNOM template. It is understood that a SNOM can be an email with all the pertinent information enclosed.

## **8.7 EMBODIMENT FEES**

Embodiment fees or material handling fees for AA spares will be negotiated by PWGSC and will be paid/ charged against the specific R&O work.

On normal transfer or issue of items (spares) between AAS, CIS or GFOS accounts, any embodiment fees shall only be paid once and only upon actual embodiment. Supply accounting records for DND materiel shall be maintained separate from other company records.

On bulk transfer/disposal of items in CIS, GFOS or AAS accounts, embodiment fees, if applicable, are subject to a separate PWGSC negotiated rate.

## **8.8 LOSS OR DAMAGE TO DND MATERIEL**

The Contractor shall report to the NDQAR/OCRS all instances of loss or damage to DND owned materiel in his custody within two (2) working days of confirmation of its discovery. If the discrepant item is one of the commodities listed below the supporting NDQAR/OCRS must be contacted immediately. The supporting NDQAR/OCRS will then take immediate reporting action.

### **Controlled Goods/CTAT (Controlled Technology Access Transfer) include:**

- Weapons, Ammunition, Explosive Ordnance, Self-Contained Weapons Systems, and Guided Missiles;
- Classified Equipment including Crypto and accountable COMSEC Materiel;
- Deficient Controlled Goods as defined in DAOD 3003-0; and
- Night Vision Devices (NVD).

The Contractor may be authorized to make repairs to DND-owned equipment on loan. All requests shall be forwarded to the Procurement Authority for approval. If the Contractor is authorized to repair damaged DND materiel, he shall notify the NDQAR/OCRS before any repair commences to enable adequate quality assurance of the repair.

## **8.9 SCRAP - CUSTODY & DISPOSAL**

The Contractor shall safeguard, control, and dispose of the scrap materiel in accordance with [Part 1 of Supply Administration Manual A-LM-007-100/AG-001](#) and Disposal of Surplus Materiel

Guidance A-LM-007-015/AG-001. For all instructions pertaining to disposal NDQAR can ensure the contractor has a copy of “[Disposal of Surplus Materiel Guidance A-LM-007-015/AG-001](#)”.

See EP 18 Disposal Model [Annex R](#) for step by step instruction in conjunction with the above publications.

### **Disposal of Scrap and/or waste materiel resulting from PWGSC cost reimbursable contracts.**

Contractors are responsible to the local NDQAR for the safeguard, control and disposal of scrap and waste materiel generated by or resulting from their operation of PWGSC contracts. The contractors are also responsible for all subcontractors or suppliers whose operations will result in scrap and/or waste materiel.

Authority to Sell Contractors, sub-contractors and suppliers are authorized by GC Surplus to sell scrap or waste materiel and credit the proceeds to the contract(s) or to overhead in accordance with specific or general instructions issued by PWGSC. A report is to be completed monthly and submitted to the local NDQAR warehouse account. Copy is to be retained on the contractor’s file for PWGSC audit purposes.

Whole or partial components, assemblies, castings or forgings which may become surplus due to overrun, design or specification changes or rejection on inspection are to be reported to the PWGSC Directorate concerned.

Scrap and Waste Materiel resulting from overhaul and repair contracts covering reconditioning, refitting, modification, change of design or specification or reduction to spares of miscellaneous equipment and certified as “Scrap” by a DND Technical Representative or a Technical Inspector of the Contractor approved by DND will be disposed of by the contractor as noted above.

Major items or equipment such as airframe components, engines, boats, tools, jigs, fixtures, etc. are not subject to this procedure.

## **8.10 PACKAGING**

8.10.1 The contract will provide the Contractors with specific packaging instruction detailed in **D-LM-008-001/SF001** Method of Packaging, which include:

- Method of packaging;
- Level of packaging detailed and the use of Reusable Container; and
- Quality assurance.

Specification for marking for storage and shipment are detailed in **D-LM-008-002/SF-001** Specification for marking for storage and shipment. Unless specified in the contracts each item will be packed individually and marking will apply for each individual pack as well as for intermediate container.

## **8.11 REUSABLE CONTAINER**

Methods of testing and quality assurance provisions will be specified in D-LM-008-001/ SF-001 Marking will be in accordance with the following markings are to apply to all individual Pack and intermediate container:

- PWGSC Contract Number;
- DND Work Order (for individual Pack only). (ST: Shall we add Contractor WO);
- DND Purchase Order. (ST: Need to confirm if the PO is available to the contractor...not available for De-Link);
- MMR/Stock Code;
- Description;
- Manufacturer's Part number;
- Unit of measure and Qty. per pack or per intermediate containers;
- Serial Number(s);
- EMR (if applicable);
- Repair or Overhaul date;
- Method and Level of protection;
- Reusable container (If applicable);
- Dangerous good Marking (if applicable);
- Special marking for Nature of item (If applicable); and
- Handling and Special Shipping instruction (If applicable).

Individual Reusable containers will be used and provided as per directed in this contract. The contractor may be required to inspect, repair or repaint reusable container. Before application of required markings on reusable container, all non-applicable markings will be removed.

All CIS, AAS, GFOS are to be preserved, package and marked IAW **D-LM-008-036/SF-000** Minimum requirements for manufacturer standard pack. They shall remain packed with a Reusable container where provided,

Methods of testing and quality assurance provisions will be as specified in D-LM-008-001/ SF-001.

## **8.12 TRANSPORTATION**

If contractors are required to return equipment back to DND, they must follow the terms and conditions of the contract in place. When it comes to transportation of R&O from the contractor, two terms are used in the contract to establish responsibilities. Uniform Commercial Codes (UCC) Free on Board (FOB) Plant or Incoterms 2000/2010 Free Carrier (FCA, insert named place of delivery). In either case, the contractor must contact the appropriate Inbound Logistics (IL) (ILEA Germany, ILUK England, ILQA Montreal, ILAA Halifax, ILCA Toronto and ILHQ

Ottawa) for transportation and customs clearance as required. The contract will be very specific as to which IL the contractor must contact by the insertion of clause such as D0035C attached below.

