

Underwater Warfare Suite Upgrade (UWSU)

REQUEST FOR PROPOSAL (RFP)

SOLICITATION: W8472-135462/C

Volume 2

UWSU ACQUISITION RESULTING CONTRACT

**(THIS DOCUMENT CONTAINS A SECURITY
REQUIREMENT)**

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RESULTING CONTRACT CLAUSES

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

ARTICLES OF AGREEMENT

1. Requirement

The Contractor must perform the Work in accordance with the Statement of Work at Annex B, and the System Requirements Document at Annex C.

1.1 Industrial and Technological Benefits (ITB) Commitments and Responsibilities

The Contractor must achieve all the ITB commitments in accordance with the schedule and commitments set out in Annex F, Industrial and Technological Benefits (ITB) Terms and Conditions.

2. Optional Goods and Services

The Contractor grants to Canada the irrevocable option to acquire the goods, services or both described at Schedule A, UWSU Acquisition Pricing of the Contract under the same conditions and at the prices and/or rates stated in the Contract. The option may only be exercised by the Contracting Authority and will be evidenced, for administrative purposes only, through a contract amendment.

2.1 Optional Underwater Warfare Sensor Systems (UWSS)

For Schedule A, Article 3 UWSU Optional Acquisition Requirements, item N°1, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.2 Optional Fitted for But Not With – Training and Torpedo Detection

For Schedule A, Article 3 UWSU Optional Acquisition Requirements, item N°2, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.3 Optional Fitted for But Not With – Wires and Racks

For Schedule A, Article 3 UWSU Optional Acquisition Requirements, item N°3, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.4 Optional UWSU Operator Initial Cadre Training

For Schedule A, Article 3 UWSU Optional Acquisition Requirements, item N°4, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.5 Optional UWSU Operator Initial Cadre Training

For Schedule A, Article 3 UWSU Optional Acquisition Requirements, item N°5, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

3. Work Arisings

Additional Work that is not described in the Annex B Statement of Work but that is required to support the UWSU and that would fall within the overall scope of the Work (Work Arisings), may be incorporated into the Contract either through a Contract amendment or the issuance of a Task Authorization.

3.1 Task Authorization

The Task Authorization process is outline in Annex J

4. Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual issued by Public Works and Government Services Canada.

(<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>)

4.1 General Conditions

- a) 1031-2 (2012-07-16) Contract Cost Principles apply to and form part of the Contract.
- b) 2030 (2016-04-04), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract.

(Article 22, paragraph 1 of 2030 (2016-04-04), General Conditions - Higher Complexity - Goods, is amended as follows:

2030 22 (2014-09-25) Warranty

Despite inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that, for 12 months (or any other period stated in the Contract), the Work will be free from all defects in design, material or workmanship, and will conform to the requirements of the Contract. The warranty period begins as follows:

- i. For Schedule A, UWSU Acquisition Pricing Article 2, items N°1, and should the options be exercised, Schedule A Article 3 items N°1 through N°3, the warranty period begins upon acceptance by Canada of the of the Underwater Sensor System (or Fitted for But Not With configuration) Sea Acceptance Test results;
- ii. For Schedule A, UWSU Acquisition Pricing Article 2, items N°4 through N°9, the warranty period begins upon system acceptance of the Shore-based Site through approval of the Acceptance Test Report.
- iii. For Schedule A, UWSU Acquisition Pricing Article 2, items, N°12 through N°15, and should the options be exercised, Schedule A Article 3 items N°4 and N°5, and all other Goods and Services not mentioned above, the warranty period begins on the date of Acceptance;

With respect to Government Property not supplied by the Contractor, the Contractor's warranty will extend only to its proper incorporation into the Work, unless otherwise indicated by applicable Government Furnished Equipment agreements.

4.2 Supplemental General Conditions

- a) 4001 (2015-04-01) Hardware Purchase, Lease and Maintenance, apply to and form part of the Contract;
- b) 4002 (2010-08-16) Software Development or Modification Services, apply to and form part of the Contract;
- c) 4003 (2010-08-16) Licensed Software, apply to and form part of the Contract;
- d) 4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information, apply to and form part of the Contract.

5. Security Requirements

SECURITY REQUIREMENT FOR CANADIAN SUPPLIER:

1. The Contractor must, at all times during the performance of the Contract, hold a valid Facility Security Clearance at the level of NATO SECRET, with approved Document Safeguarding and Production Capabilities at the level of NATO SECRET, issued by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of RELIABILITY STATUS, granted or approved by the CISD/PWGSC.
3. The Contractor personnel requiring access to CLASSIFIED information and/or assets bearing the caveat "CANADIAN EYES ONLY" must be citizens of Canada and EACH hold a valid personnel security screening at the level of CONFIDENTIAL or, SECRET, as required, granted or approved by the CISD, PWGSC.
4. The Contractor personnel requiring access to RESTRICTED CLASSIFIED information, assets or sensitive work site(s) must be a permanent resident of Canada or a citizen of Canada, citizens of a NATO country, Australia or, New Zealand and must EACH hold a valid personnel security screening at the level of CONFIDENTIAL or, SECRET, as required, granted or approved by CISD/PWGSC.
5. The Contractor personnel requiring access to FOREIGN RESTRICTED CLASSIFIED information, assets or sensitive work site(s) must be citizens of Canada, the United States, the United Kingdom, Australia or, New Zealand and must EACH hold a valid personnel security screening at the level of CONFIDENTIAL or, SECRET, as required, granted or approved by CISD/PWGSC.
6. The Contractor personnel requiring access to NATO UNCLASSIFIED information or assets do not require to hold a personnel security clearance; however, the Contractor must ensure that the NATO Unclassified information is not releasable to third parties and that the "need to know" principle is applied to personnel accessing this information.
7. The Contractor personnel requiring access to NATO RESTRICTED information or assets must be citizens of a NATO member country or a permanent resident of Canada and EACH hold a valid RELIABILITY STATUS or its equivalent, granted or approved by the appropriate delegated NATO Security Authority.

8. The Contractor personnel requiring access to NATO CLASSIFIED information, assets or sensitive work site(s) must be permanent residents of Canada or citizens of a NATO member country and EACH hold a valid personnel security screening at the level of NATO CONFIDENTIAL or, NATO SECRET, as required, granted or approved by the appropriate delegated NATO Security Authority.
9. The Contractor MUST NOT utilize its Information Technology systems to electronically process, produce or store any sensitive PROTECTED/CLASSIFIED information until CISC/PWGSC has issued written approval. After approval has been granted, these tasks may be performed at the level of NATO SECRET and an IT Link at the level of PROTECTED B.
10. This contract includes access to Controlled Goods. Prior to access, the contractor must be registered in the Controlled Goods Program of Public Works and Government Services Canada (PWGSC).
11. The Contractor must complete and submit a Foreign Ownership, Control and Influence (FOCI) Questionnaire and associated documentation identified in the FOCI Guidelines for Organizations prior to contract award to identify whether a third party individual, firm or government can gain unauthorized access to CLASSIFIED NATO / FOREIGN information/assets. Public Works and Government Services Canada (PWGSC) will determine if the company is "*Not Under FOCI*" or "*Under FOCI*". When an organization is determined to be *Under FOCI*, PWGSC will ascertain if mitigation measures exist or must be put in place by the company so it can be deemed "*Not Under FOCI through Mitigation*".

The contractor should at all times during the performance of the contract possess a letter from PWGSC identifying the results of the FOCI assessment with a FOCI designation of *Not Under FOCI* or *Not Under FOCI through Mitigation*.

All changes to Questionnaire and associated FOCI evaluation factors must immediately be submitted to the Industrial Security Sector (ISS) to determine if the changes impact the FOCI designation.
12. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CISC/PWGSC.
13. The Contractor must comply with the provisions of the:
 - (a) Security Requirements Check List and security guide (if applicable), attached at Annex A;
 - (b) *Industrial Security Manual* (Latest Edition).

