

# Request for Proposal

Solicitation #: 16-22052

Project: Scale-up Chemical Processing Facility

Date: July 15 2016



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## 1 IMPORTANT NOTICE TO BIDDERS

1. The National Research Council Canada (NRC) is seeking RFP responses from Applied Chemical Processing Design & Construction companies to run a conceptual/phase0 study for our modular, flexible chemical processing plant.
2. THIS DOCUMENT CONTAINS A SECURITY REQUIREMENT: For further instructions please consult the Contracting Authority listed herein.
3. **PROPOSAL CLOSING DATE AND BID SUBMISSION INSTRUCTIONS:** Proposals must be delivered not later than 2:00 PM EST, Thursday, August 25 2016, to the following Contracting Authority:  
**Johnathon Gillis,**  
Procurement Services National Research Council Canada  
1200 Montreal Road, Bldg. M-22 Ottawa, Ontario K1A 0R6  
Telephone: 613-993-5506  
Email: Johnathon.Gillis@nrc-cnrc.gc.ca

**Proposals must not be sent directly to the Project Authority**

## 2 Definitions

1. In this RFP document the specific **mandatory** requirements of the Bidder are identified by the use of “**shall**”, “**must**”, “**will**”, “**will not**”, “**shall not**” and “**must not**”.
2. “**Bidder(s)**” means any firm(s), (includes sole proprietorship and joint ventures) submitting a bid to NRC in response to the RFP.

**Mandatory** requirements imposed on the Bidders must be met by bid closing deadline.

3. In the Scope of Work, Section 16, the words “**must**”, “**will**” or “**shall**” define the specific mandatory requirements of the Contractor, related to the provision of the services.
4. “**Contractor**” (Selected Company) means the party to the Contract which undertakes, by entering into the Contract, to perform the services and who is to supply services. Obligations on the Contractor need not be met until the successful Bidder executes (signs) a Contract with NRC, or as otherwise required by the terms of the Contract.

## 3 Schedule for Solicitation Process

Activities	Dates
Publication Date	July 15, 2016
Mandatory Meeting I	August 2, 2016
Mandatory Meeting II	August 8, 2016
Last Day for Inquiries	August 17, 2016
Closing date	August 25, 2016

#### 4 ENQUIRIES DURING SOLICITATION PROCESS

1. All enquiries regarding the bid solicitation **shall** be submitted in writing, by e-mail to the Contracting Authority: Johnathon Gillis
2. All enquiries **shall** be submitted as early as possible within the bidding period. Enquiries must be received by *August 17, 2016 by 11:00 am (EST)*. Questions received after this time will not be answered.
3. To ensure consistency and quality of information provided to all Bidders, Contracting Authority will provide, simultaneously, through the Buy and Sell website, any information with respect to enquiries/questions received and the replies to such enquiries/questions without revealing the sources of the enquiries.
4. All enquiries and other communications with NRC staff throughout the solicitation period **shall** be directed only to the Contracting Authority. Vendors who attempt to obtain information regarding any aspect of this RFP during the solicitation period through any NRC contacts other than the Contracting Authority identified herein, may be disqualified (for that reason alone). Non-compliance with this condition during the solicitation period may (for that reason alone) result in the disqualification of a bidder's bid submission.
5. Bidders **shall** promptly examine all documents comprising this RFP and shall report any errors, and seek clarification of apparent errors, ambiguities or other problems.
6. It is the Bidder's responsibility to avail themselves of all the necessary information to prepare a compliant tender in response to this RFP. The Contracting Authority may but is under no obligation to seek clarification of a bid submission from a Bidder.

#### 5 BIDDER'S MANDATORY CONFERENCES

The Bidder or a representative of the Bidder **must** attend at least one of the two Bidder's Mandatory Conferences either in person or via teleconference. Arrangements have been made for the conferences to be held at 100 100 Sussex, Ottawa, ON K1N 5A2.

- a) Conference, session 1: August 2, 2016, at 13:00; Or via WEBEX
- b) Conference, session 2: August 8, 2016, at 13:00; Or via WEBEX

Bidders **must** communicate with the Contracting Authority no later than **72 hours** before the session to confirm attendance, provide the name(s) of the person(s) who will attend. NRC reserves the right to limit the number of participants to two (2) persons per bidder. Bidders will be required to sign an attendance sheet and a Confidentiality Agreement, Appendix "C"- Confidentiality Agreement, prior to conference if this has not already done. Bidders should confirm in their bid that they have attended one of the **MANDATORY** conferences. Bidders who do not attend one of the **MANDATORY** conferences or, do not send a representative will not be given an alternative appointment and *THEIR BID WILL BE DECLARED NON-RESPONSIVE*. Any clarifications or changes to the bid solicitation resulting from conferences will be included as an amendment to the bid solicitation.

#### 6 COSTS RELATED TO SOLICITATION PROCESS

1. All costs and expenses incurred by a bidder related to the preparation of the bid **shall** be borne by the bidder. NRC is not liable to pay such costs and expenses or to reimburse or to compensate the bidders under any circumstances.

2. NRC **shall not** be responsible for any costs related to any delays in the Tender, in awarding of the contract, or costs associated with any reviews or the approval process, or with obtaining any government approvals.
3. Contract award is contingent in NRC having the required budget to proceed with the described work in the designated fiscal year.

## 7 CONFIDENTIALITY/SECURITY

1. This document, or any portion thereof, **shall** not be used for any purpose other than the submission of an offer.
2. The successful Bidder **must** agree to maintain security standards consistent with security policies of NRC. These include a strict control of data and maintaining confidentiality of information gained while carrying out their duties.
3. The individuals, or companies, participating in this RFP acknowledge and understand that NRC is subject to the Privacy Act and Access to Information Act (ATIP), and NRC may, as a result of a specific request made under that Act, be required to release this complete document or any other documents it has received related to this RFP. Participants in this process should clearly indicate "Confidential" on items within their submission considered to be company confidential or proprietary information.
4. All information pertaining to NRC obtained by the Bidder as a result of participation in this project is confidential and **must not** be disclosed without a written consent from NRC.
5. Unsuccessful Bidders **must** dispose of the Tender document obtained from NRC by secure shredding. Documents relating to this NRC Solicitation **must** not be sent in intact condition to landfill or to recycling facilities. If secure shredding equipment is not available to any of the participants involved in this Tender, all documents related to NRC Solicitations (Tender, RFP, site plans, specifications, schedules, notes, etc.) can be put in an envelope marked for Secure Disposal on the outside of the envelope and returned to NRC, via courier, for secure disposal, at the following address:

**Johnathon Gillis,**  
Procurement Services National Research Council Canada  
1200 Montreal Road, Bldg. M-22 Ottawa, Ontario K1A 0R6

## 8 PROPOSAL CLOSING DATE AND BID SUBMISSION INSTRUCTIONS

1. Proposals must be delivered not later than 2:00 PM EST, Thursday, August 25 2016, to the following Contracting Authority:

**Johnathon Gillis,**  
Procurement Services National Research Council Canada  
1200 Montreal Road, Bldg. M-22 Ottawa, Ontario K1A 0R6  
Telephone: 613-993-5506  
Email: Johnathon.Gillis@nrc-cnrc.gc.ca

2. Proposals **must** be delivered in a sealed envelope and the Bidder's name and the RFP No. should be clearly indicated on the Proposal Envelope. It is the vendor's responsibility to obtain date and time stamped receipt signed by the receptionist as proof that NRC has received their proposal within the prescribed time limit. All risks and consequences of incorrect delivery of bids are the responsibility of the Bidder.
3. Bid submissions must be in accordance with the Standard Instructions and Conditions (Applicable to Bid Solicitation) attached as APPENDIX "E"- GENERAL CONDITIONS.
4. Due to the nature of this solicitation, NRC will not accept any proposal documents by facsimile.
5. NRC will accept any proposal documents by electronic mail or on diskette.
6. Proposals received after the closing date will not be considered and will be returned to the sender. The sender has the sole responsibility for the timely dispatch and delivery of a proposal and cannot transfer such responsibility to the NRC. No supplementary information will be accepted after the closing deadline unless NRC requests a clarification.
7. All submitted proposals become the property NRC and will not be returned to the originator.

## 9 PROPOSAL VALIDITY PERIOD

1. NRC reserves the right to seek an extension to the proposal validity period
2. Upon notification in writing from NRC, Bidders shall have the option to either accept or reject the proposed extension.
3. If the extension referred to in paragraph 1) of section 9 is accepted, in writing, by all those who submitted proposals, then NRC shall continue immediately with the evaluation of the proposals and its approvals processes.
4. If the extension referred to in paragraph 1) of section 9 is not accepted in writing by all those who submitted proposals then NRC shall, at its sole discretion, either a) continue to evaluate the proposals of those who have accepted the proposed extension and seek the necessary approvals; or b) cancel the request for proposals.
5. The provisions expressed herein do not in any manner limit NRC's rights in law.

## 10 RIGHTS OF NRC

In addition to any other expressed or implied rights, NRC reserves the right to:

- a) reject any or all proposals received in response to the bid solicitation;
- b) enter into negotiations with bidders on any or all aspects of their bids;
- c) accept any proposal in whole or in part without negotiations;
- d) cancel the proposal solicitation at any time;
- e) reissue the proposal solicitation;
- f) make changes, including substantial changes, to this RFP provided they are issued in an addendum to this RFP;
- g) contact any customer or reference provided within a respondent's submission, as part of the assessment process;
- h) not consider any response that contains information that NRC (in its exclusive opinion) believes to contain misrepresentations or any other inaccurate, suspicious, or misleading information;
- i) meet, at its discretion, with respondents who indicate in their responses that they wish to participate in a follow-up meeting. Such follow-up activity, if conducted, may include, but is not



limited to, individual meetings and/or conferences. NRC may, in its discretion, contact one or more respondents to follow up with additional questions or for clarification of any aspect of a response.

- j) if no responsive proposals are received and the requirement is not substantially modified, reissue the proposal solicitation by inviting only the bidders who bid to resubmit within a period designated by NRC; and
- k) negotiate with the sole responsive Bidder to ensure best value to NRC.

## 11 PRICE JUSTIFICATION

In the event that the Bidder's bid is the sole responsive bid received, the Bidder must provide, on NRC's request, one or more of the following price justification:

- 1. a current published price list indicating the percentage discount available to NRC; or
- 2. a copy of paid invoices for the like quality and quantity of the goods, services or both sold to other customers; or
- 3. a price breakdown showing the cost of direct labor, direct materials, purchased items, engineering, general and administrative overhead, transportation, etc., and profit; or
- 4. price or rate certifications; or
- 5. any other supporting documentation as requested by NRC.

## 12 CONDUCT OF EVALUATION

- 1- In conducting its evaluation of the proposals, NRC may, but will have no obligation to, do the following:
  - a) Seek clarification or verification from bidders regarding any or all information provided by them with respect to the proposal solicitation;
  - b) Contact any or all references supplied by bidders to verify and validate any information submitted by them;
  - c) Request, before award of any contract, specific information with respect to bidders' legal status;
  - d) Conduct a survey of bidders' facilities and/or examine their technical, managerial, and financial capabilities to determine if they are adequate to meet the requirements of the proposal solicitation;
  - e) correct any error in the extended pricing of bids by using unit pricing and any error in quantities in bids to reflect the quantities stated in the bid solicitation; in the case of error in the extension of prices, the unit price will govern.
  - f) Verify any information provided by bidders through independent research, use of any government sources or by contacting third parties
  - g) Interview, at the sole costs of bidders, any bidder and/or any or all of the resources proposed by bidders to fulfil the requirement of the proposal solicitation.
- 2- Bidders will have the number of days specified in the request by the Contracting Authority to comply with any request related to any of the above items. Failure to comply with the request may result in the bid being declared non-responsive.