<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/5/D/D0035C/2>

Once an item is repaired and returned to the storage location via an IW8W, process the stock transport order “ME21N” and proceed with the outbound delivery as per [Annex B](#).

### **8.12.1 SHIPMENT IDENTIFICATION**

The contractor is responsible for the preparation of the shipment, while the appropriate IL is responsible for the preparation of the shipping documentation:

- Consignment Authorization and Receipt Form (CARF) Refer to [A-LM-158-004/AG-001](#) for sample;
- Waybill Straight Bill of Lading (WSBL) Refer to [A-LM-158-004/AG-001](#) for sample; and
- Shipping Label - Refer to [A-LM-158-004/AG-001](#) for sample.

The completed documentation will then be forwarded to the Contractor. A copy of the CARF and WSBL will be given to the carrier and a copy of the label will be attached to the item being shipped.

### **8.12.2 MODE OF SHIPMENT**

When the contract stipulates FOB Point or FCA, the contractor must call or email the proper IL with all the information pertaining to the shipment for direction on the carrier to be used. At no time is the contractor to select or change the carrier stipulated on the WSBL provided by the Transportation Agent (TA). Shipments are to be transported in accordance with Chapter 2 & Chapter 5 of the A-LM-158-004/AG-001.

### **8.12.3 LOSS OR DAMAGE IN TRANSIT**

Depending on the type of contract being used Duty Delivery Paid (DDP) or used Duty Delivery Unpaid (DDU), the contractor is responsible for all shipping related activities including claims procedures for loss or damages.

If the contract is FCA, then the DND is responsible for all shipping related activities including claims procedures for loss or damages in accordance with Chapter 12 of the A-LM-158-004/AG-001.

When DND materiel is lost or damaged in transit, the responsibility for tracing action is determined as follows:

- For partial loss or damage, the Destination Transportation Agent (DTA), or the consignee when applicable, is responsible for requesting the carrier (commercial or DND) to take tracing action and advise on the findings; or
- For a total loss, the Origin Transportation Agent (OTA), or consignor when applicable, is responsible for requesting the carrier (commercial or DND) to take tracing action and advise on the findings.

#### **8.12.4 GENERAL CLAIMS PROCEDURES**

All shipments shall be checked carefully for discrepancies against the shipping documents both at the time of shipment and on receipt.

Claims and tracing action for loss or damage shall be made against the carrier without delay. Claims must be processed in a manner that will support any legal action thought necessary by NDHQ /D Law/C. The TA shall undertake an investigation with the responsible carrier(s) in all cases of in transit loss or damage of DND materiel.

The consignor, or the consignee when applicable, is responsible for:

- investigating the discrepancy through the supply system;
- evaluating and pricing the loss or damage in accordance with supply instructions and providing the appropriate TA with the correct documentation; and
- Finalizing the discrepancy [IAW A-LM-007-100/AG-001 Supply Administration Manual](#).

The DTA, or OTA when applicable, is responsible for:

- notifying the carrier of loss or damage;
- initiating tracing action;
- investigating the loss or damage with the carrier; and
- Initiating the claim against the carrier.

The appropriate comptroller/accounting officer is responsible for:

- local recovery from carriers for loss or damage; and
- Referral of unsettled claims to NDHQ in accordance with financial instructions.

**NOTE: RESPONSIBILITIES CONCERNING LOSS OR DAMAGE SHALL BE ASSUMED BY THE CONSIGNOR OR CONSIGNEE AS APPLICABLE FOR DND SHIPMENTS WHERE AN OTA OR DTA HAS NOT BEEN INVOLVED.**

#### **DOCUMENTATION AND RECORDS**

Contractors are required to maintain records of all shipments. A Transportation Control Number (TCN) located on the CARF and WSBL will be issued for each shipment by the appropriate IL.

**SAMPLE LOSS/DAMAGE REPORT can be found in:**

[A-LM-158-004/AG-001](#) Chapter 12 Annex B12, page 12B-1

**SAMPLE LETTER OF A NOTICE OF INTENT TO CLAIM can be found in:**

[A-LM-158-004/AG-001](#) Ch. 12 Annex C12, page 12C-18.13 **CUSTOMS & EXCISE**

### **8.13.1**

DND is responsible for clearing Customs of all DND materiel consigned to R&O Contractors. If a Contractor sub-contracts to an out of country location, the Contractor is responsible for the preparation of all the necessary customs documentations. Customs Brokers shall not be utilized unless specifically authorized by the Procurement Authority.

## **Ch. 9.0 WARRANTY CONSIDERATION**

This part establishes the procedures to be followed by a contractor upon receipt of equipment and/or materiel returned by DND for warranty consideration as a result of being repaired. If equipment or materiel is returned in error to the wrong contractor, the contractor will quarantine the equipment or materiel and advise EPMs by message giving all pertinent data (through the NDQAR/PA).

Normally, equipment or materiel returned by DND for warranty consideration is forwarded in an unserviceable condition as a result of an Unsatisfactory Condition Report (UCR) or a Pre-Installation Failure (PIF). Equipment returned need not be the result of a UCR or PIF. However, some form of unserviceable report, i.e., message/letter must accompany the equipment. If a report is not received, the contractor will quarantine the equipment and hasten the consignee for the report. If no response is received within five days, the contractor will request guidance from the NDQAR/PA.

The intent in returning equipment or materiel for warranty consideration is to have the item(s) repaired at no cost to DND and/or to seek a method of correcting a fault that could cause failure to similar equipment or materiel.