6. Term of Contract

6.1 Delivery and Installation Dates

6.1.1 Delivery and Installation

For Schedule A UWSU Acquisition Pricing Article 2, items N°1, N°4 through N°9 and should the options be exercised, Schedule A Article 3 item N°1 through N°3:

The Contractor must have each UWSS, SBT and FFBW ready for delivery as early as April first (1st) of the installation year (April to March) identified in Annex B Statement of Work Appendix 3, UWSU Implementation Schedule.

For each installation, the Project Authority will provide the firm delivery date to the Contractor, three (3) months prior to the scheduled installation date, within the specified installation year identified in Annex B Statement of Work Appendix 3, UWSU Implementation Schedule, or as agreed to between Canada and the Contractor during the implementation phase.

For planning purposes, Canada will provide updated ship installation schedules in April of each Contract year. Should a ship, or SBT facility not be available for installation in the year specified in Annex B Statement of Work Appendix 3, UWSU Implementation Schedule, starting the first day of the next installation year (April 1), Canada will choose to either take possession and store each UWSS, SBT and FFBNW, or choose to have the Contractor store each UWSS, SBT and FFBNW at the daily storage fees provided in Schedule A, UWSU Acquisition Pricing Article 5 Firm Lot Prices for Contractor Daily UWSU System Storage Fees, until the UWSS, SBT or FFBNW is delivered to the ship yard or SBT facility.

6.1.2 Delivery of Contract Reports and Publication Deliverables (Including Manuals),

For Schedule A UWSU Acquisition Pricing Article 2, items N°2 and N°3:

All contract reports and publication deliverables (including manuals), must be delivered in accordance with Annex B Appendix 1, Contract Data Requirements List.

6.1.3 Delivery of Operator and Maintainer Initial Cadre Training

For Schedule A UWSU Acquisition Pricing Article 2, items N°10 and N°11, and should the options be exercised, Schedule A Article 3, items N°4 and N°5:

Operator and Maintainer Initial Cadre Training must be conducted and completed prior to the commencement of the first Harbour Acceptance Test, but after acceptance of the first the installed Shore-based UWSU Systems. Specific training dates will be agreed upon between Canada and the Contractor.

6.1.4 Tools and Test Equipment / Initial Spares

For Schedule A UWSU Acquisition Pricing Article 2, items N°12 and N°14

Delivery of Tools, Test Equipment and Initial Spares must be completed prior to each site installation. Specific delivery dates will be agreed upon between Canada and the Contractor.

6.1.5 Collaborative Environment

The collaborative environment must be available for use prior to the commencement of the contract kickoff meeting.

7. Authorities

7.1 Contracting Authority

The Contracting Authority for the Contract is:

Michael Rancourt
Supply Specialist

Public Works and Government Services Canada
Acquisitions Branch
Electronics, Munitions, and Tactical Systems Procurement Directorate - QF

11 Laurier Street
Gatineau, Quebec
K1A 0S5

Telephone: 819-420-1734
Facsimile: 819-956-5650
E-mail: Michael.Rancourt@pwgsc-tpsgc.gc.ca

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

7.2 Project Authority

The Project Authority for the Contract is:

(The Project Authority will be inserted at contract award)

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

7.3 Technical Authority

The Technical Authority for the Contract is:

(The Technical Authority will be inserted at contract award)

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

7.4 Procurement Authority

The Procurement Authority for the Contract is:

(The Procurement Authority will be inserted at contract award)

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

7.5 Industrial and Technological Benefits Authority

The Industrial and Technological Benefits Authority for the Contract is:

(The Industrial and Technological Benefits Authority will be inserted at contract award)

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

7.6 Contractor's Representative

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-mail: _____

8. Payment

8.1 Basis of Payment – Firm Price

For Schedule A UWSU Acquisition Pricing Article 2, items N°1 through N°15, and should the options be exercised, Schedule A Article 3 items N°1 through N°5:

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price, as specified in Schedule A UWSU Acquisition pricing for a cost of \$ (to be inserted at contract award). Customs duties are excluded and Applicable Taxes are extra.

For the firm price portion of the work only, 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.

8.2 Limitation of Expenditure - Cumulative Total of all Task Authorizations

For all Task Authorizations issued under the Contract:

1. Canada's total liability to the Contractor under the Contract for all authorized Task Authorizations (TAs), inclusive of any revisions, must not exceed the sum of \$ (to be inserted at contract award), Customs duties are excluded and Applicable Taxes are extra.
2. No increase in the total liability of Canada will be authorized or paid to the Contractor unless an increase has been approved, in writing, by the Contracting Authority.
3. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- a) when it is 75 percent committed; or
 - b) four (4) months before the contract expiry date; or
 - c) as soon as the Contractor considers that the sum is inadequate for the completion of the Work required in all authorized TAs, inclusive of any revisions, whichever comes first.
4. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority, a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

8.2.1 Canada's Obligation - Portion of the Work - Task Authorizations

Canada's obligation with respect to the portion of the Work under the Contract that is performed through task authorizations is limited to the total amount of the actual tasks performed by the Contractor.

8.3 Lien - Section 427 of the Bank Act

For Canadian Based Bidders:

1. If any lien under section 427 of the Bank Act, S.C.. 1991, c. 46, exists in respect to any materials, parts, work-in-process, or finished Work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless instructed otherwise by the Contracting Authority, either:
 - a) to cause the bank to remove such lien and to provide the Contracting Authority with written confirmation from the bank; or,
 - b) to provide to the Contracting Authority an undertaking from the bank that the bank will not make any claim under section 427 of the Bank Act on materials, parts, work-in-process, or finished Work in respect of which payment is made to the Contractor under the Contract.
2. Failure to inform the Contracting Authority of such lien or failure to implement paragraph 1(a) or (b) above will constitute default under the default section of the general conditions and will entitle Canada to terminate the Contract.

8.4 Discretionary Audit

1. The following are subject to government audit before or after payment is made:
 - a) The amount claimed under the Contract, as computed in accordance with Schedule A UWSU Acquisition Pricing.
 - b) The accuracy of the Contractor's time recording system.
 - c) The estimated amount of profit in any element where there is a negotiated arrangement (non-competitive) or amendment. The purpose of the audit is to determine whether the actual profit earned on the Contract, during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in the price or rate certification, as required.

If the audit demonstrates that the actual profit is not reasonable and justifiable, as defined above, the Contractor must repay Canada the amount found to be in excess.

- d) Any firm priced or firm lot priced element, firm time rate for which the Contractor has provided a "most favoured customer" certification. The purpose of such audit is to determine whether the Contractor has charged anyone else, including the Contractor's most favoured customer, lower prices, rates or multipliers, for like quality and quantity of goods or services. This does not preclude any subsequent assessment for any excess profit.

2. Any payments made pending completion of the audit must be regarded as interim payments only and must be adjusted to the extent necessary to reflect the results of the said audit. If there has been any overpayment, the Contractor must repay Canada the amount found to be in excess.

8.5 Taxes – Foreign-based Contractor

Unless specified otherwise in the Contract, the price includes no amount for any federal excise tax, state or local sales or use tax, or any other tax of a similar nature, or any Canadian tax whatsoever. The price, however, includes all other taxes. If the Work is normally subject to federal excise tax, Canada will, upon request, provide the Contractor a certificate of exemption from such federal excise tax in the form prescribed by the federal regulations.

Canada will provide the Contractor evidence of export that may be requested by the tax authorities. If, as a result of Canada's failure to do so, the Contractor has to pay federal excise tax, Canada will reimburse the Contractor if the Contractor takes such steps as Canada may require to recover any payment made by the Contractor. The Contractor must refund to Canada any amount so recovered.

9. Method of Payment

9.1 Milestone Payments

For Schedule A UWSU Acquisition Pricing Article 2 line items N°1 through N°15 and should the options be exercised, Schedule A Article 3 items N°1 through N°5:

Canada will make milestone payments in accordance with the Schedule B UWSU Payment Milestones detailed in the Contract and the payment provisions of the Contract if:

- a) an accurate and complete claim for payment using PWGSC-TPSGC 1111, Claim for Progress Payment (Annex G), and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b) all the certificates appearing on form PWGSC-TPSGC 1111, Claim for Progress Payment (Annex G), have been signed by the respective authorized representatives; and
- c) all Work associated with the milestone and as applicable any deliverable required has been completed and accepted by Canada.