## 13 ENTIRE REQUIREMENT

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

## 14 SUBMISSION REQUIREMENTS AND EVALUATION

### 14.1 GENERAL INFORMATION

#### 14.1.1 SUBMISSION OF PROPOSALS

- a) The bid shall be submitted following a "two-envelope" procedure in which the Bidder submits the Qualifications Form and any required associated document(s) in envelope 1 and the Bid and Acceptance Form and any required associated document(s) in envelope 2. Both envelopes shall be enclosed and sealed together in a third envelope, the bid envelope. All envelopes are to be provided by the Bidder.
- b) The bid envelopes shall be addressed and submitted to the office designated on the Front Page of the Request for Proposal for the receipt of the bids, which is located at the following address:

**Johnathon Gillis,**  
Procurement Services National Research Council Canada  
1200 Montreal Road, Bldg. M-22 Ottawa, Ontario K1A 0R6  
Telephone: 613-993-5506  
Email: Johnathon.Gillis@nrc-cnrc.gc.ca

The bid must be received on or before the date and time set for solicitation closing. Prior to submitting the bid, the Bidder shall ensure that the following information is clearly printed or typed on the face of the bid envelope:

1. Solicitation Number;
  2. Name of Bidder;
  3. Return address; and
  4. Closing Date and Time.
- c) If you require clarification regarding any aspect of this RFP, address all queries to the Contracting Authority, identified below, at least **7 working days** before the closing date. All queries must be in writing and queries received less than **7 working days** prior to the closing date cannot be guaranteed a response. Information received verbally will not be binding upon the NRC.
  - d) The technical proposal and any required associated document(s), shall be enclosed and sealed in one envelope with the following information clearly printed or typed on the face of the envelope:
    1. ENVELOPE 1 – **TECHNICAL PROPOSAL**;
    2. Solicitation Number; and
    3. Name of Bidder.

*Documents to be included in ENVELOPE 1: **Technical Proposal** (1 original + 5 copies)*

e) The Bid and Acceptance Form, and any required associated document(s), shall be enclosed and sealed in another envelope with the following information clearly printed or typed on the face of the envelope:

1. ENVELOPE 2 – **PRICE PROPOSAL**;
2. Solicitation Number; and
3. Name of Bidder.

*Documents to be included in envelope 2:*

- I. Appendix "B"- Acceptance Form, Signatures and Corporate Seal*
- II. Price table of Appendix A – Basis of Payment*

f) The bid shall be in Canadian currency. Exchange rate fluctuation protection is not offered. Any request for exchange rate fluctuation protection shall not be considered.

g) Timely and correct delivery of bids is the sole responsibility of the Bidder.

## 14.2 FORMAT OF PROPOSALS

### 14.2.1 Technical Proposal

In their technical proposal, bidders **should** demonstrate their *understanding of the requirements contained herein and explain how they will meet these requirements*. Bidders should demonstrate their capability in a thorough, clear and concise manner for carrying out the work. The technical proposal should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the proposal will be evaluated. Simply repeating the statement contained in the proposal solicitation is not sufficient. In order to facilitate the evaluation of the proposal, NRC requests that the 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 proposals by identifying the specific paragraph and page number where the subject topic has already been addressed. The following proposal format information should be implemented when preparing the proposal:

- Paper size should be
- 216mm x 279mm (8.5" x 11")
- Smallest font size should be 11 point Times or equal
- Margins should be 12 mm left, right, top, and bottom
- Double-sided submissions are preferred
- One (1) "page" means one side of a 216mm x 279mm (8.5" x 11") sheet of paper; 279mm x 432 mm (11" x 17") fold-out sheets for spreadsheets, organization charts etc. will be counted as two Pages.

The maximum number of pages (including text and graphics) to be submitted is 50. The following are not part of this page limitation:

- Covering Letter
- Front Page of the RFP
- Resumes (limit: 2 pages each)
- Sample Project reports.

The consequence of exceeding the maximum 50 page limitation is that all pages that extend beyond the 50 page limitation will be removed from the technical proposal submission and will not be forwarded to the NRC Evaluation Committee for evaluation.

#### 14.2.2 PRICE PROPOSAL

1. The cost proposal must be a **fixed price quotation, FOB Destination, excluding GST/HST**. The fixed price must include all the materials and services required to fulfil all aspects of the Statement of Work. Bidders should identify the currency on which the cost proposal is based.
2. The cost proposal must have sufficient structure to show how the total proposed cost was calculated. It should contain the following elements:
  - a) The number, classification and per diem and/or hourly rate for all assigned personnel. For each classification, the number of workdays should be defined.
  - b) The amount and explanation for other miscellaneous expenses that could be incurred.
3. **GOODS AND SERVICES TAX (GST) and HARMONIZED SALES TAX (HST):** The GST and HST, whichever is applicable, shall be considered an applicable tax for the purposes of this RFP and extra to the price herein. The amount of GST or HST shall be disclosed and shown as a separate item.
4. Bids will be evaluated in Canadian currency, therefore, for evaluation purposes, the exchange rate quoted by the Bank of Canada as being in effect on date of bid closing, shall be applied as the conversion factor for foreign currency. Prices quoted shall not be subject to, or conditional upon, fluctuations in commercial or other interest rates during either the evaluation or contract period.
5. There shall be no payment by the National Research Council for costs incurred in the preparation and submission of proposals in response to this request. No payment shall be made for costs incurred for clarification(s) and/or demonstration(s) that may be required by NRC. The National Research Council reserves the right to reject any or all proposals submitted, or to accept any proposal in whole or in part without negotiation. A contract will not necessarily be issued as a result of this competition. NRC reserves the right to amend, cancel or reissue this requirement at any time.
6. Your proposal should contain the following statement:  
"We hereby certify that the price quote is not in excess of the lowest price charged anyone else, including our most favoured customer, for like services".
7. Any contract resulting from this invitation will be subject to the General Conditions - Services 2035 (copy attached as APPENDIX "E"- GENERAL CONDITIONS) and any other special conditions that may apply.

#### 14.2.3 EVALUATION OF PROPOSALS

- a) To be declared responsive, a proposal must:
  - Comply with all the requirements of the proposal solicitation;
  - Meet all mandatory requirements and technical evaluation criteria;
  - Price proposal form must be fully completed and accompanied by the required bid security.

- b) Proposals not meeting 14.2.3 (a) will be declared non-responsive. Responsive proposals will be evaluated and assigned a score against the criteria described in section 14.3.
- c) Selection of the successful bidder will be on the basis of technical merit and best overall value, not on cost alone. A cost-per-point ratio will be calculated by dividing the total cost by the technical rating. The compliant bidder with the lowest cost-per-point ratio will be considered the successful bidder. NRC reserves the right to enter into negotiations with the successful bidder prior to contract award on any and all aspects of its offer. The following chart illustrates the relationship between point rating and bid price.

**Sample Table:** The figures used are for illustration purposes only.

Proposal	Technical Rating	Bid Price	Price/Point	Classification
A	72	\$112,000	\$1,555	4
B	90	\$120,000	\$1,333	1(winner)
C	78	\$105,000	\$1,346	2
D	85	\$117,000	\$1,376	3

### 14.3 MANDATORY REQUIREMENT

#### 14.3.1 Security requirements:

This procurement contains a mandatory security requirement as follows:

1. The Contractor personnel requiring access to sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CISD/PWGSC.
2. The Contractor must comply with the provisions of the:
  - I. Security Requirements Checklist attached at Appendix “D”- Security Requirements Check List
  - II. Industrial Security Manual (Latest Edition) available at:

<http://ssi-iss.tpsgc-pwgsc.gc.ca/ssi-iss-services/eso-oss-eng.html>

### 15 EVALUATION CRITERIA

#### 15.1 CRITERION 1 - Experience of the Bidder:

##### 15.1.1 Information to be provided

- 1) General experience of the bidder:

Bidder **should** demonstrate that it has experience of at least ten (10) years in the Applied Chemical Processing Design and Construction.

- 2) Projects :

Bidder **should** submit a description of two (2) undertaken and completed projects (Substantial Completion Certificate issued) within the last ten (10) years preceding the closing date of the RFP.

The bidder **should**:

- Provide a brief project description and intent including total value and the start sate and end/Substantial Completion date. Clearly indicate how the project is comparable to the subject Project of this RFP;

- Describe how budget was controlled and managed;
- Provide how schedule was controlled and managed;
- Describe how scope, quality and risks were managed to achieve
- Names of key personnel responsible for delivery; outline their roles and responsibilities; and
- Provide one reference from the work provider (client) for each of the projects, including name, address, phones and e-mail of client contact at the working level (*NRC reserves the right to verify the references to validate the accuracy of the information*). If the reference is not provided, the project will not be considered. If the contact information for the reference provided is incorrect or no longer valid the bidder will receive zero points. If the reference does not provide positive feedback or was unsatisfied with the bidder, the bidder will receive zero points.

## 15.2 CRITERION 2 - Experience of Key Personnel of the Bidder

Describe the accomplishments/achievements, relevant experience/expertise, roles/ responsibilities/ degree of involvement/ years with the firm of all key personnel and their backups. The key personnel include, at a minimum, *Project Manager, Lead Engineer Lead Designer and, Cost Estimation Specialist*. Although persons holding multiple-roles are allowed, full considerations will be given if these positions are filled with different individuals.

### **Information to be provided for the Project Manager:**

- The Project Manger should have a minimum of ten (10) years of experience as a project manager in chemical processing plant environments. In addition he should have ten (10) years of applied chemical processing design experience.
- Relevant experience in the proposed position and number of years of experience in both the proposed position and in the chemical industry (if not done with Bidder firm, specify name of firm);
- Role, responsibility and degree of involvement of this individual in past projects;
- Present two chemical processing design projects undertaken and completed during the past 10 years preceding the closing date of this RFP. Describe the scope of work, the complexity and the costs.
- Provide references and acknowledgments of the client (customer) for each project.
- Provide the name, address, phone numbers and electronic address of the contact. NRC reserves the right to verify the references in order to validate the accuracy of information. If the reference work provider is not provided, the project will not be considered.

### **Information to be supplied for each member of the key personnel:**

- Relevant experience in the proposed position and number of years' experience in both the proposed position and the chemical industry (if not done with Bidder firm, specify name of firm);
- Role, responsibility and degree of involvement of individual in past projects (especially those identified in Criterion 1);
- Name and qualifications of the back-up person for each key personnel. Rating will be deducted if back-up personnel have already been named as team members filling other roles.

- Confirm, given constrained timeline, that proposed team is available immediately for this Project;
- Identify what other corporate resources may be necessary/available and explain how they will assist the Project team in specific areas.

### 15.3 CRITERION 3 - Understanding of the Project

The Bidder should demonstrate an understanding of the goals, the constraints, the challenges and the issues of the Project that will shape the end product.

The proposal must include an outline of the proposed work strategy, plan and schedule, including the proposed method of project management coordination and liaison with the Project Authority. The project plan should be detailed, giving phases, milestones etc. and indicate the steps that will be taken to ensure that the project is completed within the required time frame including coordination of the Project Team. The main tasks should be in sequence and indicate the points at which NRC's approvals are required. Identify any proprietary information that is proposed to be used in the methodology.

#### **Information to be supplied:**

- Description of the Project goals with highlights of those that are particularly significant to the Project;
- Description of the flexible modular chemical processing plant design philosophy/methodology to meet the intent of the Project and NRCs expectations;
- Description of the approach to major issues to be dealt with during the Project
- Detailed project plan with highlighted tasks, milestones and deliverables

### 15.4 CRITERION 4 - Management of Services

The Bidder should demonstrate capability to manage the services and meet Project challenges and to ensure consistent control and communication efficiency. The Bidder should also demonstrate how the team will be organized and managed.