As warranty problems will differ with each contractor and with each category or type of equipment or materiel, the Warranty Review Board (WRB) will have to become entirely familiar with the various contractual obligations covering the type of equipment or materiel involved. Regarding equipment that was repaired, overhauled or modified by the contractor, the following terms will apply:

- Warranty of twelve months will apply to all equipment or materiel in accordance with applicable General Conditions of the contract, unless otherwise stated in the terms of the contract; and/or
- If the failure occurs after the warranty period has elapsed from the date of acceptance of said equipment or materiel by DND, normal repair or overhaul procedures will apply. This provision applies regardless of whether the materiel has been in stock or has been in use during the specified time limits of the warranty, unless the warranty specifies other standards, i.e., 12 months from installation.

## **9.1 WARRANTY REVIEW BOARD**

Each time an item is received by the contractor for warranty consideration and there is a dispute as to responsibility, a WRB will be established and will consist of at least the following:

- Applicable NDQAR/PA;
- Contractor's quality control manager or delegated representative; and
- Contractor's project manager for R&O contracts or delegated representative.

## **9.2 LIABILITY**

Determination of the financial responsibility or liability is a function of the WRB as follows:

The contractor accepts full responsibility for costs to repair or overhaul under the warranty provision of the contract; or

- DND accepts full responsibility for all costs to repair or overhaul; or
- The contractor and DND agree to share responsibility for the costs to repair or overhaul the unserviceable equipment or materiel.

When the WRB cannot agree, the repair and/or overhaul is not to be delayed. The contractor will be requested to carry out the necessary work and costs that are to be segregated and charged to a suspense account by arrangement with the contract authority.. Such costs can be properly identified, and to ensure that they are not improperly claimed by the contractor pending determination of the liability. The contractor is to consult with the contract authority, and the NDQAR will refer the matter to EPMs/EPS and include pertinent data and recommendations.

## **9.3 ACCOUNTING**

Upon receipt of equipment or materiel for warranty consideration, the contractor is to raise a work order containing the usual information and the following:

- The serial number of the item; and
- The following clause stamped or typed on all copies of the work order.

This item shall be inspected and/or dismantled to determine the liability for repair under warranty. Pending a decision regarding liability from the WRB, all costs shall be segregated into a suspense account in accordance with arrangements approved by the contract authority. If the contractor accepts responsibility under the warranty provisions of the contract, the work order is to be annotated 'Costs recovered under the warranty provisions applicable to contract serial number'.

When the contractor accepts full responsibility for costs to repair or overhaul under the warranty provision of the contract, the work order should be annotated accordingly.

If the WRB decides that DND will bear all repair or overhaul costs, the original work order is to be amended by the contractor and submitted to the NDQAR/PA for approval. The work order will include the contract serial number against which costs will be charged; and a description of the work to be undertaken

If the WRB decides that repair or overhaul is to be carried out on a cost-sharing basis, the original work order will be amended by the contractor and submitted to the NDQAR/PA for approval. The amended work order will include the following information:

- Contract serial number against which costs will be charged;
- A description of the work to be undertaken;
- The cost-sharing arrangements; and
- The following phrase "after investigation, partial costs as determined by the contracting officer and the contractor".

If the WRB cannot agree on financial liability, the original work order will be amended by the contractor and submitted to the NDQAR/PA for approval. In this case only, the following statement is to be annotated on the amended work order:

"DND and the contractor cannot agree on the warranty liability. Work is not to be delayed pending final decision."

Costs of repair or overhaul will be paid by DND and subject to negotiations between the contractor and the Crown.

DOCUMENTATION: The contractor will maintain a record of each warranty consideration.

## **Ch. 10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS**

The Contractor shall not use DND publications, tools, test-equipment, or jigs and fixtures for commercial work without the written consent of DND. In instances where DND has provided such consent, the contract authority will negotiate suitable compensation for DND. All requests shall be directed to the Procurement Authority through the contract authority

## **Ch. 11.0 PUBLICATIONS**

The Contractor shall document requirements for publications and submit to the NDQAR. The Contractor shall develop procedures to control all DND publications in their possession and be responsible for amending all DND publications in his custody. The Record of amendments shall be maintained as indicated in the applicable area of each publication.

Unless otherwise specified, publications may be copied and/or extracts taken from them. As these copies/extracts are not subject to follow-up amendment action, they are not valid for use as a reference document and shall be stamped "FOR INFORMATION ONLY". Contractors shall ensure that any classified documents are provided with the appropriate security, consistent with the provisions of A-SJ-100-001/AS-000.

The Contractor shall respond to any request for "verification of publication holdings" which may be requested periodically by DND. DND will, upon request from the contractor, supply the necessary forms and certain stationery. However, because of the limited use of certain forms, it is neither practical nor economical to provision for and stock all forms. Therefore, where appropriate, forms are to be reproduced locally by the contractors.

Publications and forms provided to contractors will be issued, without charge, by DND.

### **11.1 AVAILABILITY OF PUBLICATIONS**

Upon the selection of work, the contractor will provide the NDQAR with a list of all DND publications obtained from the contract authority prior to signing the contract. The contractor will request assistance from the NDQAR in determining additional requirements in the CFSS Procedures (based upon current holdings and contract requirements), DND specifications, pamphlets, technical orders, drawings, etc. The contractor will request the required publications from the NDQAR in accordance with paragraph 7. It is customary, on transfer of work from one contractor to another, to include the pertinent publications as part of and DND-owned materiel or equipment being transferred. Transfer of responsibility for the control of the publications may also be required at that time.

The factors to be considered in preparing a list of required publications are:

- Estimated use;

- Plant location;
- Possibility of sharing publications;
- Possibility of obtaining information via telephone form a central data or information center; and/or
- Possibility of satisfying requirements by limited distribution only.