9.1.1 Transfer of Ownership

Payments made under clauses relating to progress or advance payments will not constitute or result in a transfer of ownership of the raw materials, work-in-process, finished goods or other articles.

9.2 Method of Payment for Task Authorizations

Method of payments will be stipulated on each individual Task Authorisation (DND626) issued for emergent work. Each Method of Payment will be dependent on the nature of the work if the scope is known or unknown and may include:

9.2.1 Progress Payments:

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

9.2.2 Milestone Payments:

- a) Canada will make milestone payments in accordance with a Schedule of Milestones detailed in the applicable Task Authorization, up to ninety percent (90%) of the amount claimed and approved by Canada if:
 - i. An accurate and complete claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment, and any other document required by the Task Authorization have been submitted in accordance with the invoicing instructions provided in the Contract;
 - ii. The total amount for all milestone payments paid by Canada does not exceed the total amount to be paid under the Task Authorization less any holdback provided for in the Task Authorization;

- iii. All the certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives; and
 - iv. All work associated with the milestone and as applicable any deliverables required have been completed and accepted by Canada.
- b) The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of the work required under the Task Authorization if the Work has been accepted by Canada and a final claim for the payment is submitted.

9.2.3 Payment Upon Completion

One lump sum payment shall be made following delivery and acceptance of the work if this method of payment is specified in the Task Authorization. Canada will pay the Contractor upon completion and delivery of the Work in accordance with the payment provisions of the Contract if:

- a) an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b) all such documents have been verified by Canada;
- c) the Work delivered has been accepted by Canada.

10. Invoicing Instructions

10.1 Invoicing Instructions - Progress Payment Claim

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment (Annex G). The claim can be submitted electronically via email and must be in a Portable Document Format (PDF).

Each claim must show:

- a) all information required on form PWGSC-TPSGC 1111, Claim for Progress Payment (Annex G);
- b) all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;
- c) the description and value of the milestone(s) claimed as detailed in the Schedule B UWSU Payment Milestones.

For all Task Authorizations:

- d) a list of all expenses (if applicable);
 - e) for all claims for travel, a copy of the invoices, receipts, vouchers for all direct expenses, travel and living expenses.
2. The Contractor must prepare and certify one copy of the claim on form PWGSC-TPSGC 1111, Claim for Progress Payment (Annex G), and forward it to the Procurement Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.

The Procurement Authority will then forward the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.

3. The Contractor must not submit claims until all Work identified in the claim is completed.

10.2 Exchange Rate Fluctuation Adjustment

1. The foreign currency component (FCC) is defined as the portion of the price or rate that will be directly affected by exchange rate fluctuation. The FCC should include all related taxes, duties and other costs paid by the Bidder and which are to be included in the adjustment amount.
2. For each line item where a FCC is identified, Canada assumes the risks and benefits for exchange rate fluctuation, as shown in the Basis of Payment. For such items, the exchange rate fluctuation amount is determined in accordance with the provision of this clause.
3. The total price paid by Canada on each invoice will be adjusted at the time of payment, based on the FCC and the exchange rate fluctuation provisions in the contract. The exchange rate adjustment amount will be calculated in accordance with the following formula:

Adjustment = FCC x Qty x (i1 - i0) / i0 where formula variables correspond to:

FCC = Foreign Currency Component (per unit)

i0 = Initial exchange rate (CAN\$ per unit of foreign currency [e.g. US\$1])

i1 = exchange rate for adjustments (CAN\$ per unit of foreign currency [e.g. US\$1])

Qty = quantity of units

4. The initial exchange rate is set as the noon rate as published by the Bank of Canada, thirty (30) business days prior to the solicitation closing date.
5. For goods, the exchange rate for adjustment will be the noon rate as published by the Bank of Canada on the date the goods were delivered. For services, the exchange rate for adjustment will be the noon rate on the last business day of the month for which the services were performed. For advance payments, the exchange rate for adjustment will be the noon rate on the date the payment was due. The most recent noon rate will be used for non-business days.
6. The Contractor must indicate the total exchange rate adjustment amount (either upward, downward or no change) as a separate item on each invoice or claim for payment submitted under the Contract. Where an adjustment applies, the Contractor must submit with their invoice form PWGSC-TPSGC 450, Claim for Exchange Rate Adjustments.
7. The exchange rate adjustment will only be applied where the exchange rate fluctuation is greater than 2% (increase or decrease), calculated in accordance with column 8 of form PWGSC-TPSGC 450 (i.e [i1 - i0) / i0]).
8. Canada reserves the right to audit any revision to costs and prices under this clause.

11. Shipping

11.1 Delivery Points

11.1.1 Delivery of Equipment

For Schedule A UWSU Acquisition Pricing Article 2 items N°1, N°4 through N°9, N°12, N°14, and should the options be exercised, Schedule A Article 3 items N°1 through N°3:

1. Goods must be consigned to the destination specified in the Contract DAP destination (Halifax Nova Scotia, Esquimalt British Columbia, Gatineau Quebec and Ottawa Ontario), Incoterms® 2010, to the following addresses:

- a) For shipments to Halifax dock yards and shore sites:

Department of National Defence
Formation Commander
HMC Dockyard
Bldg. D 206 Dockyard Doors 1 thru 13
Halifax, Nova Scotia B3K 5X5
CANADA

Tel.: 001-902-427-0550 Ext. 4696
Fax: 001-902-427-0855

- b) For shipments to Esquimalt dock yards and shore sites:

Department of National Defence
Canadian Forces Base Esquimalt
LMAT/MAIN WAREHOUSE
Bldg. 66 Colwood, Stn Forces 17000
Victoria, British Columbia V9A 7N2
CANADA

Tel.: 001-250-363-4957
Fax: 001-250-363-5807

2. The Contractor must deliver the goods to Canadian Forces (CF) Supply Depots by appointment only. The Contractor or its carrier must arrange delivery appointments by contacting the Depot Traffic Section at the appropriate location shown above. The consignee may refuse shipments when prior arrangements have not been made.

11.1.2 Delivery of Manuals, Publications, Contract Data Requirements List and Data Item Descriptions

For Schedule A UWSU Acquisition Pricing Article 2 items N°2 and N°3:

For hard copy versions of Manuals, Publications, Contract Data Requirements List and Data Item Descriptions, Goods must be consigned to the destination specified in the Contract (refer to Annex B Appendix 1 Contract Data Requirements List), DAP destination (Gatineau QC or Ottawa ON), Incoterms® 2010.

11.1.3 Delivery of Training and Collaborative Environment

For Schedule A UWSU Acquisition Pricing Article 2 items N°10, N°11, N°13, N°15, and should the options be exercised, Schedule A Article 3 items N°4 and, N°5:

Delivery of Training must be in accordance with Annex B Statement of Work.

11.2 Canadian Customs Documentation

General

1. The Contractor must provide two (2) copies of the Canada Customs Invoice (CCI) or two (2) copies of the commercial invoice marked "For Customs Purposes Only".
2. For shipments from the United States and Mexico that are of American, Mexican or Canadian origin, as defined by the North American Free Trade Agreement (NAFTA), and for shipments from Israel that are Israeli in origin, as defined by the Canada-Israel Free Trade Agreement (CIFTA), the Contractor must provide proof of origin of the goods. This proof must be in the form of a NAFTA or CIFTA Certificate of Origin for goods valued at C\$1,600 or more, or a simple statement on the invoice for goods valued at C\$1,600 or less. In either case, the document must include an original signature and must reference the contract number. For contracts valued at C\$250,000 or more, the proof of origin will not be required.
3. The Contractor must not employ commercial customs brokers to custom clear the goods provided under the Contract, unless authorized by the Canadian Material Support Group / Customs, at National Defence Headquarters, telephone: 1-855-210-5149, facsimile: 1-800-306-1811 or 613-971-7333.