#### **Information to be supplied:**

- Organization chart with key personnel to be involved in this project and other position titles and names of the Bidder's team;
- Description of reporting relationships within the firm, with NRC and with external stakeholders;
- Internal and external communication strategy, including but not limited to meetings, communication tools, reporting tools and format, etc.

### 15.5 CRITERION 5 - Experience with hazard Class 1 Division 2 equipment and/or facility design.

Bidder **should** demonstrate that it has experience in designing facilities and/or equipment for handling of class 1 division 2 hazards.

#### **Information to be supplied:**

- Provide a brief description and intent of previous projects involving Class 1 division 2 hazard requirements, including role, responsibilities and degree of involvement in said projects.

## 15.6 CRITERION 6 – Experience with R&D Facilities

Bidder **should** demonstrate that it has experience in designing facilities for R&D in which flexible functionality is required.

### **Information to be supplied:**

- Provide a brief description and intent of previous projects involving design of facilities intended for R&D use in which flexibility of facility functionality was a priority. Include details on role, responsibilities and degree of involvement in said projects.



### 15.7 Evaluation & Rating

Rating Reference:

5 - Exceptional: submission demonstrates exceptional understanding of the goals and objectives, and several major strengths exist. No weaknesses exist.
4 - Very Good: submission demonstrates a very good understanding of the goals and objectives. Strengths exceed weaknesses, and weaknesses are easily correctable.
3 - Acceptable: submission meets standards and a good understanding of the goals and objectives. There may be weaknesses but, they are correctable.
2 - Marginal: submission is below standard and demonstrates a poor understanding of the goals and objectives. Weaknesses exceed strengths and will be difficult to correct.
1 - Unacceptable: submission is deficient and demonstrates very little understanding of goals and objectives.
0 - Did Not Address: No relevant response or simple statement of compliance with no substantiation.

Criterion	Score
<b>Experience of the Bidder</b>	
General experience of the bidder	
Subtotal	
<b>Project 1</b>	
Project Description	
How the budget was controlled and managed	
How the schedule was controlled and managed	
How scope, quality and risks were managed to achieve	
Client Reference	
Subtotal	
<b>Project 2</b>	
Project Description	
How the budget was controlled and managed	
How the schedule was controlled and managed	
How scope, quality and risks were managed to achieve	
Client Reference	
Subtotal	
<b>Experience of Key Personnel</b>	
<b>Project Manager</b>	
Relevant Experience	
Role, responsibility and degree of involvement of individual in past projects	
Client references and acknowledgments	
Name and qualifications of the back-up person for each key personnel	
Subtotal	
<b>Lead Engineer</b>	
Relevant Experience	
Role, responsibility and degree of involvement of individual in past projects	
Client references and acknowledgments	
Name and qualifications of the back-up person for each key personnel	

Subtotal	
<b>Lead Designer</b>	
Relevant Experience	
Role, responsibility and degree of involvement of individual in past projects	
Client references and acknowledgments	
Name and qualifications of the back-up person for each key personnel	
Subtotal	
<b>Cost Estimator</b>	
Relevant Experience	
Role, responsibility and degree of involvement of individual in past projects	
Client references and acknowledgments	
Name and qualifications of the back-up person for each key personnel	
Subtotal	
<b>Understanding of the Project</b>	
Description of the Project goals , constraints and challenges of the Project with highlights of those that are particularly significant to the Project	
Description of the flexible modular chemical processing plant design philosophy/Methodology	
Description of the approach to major issues to be dealt with during the Project such as: multiple stakeholders, quality control	
Subtotal	
<b>Experience with hazard Class 1 Division 2 equipment and/or facility design</b>	
Description and intent of previous projects involving Class 1 division 2 hazard	
Details on roles & responsibilities	
Subtotal	
<b>Experience with R&amp;D Facilities</b>	
Description and intent of previous projects involving design of facilities intended for R&D	
Details on roles & responsibilities	
Subtotal	

## 16 PROJECT DESCRIPTION & STATEMENT OF WORK (SOW)

### 16.1 Overview

We are seeking the expertise of chemical/process engineers to provide guidance on the construction of a facility for large-scale, flexible, multipurpose chemical processing. We have developed extensive expertise in chemical modification and processing of nanomaterials at laboratory scales (up to a few tens of liters) and are now extending our capabilities to hundreds of liters in response to project and client needs. We are seeking recommendations for all aspects of the chemical plant, including general facility design considerations, equipment types and specifications, process flow considerations, safety considerations, recommended equipment vendors and manufacturers.

### 16.2 Processes

The types of chemical processing that we perform are varied in specific details, but contain many common processing steps. A generalized process map is included in Figure 1 .

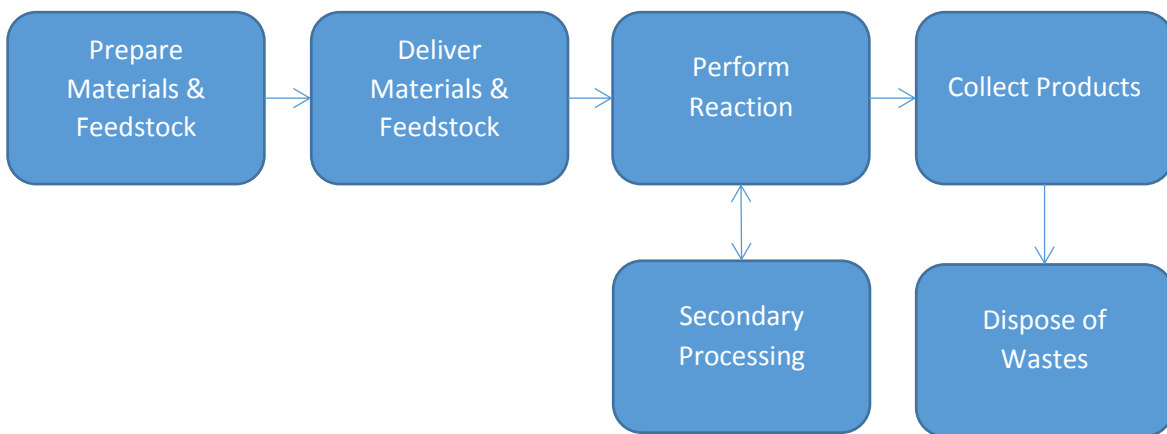


Figure 1 General Process Map

The images in Figure 2 represent conceptually similar infrastructure for chemical processing (included for illustrative purposes only).



Figure 2 Conceptual Similar Infrastructure

Illustrative chemical processing facilities are depicted in Figure 2, and serve as a conceptual representation of the systems we are aiming to achieve. General chemical processes to be performed in the facility can be described as follows. The materials and feedstocks used in each process are assembled and prepared individually in advance, and can be solids, liquids and/or gases. These materials are then delivered to the process reactor vessel as needed. The reactor vessel is a container suitable in size, materials and geometry for the chemical process being performed. Chemical processes are generally solvent-based chemical reactions, in either aqueous or organic media. Suitable reaction conditions are achieved (in terms of solvent, temperature, atmosphere composition, mixing, starting ingredients and materials) then additional feedstocks and reagents are introduced according to the process requirements. Once the reaction is completed the products are collected while the wastes are captured for disposal. Chemical processes of varying scales will be performed over the life of this facility. We envision having capacity to operate different processes at scales ranging from a few tens of liters up to several hundreds of liters. Processes will be performed in both aqueous and organic solvent conditions. Some typical examples of relevant organic solvents include acetone, ethanol, methanol, DMSO, THF and toluene. Other reactions will be performed in strongly acidic medium.

### 16.3 Description of proposed facility

Multi-purpose chemical processing scale-up facility. There are multiple NRC portfolios and programs with a need to transition laboratory-developed chemical process to pilot or semi-industrial scale. This facility will serve the purpose of being a pilot plant where these scale-up activities can be studied and performed. The facility will include a number of components, such as a large-scale chemical processing lab, a support/preparation chemistry lab, and additional spaces for supporting operation of the labs such as chemical and equipment storage, equipment maintenance areas, services and utilities supply, etc. The large-scale lab is envisioned to be an open high-bay area with chemical reactors interconnected with facility services and utilities (power, cooling, steam, ventilation, etc.) secondary processing steps (e.g. other chemical reactor vessels or other equipment such as filters, pumps). The sizes of the reactor vessels and connections to services, utilities, and secondary processing equipment are expected to be able to be reconfigured according to the requirements of each different process.

### 16.4 Purpose of the facility

The primary purpose of the facility will be to study and optimize the scaling of each of the processes brought forward by NRC projects and/or clients. Although some degree of small-scale production may be performed using particular processes in response to specific client projects, the facility will not generally be used for production purposes. Processes are envisioned to make use of all or a portion of the large-scale lab infrastructure for a period of time. The facility will initially focus on scale up lab-scale processes developed for chemical modification of nanomaterials and nanocomposite formulation; both processes that have already been demonstrated and future processes. Processes from other NRC chemical processing projects will be transitioned to the facility as they mature and based on the needs of those clients.

### 16.5 Products

Diverse products are foreseen over the lifespan of this facility.

## 16.6 Size or capacity of production

Size or capacity may vary for each process. We envision having common facility services and utilities to which reactor vessels and secondary processing equipment of differing sizes and capacities can be installed for the duration of a project.

## 16.7 Basic philosophy of project

The facility is envisioned to have a medium to long term lifespan (>10 yrs.). Individual process projects will have much shorter lifespans, but will vary by project. The guiding-principle for the facility should be flexibility.

## 16.8 Statement of Work (SOW)

Considering the criteria, mentioned in sections 16.1 to 16.9.10, we are looking for applied chemical and process engineering companies which can offer a full range of integrated services to run a Conceptual /Phase 0 Design for our project.

The Selected Company (Contractor) should identify, and systematically narrow down, the possible technical options for the given goals. The Selected Company (Contractor) also develops a conceptual design that includes preliminary process flow diagrams, a list of major equipment, and a rough order of magnitude cost estimation. Also, the Selected Company (Contractor) identifies potential risks associated with the design so that a plan can be developed to address these issues prior to or during the next phase of the project. Providing gaudiness for general plant layout and running the environmental assessment will also be parts of the final report.

Conceptual/Phase 0 design will be used to prepare both order-of-magnitude and conceptual estimates to support initial planning decisions and also, as a foundation for future stages of the project, Phase 1 and Construction. Briefly, it will be used to:

- Develop technical data and perform the design work required for a basic process design
- Put an approximate price tag on the proposed facility.
- Provide sufficient information to assess the risks involved and make meaningful economic evaluation.