The contractor will request publications in writing from the NDQAR, and once the request is approved, will raise a Supply Document DND 2227. Contractors will acknowledge receipt of publications by signing the accompanying documents. Attached is the link for the loan of publications to a contractor:

[\\dcs-ls2-pv03789\mat-rki\\$\SRV-Apps\0\\_DGMSSC-DGSMCA\Qualiware\SCI\QualiwareWWW\WorkFlowDiagram\1d89f4c0-af71-45e1-99b8-ef1ffa543540.html](\\dcs-ls2-pv03789\mat-rki$\SRV-Apps\0_DGMSSC-DGSMCA\Qualiware\SCI\QualiwareWWW\WorkFlowDiagram\1d89f4c0-af71-45e1-99b8-ef1ffa543540.html)

## **11.2 DISPOSAL OF PUBLICATIONS**

When a publication is no longer needed, the contractor will request disposal instructions from the NDQAR and take action as directed. In cases where the publication is returned to stock or transferred to another user, the contractor is to ensure that all the amendments are included or that a deficiency listing (and explanations) accompanies the publication(s).

Forms that have been superseded or cancelled and DND have ordered destroyed, are to be disposed of by the contractor. No certification is necessary and, since the forms are not on charge, there is no requirement to raise disposal vouchers.

Unused current forms and stationery considered surplus to requirements are to be returned to the issuing agency.

DND office supplies such as DND stamps, seals, labels, markings, etc. If they are surplus to requirements, they are to be returned to the issuing agency.

## **Ch. 12.0 OFFICE SERVICES**

The Contractor shall perform the secretarial and clerical work necessary to carry out the terms of this contract with respect to the preparation, filing and transmission of all forms, reports and correspondence, relating to the movement, accounting, storage, repair, overhaul, quality control and investigation of materiel covered by this contract. The provision of these office services shall be deemed to be work as defined in PWGSC clause (1) of 2035 General Conditions – Higher Complexity – Services.

## **Ch. 13.0 MINUTES OF MEETINGS**

When minutes of meetings are required, the Contractor shall be responsible for taking them and preparing them in a format approved by the Procurement Authority. The Contractor shall submit

the minutes to the contract authority or the Procurement Authority as directed at the meeting, within ten (10) working days following the meeting.

## **Ch. 14.0 PLANT SHUTDOWN/VACATION PERIOD**

During plant shutdown and/or vacation periods, the Contractor shall ensure that adequate facilities/personnel are available to ensure the satisfaction of High Priority Requirements (HPRs). If contractor personnel are not on site during shutdown, a list of names and home phone numbers of those Contractor personnel to be contacted during plant closure shall be provided to the NDQAR. It is the Contractor's responsibility to ensure that personnel are available to satisfy PRR requirements once identified.

## **Ch. 15.0 REPORTS/QUERIES**

### **15.1 MATERIAL MANAGEMENT REPORTS**

The following reports are available from the supporting NDQAR:

- **Material sent to R&O Contractor:** This report will show all work orders that have been actioned against a MMR against Plant/SLOC;
- **SNAPS:** This report shows all MMRs authorized for repair within a Plant/SLOC with reference to a specific contract;
- **ZEMM\_RO\_MANAGED: List of Materials-Material R&O / Forecast:** When a repairable MMR is selected in ZEMM\_RO\_Managed, the repair procedure will allow the unserviceable materiel to be shipped without delay to the selected repair facility. The repair procedure applies to all MMRs selected to 3<sup>rd</sup> line contractors or DND facilities and 2<sup>nd</sup> line Regional Maintenance Facilities (RMF). When an item is selected for repair, the forecast arising report allows the facility to plan for the repair by acquiring spare parts, test equipment and skilled labour to be available to meet the work forecasted by DND;
- **ZEIWBK Display Material Availability List:** This report has a view of all Work Orders opened against a MMR;
- **MMBE: Stock Overview: Company Code/ Plant/ Storage Location/ Batch:** This is a query that can be used to view all Stock on hand;
- **MM03: Display Material (Initial Screen):** This query can be used to view all management data against a MMR; and
- **ZSUP\_STRIP: Supply Strip Report:** This query can be used to view all Stock on Hand for an entire MRP area.

### **15.2 MRP PROGRESS REPORTS**

The Contractor shall submit one (1) copy of the monthly progress report covering Mobile Repair Party (MRP) activities IAW PWGSC Form (7139) to the Procurement Authority, and one (1) copy to the supporting NDQAR.

This monthly progress report can be an email report using an approved format by the Procurement Authority. The report must include the contractor detailed fault findings, description of work conducted and completed, recommendations, cost breakdown by category including person hours by trade, travel expenses and living expenses.

### **15.3 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS**

Technical Investigations and Engineering Studies may only be authorized by the Procurement Authority. The Contractor shall complete a Technical Investigation Report as stipulated under a DND 626 on an as required basis when so directed.

### **15.4 ACCIDENT/INCIDENT REPORTS**

The Contractor shall submit accident/incident reports in accordance with Chapter 7 Para 32(b) and Chapter 7 Para 41 (f) of CFTO A-GA-135-001/AA-001, through the supporting NDQAR (Aircraft Only).

### **15.5 ANNUAL DND OWNED INVENTORY REPORT**

The contractor will be required to report annually to the PA on the value of all non- catalogued Accountable Advance Spares (AAS) and Government Furnished Overhaul Spares (GFOS) inventory held on March 31. [Annex M](#) will provide reporting requirements.