Completion of Documents

The CCI or commercial invoice must include the following information:

- a) complete description of the goods being shipped, including the applicable United States "Schedule B" codes or United States Harmonized Tariff Schedule codes;
- b) value and terms of sale for each item (e.g. sale, loan, warranty, Incoterms® 2010), including value of repairs, warranty repairs or replacement costs;
- c) the Contract number and financial codes (use Field 3 on the CCI form);
- d) country of origin of goods; and
- e) when a NAFTA/CIFTA Certificate of Origin has been prepared, the "Description" field of the CCI or commercial invoice must include a statement confirming that it has been completed and is attached to that invoice.

Distribution of Documents

1. The Contractor must attach the following to shipping container No. 1 of all shipments using a waterproof envelope marked "Canada Customs Documentation":
 - a) one (1) copy of the CCI or one (1) copy of the commercial invoice as applicable; and
 - b) one (1) copy of the NAFTA Certificate of Origin (if applicable).
2. The second copy of each of the above-mentioned forms must be attached to the shipping documents.

3. A copy of the CIFTA Certificate of Origin must be faxed to 1-800-306-1811 or emailed to DCBSCustoms@forces.gc.ca.

11.3 Packaging Requirement using Specification A-LM-187-001/002/003-JS-001

The Contractor must prepare all items for delivery in accordance with the latest issue of the Canadian Forces Packaging Specification A-LM-187-001/002/003-JS-001, DND Minimum Requirements for Manufacturer's Standard Pack.

11.4 Marking

The Contractor must ensure that the manufacturer's name and part number are clearly stamped or etched on each item for positive identification purposes.

11.5 Labelling

The Contractor must ensure that the manufacturer's and specification numbers appear on each item, either printed on the container or on an adhesive label of highest commercial standard affixed to the container.

11.6 Wood Packaging Materials

All wood packaging materials used in shipping must conform to the International Standards for Phytosanitary Measures No. 15: Regulation of Wood Packaging Material in International Trade (ISPM 15).

Pertinent additional information on Canada's import and export programs is provided in the following Canadian Food Inspection Agency policy directives:

D-98-08 - Entry Requirements for Wood Packaging Materials Produced in All Areas Other Than the Continental United States

D-01-05 - The Canadian Wood Packaging Certification Program (CWPCP)

11.7 Palletization

1. For all shipments exceeding 0.566 m³ or 15.88 kg (20 ft³ or 35 lbs), except for those shipped by courier, the following applies:
 - a) The Contractor must strap, and if necessary wrap, shipments on standard 1.22 m x 1.02m (48 in. x 40 in.) wood pallets. The four-way forklift entry pallet must be supplied at no charge to Department of National Defence. Total height, including pallet, must not exceed 1.19 m (47 in.). The pallet load must not extend further than 2.54 cm (1 in.) from any edge of the pallet.
 - b) The Contractor must group items by stock number (on the same pallet) within consolidated shipments. Pallet loads composed of more than one stock number must be marked as "Mixed Items".
 - c) Individual items exceeding 1.22 m (48 in.) in length or 453.6 kg (1000 lbs) must be secured to larger pallets or must have 10.16 cm x 10.16 cm (4 in. x 4 in.) skids securely fastened to the bottom of the item. Skids must be separated by a minimum of 71.12 cm (28 in.).
2. Any exception requires the prior approval of the Contracting Authority.

11.8 Incomplete Assemblies

The Contractor must not ship incomplete assemblies unless the authorization for such shipment has been obtained before from the Contracting Authority.

11.9 Excess Goods

The quantity of goods to be delivered by the Contractor is specified in the Contract. The Contractor remains liable for any shipment in excess of that quantity whether the excess quantity is shipped voluntarily or as a result of an error by the Contractor. Canada will not make any payment to the Contractor for goods shipped in excess of the specified quantity. Canada will not return the said goods to the Contractor unless the Contractor agrees to pay for all the costs related to the return, including but not limited to administrative, shipping and handling costs. Canada will have the right to deduct such costs from any invoice submitted by the Contractor.

11.10 Shipment of Dangerous Goods/Hazardous Products

The Contractor must label and ship dangerous goods/hazardous products falling within the Transportation of Dangerous Goods Act, 1992, c.34 and the Hazardous Products Act, R.S.C. 1985, c. H-3 and their regulation(s) in accordance with the said Acts and regulation(s) accompanied by the required safety data sheet(s) completed in both English and French.

11.10.1 Dangerous Goods / Hazardous Products - Labelling and Packaging Compliance

1. The Contractor must ensure proper labelling and packaging in the supply and shipping of dangerous goods/hazardous products to the Government of Canada.
2. The Contractor will be held liable for any damages caused by improper packaging, labelling or carriage of dangerous goods/hazardous products.
3. The Contractor must clearly mark all merchandise labels with the percentage of volume that is a hazardous item. Failure to do so will result in the Contractor being held responsible for damages caused in the movement of goods/products by government vehicles or government personnel.
4. The Contractor must adhere to all applicable laws regarding dangerous goods/hazardous products.

11.11 Inspection and Acceptance

The Project Authority is the Inspection Authority. All reports, deliverable items, documents, goods and all services rendered under the Contract are subject to inspection by the Inspection Authority or representative. Should any report, document, good or service not be in accordance with the requirements of the Annex B, Statement of Work and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority will have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment.

- a) Upon execution of the close-out meeting and completion of all deliverables under the contract, excluding warranty obligations, the Inspection Authority will issue a final acceptance notification to the Contractor to verify all deliverables under the contract, excluding warranty obligations, have been satisfied in accordance with the Contract.

- b) Upon completion of all warranty obligations under the contract, the Inspection Authority will issue a final warranty obligation acceptance notification to the Contractor to verify all warranty resolutions have been satisfied in accordance with the Contract.

11.12 Customs Duties - Department of National Defence - Importer

1. As the goods to be supplied under the Contract are defence supplies, customs duties on importation to Canada may be remitted under the Tariff Item Number 9982.00.00 of the Schedule to the Customs Tariff.
2. Remission of customs duties payable may be granted under the Tariff Item Number 9982.00.00 when the total contract value of the defence supplies is C\$250,000 or more. This reflects the import value of the goods plus the duty that would be applicable in the absence of the Customs Tariff.
3. The Department of National Defence (DND) will be responsible for prearranging remission on importation or for paying customs duties on importation and applying to Canada Border Services Agency for a refund. DND is also responsible for applying to Public Works and Government Services Canada in good time for the certification required by the Customs Tariff.

12. Quality Assurance

12.1 ISO 9001:2008 Quality Management Systems - Requirements (QAC Q)

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

ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid. It is not intended that the Contractor be registered to ISO 9001; however, the Contractor's quality management system must address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause 1.2 of ISO 9001 are acceptable.

Assistance for Government Quality Assurance (GQA)

The Contractor must provide the Quality Assurance Representative (QAR) with the accommodation and facilities required for the proper accomplishment of GQA and must provide any assistance required by the QAR for evaluation, verification, validation, documentation or release of product.

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

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

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

For the design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2008 "Quality management systems - Requirements", according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2004 "Software engineering - Guidelines for the application of ISO 9001:2000 to computer software".

12.2 Quality Assurance Authority (DND)

For all Canadian Bidders:

All Work is subject to Government Quality Assurance performed at the Contractor's or subcontractor's facility, and at the installation site, by the Director of Quality Assurance, or its designated Quality Assurance Representative (QAR).

Director of Quality Assurance
National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
E-mail: ContractAdmin.DQA@forces.gc.ca

Within forty-eight (48) hours of contract award, the Contractor must contact the QAR. The name, location and phone number of the QAR can be obtained from the nearest National Defence Quality Assurance Region (NDQAR) listed below:

Atlantic - Halifax 902-427-7224 or 902-427-7150
Quebec - Montreal 514-732-4410 or 514-732-4477
Quebec - Quebec City 418-694-5998, ext. 5996
National Capital Region - Ottawa 819-939-0168
Ontario - Toronto 416-635-4404, ext. 6081 or 2754
Ontario - London 519-964-5757
Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
Alberta - Calgary 403-410-2320, ext. 3830
Alberta - Edmonton 780-973-4011, ext. 2276
British Columbia - Vancouver 604-225-2520, ext. 2460
British Columbia - Victoria 250-363-5662

The Contractor is responsible for performing, or having performed, all inspections and tests necessary to substantiate that the material or services provided conform to the requirements of the Contract.