## 16.9 List of deliverables

Conceptual/Phase 0 Design package **should** reports, conceptual designs and calculation sheets, covering the following topics. Each topic refers to a section, or sections, for more details and criteria:

- Environmental considerations, sections 16.9.9.2 & 16.9.10
- Process configuration (Preliminary process flow diagram)
- Preliminary process steps and major equipment and instrumentation list with approximate sizes, construction material, construction duration and cost; sections 16.9.1 to 16.9.8
- Off-site requirement, including storage, handling, shipping and utility supplies section 16.9.8
- Sensors to measure material and energy balances
- Identified waste streams and proposed viable disposal method and/or schemes, sections 16.9.4 to 16.9.7
- Identified required utilities and provide approximate consumptions, ; sections 16.9.1 to 16.9.8
- Preliminarily site/plant layout, section 16.9.8
- Required building and spaces with their preliminary sizes, section 16.9.8
- The preliminary layouts, including all equipment, section 16.9.1

- Preliminarily Process System Design (PSD), sections 16.9.1 to 16.9.8
- Preliminarily hydraulic calculations and studies for piping network, sections 16.9.1 to 16.9.8
- Preliminarily mechanical engineering design, sections 16.9.1 to 16.9.8
- Preliminarily process control automation, electrical and instrumentation systems design
- Preliminarily procurement packages; sections 16.8 to 16.9.10
- Assess the technical and environmental viability of the project to ensure compliance with our objectives, sections 16.9.7 and 16.9.10
- Preliminarily network infrastructure layout, section 16.9.6
- Preliminarily Regulatory Compliance, section 16.9.9

### 16.9.1 Equipment

The required equipment can be broken into different categories:

#### 16.9.1.1 Common process infrastructure and reactor stations:

We envision having multiple reactor stations (propose 3 or more) that are each fed by a central set of common utilities, sensing, safety and services. Ideally each of these stations will be designed with the concept of connecting a reactor vessel to the common services as needed, operating the process, then removing the reactor for cleaning, service or and replacement by a different reactor as needed. This may not be practical for the largest reactor vessels, which may require dedicated stations.

Each of the stations should have access to services and utilities, such as:

- Electricity (120/240 V, possibly higher voltages)
- Stirring with torque sensor for liquids of viscosities up to 50,000 cp
- Steam
- Heating/cooling (~0-100 C)
- Sensors (temperature, pressure, flow, moisture, chemically specific)
- Load cells for measuring process mass balance
- Lab gases (e.g. air, N<sub>2</sub>, Ar, natural gas)
- Solvent transfer lines to/from solvent/waste storage
- Accessibility to secondary processing
- Gantry, crane or lift access for mounting, removing and servicing reactors
- Exhaust
- Ventilation
- Spill containment
- Safety infrastructure

*Common infrastructure should also include appropriate chemical and waste storage facilities.*

#### 16.9.2 Large chemical reactor vessels:

The reactor vessels should have the following general characteristics:

- Different reactor volumes will be required. We propose 50 L, 100 L, and 500 L as being suitable for the intended range of uses of the facility.
  - The reactor stations and common infrastructure should be compatible with reactors from 25 L to 1000 L in size.

- Corrosion resistant (acid and base)
- Contamination resistant
- Solvent compatible (see typical solvents above)
- Temperature controlled (heating and cooling; 100 C to -10 C)
- Stirring/mixing with torque sensor for liquids of viscosities up to 50,000 cp
- Ports or inputs for process monitoring and sensors (e.g. Temperature, Pressure, Mass, Moisture, sampling, plan for extra ports, see above)
- Accessibility (internal and external) for cleaning, servicing, maintenance

### 16.9.3 Secondary processing

Reaction mixtures or products may need to be transferred to adjacent reactor vessels as well as other secondary processing equipment to aid in progression of the reaction or in product and waste collection. Examples of such secondary processing equipment include:

- Filtration
- Centrifugation
- Sedimentation
- Condensation
- Evaporation
- Solvent recovery/recycling

It is desired that the facility be compatible with interconnecting adjacent reactor vessels (i.e. transfer of reaction mixtures between them) and connection to secondary processing equipment.

### 16.9.4 Safety infrastructure

The facility will routinely handle quantities of nanomaterials, solvents and reagent chemicals and should be equipped with appropriate safety infrastructure and controls, such as:

- Flash/explosion prevention and containment
- Ventilation
- Exhaust filtration/scrubbing
- Spill containment with appropriate capacity
- HEPA/ULPA filtration within lab spaces
- Real-time air/gas monitoring (e.g. oxygen, LEL, CO/CO<sub>2</sub>, others as needed)
- Nanomaterial-compatible storage and handling enclosures (e.g. HEPA weigh-stations and powder handling enclosures)
- Mechanical systems designed and balanced to maintain negative pressure in lab spaces and pressure differentials between different functional zones of the facility to aid in containment

### 16.9.5 Support chemistry labs and equipment

To support the operation of the large reactors and secondary processes, the facility will be required to have support chemistry laboratory space. This part of the facility should be compatible with traditional bench and fume hood chemistry practices.

### 16.9.6 IT

The facility will require standard network and communications infrastructure to support daily operations. The facility staff will require accessing NRC corporate IT networks and services, as well as external voice and internet services.

Data backup infrastructure will be needed but no computational clusters or communications servers will be required for the facility.

The laboratory equipment will require laboratory data network for control, monitoring and data recording. This network should be isolated from the NRC corporate networks. Example functions that will use this laboratory network are:

- Control systems for the reactors, including process control and monitoring and safety interlocks
- Communications for lab sensors, process sensors and control computers for equipment

Ideally, the process control and monitoring functions for the chemical reactors and stations would be integrated into a single control interface to allow for efficient operations.

### 16.9.7 Environmental Considerations

The following are additional consideration with respect to location of the different facility functions:

- Potential need for partition(s) separating individual chemical reactors for reasons such as:
  - Explosion resistance ratings
  - Access control and project security

### 16.9.8 Conceptual Site/Plant Layout

The process units and ancillary buildings should be laid out to give the most economical flow of raw, waste, by-product, and final product materials. Hazardous process must be identifies and located at a safe distance from other buildings (if possible).

#### 16.9.8.1 Recommendations/Cost Estimations for:

##### I. General Considerations:

- Convenience of Operation
- Convenience of Maintenance
- Future expansion
- Modular construction
- Equipment list with approximate dimensions and motor horsepower
- Process flowsheets or preliminary P&ID's showing relative elevations.
- Off-site requirements-buildings, diked areas, cooling towers, storage areas, etc.
- Hazard considerations
- Process buildings and/or structure requirements: open/closed
- Future expansion considerations
- Storage for raw materials and products; tank farms and warehouses
- Stores for maintenance and operating supplies
- Laboratories for process control
- Emergency services
- Utilities such as steam boilers, compressed air, power generation, transformer stations, etc.



- Effluent disposal plant
- Climate: considering the adverse climatic conditions, provision of additional insulation and special heating for equipment and pipe runs must be taken into considerations
- Shipping and receiving area. loading dock with truck access
- Equipment storage
- The support labs should be positioned adjacent to large-scale chemistry lab
- The chemical and waste storage should be positioned adjacent to chemistry labs. Ideally there should be solvent conveyance (pumping) in place for remote delivery to the chemical reactors.

**II. Safety Considerations:**

- Adequate fire protection
- Separated process units handling flammables
- Sprinkler or deluge systems (with provisions for rapid drainage to large remote reservoirs)
- Specific storage units for flammable materials.
- Explosion hazard?
- Emergency exits
- Decontamination area (shower, eyewash stands, etc.)

**III. Maintenance Considerations:**

- Need for crane (overhead or jib)
- Space for maintenance and dismantling
- Bundle removal space for shell-and-tube exchange
- Sufficient suction head for pumps handling hot liquid (if any).

### 16.9.9 Regulatory Compliance

#### 16.9.9.1 OSHA (*Occupational Safety and Health Administration*)

Provision for workers safety:

- Stairways
- Alternate escape routes
- Safety shower locations
- Eyewash stands
- Decontamination stands
- Handrails
- Marking and signage, etc.

#### 16.9.9.2 *Protection of Environment*

- Process Safety Management (PSM)
- Risk Management Programs (RMP)
- Air (registered emission points)

### 16.9.10 Environmental Impact Assessment

Running an “*environmental impact assessment*” in order to determine the standards that must met for storages, disposal and transportation of toxic and harmful effluents.

This must be a systematic audit, examining of how this new facility may affect the environment including and all emissions to air, land, and water; and cover the legal constraints, the effect on community, the landscape, and the ecology and also, provide right and feasible solutions for each potential issue.

This study should cover, but not limited:

1. Identify environmental problems associated with nanocomposite manufacturing process and the use of the products, before they become liabilities.
2. Standards for good working practices.
3. Ensuring compliance with environmental legislation.
4. Satisfying requirements of insurers.
5. To be seen with environmental questions: important for public relations.
6. To consider the safe location of the plant so that it does not impose a significant additional risk to the surrounding buildings.
7. Providing a waste management plan; not only for byproducts or unused reactants from the process, or as off-specification products produced through incorrectly operation (misoperation), but also fugitive emissions from leaking seals and flanges, and inadvertent spills and discharges through misoperation for all possible types of waste including gaseous, liquid, solid and, aqueous.

## 17 Deliverables;

### 17.1 Start-up Meeting & Contractor's Project Plan

Date: **September 8, 2016**

Location: 100 Sussex, Ottawa, ON K1N 5A2

Purpose: Official project's kick-off meeting.

### 17.2 Progress Meetings

No.	Meeting	Due Date
1	Progress Meeting I	<b>October 3, 2016</b>
2	Progress Meeting II	<b>October 24, 2016</b>

Location: 100 Sussex, Ottawa, ON K1N 5A2

Purpose: Presenting the progress of tasks described in project plan, section 15.3 page 11 and also section 17.7

### 17.3 Formal Progress Reports

No.	Deliverable	Due Date
1	Progress Report I	<b>October 4, 2016</b>
2	Progress Report II	<b>October 25, 2016</b>

Copies: One electronic copy via email to the Project Authority

Format and style requirements: As specified in the Final Report

Content: Progress of tasks described in project plan, section 15.3 page 11 and also section 17.7

### 17.4 Draft of Final Report

Due Date: **November 15, 2016**

Copies: One electronic copy via email to the Project Authority

Format, style and contents: As specified in the Final Report

### 17.5 Presentation of final report

Due Date: **November 18, 2016**

Format: PowerPoint presentation

Location: 100 Sussex, Ottawa, ON K1N 5A2

RFP Solicitation number: 16-22052

Purpose: Highlight the outcomes of the study and contents of final report

## 17.6 Final Report

Due Date: **November 18, 2016**

Copies: One electronic copy via email to the Project Authority and one hard copy signed by the company's GM.

Format & style requirements:

To be specified by the Project Authority. Electronic copies must be provided in a format readable by MS Word 2010 and higher, with minor formatting changes. Any electronic files that cannot be read or require major formatting changes when opened are not acceptable and may be returned to the contractor for correction. NRC reserves the right, at its own discretion, to have the final report printed under NRC cover, and to distribute it internally.

Content: Please look at section 17.7

## 17.7 Documentation

Reports **should** cover topics mentioned in sections 16.1 to 16.9 and, contains the following information:

- a) Calculation sheets<sup>1</sup>
  - Design
  - Cost
  - Estimation (methodology)
- b) Drawings<sup>2</sup>
  - Flow-sheets
  - Piping and instrumentation diagrams
  - Layout diagrams
  - Site plans
  - Equipment details
  - Control and DAQ systems
  - Architectural drawings
  - Design sketches
- c) Specification sheets for equipment, such as:
  - Heat exchangers
  - Pumps
  - Reactors
  - Etc.

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<sup>1</sup> Which include the basis of the calculations, and any assumptions and approximations made, in sufficient detail for the methods. These sheets should cover the following subjects.

<sup>2</sup> Drawings should conform to accepted drawing conventions, preferably those laid down by the national standards.

## 18 Background Information

The selected company (Contractor) will receive the following information:

- Geotechnical Investigation report for site location
- Environmental Review for site location
- Preliminary site design

## 19 Ownership of Intellectual and Other Property

1. All confidential information gathered or viewed or any product developed as a result of this RFP must be treated as confidential and as NRC property.
2. The National Research Council of Canada has determined that any intellectual property rights arising from the performance of the Work under the resulting contract will belong to Canada. Canada has unrestricted ownership rights in any prototype, model, custom or customized system or equipment that is a deliverable under the Contract, including manuals and other operating and maintenance documents. This includes the right to make them available for public use, whether for a fee or otherwise, sell them or otherwise transfer ownership in them.