## **ANNEX A REPAIR OF COMPONENTS/ACCESSORIES PROCESS FLOWCHART**

If the unserviceable component is not included in the original repair agreement, the contractor will return the unserviceable component via a MIGO 262 goods issue reversal to the unserviceable CRPA SLOC and action IAW Process flowchart below (Unserviceable Repairable Component Removed from an Item Process flowchart)



EP 04 Unserviceable  
Repairable Componer

## **ANNEX B IN / OUT OF COUNTRY REPAIR PROCESS FLOWCHART**

**This flowchart will describe who does what in the repair process.**



EP 04 Repair and  
Overhaul External (F

## **ANNEX C SNAPS (Selection Notice and Priority Summary)Report**

The SNAPS is a report found in the [DRMIS](#) BI Portal application and is designed to show all MMRs which are selected for repair to that RMA/SLOC, the Maximum Repair Cost (MRC) and the 24-month forecast of arising's. The information on the SNAPS plus the R&O contract provides the contractor with the authority to repair.



Annex C - SNAPS  
TEMPLATE.docx

## **ANNEX D SNOM (Selection Notice Observation Message)**

A SNOM is used by contractors to report an observation. It is understood that a SNOM can be an email with all pertinent information enclosed



Annex D -  
SNOM.docx

## **ANNEX E PRIORITY REPAIR REQUEST- (PRR)**

A Priority Repair Request (PRR) is direction to the contractor to repair an item on a priority basis. These requests originate from NDHQ/Supply Managers and are communicated to NDQAR by e-mail. The SM forwards the information to the contractor for action, by email.



PRR.pdf

## **ANNEX F GFE/GFI ISSUE TO A LOAN ACCOUNT LOAN AGREEMENT**

Loan Agreements must exist between DQA and Contractor (through EPM or a DND sponsor) for the issue of GFE/GFI. GFI includes Publications, data etc.



Issue to a Loan via  
DFPS.pdf



EP 54 Issue GFI  
(Publication, etc.)to a

## ANNEX G QD MESSAGE FORMAT DIR

Items that cannot be requisitioned through [DRMIS](#) because of special circumstances are to be submitted by message demand to the NDHQ supply manager. A Message DIR can be accessed in DRMIS via Tcode CV01N using create DIR Type PUR for QD. The QD template can be found in attachment below. Items in this category are items governed by special instructions or specifically authorized for off-line management IM advisory code



Annex G - QD  
Message.docx

## ANNEX H RMA ACCOUNT DESIGN

**A Repairable Material Account** is an account that will be allocated to the contractor to hold the authorized material for repair that is approved on the contract. The RMA is represented within the system *by* a three Alpha character format followed by a number “1” i.e. “WAL1”. There will be two storage locations (SLOC) allocated. One will be a Serviceable storage location and the other will be an Unserviceable Storage Location (SLOC).



Annex H - RMA  
Account design.docx

## ANNEX I STOCKTAKING SECURITY REQUIREMENTS FOR MATERIAL TYPES

Some repairable items, because of their critical and sensitive nature, or because of the country where they are held will require Stocktaking on a more frequent basis. The items listed here under are subject to specific stocktaking periods and special requirements.



Annex I - Material  
Type.docx

## **ANNEX J STOCKTAKING PLAN**

The Contractor will ensure that 100% of the DND Owned material is planned to undergo stocktaking at least one time during this two year period or more frequently as dictated at Annex I



Annex J -  
Stocktaking Plan - An

## **ANNEX K DRMIS STOCKTAKING COUNT SHEETS**



Annex K - DRMIS  
STOCKTAKING COUN

## **ANNEX L STOCKTAKING PROCESS MODEL**

This is a step by step process to carry out stocktaking at a contractor facility. The supporting NDQAR will assist in the stocktaking process for contractor facilities.



Annex L - EP04  
Repair and Overhaul

## **ANNEX M DND OWNED INVENTORY REPORTING REQUIREMENTS**

The contractor will be required to report annually to the PA on the value of all Accountable Advance Spares (AAS) and Government Furnished Overhaul Spares (GFOS) inventory held on March 31



Annex M - DND  
Owned Inventory Hol

## **ANNEX N STOCKTAKING SUMMARY REPORT**

The Contractor will prepare a Stocktaking Summary Report for each account type (see Annex N).



Annex N -  
Stocktaking Summary

## **ANNEX O EMO TO R&O FACILITY**

This is the process to use when having to do an equipment movement order to a repair facility.



EMO to R&O.pdf

## **ANNEX P RMR TEMPLATE**

A RMR is submitted when a repairable MMR (B, F, N) is not selected with forecasts in ZEMM\_RO\_MANAGED

Or a repairable MMR (G or L) is deemed to be beyond the repair capability of second line and the Repair Reserve flag is set to "N" (no) or the RPC is not set to "P"(pending).



Annex P - RMR  
Template.docx

## **ANNEX Q INVENTORY CONTROL CARD (Non Catalogued)**

INVENTORY CONTROL CARD FOR DND OWNED AND SUPPLIED MATERIEL (NON CATALOGUED)  
CONTRACT AND ACCOUNT INFO



Annex Q - Inventory  
Control Card (Non-Ca

## **ANNEX R DISPOSAL AT R&O FACILITIES**

This is the step by step process to dispose of an item at a repair facility.



EP 18 Disposal -  
Mod1.pdf

## **ANNEX S PROCUREMENT AUTHORITY LIST**

**Procurement Authority List (PAL):** This document is used when a SM wants to complete any amendment to the MSL/SNAPS. A PAL is a document used to add (add), modify (mod) or remove (SRR) a selection of one or many MMRs to a repair line (RMA/SLOC).



Annex S - PAL.docx

## **ANNEX T RECEIPT (UNFORECASTED) OF GOVERNMENT OWNED MATERIEL (GOM) AT INDUSTRY**



Receipt of  
Government Owned Materiel

## **GLOSSARY**

**Adjustment:** Any amendment necessitated by a posting error, duplication, lack of supporting documentation, etc. These transactions are effected by raising certificate vouchers, i.e., certificate issue vouchers (CIVs) or certificate receipt vouchers (CRVs)

**Beyond Economical Repair (BER):** A condition classification code assigned to unserviceable equipment which, as the result of the application of financial criteria, is considered uneconomical to repair.