The Contractor must provide, at no additional cost, all applicable test data, all technical data, test pieces and samples as may reasonably be required by the QAR to verify conformity to the requirements of the Contract. The Contractor must forward at its expense such technical data, test data, test pieces and samples to such location as the QAR may direct.

Quality control, inspection and test records that substantiate conformity to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the QAR upon request.

OR, for all foreign (non-Canadian) Bidders:

All Work is subject to Government Quality Assurance performed at the Contractor's or subcontractor's facility, and at the installation site, by the Director of Quality Assurance, or its designated Quality Assurance Representative (QAR).

Director of Quality Assurance
National Defence Headquarters
Major-General George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
E-mail: ContractAdmin.DQA@forces.gc.ca

If the Contractor has not been contacted by the QAR performing GQA in the Contractor's facility or area within forty-five (45) working days of award of the Contract, the Contractor must notify the Contracting Authority.

Where no official arrangements for mutual GQA have been concluded, the Department of National Defence will arrange for the GQA services to be conducted by a National Quality Assurance Authority acceptable to the Director of Quality Assurance. If the GQA services must be provided on a cost-recovery basis, the costs for the services must be accrued against the Contract and be discharged through separate invoicing.

The Contractor is responsible for performing, or having performed, all inspections and tests necessary to substantiate that the materiel or services provided conform to the requirements of the Contract.

The Contractor must provide, at no additional cost, all applicable test data, all technical data, test pieces and samples as may reasonably be required by the QAR to verify conformity to the requirements of the Contract. The Contractor must forward at its expense such technical data, test data, test pieces and samples to such location as the QAR may direct.

Quality control, inspection and test records that substantiate conformity to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the QAR upon request.

12.3 Release Documents (DND)

For all Canadian Bidders:

Unless otherwise directed by the Department of National Defence (DND) Quality Assurance Authority, the signature of the DND Quality Assurance Representative on the release document is not required.

Material must be released for shipment using either DND form CF 1280, Certificate of Release, Inspection and Acceptance, or a release document containing the same information. The Contractor must prepare the release document(s).

For return of repair and overhaul material to the Canadian Forces Supply System Upgrade, use forms DND 2227/DND 2228 in lieu of DND form CF 1280.

OR, for all U.S.A. Bidders:

Material must be released for shipment using a DD Form 250, Material Inspection and Receiving Report, or a release document containing the same information and acceptable to the Quality Assurance Representative. The Contractor must prepare the release document(s).

OR, for all non-Canadian and non - U.S.A Bidders:

Material must be released for shipment using a Certificate of Conformity in accordance with NATO STANAG 4107 which must be prepared by the Contractor.

12.4 Release Documents - Distribution

The Contractor must prepare the release documents in a current electronic format and distribute them as follows:

- a) One (1) copy mailed to consignee marked: "Attention: Receipts Officer";
- b) Two (2) copies with shipment (in a waterproof envelope) to the consignee;
- c) One (1) copy to the Contracting Authority;
- d) One (1) copy to:

National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
Attention: (TBD)

- e) One (1) copy to the Quality Assurance Representative;
- f) One (1) copy to the Contractor; and
- g) For all non-Canadian contractors, one (1) copy to:

DQA/Contract Administration

National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2

E-mail: ContractAdmin.DQA@forces.gc.ca.

13. Priority Rating

For all Bidders based in the United States:

Canada is a participant in the United States Defense Priorities and Allocations System and this defence contract is eligible for a priority rating. The Defence Priorities and Allocations Officer, Public Works and Government Services Canada, will advise the Contractor as to the appropriate priority rating within sixty (60) days of the date of the Contract.

13.1 Priority Rating - Canadian-based Contractors

For all Canadian based Bidders:

1. The Contract concerns a Canadian defence requirement and therefore is eligible to be assigned a "U.S. Priority Rating" for any materials/services imported from the United States which may be required in the performance of the Work. Accordingly, the Contractor must:

- a) make an application to the Defence Priorities and Allocations Officer, Public Works and Government Services Canada (PWGSC), either by e-mail at: DGAPrioritesdedefense.ACQBDefencePriorities@pwgsc-tpsgc.gc.ca ; or by facsimile: 819-956-1459; and
 - b) include this clause in subcontracts with Canadian-based contractors, and quote the PWGSC Contract Number indicated in the Contract.
2. Failure to comply with the above may impact on the Contractor's delivery commitments. Therefore, the Contractor is responsible for any breach of the Contract that arises from such a failure.

14. Certifications

14.1 Compliance

Unless specified otherwise, the continuous compliance with the certifications provided by the Contractor in its bid or precedent to contract award, and the ongoing cooperation in providing additional information are conditions of the Contract and failure to comply will constitute the Contractor in default. Certifications are subject to verification by Canada during the entire period of the Contract.

14.2 Federal Contractors Program for Employment Equity - Default by the Contractor

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

15. Applicable Laws

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

16. Priority of Documents

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

- (a) the Articles of Agreement, including all Schedules;
- (b) the supplemental general conditions 4001 (2015-04-01) Hardware Purchase, Lease and Maintenance;
- (c) the supplemental 4002 (2010-08-16) Software Development or Modification Services;
- (d) the supplemental 4003 (2010-08-16) Licensed Software;
- (e) the supplemental 4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information;
- (f) the General Conditions 1031-2 (2012-07-16) Contract Cost Principles;
- (g) the General Conditions 2030 (2016-04-04), General Conditions - Higher Complexity – Goods;
- (h) Annex A, Security Requirement Checklist;
- (i) Annex B, Statement of Work, and its' appendices;
- (j) Annex C, System Requirement Document, and its' appendices;

- (k) Annex D, Glossary of Abbreviations and Definitions (procurement);
- (l) Annex E, Supporting Documentation;
- (m) Annex F, Industrial and Technological Benefits (ITB) Terms and Conditions;
- (n) Annex G, PWGSC-TPSGC 1111, Claim for Progress Payment;
- (o) Annex H, Insurance Requirements; and
- (p) Annex I, DND 626 Task Authorization Form;
- (q) Annex J, Task Authorization Process;
- (r) the signed Task Authorizations (including all of its annexes, if any); and
- (s) the Contractor's bid dated (*to be inserted at contract award*).

17. Defence Contract

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

Title to the Work or to any materials, parts, work-in-process or finished Work must belong to Canada free and clear of all claims, liens, attachments, charges or encumbrances. Canada is entitled, at any time, to remove, sell or dispose of the Work or any part of the Work in accordance with section 20 of the *Defence Production Act*.

18. Foreign Nationals

For All Canadian Bidders:

The Contractor must comply with Canadian immigration requirements applicable to foreign nationals entering Canada to work temporarily in fulfillment of the Contract. If the Contractor wishes to hire a foreign national to work in Canada to fulfill the Contract, the Contractor should immediately contact the nearest Service Canada regional office to enquire about Citizenship and Immigration Canada's requirements to issue a temporary work permit to a foreign national. The Contractor is responsible for all costs incurred as a result of non-compliance with immigration requirements.

For All Foreign Bidders:

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

19. Canadian Forces Site Regulations

The Contractor must comply with all standing orders or other regulations, instructions and directives in force on the site where the Work is performed.

20. Access to Facilities and Equipment

Canada's facilities, equipment, documentation and personnel are not automatically at the disposal of the Contractor. If access to government premises, computer systems (micro computer network), working space, telephones, terminals, documentation and personnel for consultation is required by the Contractor to perform the Work, the Contractor must advise the Contracting Authority of the need for such access in a timely fashion. If the Contractor's request for access is approved by Canada and arrangements are made to provide access to the Contractor, the Contractor, its

subcontractors, agents and employees must comply with all the conditions applicable at the Work site. The Contractor must further ensure that the facilities and equipment are used solely for the performance of the Contract.