## 20 Schedule

- 1- Substantial Performance of the Project is **10 weeks** from contract award, or sooner if possible.
- 2- Final Completion of the Project is **11 weeks** from contract award.

## 21 Basis of Payment – Firm Price – Milestones

### 21.1 Milestone Schedule

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid the following firm price in accordance with the following milestone schedule. Customs duties and travel are included and Applicable Taxes are extra.

Milestone	Date	Firm Price
Signing the contract	N/A	25%
Completion of Deliverable: Progress Report I	October 4, 2016	25%
Completion of Deliverable: Progress Report II	October 25, 2016	25%
Acceptance of final report	November 25, 2016	25%
Total firm price for the work (Canadian funds, applicable taxes extra, travel included)		100%

### 21.2 Limitation of Price

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

## 22 CRIMINAL CODE OF CANADA

Canada may reject an offer where the Bidder, or any employee or subcontractor included as part of the offer, has been convicted under section 121 (“Frauds on the government” & Contractor subscribing to

election fund”), 124 (“Selling or purchasing office”), or 418 (“Selling defective stores to Her Majesty”) of the Criminal Code.

### **23 Non-Permanent Resident (Foreign Company)**

The Contractor shall ensure that non-permanent residents intending to work in Canada on a temporary basis in fulfilment of the Contract, who are neither Canadian citizens nor United States nationals, receive all appropriate documents and instructions relating to Canadian immigration requirements and secure all required employment authorizations prior to their arrival at the Canadian port of entry. The Contractor shall ensure that United States nationals having such intentions receive all appropriate documents and instructions in that regard prior to their arrival at the Canadian port of entry. Such documents may be obtained at the appropriate Canadian Embassy/Consulate in the Contractor’s country. The Contractor shall be responsible for all costs incurred as a result of non-compliance with immigration requirements.

### **24 Non-Permanent Resident (Canadian Company)**

The Contractor is responsible for compliance with the immigration requirements applicable to non-permanent residents entering Canada to work on a temporary basis in fulfilment of the Contract. In some instances, the employment authorization necessary to enter Canada cannot be issued without prior approval of Human Resources Centre Canada (HRCC). HRCC should always be contacted as soon as the decision to bring in a non-permanent resident is made. The Contractor will be responsible for all costs incurred as a result of non-compliance with immigration requirements.

## APPENDIX "A"- PRICE PROPOSAL FORM

### A. IDENTIFICATION

- 1) Description of the Work:
- 2) Solicitation Number:
- 3) Project Name:

### B. BUSINESS NAME AND ADDRESS OF BIDDER

- 1) Name:
- 2) Address:
- 3) Telephone:
- 4) PBN:
- 5) Email:

### C. THE OFFER

Having carefully examined the Proposal documents, program, specifications, we hereby offer to furnish all materials and labor necessary for the proper completion of the entire project, including all tools, equipment, supervision, permits, insurance, government sales and other taxes, (excluding H.S.T.) in accordance with the above mentioned documents for the total stipulated sum of:

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(\$ \_\_\_\_\_) excluding all applicable taxes.

### D. Pricing Breakdown

If requested, any Proponent will be required to provide additional breakdown of their stipulated sum price to demonstrate the allocation of costs against various areas of work.

### E. PROPOSAL VALIDITY PERIOD

The proposal shall not be withdrawn for a period of sixty (60) days following the date of solicitation closing.

## Appendix "B" - Acceptance Form, Signatures and Corporate Seal

This document is to be completed and included with the Financial Proposal. As Proponent, if our Proposal is selected by NRC, I/We undertake to be bound by the terms and conditions of the Contract and RFP, and provide within the specified time frames as detailed in this RFP. The Proponent also understands that the Proposal must remain valid in all respects including price for 60 calendar days from the closing date as detailed in this RFP document.

Company: \_\_\_\_\_ ( Legal Company Name of Proponent (Please Print))\_\_\_\_\_

Signature: \_\_\_\_\_ ( Authorized Representative )\_\_\_\_\_

\_\_\_\_\_ (Name & Title of Authorized Representative (Please Print))\_\_\_\_\_

Signature: \_\_\_\_\_ (Authorized Representative )\_\_\_\_\_

\_\_\_\_\_ Name & Title of Authorized Representative (Please Print Signature)\_

Witness Dated at: \_\_\_\_\_ (City)\_\_\_\_\_ \_\_\_\_\_(Province)\_\_\_ \_\_\_(Country)\_\_\_\_\_

Corporate Seal:                      This \_\_\_\_\_ day of \_\_\_\_\_, 2016



## Appendix "C" - Confidentiality Agreement

**THIS IS A CONFIDENTIALITY AGREEMENT** made under and to be interpreted in accordance with the laws in force in the Province of \_\_\_\_\_, Canada.

**BETWEEN:** NATIONAL RESEARCH COUNCIL OF CANADA (called "**NRC**")

Head {1200 Montreal Road, Participating { \_\_\_\_\_

Office {Ottawa, Ontario, K1A 0R6 Institute { \_\_\_\_\_

**AND:** \_\_\_\_\_ (called the "**Collaborator**")

whose address is:

In consideration of the mutual covenants hereunder, the parties agree as follows:

- 1.** "**Confidential Information**" means any confidential or proprietary information, either of a business or technical nature, disclosed by one party (the "Discloser") to the other party (the "Receiving Party") whether in electronic, written, graphic or other tangible form including physical objects, that is clearly marked "Proprietary" or "Confidential" or with an equivalent legend and any oral information provided it is reduced to written version that is marked as above and given to the Receiving Party within 20 days of disclosure. The Confidential Information is related to the following:  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**25 2.** Each Receiving Party shall use the Confidential Information of the Discloser only for the purpose of \_\_\_\_\_ ("Business Purpose"). The Discloser agrees to stop any disclosure of Confidential Information if the Receiving Party so requests. Unless the Discloser gives its prior written consent, the Receiving Party agrees, for a period of \_\_\_\_\_ years (if not filled in, for 10 years) from the date hereof, not to disclose any Confidential Information, including to any director, officer or employee of the Receiving Party, unless that individual needs the information for work in connection with the Business Purpose specified above and is legally bound to keep confidences. In protecting Confidential Information, the Receiving Party must use at least the same degree of care as it uses to protect its own information of a similar nature, but not less than a reasonable degree of care.

- 3.** Upon expiry of the above number of years, or earlier if the Discloser so requests in writing, the Receiving Party must return all Confidential Information or destroy it and give the Discloser a written certificate confirming its destruction. Notwithstanding the foregoing, the Receiving Party's legal counsel, or a corporate officer in a position to make it inaccessible to

operations personnel, may retain one sealed copy of all Confidential Information as a record of what was disclosed during the term of this Agreement.

4. The above obligations of the Receiving Party do not apply to information that can be proved to be:

- (a) independently developed by the Receiving Party without reference to the Confidential Information of the Discloser;
- (b) received from a third party without breach of any obligation of confidentiality;
- (c) in the public domain at the time of its disclosure or that later becomes publicly available without breach of this Agreement; or
- (d) required to be disclosed by law, including in the case of NRC the Access to Information Act, provided that the receiving Party first provides the Discloser with notice of such requirements and of its intent to disclose the information.

5. All Confidential Information is provided as is and remains the sole property of the Discloser. No right or licence, other than expressly contained herein, is granted in the Confidential Information by this Agreement or the disclosure of Confidential Information. The Discloser shall have no liability whatsoever for the use of the Confidential Information by the Receiving Party.

**SIGNED** by the Customer in duplicate at: \_\_\_\_\_,

**COMPANY NAME**

Date: \_\_\_\_\_

Per:

Name and title:

**SIGNED** by NRC in duplicate at \_\_\_\_\_,

**NATIONAL RESEARCH COUNCIL OF CANADA**

Date: \_\_\_\_\_

Per:

Name and title:

## Appendix "D" - Security Requirements Check List



Government of Canada / Gouvernement du Canada

Contract Number / Numéro du contrat
Security Classification / Classification de sécurité Unclassified

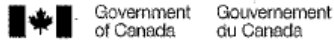
### SECURITY REQUIREMENTS CHECK LIST (SRCL) LISTE DE VÉRIFICATION DES EXIGENCES RELATIVES À LA SÉCURITÉ (LVERS)

PART A - CONTRACT INFORMATION / PARTIE A - INFORMATION CONTRACTUELLE		
1. Originating Government Department or Organization / Ministère ou organisme gouvernemental d'origine	National research Council Canada	2. Branch or Directorate / Direction générale ou Direction SDT
3. a) Subcontract Number / Numéro du contrat de sous-traitance	3. b) Name and Address of Subcontractor / Nom et adresse du sous-traitant	
4. Brief Description of Work / Brève description du travail We are seeking recommendations for all aspects of the chemical plant, including general facility design considerations, equipment types and specifications, process flow considerations, safety considerations, recommended equipment vendors and manufacturers.		
5. a) Will the supplier require access to Controlled Goods? / Le fournisseur aura-t-il accès à des marchandises contrôlées?	<input checked="" type="checkbox"/> No / Non	<input type="checkbox"/> Yes / Oui
5. b) Will the supplier require access to unclassified military technical data subject to the provisions of the Technical Data Control Regulations? / Le fournisseur aura-t-il accès à des données techniques militaires non classifiées qui sont assujetties aux dispositions du Règlement sur le contrôle des données techniques?	<input checked="" type="checkbox"/> No / Non	<input type="checkbox"/> Yes / Oui
6. Indicate the type of access required / Indiquer le type d'accès requis		
6. a) Will the supplier and its employees require access to PROTECTED and/or CLASSIFIED information or assets? / Le fournisseur ainsi que les employés auront-ils accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS? (Specify the level of access using the chart in Question 7. c) / (Préciser le niveau d'accès en utilisant le tableau qui se trouve à la question 7. c)	<input checked="" type="checkbox"/> No / Non	<input type="checkbox"/> Yes / Oui
6. b) Will the supplier and its employees (e.g. cleaners, maintenance personnel) require access to restricted access areas? No access to PROTECTED and/or CLASSIFIED information or assets is permitted. / Le fournisseur et ses employés (p. ex. nettoyeurs, personnel d'entretien) auront-ils accès à des zones d'accès restreintes? L'accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS n'est pas autorisé.	<input checked="" type="checkbox"/> No / Non	<input type="checkbox"/> Yes / Oui
6. c) Is this a commercial courier or delivery requirement with no overnight storage? / S'agit-il d'un contrat de messagerie ou de livraison commerciale sans entreposage de nuit?	<input checked="" type="checkbox"/> No / Non	<input type="checkbox"/> Yes / Oui
7. a) Indicate the type of information that the supplier will be required to access / Indiquer le type d'information auquel le fournisseur devra avoir accès		
Canada <input checked="" type="checkbox"/>	NATO / OTAN <input type="checkbox"/>	Foreign / Étranger <input type="checkbox"/>
7. b) Release restrictions / Restrictions relatives à la diffusion		
No release restrictions / Aucune restriction relative à la diffusion <input checked="" type="checkbox"/>	All NATO countries / Tous les pays de l'OTAN <input type="checkbox"/>	No release restrictions / Aucune restriction relative à la diffusion <input type="checkbox"/>
Not releasable / À ne pas diffuser <input type="checkbox"/>		
Restricted to: / Limité à: <input type="checkbox"/>	Restricted to: / Limité à: <input type="checkbox"/>	Restricted to: / Limité à: <input type="checkbox"/>
Specify country(ies): / Préciser le(s) pays:	Specify country(ies): / Préciser le(s) pays:	Specify country(ies): / Préciser le(s) pays:
7. c) Level of information / Niveau d'information		
PROTECTED A / PROTÉGÉ A <input type="checkbox"/>	NATO UNCLASSIFIED / NATO NON CLASSIFIÉ <input type="checkbox"/>	PROTECTED A / PROTÉGÉ A <input type="checkbox"/>
PROTECTED B / PROTÉGÉ B <input type="checkbox"/>	NATO RESTRICTED / NATO DIFFUSION RESTREINTE <input type="checkbox"/>	PROTECTED B / PROTÉGÉ B <input type="checkbox"/>
PROTECTED C / PROTÉGÉ C <input type="checkbox"/>	NATO CONFIDENTIAL / NATO CONFIDENTIEL <input type="checkbox"/>	PROTECTED C / PROTÉGÉ C <input type="checkbox"/>
CONFIDENTIAL / CONFIDENTIEL <input type="checkbox"/>	NATO SECRET / NATO SECRET <input type="checkbox"/>	CONFIDENTIAL / CONFIDENTIEL <input type="checkbox"/>
SECRET <input type="checkbox"/>	COSMIC TOP SECRET / COSMIC TRÈS SECRET <input type="checkbox"/>	SECRET <input type="checkbox"/>
TOP SECRET <input type="checkbox"/>		TOP SECRET <input type="checkbox"/>
TRÈS SECRET <input type="checkbox"/>		TRÈS SECRET <input type="checkbox"/>
TOP SECRET (SIGINT) <input type="checkbox"/>		TOP SECRET (SIGINT) <input type="checkbox"/>
TRÈS SECRET (SIGINT) <input type="checkbox"/>		TRÈS SECRET (SIGINT) <input type="checkbox"/>