**Boat Movement Order (BMO):** Authorization to move a boat.

**Canadian Forces Ammunition Depot (CFAD):** these depots are responsible for warehousing and stocking ammunition. We have four ammunition depots located in Rocky Point BC, Bedford NS, Dundern SK and Angus ON.

**Canadian Forces Publication Depot:** (CFPD) This depot is responsible for distributing and warehousing standard publications managed by the Standard Publications Control section

**Canadian Forces Supply Depot (CFSD):** The supply depots in the CF are:

7 CFSD Edmonton and 25 CFSD Montreal. These depots are responsible for warehousing and stocking supplies of materiel for distribution to bases and stations;

**Central Medical Equipment depot (CMED):** Depot and warehouse for medical supplies.

**Canadian Forces Technical Order (CFTO):** Publications and other information media, which provide technical direction and information on the design, installation, operation, maintenance, inspection and modification of CF equipment.

**Contract Authority (CA):** Contract Authority is the authority, delegated by the MND, to persons occupying specific DND/CAF positions or fulfilling specific organizational functions to enter into and sign contractual documents on behalf of the department. (Extracted from Financial Administration Principles, section of CAF A-FN-100-002/AG-006) These delegated DND contract authorities are shown in the Delegation of Authorities Matrix, Columns 15-24. Contract authority is identified in the contract and contracts out for goods and services valued greater than \$5K.

**Contractor Furnished Materiel (CFM):** Materiel such as nuts, bolts, capacitors, resistors, etc., which are commercially available and normally carried in stock by the contractor. Contractor Furnished Materiel includes spare parts the Vendor/ Contractor has to provide for use on the repair line for DND equipment that are not covered by CIS, AAS, or GFOS.

**Current Year Forecast/Next Year Forecast (CYF/NYF):** The SM, in consultation with the LCMM, shall compute a forecast of the number of MMRs that will arrive at the repair contractor over the next 2 –12 months re provisioning periods. This Current Year Forecast (CYF) and Next Year Forecast (NYF) become the basis for R&O funding provided to the PA and for planning purposes by the contractor. The current year forecast is also the maximum quantity the contractor is authorized to receive and repair unless there is an amendment to the SNAPS or CYF. Because quantities forecasted have a direct impact on funds expenditure, care shall be exercised to ensure that forecast quantities are based on accurate data of past usage, future activity and/ or the manufacturers input in the case of initial procurement.

**Cut-off date:** A date after which no further inventory/computer transactions that effect balances are carried out for receipts and issues. After the cut-off day, all inventory/computer balances are to remain unchanged while a physical stocktaking count is being carried out and finalized. Once the physical stocktaking is finalized, all counted stock balances will be compared to the computer balances reported on the cut-off date.

**Department of National Defence (DND):** is a Canadian Government Department responsible for defending Canada's interests and values at home and abroad. The Department of National Defense exists to aid the minister in carrying out his responsibilities within the Defence Portfolio, and provides a civilian support system for the Canadian Armed Forces.

**Director Materiel Policy and Procedures (DMPP):** is accountable for establishing and maintaining an integrated MA&S policy, standards and business process framework across the Department and the CF.

**Director Quality Assurance (DQA):** is the DND National Quality Assurance Authority (NQAA). The Director Quality Assurance (DQA), as the representative of the DND NQAA, and is responsible for:

- providing assurance of quality through the application of Government Quality Assurance (GQA) on the acquisition of materiel and services for the CAF, the department and other clients
- providing advisory and auditing services on quality management systems
- providing logistic support services
- providing client support services

**Director Quality Assurance, Repair and Overhaul (DQA R&O):** Director Quality Assurance (DQA) has a Repair & Overhaul (R&O) entity which is responsible for managing DRMIS R&O activities for ADM(Mat) Equipment Program Management/Equipment Program Services (EPM/EPS) Supply Managers within the NICP, and Procurement Authorities associated with R&O contracts.

**Director Supply Chain Operations (DSCO):** provides material acquisition and support (MA&S) leadership in Performance Management, Compliance & Oversight, Technical Data Services and Cataloguing, as well as, enabling capabilities for the execution of an effective, efficient and accountable Supply Chain.

**Disposal:** The removal of materiel either in a whole state or as residual scrap from a contractor's facility by a surplus declaration to PWGSC Crown Assets Distribution Directorate/Centre, by trade-in, by destruction on site or by vouchering to one or more of the other R&O contractors or to other DND establishments.

**Equipment:** Major items of materiel that are not expendable except through depreciation or wear and tear and which, although they may be fixed or positioned in prescribed places, do not lose their identity or become integral parts of other equipment and installations. Items in this category are normally susceptible to running maintenance. Equipment items are usually procured, issued and replaced on the basis of planned departmental capital acquisition programs, for example, aircraft vehicles, vessels, boats, workshop machinery, electronics systems.

**Equipment Master Record (EMR):** The equipment master record contains information on a piece of equipment. A piece of equipment is an individual, physical object that is maintained as an autonomous unit. When you create an equipment task list, data such as the short text and the planner group is taken from the equipment master record and transferred to the equipment task list as default data. The bill of material assigned to the piece of equipment is also transferred.

**Equipment Program Management (EPM):** EPM organisations are designed to have a clear environmental or customer focus and are structured to support integrated equipment systems management. An EPM consists of:

- a. A small Business Management Team (BMT) which focuses on EPM business planning and stewardship of financial and human resources.
- b. Several multi-disciplined EMTs whose composition varies as a result of their unique environmental requirement.
- c. An EPM Support Services Team (SST) which provides specialist or unique EPM support to the EMTs or BMTs.

**Excess Materiel:** Is materiel that is still considered a valuable asset by DND/CF. Excess materiel is a quantity of materiel that is held by a unit or organization that is greater than the quantity authorized or a quantity of supply system stock, which exceeds economic retention levels.

