

ANNEX J – Task Authorization Process

1. Tasking Procedures

- 1.1 Each task will only be performed by the Contractor when a duly authorized Task Authorization has been issued by the Procurement Authority (PA) or the Contracting Authority (CA), in accordance with the sub-article entitled "Task Approval Limitations" using a form DND 626, entitled "Task Authorization".
- 1.2 The following administrative process applies:
- a) Prior to issuing a Task Authorization, the Technical Authority (TA) will prepare a draft Task Statement of Work (SOW) fully describing the Scope of Work required for the Task and specifying the details listed in sub article (b) below;
 - b) The TA will submit this draft Task SOW (without the DND 626 form) through the PA to the Contractor specifying the funding limitation for the Task, the Work requirement, the acceptance criteria for the Work, the types of reports required, and the scheduled date of completion. The PA must ensure that the Task is within the Scope of Work for this Contract;
 - c) The PA will request that the Contractor review the draft Task SOW and provide an accurate quote within a specified time limit, using the rates established in the Contract and based on the Contractor's Level of Effort needed to complete the Task. The Level of Effort quote must provide an accurate cost estimate and schedule for producing the requested deliverables. The Level of Effort quote must clearly identify all the applicable charges.
 - d) The Contractor must, within the time limit specified by the TA or its designated representatives, provide the Level of Effort quote and/or notify the TA of the status of the proposed Task SOW response. Should the time limit specified by the TA not be sufficient, the Contractor must submit the Level of Effort quote within a time period that is mutually acceptable to the TA and the Contractor.
 - e) The Contractor must ensure that the requested Task does not exceed the Scope of Work for this Contract and that the Contractor is fully capable of producing the requested deliverables by achieving the essential functions at the lowest cost consistent with the required performance, reliability, quality and safety. Should the Contractor have any doubt with respect to the Work requested in the Task SOW, the Contractor must submit Task SOW change recommendations to the PA prior to acceptance of the Task Authorization (DND 626).
 - f) The Contractor must submit to the TA through the PA, the following written details:
 - i. The estimated labour hours, the total estimated cost, calculated in accordance with the terms and conditions of the Contract;
 - ii. A list of personnel (including their associated Labour Category and Labour Rate) assigned to perform the Task;
 - iii. The schedule for completion of the Work;
 - iv. An activity resource listing; and

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- v. The Contractor's acceptance or rejection of the proposed Task SOW, subject to receipt of a certified Task Authorization (DND 626).
- g) The Contractor must include, in the cost estimate referred to above, all applicable charges, including direct labour charges, material, subcontracting, travel and living expenses, and applicable taxes - all in accordance with Schedule A UWSU Acquisition Pricing, and the Contract.
- h) Once the TA, PA and Contractor have understood and agreed with the Task details, the TA will review the Level of Effort quote with the PA and in accordance with the Contract sub-article entitled "Task Approval Limitations", seek approval to proceed as follows:
- i. If the Level of Effort quote is within the DND Task approval ceiling listed in the Contract subarticle entitled "Task Approval Limitations", the PA will sign the DND 626 form (with the Contractor approved Task SOW and Level of Effort attached) and forward a signed copy to both the Contractor and the CA; or
 - ii. If the quote exceeds the DND Task approval ceiling, the CA must also review and sign the DND 626 (with the Contractor approved Task SOW and Level of Effort attached) prior to DND releasing the Task Authorization to the Contractor.
- i) Work on any Task may not commence prior to the date that the DND 626 is signed by the applicable Canadian Government Authorities. DND must ensure that the CA is forwarded a copy of all authorized DND 626 Task Authorizations regardless of the dollar value.
- j) If at any time it becomes evident to the Contractor that the following conditions are exceeded:
- i. The authorized level of expenditure for a Task;
 - ii. The total value of all the Task Work;
 - iii. The approved schedule deadline; or
 - iv. The scope of Work.

The Contractor must immediately request an amendment to the Task Authorization. The request must refer to the original Task Authorization serial number (DND 626#) and include a revised proposal with the appropriate justification for Canada's consideration. Under no circumstance is the authorized level of expenditure to be exceeded. Canada must have no obligation to pay for any Work that exceeds the authorized funding limitation.

- k) Amendments to the Work, cost or scope of the original DND 626 will require that a formal DND 626 amendment be created. Tasks originally approved by DND and within the amendment ceiling established in the Contract, will be approved by the PA. All other amendments will be approved by DND and sent to the CA for review and signature prior to releasing to the Contractor. DND must ensure that the CA is forwarded a copy of all authorized DND 626 amendments regardless of the dollar value. The Contractor must complete any Tasks at the original price/scope if the approval authority rejects an amendment request. Additional Work on any Task may not commence prior to the date that the DND 626 Amendment is signed by the applicable Canadian Government Authorities.