TBS/SCT 350-103/2004/12)

Security Classification / Classification de sécurité Unclassified
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Canada



Contract Number / Numéro du contrat
Security Classification / Classification de sécurité Unclassified

**PART A (continued) / PARTIE A (suite)**

8. Will the supplier require access to PROTECTED and/or CLASSIFIED COMSEC information or assets?  
Le fournisseur aura-t-il accès à des renseignements ou à des biens COMSEC désignés PROTÉGÉS et/ou CLASSIFIÉS?  No  Yes  
Non  Oui

If Yes, indicate the level of sensitivity:  
Dans l'affirmative, indiquer le niveau de sensibilité :

9. Will the supplier require access to extremely sensitive INFOSEC information or assets?  
Le fournisseur aura-t-il accès à des renseignements ou à des biens INFOSEC de nature extrêmement délicate?  No  Yes  
Non  Oui

Short Title(s) of material / Titre(s) abrégé(s) du matériel :  
Document Number / Numéro du document :

**PART B - PERSONNEL (SUPPLIER) / PARTIE B - PERSONNEL (FOURNISSEUR)**

10. a) Personnel security screening level required / Niveau de contrôle de la sécurité du personnel requis

<input type="checkbox"/> RELIABILITY STATUS COTE DE FIABILITE	<input type="checkbox"/> CONFIDENTIAL CONFIDENTIEL	<input type="checkbox"/> SECRET SECRET	<input type="checkbox"/> TOP SECRET TRÈS SECRET
<input type="checkbox"/> TOP SECRET - SIGINT TRÈS SECRET - SIGINT	<input type="checkbox"/> NATO CONFIDENTIAL NATO CONFIDENTIEL	<input type="checkbox"/> NATO SECRET NATO SECRET	<input type="checkbox"/> COSMIC TOP SECRET COSMIC TRÈS SECRET
<input type="checkbox"/> SITE ACCESS ACCÈS AUX EMBLEMES			

Special comments:  
Commentaires spéciaux : \_\_\_\_\_

NOTE: If multiple levels of screening are identified, a Security Classification Guide must be provided.  
REMARQUE : Si plusieurs niveaux de contrôle de sécurité sont requis, un guide de classification de la sécurité doit être fourni.

10. b) May unscreened personnel be used for portions of the work?  
Du personnel sans autorisation sécuritaire peut-il se voir confier des parties du travail?  No  Yes  
Non  Oui

If Yes, will unscreened personnel be escorted?  
Dans l'affirmative, le personnel en question sera-t-il escorté?  No  Yes  
Non  Oui

**PART C - SAFEGUARDS (SUPPLIER) / PARTIE C - MESURES DE PROTECTION (FOURNISSEUR)**

**INFORMATION / ASSETS / RENSEIGNEMENTS / BIENS**

11. a) Will the supplier be required to receive and store PROTECTED and/or CLASSIFIED information or assets on its site or premises?  
Le fournisseur sera-t-il tenu de recevoir et d'entreposer sur place des renseignements ou des biens PROTÉGÉS et/ou CLASSIFIÉS?  No  Yes  
Non  Oui

11. b) Will the supplier be required to safeguard COMSEC information or assets?  
Le fournisseur sera-t-il tenu de protéger des renseignements ou des biens COMSEC?  No  Yes  
Non  Oui

**PRODUCTION**

11. c) Will the production (manufacture, and/or repair and/or modification) of PROTECTED and/or CLASSIFIED material or equipment occur at the supplier's site or premises?  
Les installations du fournisseur serviront-elles à la production (fabrication et/ou réparation et/ou modification) de matériel PROTÉGÉ et/ou CLASSIFIÉ?  No  Yes  
Non  Oui

**INFORMATION TECHNOLOGY (IT) MEDIA / SUPPORT RELATIF À LA TECHNOLOGIE DE L'INFORMATION (TI)**

11. d) Will the supplier be required to use its IT systems to electronically process, produce or store PROTECTED and/or CLASSIFIED information or data?  
Le fournisseur sera-t-il tenu d'utiliser ses propres systèmes informatiques pour traiter, produire ou stocker électroniquement des renseignements ou des données PROTÉGÉS et/ou CLASSIFIÉS?  No  Yes  
Non  Oui

11. e) Will there be an electronic link between the supplier's IT systems and the government department or agency?  
Disposera-t-on d'un lien électronique entre le système informatique du fournisseur et celui du ministère ou de l'agence gouvernementale?  No  Yes  
Non  Oui

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Security Classification / Classification de sécurité Unclassified
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**PART C - (continued) / PARTIE C - (suite)**

For users completing the form **manually** use the summary chart below to indicate the category(ies) and level(s) of safeguarding required at the supplier's site(s) or premises.  
 Les utilisateurs qui remplissent le formulaire **manuellement** doivent utiliser le tableau récapitulatif ci-dessous pour indiquer, pour chaque catégorie, les niveaux de sauvegarde requis aux installations du fournisseur.

For users completing the form **online** (via the Internet), the summary chart is automatically populated by your responses to previous questions.  
 Dans le cas des utilisateurs qui remplissent le formulaire **en ligne** (par Internet), les réponses aux questions précédentes sont automatiquement saisies dans le tableau récapitulatif.

**SUMMARY CHART / TABLEAU RÉCAPITULATIF**

Category / Catégorie	PROTECTED / PROTÉGÉ			CLASSIFIED / CLASSIFIÉ			NATO				COMSEC					
	A	B	C	CONFIDENTIAL / CONFIDENTIEL	SECRET	TOP SECRET / TRÈS SECRET	NATO RESTRICTED / NATO DIFFUSION RESTREINTE	NATO CONFIDENTIAL / NATO CONFIDENTIEL	NATO SECRET	COMSEC TOP SECRET / COMSEC TRÈS SECRET	PROTECTED / PROTÉGÉ			CONFIDENTIAL / CONFIDENTIEL	SECRET	TOP SECRET / TRÈS SECRET
											A	B	C			
Information / Assets / Renseignements / Biens / Production																
IT Media / Support IT / Lien électronique																

12. a) Is the description of the work contained within this SRCL PROTECTED and/or CLASSIFIED?  
 La description du travail visé par la présente LVERS est-elle de nature PROTÉGÉE et/ou CLASSIFIÉE?  No / Non  Yes / Oui

**If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification".**  
**Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire.**

12. b) Will the documentation attached to this SRCL be PROTECTED and/or CLASSIFIED?  
 La documentation associée à la présente LVERS sera-t-elle PROTÉGÉE et/ou CLASSIFIÉE?  No / Non  Yes / Oui

**If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification" and indicate with attachments (e.g. SECRET with Attachments).**  
**Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire et indiquez qu'il y a des pièces jointes (p. ex. SECRET avec des pièces jointes).**



Contract Number / Numéro du contrat
Security Classification / Classification de sécurité

PART D - AUTHORIZATION / PARTIE D - AUTORISATION			
13. Organization Project Authority / Chargé de projet de l'organisme			
Name (print) - Nom (en lettres moulées) Mesood Jahanmir		Title - Titre Project Manager	Signature 
Telephone No. - N° de téléphone 613-291-7671	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel mesood.jahanmir@nrc-cnrc.gc.ca	Date July 11, 2016
14. Organization Security Authority / Responsable de la sécurité de l'organisme			
Name (print) - Nom (en lettres moulées) CHARLOTTE CARRIER		Title - Titre Security in COMPACTS	Signature 
Telephone No. - N° de téléphone 613 993-8956	Facsimile No. - N° de télécopieur 613 990-0946	E-mail address - Adresse courriel Charlotte.CARRIER@Canada.ca	Date 11 July 2016
15. Are there additional instructions (e.g. Security Guide, Security Classification Guide) attached? Des instructions supplémentaires (p. ex. Guide de sécurité, Guide de classification de la sécurité) sont-elles jointes?			<input type="checkbox"/> No / Non <input type="checkbox"/> Yes / Oui
16. Procurement Officer / Agent d'approvisionnement			
Name (print) - Nom (en lettres moulées) Johnathon Gillis		Title - Titre Procurement	Signature 
Telephone No. - N° de téléphone 613 993 5604	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel Johnathon.Gillis@nrc.gc.ca	Date July/11/2016
17. Contracting Security Authority / Autorité contractante en matière de sécurité			
Name (print) - Nom (en lettres moulées)		Title - Titre	Signature
Telephone No. - N° de téléphone	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel	Date

Security Classification / Classification de sécurité
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## APPENDIX “E”- GENERAL CONDITIONS

<b>ID</b>	<b>2035</b>
<b>Title</b>	<b>General Conditions - Services</b>
<b>Date</b>	<b>2011-05-16</b>
<b>Status</b>	<b>Active</b>

- 01 Interpretation
- 02 Powers of Canada
- 03 Status of the Contractor
- 04 Conduct of the Work
- 05 Subcontracts
- 06 Specifications
- 07 Replacement of Specific Individuals
- 08 Time of the Essence
- 09 Excusable Delay
- 10 Inspection and Acceptance of the Work
- 11 Invoice Submission
- 12 Taxes
- 13 Transportation Costs
- 14 Transportation Carriers' Liability
- 15 Payment Period
- 16 Interest on Overdue Accounts
- 17 Compliance with Applicable Laws
- 18 Ownership
- 19 Copyright
- 20 Translation of Documentation
- 21 Confidentiality
- 22 Government Property
- 23 Liability
- 24 Intellectual Property Infringement and Royalties
- 25 Amendment and Waivers
- 26 Assignment
- 27 Suspension of the Work
- 28 Default by the Contractor
- 29 Termination for Convenience
- 30 Accounts and Audit
- 31 Right of Set-off
- 32 Notice
- 33 Conflict of Interest and Values and Ethics Codes for the Public Service
- 34 No Bribe or Conflict
- 35 Survival
- 36 Severability
- 37 Successors and Assigns
- 38 Contingency Fees
- 39 International Sanctions
- 40 Harassment in the Workplace
- 41 Entire Agreement

### **2035 01 (2008-05-12) Interpretation**

In the Contract, unless the context otherwise requires:

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

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada as represented by the National Research Council of Canada and any other person duly authorized to act on behalf of the National Research Council Canada.