**First In, First out (FIFO):** In the case of FIFO strategy, the system first proposes the oldest quant from the storage type from which you want to remove products from stock. The system calculates the age of a quant (its retention period in the warehouse) from the date when goods receipt was posted. The goods receipt date is set automatically in the quant and in the warehouse request for each goods receipt posting. You can accept the goods receipt date that the system sets or you can enter a different date. Regardless of whether you adopt the goods receipt date or enter a new one, the system uses this date to calculate the age of the quant. This date influences the sort sequence for each product.

**Government Quality Assurance:** The process by which the appropriate national authorities establish confidence that the contractual requirements relating to quality are met.

**Government Supplied Materiel (GSM):** Government Supplied Materiel is DND-owned

materiel supplied to a contractor to incorporate into equipment which will be delivered to DND under the contract. It includes CIS, AAS and GFOS.

**Immediate Operational Requirement:** It is a requisition for materiel to satisfy an urgent operational requirement.

**Inventory Control Card:** A manual or electronic record of stock used for material management and audit purposes and to include transactions such as issues, receipts and stock adjustments.

**Issues:** The release of materiel pursuant to a properly authorized requisition or instruction.

**Like-item:** In the stocktaking process, like-items are single items which, when compared to each other, are physically similar and serve the same purpose. The most expensive item has a catalogue value which does not exceed a 100% dollar value increase of the less expensive item.

**Loan:** The agreement to allow a third party to use an asset, whether or not a consideration is involved, without transferring the title of that asset.

**LOGSOW:** The LOG SOW is a mandatory part of the contract, costed and also subject to negotiation. The LOG SOW is a generic format that is provided to the Procurement Authority, who tailors it specific to meet the requirements of individual contracts. The intent is that the SOW informs the contractor of the work required by the crown, and provides the contractor with procedures/instruction as to how to carry out the work. The LOG SOW will entail information and conditions for In and Out of Country repair contracts, Major Equipment and Accountable Advance Spares and must be read in conjunction with this instruction manual.

**Maintenance:** All action taken to retain materiel in a serviceable condition or to restore it to serviceability. It includes inspection, testing, servicing, calibration, classification as to serviceability, repair, rebuilding and reclamation.

**Manual Stocktaking:** A 100% physical count done by hand, worked by hand of all items held on AAS, GFOS, CRPA and RMA/RRMA, but not by mean of automated equipment.

**Material:** All movable assets, excluding money and records, acquired by Her Majesty in right of Canada.

**Material Master Record (MMR):** A data record containing all the basic information required to manage a material. This data is sorted according to various criteria including data of a descriptive nature (such as size, dimension and weight) and data with a control function (such as material type and industry sector). In addition to this data, which can be directly maintained by the user, it also contains data that is automatically updated by the system (such as stock levels).

**Maximum Repair Cost (MRC):** The Maximum Repair Cost (MRC) is a standard established by DND to guard against the possibility of an item being repaired at a cost that exceeds its replacement value to DND. The MRC is the maximum amount including all labour, materiel costs, Sub-contracting work, shipping and administration fees that the contractor or DND repair facility is authorized to spend to repair an item. It is not the cost DND necessarily intends to pay for all repairs..

**Minor Repair:** Repair, which permits quick return to serviceability without extensive disassembly and that can be accomplished with few tools and little or no equipment.

**NATO Stock Number (NSN):** A 13-digit number; for example, 5305-21-111-3333 broken down as follows:

- a. Digits 1-4; for example, 5305, the NATO supply classification, consisting of Group 53, which covers all items of hardware, followed by the class within the group 05 (screws), 06 (bolts), etc., the whole being known as the supply class.
- b. Digits 5-6; for example, -21-, the NATO code for the National Codification Bureau that assigned the stock number; for example, 00 U.S.A., 21 Canada, 14 France, 99 U.K., etc.
- c. Digits 7-13; for example, 111-3333, the National Item Identification Number; non-significant, but sequentially assigned by each National Codification Bureau to a unique item of supply.
- d. Digits 5-13; for example, 21-111-3333, the NATO Item Identification Number, including both the NATO code of the National Codification Bureau and its item identification number. The last digits of the number remain with the item throughout its life, even though the NATO supply classification may change as a result of reclassification and consequent conversion of stock numbers; for example, 5305-21- 111-2222 converted to 2805-21-111-2222.

**Overhaul:** The restorations of an item to its original condition/near life expectancy. It includes the replacement of worn, damaged or life expired parts, the incorporation of approved modifications, and the rework of components as necessary.

**Out of Country Repair Section (OCRS):** This section is responsible to track/process/account for all repairable materiel shipped to an R&O facility outside Canada, including Foreign Military Sale cases (FMS). The OCRS are located in Montreal and Edmonton Depots (25 or 7 CFSD).

**Packaging:** Application or use of appropriate wrappings, cushioning materiels, interior containers and identification up to but not including shipping containers.

**Packing:** The application or use of shipping containers and the assembling or consolidation of items or packages therein, together with necessary blocking, bracing, cushioning, weather proofing, exterior strapping, and consignee address markings.

**Plant:** Is a place where either materiels are produced, or goods and services are provided. Primary functions are as a reporting object and for inventory valuation .For example, at DND, Plants are defined as **Air Force: Plant 2000, Army: Plant 0002 Depots 3201**

**Pre-Installation Failure (PIF):** It is failure of new, newly repaired or overhauled equipment

(R&O) which:

- Is found defective on receipt from DND inventory
- Has failed during pre-installation testing; or
- Has failed during initial installation trials.

**Procurement Authority (PA):** The Procurement Authority is the Procurement/Contracting Officer/Clerk or RC Manager/Administrator who is delegated responsibility for some or all parts of the procurement process.

