

Solicitation No. - N° de l'invitation

Amd. No. - N° de la modif.

Buyer ID - Id de l'acheteur

EQ754-181281/A

PWL003

Client Ref. No. - N° de réf. du client

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Project No.- No. du projet

R.090864.001

## ANNEX A – BASIS OF PAYMENT

This contract will be paid on a “Percentage of Deliverables Completed” basis.

1. The Basis of Payment of the contract is comprised of the following:

The Advisory and Construction Manager’s Percentage Fee; Reimbursement of Construction Costs and Allowable disbursements.

## **A. GENERAL**

1. All values provided including the Estimated Construction Costs and any increases in construction costs are subject to budget approval.
2. Subject to the terms and conditions of the Agreement, and in consideration for the performance of the Services, Canada shall pay to the Construction Manager a sum of money calculated in accordance with the provisions herein and the Agreement Particulars.
3. The Consultant's fees are only payable when the Construction Manager has performed the Services as determined by the Departmental Representative (DR). Payment in respect of a Service, or part of a Service, is not to be deemed a waiver of Canada's rights of set off at law or under the Agreement for costs or expenses arising from default or negligence of the Construction Manager.
4. The maximum amount payable under the Agreement, including fees and disbursements, shall not exceed the sum specified in the Agreement Particulars, without the prior written authorization of the DR in accordance with the terms of the Agreement.

## **2. FEES**

The Construction Manager's Fee will be paid monthly in arrears for the term of the Contract. The Construction Manager's Fee is based on the aggregate of the following:

### **(a) ADVISORY SERVICES PERCENTAGE FIXED FEE (TABLE 2)**

Payments in respect of the percentage fee arrangement will be made monthly during the performance of the Services, on the basis of the fee submitted and progress as determined by the DR for each of the Services. The total percentage fee will be calculated on the Estimated Construction Costs provided in the Terms of Reference and not subject to adjustment due to variations in the Estimated Construction Cost through the life of the project. Although these draws against the Advisory Services Percentage Fee can be on monthly basis, they are not fixed and their value will vary depending on the progress of the project and the approval of DR. All Required Services specified in the Terms of Reference must be included in and covered by the Advisory Services portion of the contract.

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The advisory services required for each Project Stage are detailed in the Terms of Reference. The Project Stages are as follows:

- a. Requirements Analysis Stage
- b. Design Development Stage
- c. Construction Documents Stage
- d. Tender Stage
- e. Construction Stage
- f. Final Completion Stage

The CM is responsible to identify as per the Table 2, under the percentage of their Advisory Services Fees associated to each Project Stage, for payment purposes. The Advisory Services Percentage Fixed Fee will include all costs for provision of advisory services for the duration of the contract including:

- (i) all overhead, administration, mark-up and profit for the Construction Manager's operations, including, but not limited to standard office expenses such as any photocopying, and supplies, taxi charges, computer and software costs, Internet, all telephone and fax, cellular telephones, depreciation, rent and maintenance of office facilities, furniture, office equipment parking. Note: Site office costs are included in the percent construction fee.
  - (ii) the actual cost of all personnel employed or contracted by the Construction Manager to deliver the services specified in the Terms of Reference and includes all payroll costs such as salary, statutory holidays, vacations with pay, unemployment insurance premiums and worker's compensation contributions where applicable, pension plan contributions, sick time allowance, medical/dental insurance premiums and any other benefits. *Note: Do not include contracted personnel of sub-trades that will perform the construction;*
  - (iii) The salaries, benefits or other compensation for the Construction Manager's officers, directors, principals and support staff;
  - (iv) Travel and accommodation costs related to the Work for the duration of the Contract, of the Construction Manager's personnel;
  - (v) All other costs which may be considered disbursements unless specifically listed;
  - (vi) Any part of the Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work, unless otherwise expressly provided herein;
  - (vii) All field personnel such as superintendents, health and safety officers, assistant superintendents, field engineers, commissioning specialists, etc., including vehicles and vehicle expenses
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**(b) PERCENTAGE CONSTRUCTION FEE (TABLE 3)**

**The percent construction fee includes:**

- (i) The Contractor's percentage mark-up for overhead, profit and general administration costs that are not included in ii (below).
- (ii) The construction, maintenance, operation and/or rental fee(s) of a site field office at the Site, including, but not limited to standard office expenses such as any photocopying, computer costs, Internet, all telephone and fax, cellular telephones, depreciation, rent and maintenance of office facilities, furniture, office equipment and supplies, taxi charges, parking, communication equipment, advertising and publications, long distance phone, bottled water, courier, stamps, software, office supplies and petty cash items.
- (iii) All costs that have not been identified for reimbursement under Annex A: Basis of Payment, Item, 2 (a) Advisory Services, Item 2 (c) Additional Personnel, Item 3 Construction Costs and Item 4 Allowable Disbursements must be included in the Percent Construction Fee.