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

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

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

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

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

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

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

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

### **2035 02 (2008-05-12) Powers of Canada**

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

### **2035 03 (2008-05-12) Status of the Contractor**

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

### **2035 04 (2008-05-12) Conduct of the Work**

1. The Contractor represents and warrants that:



- (a) it is competent to perform the Work;
  - (b) it has everything necessary to perform the Work, including the resources, facilities, labour, technology, equipment, and materials; and
  - (c) it has the necessary qualifications, including knowledge, skill, know-how and experience, and the ability to use them effectively to perform the Work.
2. The Contractor must:
  - (a) perform the Work diligently and efficiently;
  - (b) except for Government Property, supply everything necessary to perform the Work;
  - (c) use, as a minimum, quality assurance procedures, inspections and controls generally used and recognized by the industry to ensure the degree of quality required by the Contract;
  - (d) select and employ a sufficient number of qualified people;
  - (e) perform the Work in accordance with standards of quality acceptable to Canada and in full conformity with the Specifications and all the requirements of the Contract;
  - (f) provide effective and efficient supervision to ensure that the quality of workmanship meets the requirements of the Contract.
3. The Work must not be performed by any person who, in the opinion of Canada, is incompetent, unsuitable or has been conducting himself/herself improperly.
4. All services rendered under the Contract must, at the time of acceptance, be free from defects in workmanship and conform to the requirements of the Contract. If the Contractor is required to correct or replace the Work or any part of the Work, it will be at no cost to Canada.
5. Canada's facilities, equipment and personnel are not available to the Contractor to perform the Work unless the Contract specifically provides for it. The Contractor is responsible for advising the Contracting Authority in advance if it requires access to Canada's facilities, equipment or personnel to perform the Work. The Contractor must comply and ensure that its employees and subcontractors comply with all security measures, standing orders, policies or other rules in force at the site where the Work is performed.
6. Unless the Contracting Authority orders the Contractor to suspend the Work or part of the Work pursuant to section 27, the Contractor must not stop or suspend the Work or part of the Work pending the settlement of any dispute between the Parties about the Contract.
7. The Contractor must provide all reports that are required by the Contract and any other information that Canada may reasonably require from time to time.
8. The Contractor is fully responsible for performing the Work. Canada will not be responsible for any negative consequences or extra costs if the Contractor follows any advice given by Canada unless the Contracting Authority provides the advice to the Contractor in writing and includes a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might result from following the advice.

**2035 05 (2010-01-11) Subcontracts**

1. Except as provided in subsection 2, the Contractor must obtain the Contracting Authority's written consent before subcontracting or permitting the subcontracting of any part of the Work. A subcontract includes a contract entered into by any subcontractor at any tier to perform any part of the Work.
2. The Contractor is not required to obtain consent for subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:
  - (a) purchase "off-the-shelf" items and any standard articles and materials that are ordinarily produced by manufacturers in the normal course of business;
  - (b) subcontract any portion of the Work as is customary in the carrying out of similar contracts; and;
  - (c) permit its subcontractors at any tier to make purchases or subcontract as permitted in paragraphs (a) and (b).
3. In any subcontract other than a subcontract referred to in paragraph 2.(a), the Contractor must, unless the Contracting Authority agrees in writing, ensure that the subcontractor is bound by conditions compatible with and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract.
4. Even if Canada consents to a subcontract, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any subcontractors for any part of the Work they perform.

#### **2035 06 (2008-05-12) Specifications**

1. Specifications provided by Canada or on behalf of Canada to the Contractor in connection with the Contract belong to Canada and must be used by the Contractor only for the purpose of performing the Work.
2. If the Contract provides that Specifications furnished by the Contractor must be approved by Canada, that approval will not relieve the Contractor of its responsibility to meet all requirements of the Contract.

#### **2035 07 (2008-05-12) Replacement of Specific Individuals**

1. If specific individuals are identified in the Contract to perform the Work, the Contractor must provide the services of those individuals unless the Contractor is unable to do so for reasons beyond its control.
2. If the Contractor is unable to provide the services of any specific individual identified in the Contract, it must provide a replacement with similar qualifications and experience. The replacement must meet the criteria used in the selection of the Contractor and be acceptable to Canada. The Contractor must, as soon as possible, give notice to the Contracting Authority of the reason for replacing the individual and provide:
  - (a) the name, qualifications and experience of the proposed replacement; and
  - (b) proof that the proposed replacement has the required security clearance granted by Canada, if applicable.
3. The Contractor must not, in any event, allow performance of the Work by unauthorized replacement persons. The Contracting Authority may order that a replacement stop performing the Work. In such a case, the Contractor must immediately comply with the order and secure a further replacement in accordance with subsection 2. The fact that the Contracting Authority does not order that a replacement stop performing the Work does not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**2035 08 (2008-05-12) Time of the Essence**

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

**2035 09 (2008-05-12) Excusable Delay**

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

- (a) is beyond the reasonable control of the Contractor,
- (b) could not reasonably have been foreseen,
- (c) could not reasonably have been prevented by means reasonably available to the Contractor, and
- (d) occurred without the fault or neglect of the Contractor,

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

2. Any delivery date or other date that is directly affected by an Excusable Delay will be postponed for a reasonable time that will not exceed the duration of the Excusable Delay.
3. However, if an Excusable Delay has continued for thirty (30) days or more, the Contracting Authority may, by giving notice in writing to the Contractor, terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Unless Canada has caused the delay by failing to meet an obligation under the Contract, Canada will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.
5. If the Contract is terminated under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work not delivered and accepted before the termination and anything that the Contractor has acquired or produced specifically to perform the Contract. Canada will pay the Contractor:
  - (a) the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
  - (b) the Cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

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

**2035 10 (2008-05-12) Inspection and Acceptance of the Work**

1. All the Work is subject to inspection and acceptance by Canada. Inspection and acceptance of the Work by Canada do not relieve the Contractor of its responsibility for defects or other failures to meet the requirements of the Contract. Canada will have the right to reject any Work that is not in accordance with the requirements of the Contract and require its correction or replacement at the Contractor's expense.
2. The Contractor must provide representatives of Canada access to all locations where any part of the Work is being performed at any time during working hours. Representatives of Canada may make examinations and such tests of the Work as they may think fit. The Contractor must provide all assistance and facilities, test pieces, samples and documentation that the representatives of Canada may reasonably require for the carrying out of the inspection. The Contractor must forward such test pieces and samples to such person or location as Canada specifies.
3. The Contractor must inspect and approve any part of the Work before submitting it for acceptance or delivering it to Canada. The Contractor must keep accurate and complete inspection records that must be made available to Canada on request. Representatives of Canada may make copies and take extracts of the records during the performance of the Contract and for up to three (3) years after the end of the Contract.

#### **2035 11 (2008-05-12) Invoice Submission**

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

#### **2035 12 (2010-08-16) Taxes**

1. Municipal Taxes  
Municipal Taxes do not apply.
2. Provincial Taxes

- (a) Excluding legislated exceptions, federal government departments and agencies are not required to pay any sales tax payable to the province in which the taxable goods or services are delivered. This exemption has been provided to federal government departments and agencies under the authority of one of the following:
  - (i) Provincial Sales Tax (PST) Exemption Licence Numbers, for the provinces of:  
Prince Edward Island OP-10000-250  
Manitoba 390-516-0
  - (ii) for Quebec, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, an Exemption Certification, which certifies that the goods or services purchased are not subject to the provincial/territorial sales and consumption taxes because they are purchased by the federal government with Canada funds for the use of the federal government.
- (b) Currently, in Alberta, the Yukon Territory, the Northwest Territories and Nunavut, there is no general PST. However, if a PST is introduced in Alberta, the Yukon Territory, the Northwest Territories or Nunavut, the sales tax exemption certificate would be required on the purchasing document.
- (c) Federal departments must pay the HST in the participating provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario and British Columbia.
- (d) The Contractor is not exempt from paying PST under the above Exemption Licence Numbers or Exemption Certification. The Contractor must pay the PST on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable provincial legislation), including material incorporated into real property.

### 3. Changes to Taxes and Duties

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

### 4. GST or HST

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

### 5. Tax Withholding of 15 Percent

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

## **2035 13 (2010-01-11) Transportation Costs**

If transportation costs are payable by Canada under the Contract and the Contractor makes the transportation arrangements, shipments must be made by the most direct and economical means consistent with normal shipping practice. The costs must be shown as a separate item on the invoice.

**2035 14 (2010-01-11) Transportation Carriers' Liability**

The federal government's policy of underwriting its own risks precludes payment of insurance or valuation charges for transportation beyond the point at which ownership of goods passes to the federal government (determined by the FOB point or Incoterms). Where increased carrier liability is available without charge, the Contractor must obtain the increased liability for shipment.

**2035 15 (2008-05-12) Payment Period**

1. Canada's standard payment period is thirty (30) days. The payment period is measured from the date an invoice in acceptable form and content is received in accordance with the Contract or the date the Work is delivered in acceptable condition as required in the Contract, whichever is later. A payment is considered overdue on the 31st day following that date and interest will be paid automatically in accordance with the section 16.
2. If the content of the invoice and its substantiating documentation are not in accordance with the Contract or the Work is not in acceptable condition, Canada will notify the Contractor within fifteen (15) days of receipt. The 30-day payment period begins upon receipt of the revised invoice or the replacement or corrected Work. Failure by Canada to notify the Contractor within fifteen (15) days will only result in the date specified in subsection 1 to apply for the sole purpose of calculating interest on overdue accounts.

**2035 16 (2008-12-12) Interest on Overdue Accounts**

1. For the purpose of this section:

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

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

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

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

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

**2035 17 (2008-05-12) Compliance with Applicable Laws**

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

### **2035 18 (2008-05-12) Ownership**

1. Unless provided otherwise in the Contract, the Work or any part of the Work belongs to Canada after delivery and acceptance by or on behalf of Canada.
2. However if any payment is made to the Contractor for or on account of any Work, either by way of progress or milestone payments, that work paid for by Canada belongs to Canada upon such payment being made. This transfer of ownership does not constitute acceptance by Canada of the Work or any part of the Work and does not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
3. Despite any transfer of ownership, the Contractor is responsible for any loss or damage to the Work or any part of the Work until it is delivered to Canada in accordance with the Contract. Even after delivery, the Contractor remains responsible for any loss or damage to any part of the Work caused by the Contractor or any subcontractor.
4. Upon transfer of ownership to the Work or any part of the Work to Canada, the Contractor must, if requested by Canada, establish to Canada's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances. The Contractor must execute any conveyances and other instruments necessary to perfect the title that Canada may require.

### **2035 19 (2008-05-12) Copyright**

In this section, "Material" means anything that is created by the Contractor as part of the Work under the Contract, that is required by the Contract to be delivered to Canada and in which copyright subsists. "Material" does not include anything created by the Contractor before the date of the Contract.

Copyright in the Material belongs to Canada and the Contractor must include the copyright symbol and either of the following notice on the Material: © Her Majesty the Queen in right of Canada (year) or © Sa Majesté la Reine du chef du Canada (année).

The Contractor must not use, copy, divulge or publish any Material except as is necessary to perform the Contract. The Contractor must execute any conveyance and other documents relating to copyright in the Material as Canada may require.