21. Insurance

The Contractor is responsible for deciding if insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any insurance acquired or maintained by the Contractor is at its own expense and for its own benefit and protection. It does not release the Contractor from or reduce its liability under the Contract.

22. Controlled Goods

The Contract involves controlled goods as defined in the Schedule to the *Defence Production Act*. The Contractor must identify those controlled goods to the Department of National Defence.

22.1 Controlled Goods Program

1. As the Contract requires production of or access to controlled goods that are subject to the *Defence Production Act* R.S. 1985, c. D-1, the Contractor and any subcontractor are advised that, within Canada, only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: [Controlled Goods Program](#)
2. When the Contractor and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the Contractor and any subcontractor must, within seven (7) working days from receipt of written notification of the contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the Contractor has provided proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP.

Failure of the Contractor to provide proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP, within thirty (30) days from receipt of written notification of contract award, will be considered a default under the Contract except to the extent that Canada is responsible for the failure due to delay in processing the application.

3. The Contractor and any subcontractor must maintain registration, exemption or exclusion from the CGP for the duration of the Contract and in any event for so long as they will examine, possess or transfer controlled goods.

SCHEDULE A – UWSU Acquisition Pricing

Customs duties are excluded and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable. Should a discrepancy exist between the unit and extended unit prices, the unit pricing will govern.

1. Currency

All prices provided in Schedule A, UWSU Acquisition Pricing, are provided in Canadian Currency.

2. UWSU Acquisition Requirements

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
1	<u>Underwater Warfare Sensor Systems</u> Six (6) shipboard Underwater Warfare Sensor Systems as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	6		
2	<u>Program Management Delivery & Execution</u> Manage, deliver, and execute the Work for all aspects related to UWSU Project, as defined in Annex B Acquisition Statement of Work and its appendices, Annex C System Requirements Document and its appendices, and Annex F Industrial and Technological Benefits (ITB) Terms and Conditions.	LOT	N/A	
3	<u>Manuals, Publications, Contract Data Requirements List and Data Item Descriptions</u> Generate and deliver the Manuals, Publications, Contract Data Requirements List and Data Item Descriptions as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	LOT	N/A	
4	<u>Shore-based System (Fleet Maintenance Facility Cape Scott)</u> One (1) Shore-based System for Fleet Maintenance Facility Cape Scott, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	

UWSU Acquisition Requirements (continued)

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
5	<u>Maintainer Training Shore-based System (Fleet School East)</u> One (1) Maintainer Training Shore-based System for Fleet School East, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	
6	<u>Shore-based System (Fleet Maintenance Facility Cape Breton)</u> One (1) Shore-based System for Fleet Maintenance Facility Cape Breton, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	
7	<u>Maintainer Training Shore-based System (Fleet School West)</u> One (1) Maintainer Training Shore-based System for Fleet School West, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	
8	<u>Shore-based System (Combat Systems Integration Site-Combat System Support Center East)</u> One (1) Shore-based System for Combat Systems Integration Site – Combat System Support Center East, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	
9	<u>Shore-based System (Acoustic Data Analysis Center)</u> One (1) Shore-based System for the Acoustic Data Analysis Center, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	1	N/A	

UWSU Acquisition Requirements (continued)

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
10	<u>UWSU Operator Initial Cadre Training</u> Six (6) Operator Initial Cadre training sessions as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	6		
11	<u>UWSU Maintainer Initial Cadre Training</u> Six (6) Maintainer Initial Cadre training sessions as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	6		
12	<u>Tools and Test Equipment</u> The provision of all tools and test equipment in support of the UWSU requirements, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Lot	N/A	
13	<u>Collaborative Environment</u> The provision of a secure Collaborative Environment with Canada for the duration of contract, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Lot	N/A	
14	<u>Initial Spares</u> The provision of the initial quantities of Level 1 and Level 2 spares, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Lot	N/A	
15	<u>UWSU Conversion Training</u> Support to NTDC(A) and NTDC(P) for the development and delivery of conversion training, as defined in Annex B Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Lot	N/A	

3. UWSU Optional Acquisition Requirements

- a) Pricing for UWSU Optional items N°1, N°4 and N°5 below, must be equal to or greater than the pricing of the corresponding UWSU Acquisition Requirements in Schedule A Article 2, items N°1, N°10 and N°11.
- b) All options can be exercised on multiple amendments in increments of one (1) unit or greater, but not to exceed the option quantity.

Item N°	Description		
1	<u>Optional Underwater Warfare Sensor Systems (UWSS)</u> Up to six (6) additional shipboard UWSSs, including the extension of all respective acquisition requirements and work (including tools and test equipment and spares) as related or required to execute and deliver each additional shipboard option, as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.		
	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
1a	1 Ship	\$	\$
1b	2 Ships	\$	\$
1c	3 Ships	\$	\$
1d	4 Ships	\$	\$
1e	5 Ships	\$	\$
1f	6 Ships	\$	\$

UWSU Optional Acquisition Requirements (continued)

Item N°	Description		
2	<u>Optional Fitted for But Not With – Training and Torpedo Detection</u> Up to six (6) shipboard “Fitted for But Not With - Training and Torpedo Detection,” including the extension of all respective acquisition requirements and work (including tools and test equipment and spares) as related or required to execute and deliver each additional shipboard option, as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.		
	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
2a	1 Ship	\$	\$
2b	2 Ships	\$	\$
2c	3 Ships	\$	\$
2d	4 Ships	\$	\$
2e	5 Ships	\$	\$
2f	6 Ships	\$	\$

UWSU Optional Acquisition Requirements (continued)

Item N°	Description		
3	<u>Optional Fitted for But Not With - Wires and Racks</u> Up to six (6) shipboard "Fitted for But Not With - Wires and Racks," including the extension of all respective acquisition requirements and work (including tools and test equipment and spares) as related or required to execute and deliver each additional shipboard option, as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.		
	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
3a	1 Ship	\$	\$
3b	2 Ships	\$	\$
3c	3 Ships	\$	\$
3d	4 Ships	\$	\$
3e	5 Ships	\$	\$
3f	6 Ships	\$	\$

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
4	<u>Optional UWSU Operator Initial Cadre Training</u> Up to six (6) additional sessions of Operator Initial Cadre training as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Up to 6		
5	<u>Optional UWSU Maintainer Initial Cadre Training</u> Up to six (6) additional sessions of Maintainer Initial Cadre Training, as defined in Annex B Acquisition Statement of Work and its appendices, and Annex C System Requirements Document and its appendices.	Up to 6		

4. Task Authorizations (Labour Rates and Mark-Up Rates)

a) Firm Hourly Labour Rates (*Other labour categories will not be accepted*)

Firm hourly labour rates are fully burdened, inclusive of all direct labour, General & Administrative expense, overheads and profit.

Labour Categories and the Minimal Mandatory Qualifications are listed as follows:

- * *working knowledge is defined as theoretical and practical knowledge of the subject matter required to successfully perform duties and work efficiently and effectively.*

Engineering

Systems Engineer: The Senior Systems Engineer has the following qualifications:

- A university degree in engineering from a recognized institution;
- Significant experience in development and maintenance of a complex real-time naval tactical Combat Systems or Naval Sonar Systems and in is systems engineering work comparable to that described in the applicable In-service Support Performance Work Statement or Acquisition Statement of Work; and
- A minimum of thirty-six (36) months of demonstrated experience within the last seven (7) years in an applicable engineering field.

Software Engineer: The Software Engineer has the following qualifications:

- A university degree in computer engineering or computer sciences from a recognized institution; and
- A minimum of forty-eight (48) months of demonstrated work experience in a related software support field within the last eight (8) years.

Mechanical Engineer: The Mechanical Engineer has the following qualifications:

- A university degree in mechanical engineering from a recognized institution;
- Significant experience in design and development of a complex real-time naval electro-mechanical systems or Naval Sonar Systems and in is mechanical engineering work comparable to that described in the applicable In-service Support Performance Work Statement or Acquisition Statement of Work; and
- A minimum of 48 months of demonstrated experience within the last seven (7) years in a mechanical engineering field.