The percent construction fee will be paid in arrears for each progress claim submitted in accordance with GC5 - Terms of Payment, during the Term of the Contract. The value of the percent construction fee for the payment period will be based on the construction cost of the work actually incurred during that period.

**(c) ADDITIONAL PERSONNEL (TABLE 6)**

The Contractor must include in the monthly fees sufficient personnel to complete the Work within the time frame stipulated in Construction Time.

However, should Canada determine that, for the purposes of schedule acceleration, additional personnel is required, Canada will have the right to request that the Contractor provide such additional personnel for the performance of the Work or any part or parts thereof. Also, for the purpose of plant shut-down, (after-hour) overtime for additional personnel may be required.

For additional personnel requested by Canada, the Contractor will be reimbursed in accordance with the firm per diem rates (including payroll costs, overhead and profit) quoted in the Pricing Tables for the identified categories of personnel or in accordance with rates which have been negotiated and mutually agreed to

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between Canada and the Contractor for personnel that were not pre-identified in the Pricing Tables. Such costs will be payable monthly in arrears.

If additional personnel are required outside of the categories and rates described in the Pricing Tables, the Contractor must provide, on Canada's request, one or more of the following price justifications for Canada's review and acceptance:

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

### **3. CONSTRUCTION COSTS (TABLE 1)**

- (a) Determination of Construction Cost will be in accordance with Article 5.6 Construction Costs will be reimbursed in accordance with GC5 - Terms of Payment. Construction Costs will include:
    - (i) The actual, reasonable and direct costs of subcontracts;
    - (ii) The actual, reasonable and direct costs incurred by the Contractor, as previously agreed to by Canada in performing the Work, as follows:
      - (A) Materials incorporated into the Work, including costs of transportation;
      - (B) Materials, products, supplies, equipment, temporary services and facilities, including transportation and maintenance thereof, which are consumed in the performance of the Work, and cost less salvage value on such items used, but not consumed, which remain the property of the Contractor;
      - (C) Tools, machinery and equipment, exclusive of hand tools, used in the performance of the Work, whether rented by the Contractor or others, including installation, minor repairs and replacements, dismantling, removal, transportation and delivery costs thereof;
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- (D) Site engineering, as-built drawings, maintenance manuals and all other documents required to be provided before certification of Substantial Performance, as well as commissioning activities;
- (E) Independent inspection and testing services other than those described in the construction documents;
- (F) Temporary services, O & M Manuals, as-builts and engineering drawings;
- (G) Site washrooms other than those furnished by Canada;
- (H) Health and Safety sundries for visitors (hard hats, boots, gloves, goggles, masks, etc.);
- (I) Bilingual Site signage;
- (J) Utility costs, as applicable;
- (K) The cost of safety measures and requirements;
- (L) Cleaning materials supplies, hand tools and consumables;
- (M) Site photos;
- (N) Printing of construction documents;
- (O) Removal and disposal of waste products and debris.

**Site Labour Costs (allowance is included within Estimated Construction Cost)**

The Contractor must not use its own forces or the forces of a non-arms length entity to provide Trade Work unless the Contractor has been specifically authorized to do so by Canada.

However, the Contractor will be reimbursed for the labour expended by the Contractor's carpenters and general site labourers for any physical construction work related to Construction General Requirements which received prior approval from the Departmental Representative (DR). Site labour costs that have been authorized by the DR will be paid monthly in arrears.

Regardless of the above, Canada may require that the Contractor competitively procure any or all of the construction work, including work that may be completed by the Contractor's own labourers.

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- b) Any costs incurred by the Contractor due to failure on the part of the Contractor to exercise reasonable care and diligence in the Contractor's attention to the Work must be borne by the Contractor.