2. Task Pricing Approach

- 2.1 The Level of Effort quote for each Task must clearly identify one of the following pricing approaches that the Contractor has selected for the Task in accordance with:

- a) The Contractor may submit a "Firm Price" quote to the TA when the Scope of Work for a DND 626, referred to herein as "Task", is clearly understood by both parties and no changes are anticipated in the Scope of the Work;
 - b) The Contractor may submit a "Ceiling Price" quote to the TA. The term "Ceiling Price" is the maximum price that is to be paid to the Contractor and beyond which the Contractor will not receive additional compensation for the defined Work. In such a case, both parties agree prior to the Work authorization that the price may be subject to downward revision, based on the actual price on completion of the Task.
 - c) When it is not possible for the Contractor to submit a "Firm Price" or a "Ceiling Price" as described above, the Contractor may submit a "Limitation of Expenditure" quote to the TA. The Contractor must be paid at the rates and mark-ups in this Contract subject to the financial limitation specified in the Task authorization documentation.
- 2.2 The "Firm Price", "Ceiling Price" and/or the "Limitation of Expenditure" quote must be based on the rates identified in the Schedule A UWSU Acquisition Pricing. All proposed prices and cost estimates must be supported by a detailed cost breakdown.
- 2.3 For a Task which is subject to a "Limitation of Expenditure" as described in sub-article 2.1 (c) above, the Contractor must notify the proper authority in writing as to the inadequacy of its "Limitation of Expenditure" when:
- a) The resources required for its timely completion reaches 75% of the authorized Task funding, or
 - b) If during the execution of the authorized Tasking it appears to the Contractor that the Scope of Work is greater than had been anticipated and that the funds provided for a Task are inadequate, whichever comes first.
- 2.4 When providing the notification described in sub-article 2.3 above, the Contractor must, as a minimum, identify:
- a) Estimated person-days and schedule forecast to complete;
 - b) Resources available and impact on other Tasks versus overall person-days available;
 - c) Work around plan; and
 - d) Risk assessment.
- A revised proposal and proper justification for the requested amendment must be submitted to the proper approval Authority for consideration. The Contractor must complete any Tasks at the original price and scope if the approval Authority rejects an amendment request.
- 2.5 All amounts charged on a "Ceiling Price" or "Limitation of Expenditure" basis must be subject to Government audit before or after payment of an invoice.

3. Task Approval Limitations

- 3.1 Work on any Task may not commence prior to the date that the DND 626 is signed by the applicable Canadian Government Authorities.
- 3.2 The Approval Limitations for each Task Authorization are as follows:

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- a) Procurement Authority: For Work, up to \$ to be entered at contract award (Goods and Services Tax [GST] or Harmonized Sales Tax [HST] included) for a signed DND 626; for amendment(s) to an existing DND 626 authorized by the PA, the aggregate value (original DND 626 value plus all Amendments) may not exceed \$ to be entered at contract award (GST or HST included).
- b) Contracting Authority: Unlimited for any Task DND 626 costing more than \$ to be entered at contract award (GST or HST included); and for amendment(s) to any existing Task authorized in aggregate value of more than \$ to be entered at contract award (GST or HST included).
- 3.3 In the event that the estimated price to complete a Task is anticipated to exceed \$ to be entered at contract award, the Task must be authorized in writing by both the PA and CA. The Contractor must verify that both signatures are present prior to commencing Work.
- 3.4 For a Task which is subject to a "Limitation of Expenditure" the Contractor must:
- a) Monitor the cost of Work and advise the PA (one copy to the CA) when 75% of the funds authorized for each Task have been expended, and provide an estimate with backup support indicating if the remaining 25% will be sufficient to cover the balance of the Work forecasted for the Task;
- b) If at any time during the Work it becomes evident to the Contractor that the authorized level of expenditure will be exceeded, the Contractor must immediately submit a written request for a Task Authorization Amendment in accordance with the Contract sub-article entitled "Tasking Procedure"; and
- c) When expenditures reach the authorized level of the DND 626, the Contractor must stop Work, notify the PA and await further written instructions from the PA and/or CA. Under no circumstances must the authorized level of the DND 626 be exceeded without prior written approval by the PA and/or CA.
- 3.5 The Contractor must not be obliged to perform any Work or provide any service that would cause the total liability of Canada to be exceeded without the prior written approval of the PA and/or CA in accordance with the Contract Article entitled "Limitation of Expenditure".

4. Task Completion/Closure Procedures

- 4.1 The Contractor must monitor all Tasks issued under this Contract.
- 4.2 If at any time the Contractor believes that a specific Task has been completed or has been inactive for a period of at least six (6) months, the Contractor must proceed as follows to request closure:
- a) The Contractor must determine the final costs to Canada, itemized as necessary for each individual Task being considered for closure;
- b) The Contractor must submit a letter to the TA (one copy each to PA and CA) requesting closure of the Task;
- c) Closure will be subject to TA written acceptance of final results of the Tasking. If acceptable, the TA will authorize closure at the detailed funding levels; and
- d) In cases where authorized funds were not all expended to complete specific Tasks, these funds are considered returned to the Contract funding baseline for re-issuance/ redistribution as necessary.