Senior Technologists

Senior Technologist Life Cycle Material Manager Specialist: The Senior Technologist Life Cycle Material Manager Specialist has the following qualifications:

- Graduation from a three year technical program offered by a recognized technical institute or former Canadian Forces personnel qualified to the QL6 trade level or higher in a technical field;
- A minimum of 36 months of demonstrated practical hands-on experience in a maintenance management related or in Life Cycle Material Manager activities;
- Working knowledge of evaluation, preparation and implementation of technical documentation;
- Working knowledge in the preparation and distribution of Integrated Logistics support documentation;
- Working knowledge of any DND environment Engineering, Technical maintenance management Systems; and

- Working knowledge of the DND Defence Resource Management Information System.

Senior Technologist Field Service Representative Specialist: The Senior Technologist Field Service Representative Specialist has the following qualifications:

- Graduation from a three year technical program offered by a recognized technical institute or former Canadian Forces personnel qualified to the QL6 trade level or higher in a technical field;
- A minimum of Sixty (60) months demonstrated experience within the last ten (10) years of practical hands on experience in a providing equipment maintenance and support services; and
- Working knowledge of general ship board safety and safety procedures applicable to onboard maintenance and work activities.

Senior Technicians

Senior Technician Technical Writer Specialist: The Senior Technician Technical Writer Specialist has the following qualifications:

- A Secondary School Diploma or equivalent accreditation;
- A minimum of twelve (12) months of demonstrated experience writing and formatting technical documentation through the use of MS Office and related applications within the last three years.
- A minimum of thirty-six (36) months demonstrated experience within the last seven (7) years in technical data and publications related activities; and
- Working knowledge of the theory, practices, procedures and techniques applicable to technical data and publications management in support of DND equipment systems.

Senior Technician Logistic Support Analyst Specialist: The Senior Technician Logistic Support Analyst Specialist has the following qualifications:

- Graduation from a two year technical program offered by a recognized technical institute or former Canadian Forces personnel qualified to the QL5 trade level or higher in a Supply management related field;
- A minimum of 36 months of demonstrated practical hands-on experience in a maintenance management related or in Logistical Support or Supply warehousing Management activities;
- Working knowledge of evaluation, preparation and implementation of technical documentation;
- Working knowledge in the preparation and distribution of Integrated Logistics support documentation;
- A demonstrated ability to conduct planning and implementation of logistic support elements including maintenance tasks, sparing, training, technical publications and inventorying; and
- A demonstrated ability to conduct: level of spares analysis, forecasting sparing requirements, projecting sparing requirements and usage rates and generating Equipment Breakdown Structures and Bills of Materials and in conducting material review and analysis.

Senior Technician Installer Specialist: The Senior Technician Installer Specialist has the following qualifications:

- A Secondary School Diploma or equivalent accreditation;
- A minimum of Sixty (60) months demonstrated experience within the last ten (10) years of practical hands on experience in conducting equipment systems installations, set-to-work and trials activities and services within a Ship board or marine environment;
- Working knowledge of general shipboard structural, electrical and ventilation arrangements; and
- Working knowledge of general ship board safety and safety procedures applicable to onboard installation activities during Specified Work periods.

Senior Technician Material Support Clerk: The Senior Technician Material Support Clerk has the following qualifications:

- A Secondary School Diploma or equivalent accreditation;
- A minimum of Sixty (60) months demonstrated experience within the last ten (10) years of practical hands on experience in a supply related activity including no less than thirty-six (36) months of demonstrated experience managing a Nationally Managed Equipment of not less than 1500 items.
- Working knowledge of DND supply, financial and procurement procedures for equipment support; and
- Working knowledge of the theory, practices and techniques applicable to supply support for DND inventory, equipment and systems.

Training Specialist

Training Specialist: The Training Specialist has the following qualifications:

- A Bachelor of Sciences degree in training or Human Resources from a recognized university or a Canadian Forces Instructor Supervisor training certificate or equivalent;
- A minimum of Sixty (36) months demonstrated experience within the last ten (7) years of practical;
- A demonstrated ability to present complex information and technical training doctrine to a variety of skilled and semi-skilled audiences;
- Working knowledge of the Canadian Forces Integrated Training Education System (CFITES); and
- Extensive knowledge in instructional design, theory and delivery techniques and the knowledge of learning management software.

Labour Category	2017* April 1, 2017 to March 31, 2018	2018* April 1, 2018 to March 31, 2019	2019* April 1, 2019 to March 31, 2020	2020* April 1, 2020 to March 31, 2021	2021* April 1, 2021 to March 31, 2022	2022* April 1, 2022 to March 31, 2023	2023* April 1, 2023 to March 31, 2024	2024* April 1, 2024 to March 31, 2025	2025* April 1, 2024 to March 31, 2025	2026* April 1, 2024 to March 31, 2025	2027* April 1, 2024 to March 31, 2025
Systems Engineer	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Software Engineer	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mechanical Engineer	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Technologist Life Cycle Material Manager Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Technologist Field Service Representative Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Technician Technical Writer Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Senior Technician Logistic Support Analyst Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Technician Installer Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Technician Material Support Clerk	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Training Specialist	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

* Hourly rate must not exceed 3% escalation of the previous year

b) Firm Mark-Up Rates

Rate	2017 April 1, 2017 to March 31, 2018	2018 April 1, 2018 to March 31, 2019	2019 April 1, 2019 to March 31, 2020	2020 April 1, 2020 to March 31, 2021	2021 April 1, 2021 to March 31, 2022	2022 April 1, 2022 to March 31, 2023	2023 April 1, 2023 to March 31, 2024	2024 April 1, 2024 to March 31, 2025	2025 April 1, 2024 to March 31, 2025	2026 April 1, 2024 to March 31, 2025	2027 April 1, 2024 to March 31, 2025
Material Mark-Up											
Contractor Mark-Up											
Subcontractor Mark-Up											

5. Task Authorizations (Firm Lot Prices for Contractor Daily UWSU Storage Fees)

UWSU Storage	Firm Lot Prices for Contractor Daily UWSU Fees <i>(Applies to Schedule A, Article 2 Items N°1, N°4 through, N°13 and should the options be exercised, Article 3 Items N°1 through N°3)</i>							
	2020 April 1, 2020 to March 31, 2021	2021 April 1, 2021 to March 31, 2022	2022 April 1, 2022 to March 31, 2023	2023 April 1, 2023 to March 31, 2024	2024 April 1, 2024 to March 31, 2025	2025 April 1, 2025 to March 31, 2026	2026 April 1, 2026 to March 31, 2027	2027 April 1, 2027 to March 31, 2028
One (1) complete shipboard Underwater Warfare Sensor System	\$	\$	\$	\$	\$	\$	\$	\$
One (1) complete Shore-based Trainer (all configurations)	\$	\$	\$	\$	\$	\$	\$	\$
One (1) complete UWSS Fitted for But Not With - Wires and Racks	\$	\$	\$	\$	\$	\$	\$	\$
One (1) complete UWSS Fitted for But Not With – Torpedo and Training	\$	\$	\$	\$	\$	\$	\$	\$

6. Task Authorizations (Travel and Living Expenses - National Joint Council Travel Directive)

- The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the National Joint Council Travel Directive and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".
- All travel must have the prior authorization of the Project Authority.
- All payments are subject to government audit.