The Contractor must provide at the request of Canada a written permanent waiver of moral rights, in a form acceptable to Canada, from every author that contributed to the Material. If the Contractor is the author of the Material, the Contractor permanently waives its moral rights in the Material.

### **2035 20 (2008-05-12) Translation of Documentation**

The Contractor agrees that Canada may translate in the other official language any documentation delivered to Canada by the Contractor that does not belong to Canada under section 20. The Contractor acknowledges that Canada owns the translation and that it is under no obligation to provide any translation to the Contractor. Canada agrees that any translation must include any copyright notice and any proprietary right notice that was part of the original. Canada acknowledges that the Contractor is not responsible for any technical errors or other problems that may arise as a result of the translation.

**2035 21 (2008-05-12) Confidentiality**

1. The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.
2. The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.
3. Subject to the *Access to Information Act*, R.S., 1985, c. A-1, and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.
4. The obligations of the Parties set out in this section do not apply to any information if the information:
  - (a) is publicly available from a source other than the other Party; or
  - (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information; or
  - (c) is developed by a Party without use of the information of the other Party.
5. Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under National Research Council Canada (NRC) Contract No. (fill in Contract Number)". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.
6. If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor must at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the PWGSC Industrial Security Manual and its supplements and any other instructions issued by Canada.
7. If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED, by Canada, representatives of Canada are entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the Contract. The Contractor must comply with, and ensure that any subcontractor complies with, all written instructions issued by Canada dealing with the material so identified, including any requirement that employees of the Contractor or of any subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.
8. The Contractor consents in the case of a contract that has a value in excess of \$10,000.00 to the public disclosure of information – other than information described in any of paragraphs 20(1)a) to (d) of the Access to Information Act – relating to the contract.



**2035 22 (2008-05-12) Government Property**

1. All Government Property must be used by the Contractor solely for the purpose of the Contract and remains the property of Canada. The Contractor must maintain adequate accounting records of all Government Property and, whenever feasible, mark it as being the property of Canada.
2. The Contractor must take reasonable and proper care of all Government Property while it is in its possession or subject to its control. The Contractor is responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, unless it is installed or incorporated in the Work, must be returned to Canada on demand. All scrap and all waste materials, articles or things that are Government Property must, unless provided otherwise in the Contract, remain the property of Canada and must be disposed of only as directed by Canada.
4. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor must provide to Canada an inventory of all Government Property relating to the Contract.

**2035 23 (2008-05-12) Liability**

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

**2035 24 (2008-05-12) Intellectual Property Infringement and Royalties**

1. The Contractor represents and warrants that, to the best of its knowledge, neither it nor Canada will infringe any third party's intellectual property rights in performing or using the Work, and that Canada will have no obligation to pay royalties of any kind to anyone in connection with the Work.
2. If anyone makes a claim against Canada or the Contractor concerning intellectual property infringement or royalties related to the Work, that Party agrees to notify the other Party in writing immediately. If anyone brings a claim against Canada, according to *Department of Justice Act*, R.S., 1985, c. J-2, the Attorney General of Canada must have the regulation and conduct of all litigation for or against Canada, but the Attorney General may request that the Contractor defend Canada against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable as a result of the claim, including the amount of any settlement. Both Parties agree not to settle any claim unless the other Party first approves the settlement in writing.
3. The Contractor has no obligation regarding claims that were only made because:
  - (a) Canada modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract; or
  - (b) Canada used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications); or
  - (c) the Contractor used equipment, drawings, specifications or other information supplied to the Contractor by Canada (or by someone authorized by Canada); or

- (d) the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Authority; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software: "[Supplier name] acknowledges that the purchased items will be used by the Government of Canada. If a third party claims that equipment or software supplied under this contract infringes any intellectual property right, [supplier name], if requested to do so by either [Contractor name] or Canada, will defend both [Contractor name] and Canada against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement. "Obtaining this protection from the supplier is the Contractor's responsibility and, if the Contractor does not do so, it will be responsible to Canada for the claim.
4. If anyone claims that, as a result of the Work, the Contractor or Canada is infringing its intellectual property rights, the Contractor must immediately do one of the following:
- (a) take whatever steps are necessary to allow Canada to continue to use the allegedly infringing part of the Work; or
  - (b) modify or replace the Work to avoid intellectual property infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
  - (c) take back the Work and refund any part of the Contract Price that Canada has already paid.

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

#### **2035 25 (2008-05-12) Amendment and Waivers**

1. To be effective, any amendment to the Contract must be done in writing by the Contracting Authority and the authorized representative of the Contractor.
2. While the Contractor may discuss any proposed modifications to the Work with other representatives of Canada, Canada will not be responsible for the cost of any modification unless it has been incorporated into the Contract in accordance with subsection 1.
3. A waiver will only be valid, binding or affect the rights of the Parties if it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.
4. The waiver by a Party of a breach of any condition of the Contract will not be treated or interpreted as a waiver of any subsequent breach and therefore will not prevent that Party from enforcing of that term or condition in the case of a subsequent breach.

#### **2035 26 (2008-05-12) Assignment**

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

#### **2035 27 (2008-05-12) Suspension of the Work**

1. The Contracting Authority may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract for a period of up to one hundred eighty (180) days. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so. While such an order is in effect, the Contractor must not remove any part of the Work from any premises without first obtaining the written consent of the Contracting Authority. Within these one hundred eighty (180) days, the Contracting Authority must either cancel the order or terminate the Contract, in whole or in part, under section 28 or section 29.
2. When an order is made under subsection 1, unless the Contracting Authority terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor will be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit.
3. When an order made under subsection 1 is cancelled, the Contractor must resume work in accordance with the Contract as soon as practicable. If the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for performing the part of the Work affected by the suspension will be extended for a period equal to the period of suspension plus a period, if any, that in the opinion of the Contracting Authority, following consultation with the Contractor, is necessary for the Contractor to resume the Work. Any equitable adjustments will be made as necessary to any affected conditions of the Contract.

#### **2035 28 (2008-05-12) Default by the Contractor**

1. If the Contractor is in default in carrying out any of its obligations under the Contract, the Contracting Authority may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.
2. If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the dissolution, liquidation or winding-up of the Contractor, the Contracting Authority may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.
3. If Canada gives notice under subsection 1 or 2, the Contractor will have no claim for further payment except as provided in this section. The Contractor will be liable to Canada for all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Upon termination of the Contract under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work, not delivered and accepted before the termination and anything the Contractor has acquired or produced specifically to perform the Contract. In such a case, subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada will pay or credit to the Contractor:
  - (a) the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and

- (b) the cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

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

- 5. Title to everything for which payment is made to the Contractor will, once payment is made, pass to Canada unless it already belongs to Canada under any other provision of the Contract.
- 6. If the Contract is terminated for default under subsection 1, but it is later determined that grounds did not exist for a termination for default, the notice will be considered a notice of termination for convenience issued under subsection 1 of section 29.

**2035 29 (2008-05-12) Termination for Convenience**

- 1. At any time before the completion of the Work, the Contracting Authority may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.
- 2. If a termination notice is given pursuant to subsection 1, the Contractor will be entitled to be paid, for costs that have been reasonably and properly incurred to perform the Contract to the extent that the Contractor has not already been paid or reimbursed by Canada. The Contractor will be paid:
  - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
  - (b) the Cost to the Contractor plus a fair and reasonable profit for all work terminated by the termination notice before completion; and
  - (c) all costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.
- 3. Canada may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract.
- 4. The total of the amounts, to which the Contractor is entitled to be paid under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Contract Price. The Contractor will have no claim for damages, compensation, loss of profit, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

**2035 30 (2008-05-12) Accounts and Audit**

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

2. If the Contract includes payment for time spent by the Contractor, its employees, representatives, agents or subcontractors performing the Work, the Contractor must keep a record of the actual time spent each day by each individual performing any part of the Work.
3. Unless Canada has consented in writing to its disposal, the Contractor must retain all the information described in this section for six (6) years after it receives the final payment under the Contract, or until the settlement of all outstanding claims and disputes, whichever is later. During this time, the Contractor must make this information available for audit, inspection and examination by the representatives of Canada, who may make copies and take extracts. The Contractor must provide all reasonably required facilities for any audit and inspection and must furnish all the information as the representatives of Canada may from time to time require to perform a complete audit of the Contract.
4. The amount claimed under the contract, calculated in accordance with the Basis of Payment provision in the Articles of Agreement, is subject to government audit both before and after payment is made. If an audit is performed after payment, the Contractor agrees to repay any overpayment immediately on demand by Canada. Canada may hold back, deduct and set off any credits owing and unpaid under this section from any money that Canada owes to the Contractor at any time (including under other contracts). If Canada does not choose to exercise this right at any given time, Canada does not lose this right.

**2035 31 (2008-05-12) Right of Set-off**

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

**2035 32 (2008-05-12) Notice**

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

**2035 33 (2008-05-12) Conflict of Interest and Values and Ethics Codes for the Public Service**

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

**2035 34 (2008-05-12) No Bribe or Conflict**

1. The Contractor declares that no bribe, gift, benefit, or other Inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.
2. The Contractor must not influence, seek to influence or otherwise take part in a decision of Canada knowing that the decision might further its private interest. The Contractor must have no financial interest in the business of a third party that causes or would appear to cause a conflict of interest in connection with the performance of its obligations under the Contract. If such a financial interest is acquired during the period of the Contract, the Contractor must immediately declare it to the Contracting Authority.

3. The Contractor warrants that, to the best of its knowledge after making diligent inquiry, no conflict exists or is likely to arise in the performance of the Contract. In the event the Contractor becomes aware of any matter that causes or is likely to cause a conflict in relation to the Contractor's performance under the Contract, the Contractor must immediately disclose such matter to the Contracting Authority in writing.
4. If the Contracting Authority is of the opinion that a conflict exists as a result of the Contractor's disclosure or as a result of any other information brought to the Contracting Authority's attention, the Contracting Authority may require the Contractor to take steps to resolve or otherwise deal with the conflict or, at its entire discretion, terminate the Contract for default. Conflict means any matter, circumstance, interest, or activity affecting the Contractor, its personnel or subcontractors, which may or may appear to impair the ability of the Contractor to perform the Work diligently and independently.

#### **2035 35 (2008-05-12) Survival**

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

#### **2035 36 (2008-05-12) Severability**

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

#### **2035 37 (2008-05-12) Successors and Assigns**

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

#### **2035 38 (2008-12-12) Contingency Fees**

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

#### **2035 39 (2010-01-11) International Sanctions**

1. Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to [economic sanctions](#).
2. The Contractor must not supply to the Government of Canada any goods or services which are subject to economic sanctions.
3. The Contractor must comply with changes to the regulations imposed during the period of the Contract. The Contractor must immediately advise Canada if it is unable to perform the Work as a result of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services. If the Parties cannot agree on a work around plan, the Contract will be terminated for the convenience of Canada in accordance with section 29.

#### **2035 40 (2008-05-12) Harassment in the Workplace**

1. The Contractor acknowledges the responsibility of Canada to ensure, for its employees, a healthy work environment, free of harassment. A copy of the [Policy on the Prevention and Resolution of Harassment in the Workplace](#), which is also applicable to the Contractor, is available on the Treasury Board Web site.
2. The Contractor must not, either as an individual, or as a corporate or unincorporated entity, through its employees or subcontractors, harass, abuse, threaten, discriminate against or intimidate any employee, contractor or other individual employed by, or under contract with Canada. The Contractor will be advised in writing of any complaint and will have the right to respond in writing. Upon receipt of the Contractor's response, the Contracting Authority will, at its entire discretion, determine if the complaint is founded and decide on any action to be taken.

**2035 41 (2008-05-12) Entire Agreement**

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