**Procurement Authority List (PAL):** This document is used when a SM wants to complete any amendment to the MSL/SNAPS. A PAL is a document used to add (add), modify (mod) or remove (SRR) a selection of one or many MMRs to a repair line (RMA/SLOC).

**Quality Assurance:** A system of activities whose purpose is to provide assurance that the quality control is in fact being done effectively. For a specific product or service, this involves verification, audits and the evaluation of the quality factors that affect the specification, production, inspection and distribution.

**Quartermaster Transfer Order (QTO):** Authorization to move an aircraft or major assembly

**Receipts:** Equipment, spares or salvage received into an account.

**Reconciliation:** A method of correcting inaccurate balances in the NDHQ computer.

**Recovery:** Action taken to repossess materiel or to financially reimburse the Crown, in whole or in part, for the loss of or damage to materiel.

**Repair:** The identification and correction of those specific defects which degrade the performance of an item causing it to function below the specifications.

**Repair(able) Equipment:** "A" accountable equipment's/components that have received authorization for repair and/or overhaul IAW the Selection Notice and Priority Summary (SNAPS) for a Repair Materiel Account (RMA), and/or on approved Repairable Materiel Request (RMR) from the appropriate EPMs through R&O cell in DQA.

**Repair and Overhaul:** Materiel held by the CAF/DND must be maintained in a serviceable state to ensure that it is available to meet operational demands. While the responsibility for first-level and second-level repairs is vested within operating units and bases, third-level repairs (those repairs beyond the capabilities of units and bases) are administered by ADM(Mat) Equipment Program Management (EPM) and Equipment Program Support (EPS) divisions under the R & O program. The following distinction is made between R&O:

- a. Repair. The maintenance of an item of equipment in order to return it to a serviceable condition.
- b. Overhaul. The complete restoration of an item of equipment entailing replacement of both worn and damaged parts or parts whose service life has expired.

In general, repair normally involves the correction of specific defects. Overhaul is normally carried out after the expiry of the service life.

**Repair and Overhaul (R&O) Facility:** A R&O installation engaged in the repair or overhaul, modification or relieving of DND equipment. It may be a Canadian Armed Forces (CAF) repair establishment (known as in-house facility) or a commercial establishment (a firm holding current R&O contracts).

**Repairable Reserve (RR):** Refers to repairable equipment retained in stored reserve for future requirements or pending the availability of repair facilities or disposal authorization.

**Serviceable Condition:** The condition of an equipment which allows it to be used, shipped or held in stores without being subjected to any limitations not applicable to new equipment.

**Shelf Life:** The length of time an item of supply can be stored under specified environmental conditions and continue to remain suitable for its intended use.

**Shortage:** In the stocktaking process, shortage is the quantity of materiel disclosed by count as being less than the quantity indicated on associated records.

**Special Instruction (SPIN) \***

SPIN provide R&D Sections and Repair Facilities special instructions such as direction for shipping or procedure notifications. SPINs are currently limited to one per MMR.

The SM, LCMM or PA can create the SPIN but the SPIN has to be approved by the PA. . DQA R&O is responsible to post the SPIN on the Web Site, maintain, and validate if the SPIN meets the R&O policies and procedures. See DQA SPIN Web Site at:

[http://spins.mil.ca/default\\_e.asp](http://spins.mil.ca/default_e.asp)

**Stop Repair Delete (SRD):** A notice to a R&O facility, issued by DQA RO, to stop all R&O of equipment because there is no longer a need to maintain a repair pipeline, e.g., an item which will be repairable at base level only or an item which can be procured at a cost lower than the cost of repair.

**Stop Repair Transfer (SRT):** A notice to a R&O facility, issued by D Proc RO, to complete R&O of equipment currently in process and to re-route all subsequent equipment received to the new R&O facility selected for the work. This notification always carries the obligation on the part of the unsuccessful R&O facility to transfer the applicable spares.

**Storage Location:** Is an organizational unit that differentiates various stocks of a material within a Plant .For inventory purposes, a Storage Location identifies where parts or other inventory are stored for each unit (physically or virtually) .When parts are ordered, the Storage Location is automatically determined

**Stores Removal Request:** SRR is used by the SM to instruct personnel at a plant / storage location to move stock to a repair facility for repair, testing, modification, or re-work. This decision to move the stock to a repair facility is a result of funding becoming available or a

change to requirements such as changes to planning and forecasting with customer demands, referrals, a high priority request (HPR) or a contract award.

**Supply Manager:** A person who manages an inventory of materiel at the National Inventory Control Point (NICP). Duties consist of determining requirements for materiel and services, requisitioning materiel and services, distributing materiel, setting up or updating supply system Master Data Base (MDB) elements, taking cataloguing actions, disposing of excess or obsolete materiel and managing repairable materiel.

**Surplus:** In the stocktaking process, surplus is the quantity of materiel disclosed by count as being more than the quantity indicated on associated records.

**Transaction Code (TCode):** SAP Transaction code is a short cut key attached to a screen. Instead of using SAP easy access menu we can also navigate to a particular screen in SAP by entering the transaction code (T-code for short) in the command field of the standard toolbar.

**Turnaround Time:** For R&O purposes; the average number of calendar days it takes for a contractor to repair an item from the time the item arrives at the contractor until the time the repair is completed.

**Unsatisfactory Condition Report (UCR):** (Used by all environments) The electronic UCR captures Trouble Reporting data from Operations personnel, Qualified User Operators, Maintenance and Support Staff, specialist authorities, LCMM's and technical authorities in a structured relational database that is easily portable to other external systems and makes them visible and accountable to the Customer.

**Work Order:** A customer uses a work order to contract a supplier to produce a particular quantity of a product and to deliver that quantity by a particular date/time or by various dates/times to the customer.

**Write-off:** Approval of a deletion of materiel from inventory because of shortage, loss, theft or unauthorized destruction, and for which the full catalogue value has not been recovered.