National Joint Council Travel Directive:

<http://www.njc-cnm.gc.ca/directive/travel-voyage/index-eng.php>

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SCHEDULE B – UWSU Payment Milestones

1. UWSU Acquisition Requirements

The schedule of milestones which claims must be made on Schedule A, UWSU Acquisition Pricing Article 2 items N°1 through N°15, are as follows:

Item N	Milestone/Progress	Description	Percentage of Total Contract Value	Milestone/Progress Value (populated at Contract Award)
1	Systems Requirements Review (SRR)	Successful completion of SRR including required action plans and resolutions, in accordance with SOW 5.4.2 through 5.4.4, as represented by approval of the SRR minutes.	3.00	
2	Preliminary Design Review (PDR)	Successful completion of PDR including required action plans and resolutions, in accordance with SOW 5.5.2, as represented by approval of the PDR minutes.	4.00	

3	Critical Design Review (CDR)	Successful completion of CDR including required action plans and resolutions, in accordance with SOW 5.5.3, as represented by approval of the CDR minutes.	6.00	
4	Integrated Logistic Support (ILS) conference	Successful completion of the ILS Conference including required action plans and resolutions, in accordance with SOW 7.3, as represented by approval of the ILS Conference minutes.	4.00	
5	Initial Provisioning (IP) Conference	Successful completion of the IP Conference including required action plans and resolutions, in accordance with SOW 7.4, as represented by approval of the IP Conference minutes.	4.00	
6	Provisioning	Successful completion of provisioning including required resulting action plans and resolutions, in accordance with SOW 7.4.9, as represented by delivery acceptance of all special test tools and equipment, all provisioning, and all required material, equipment and infrastructure/items for all UWSS instances.	5.50	

7	Installation and Set-to-Work (STW) Support	Successful completion of all Installation and STW support and obligations for all UWSS instances including required resulting action plans and resolutions, in accordance with SOW 5.6.6.2, 5.6.7, and 5.7, as represented by concurrence that all Installation and STW requirements have been met.	2.50	
8	Guidance Package and Engineering Change Specification Support	Successful completion of all Guidance Package and Engineering Change Specification support and obligations including required resulting action plans and resolutions, in accordance with SOW 5.6.3 and 5.6.4, as represented by concurrence that all Guidance Package and Engineering Change Specification requirements have been met.	2.50	
9	Full-Up UWSS 1st ShipSet First Article Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS First Article FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS First Article FAT test report.	3.00	

10	Combat System Integration Testing	Successful completion of Combat Systems Integration Testing at CSSC(E) including required resulting action plans and resolutions, in accordance with SOW 5.2.1.3, 5.2.2.3, 5.2.3.3, 5.2.5.3 and 5.2.6.3, as represented by approval of Combat Systems Integration Testing test reports.	3.00	
11	Functional Audit	Successful completion of the Functional Audit including required resulting action plans and resolutions, in accordance with SOW 5.8.1 and 6.3, as represented by approval of the Functional Audit report.	1.25	
12	Physical Configuration audit	Successful completion of the Physical Configuration Audit including required resulting action plans and resolutions, in accordance with SOW 5.8.1, 6.1 and 6.3, as represented by approval of the Physical Configuration Audit report.	1.25	
13	Full-Up UWSS 1st ShipSet First Article Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS First Article HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS First Article HAT test report.	3.00	

14	Full-Up UWSS 1st ShipSet First Article Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS First Article SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS First Article SAT test report.	4.50	
15	Qualification Review	Successful completion of the Qualification Review including required action plans and resolutions, in accordance with SOW 5.8.1 and 5.8.5, as represented by approval of the Qualification Review minutes.	3.50	
16	Full-Up UWSS 2nd ShipSet Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS 2nd ShipSet FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 2nd ShipSet FAT test report.	1.00	

17	Full-Up UWSS 2nd ShipSet Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS 2nd ShipSet HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 2nd ShipSet HAT test report.	1.50	
18	Full-Up UWSS 2nd ShipSet Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS 2nd ShipSet SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 2nd ShipSet SAT test report.	2.50	
19	Full-Up UWSS 3rd ShipSet Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS 3rd ShipSet FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 3rd ShipSet FAT test report.	1.00	
20	Full-Up UWSS 3rd ShipSet Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS 3rd ShipSet HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 3rd ShipSet HAT test report.	1.50	

21	Full-Up UWSS 3rd ShipSet Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS 3rd ShipSet SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 3rd ShipSet SAT test report.	2.50	
22	Full-Up UWSS 4th ShipSet Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS 4th ShipSet FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 4th ShipSet FAT test report.	1.00	
23	Full-Up UWSS 4th ShipSet Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS 4th ShipSet HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 4th ShipSet HAT test report.	1.50	
24	Full-Up UWSS 4th ShipSet Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS 4th ShipSet SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 4th ShipSet SAT test report.	2.50	

25	Full-Up UWSS 5th ShipSet Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS 5th ShipSet FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 5th ShipSet FAT test report.	1.00	
26	Full-Up UWSS 5th ShipSet Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS 5th ShipSet HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 5th ShipSet HAT test report.	1.50	
27	Full-Up UWSS 5th ShipSet Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS 5th ShipSet SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 5th ShipSet SAT test report.	2.50	
28	Full-Up UWSS 6th ShipSet Factory Acceptance Test (FAT)	Successful completion of the full-up UWSS 6th ShipSet FAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 6th ShipSet FAT test report.	1.00	
29	Full-Up UWSS 6th ShipSet Harbour Acceptance Test (HAT)	Successful completion of the full-up UWSS 6th ShipSet HAT including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 6th ShipSet HAT test report.	1.50	

30	Full-Up UWSS 6th ShipSet Sea Acceptance Test (SAT)	Successful completion of the full-up UWSS 6th ShipSet SAT and system acceptance including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of the full-up UWSS 6th ShipSet SAT test report.	2.50	
31	Transition	Successful completion of all Transition activities and obligations including required resulting action plans and resolutions, in accordance with SOW 4.1.4 and 4.1.5, as represented by concurrence that all Transition requirements have been met.	2.25	
32	Shore Facilities East Acceptance Test	Successful completion and system acceptance of all East Coast Shore Sites including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of all East Coast Shore Sites acceptance test reports.	2.50	
33	Shore Facilities West Acceptance Test	Successful completion and system acceptance of all West Coast Shore Sites including required resulting action plans and resolutions, in accordance with SOW 5.8, as represented by approval of all West Coast Shore Sites acceptance test reports.	2.50	

34	Operator Initial Cadre Training (ICT)	Successful completion of all Operator ICT sessions and obligations including required resulting action plans and resolutions, in accordance with SOW 7.6.1 and 7.6.2, as represented by concurrence that all Operator ICT requirements have been met.	1.75	
35	Maintainer Initial Cadre Training (ICT)	Successful completion of all Maintainer ICT sessions and obligations including required resulting action plans and resolutions, in accordance with SOW 7.6.1 and 7.6.2, as represented by concurrence that all Maintainer ICT requirements have been met.	1.75	
36	Conversion Training Support	Successful completion of all Conversion Training Support obligations including required resulting action plans and resolutions, in accordance with SOW 7.6.1 and 7.6.3, as represented by concurrence that all Conversion Training Support requirements have been met.	0.75	
37	Steady State Training Support	Successful completion of all Steady State Training Support obligations including required resulting action plans and resolutions, in accordance with SOW 7.6.1 and 7.6.4, as represented by concurrence that all Steady State Training Support requirements have been met.	0.75	

38	Technical Data Package (TDP)	Successful completion of TDP delivery and obligations including required resulting action plans and resolutions, in accordance with the SOW and it's CDRLs and DIDs, as represented by approval of the TDP and concurrence that TDP requirements have been met.	2.00	
39	Manuals	Successful completion of delivery and obligations for Manuals including required resulting action plans and resolutions, in accordance with the SOW and it's CDRLs and DIDs, as represented by approval of the Manuals and concurrence that requirements for Manuals have been met.	1.75	
40	Warranty	Successful completion of Warranty obligations including required resulting action plans and resolutions, as represented by concurrence that all warranty obligations have been met and through final warranty obligation acceptance notification issued by Canada in accordance with contract Article 11.11.	4.00	

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41	Close-Out	Successful completion of Final Program Review obligations including required resulting action plans and resolutions, in accordance with SOW 4.10.21, as represented by approval of the Final Program Review minutes and concurrence that all required resolutions, action plans and action items have been completed and all requirements have been met, and through final acceptance notification issued by Canada in accordance with contract article 11.11.	4.00	
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2. UWSU Optional Acquisition Requirements

Should items N°1, N°2 or N°3 of Schedule A Article 3, UWSU Optional Acquisition Requirements be exercised, the schedule of milestones which claims must be made, are as follows:

(To be negotiated if options are exercised)