#### **4. ALLOWABLE DISBURSEMENTS**

- (a) In addition to the Contractor's Fee, Canada will reimburse at actual cost, without any administrative cost or mark-up for overhead or profit, the following disbursements supported by Invoices/receipts:
  - (i) The cost of the Contractor's insurance and bonding. (All insurance and bonding costs must be identified and submitted up front in Table 3 of Pricing Tables- Annex B. Only costs that are identified in the Pricing Tables submitted by the Bidder will be reimbursable. The amount shown in Section BA03 is considered the upset limit. All cost reimbursements will be made on receipt of proof of actual costs. Under no circumstances will the reimbursement be higher than the upset limit.)
  - (ii) Fees, levies, permits, costs and charges levied by authorities having jurisdiction at the Site; (as described in Fees, Levies and Certifications of the Terms of Reference.)

Travel, if requested in writing by Canada, will be reimbursed in accordance with the National Joint Council Travel Directives without any administrative cost or mark-up for overhead or profit.

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## ANNEX B PRICING TABLES

### List of Deliverables and Total Bid Amount (TBA) Calculation:

*The information herein that has been italicized, will not appear in any resultant contract, Annex B.*

TABLE 1 ESTIMATED CONSTRUCTION COST (Refer to Annex A - Basis of Payment)		
COLUMN (A)	COLUMN (B)	COLUMN (C)
ITEM	DESCRIPTION OF REQUIREMENT	ESTIMATED CONSTRUCTION COST
<b>Direct Construction Costs</b>		
1	Estimated Construction Cost	\$3,500,000.00
<b>Total Sum of Item 1:</b>		\$3,500,000.00
<b>Note 1.</b> Construction Time: The full scope of work must be completed by March 31, 2018. <b>Note 2.</b> Actual Construction costs will be calculated in accordance with Annex A		

TABLE 2 ADVISORY SERVICES FEES (Refer to Annex A Basis of Payment)					
COLUMN (A)	COLUMN (B)	COLUMN (C)	COLUMN (D)	COLUMN (E)	COLUMN (F)
Item	Description of Requirement	Unit of Measure	Estimated Construction Cost	Price per Unit	EXTENDED TOTAL (D X E)
1	Advisory Services Percentage Fee (See Annex A, Basis of Payment, Article 2. A) - based on Level of Effort (LOE).	%	\$3,500,000.00	_____ %	\$
<b>(A) Total Sum of Item 1:</b>					\$
<b>Note 1.</b> Payments in respect of the percentage fixed fee arrangement will be made monthly during the performance of the Services, on the basis of the fee submitted and progress as determined by the Departmental Representative for each of the Services. The total percentage fixed fee will be calculated on the Estimated Construction Costs provided in the Terms of Reference and not subject to adjustment due to variations in the Estimated Construction Cost through the life of the project (There will be no increase in payment regardless of the final expenditure for construction). Although these draws against the Advisory Services Percentage fixed Fee can be on monthly basis, they are not fixed and their value will vary depending on the progress of the project and the approval of DR. <b>Note 2.</b> <i>The sum of the Extended Totals under Column (E) for Item 1 will be used to calculate the Total Bid Amount (TBA) for Evaluation Purposes for Table 2.</i>					



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<b>TABLE 3</b> <b>PERCENTAGE CONSTRUCTION FEES</b> (Refer to Annex A – Basis of Payment,					
COLUMN (A)	COLUMN (B)	COLUMN (C)	COLUMN (D)	COLUMN (E)	COLUMN (F)
Item	Description of Requirement	Unit of Measure	Estimated Construction Cost	Price per Unit	EXTENDED TOTAL (D X E)
1	Percent of Direct Construction Cost (See Annex A, Basis of Payment, Article 2. (b)).	%	\$3,500,000.00	_____ %	\$ _____
Total Sum of Item 1:					\$ _____
<b>Note 1.</b> The sum of the Extended Totals under Column (F) for Item 1 will be used to calculate the Total Bid Amount (TBA) for Evaluation Purposes for Table 3. <b>Note 2.</b> The actual construction costs (Column D) will be calculated in accordance with Annex A, Article 2. (b) and (c).					

<b>TABLE 4</b> <b>BONDING AND INSURANCE</b> (Refer to Annex A – Basis of Payment, Article 4(a) i.)		
COLUMN (A)	COLUMN (B)	COLUMN (C)
ITEM	DESCRIPTION OF REQUIREMENT	CEILING TOTAL
1	Bonding and Insurance	\$ _____
Total Sum of Item 1:		\$ _____
<b>Note to Bidders:</b> The sum of the Firm Price Total under Column (C) for Item 1 will be used to calculate the Total Bid Amount (TBA) for Evaluation Purposes for Table 4.		

<b>TABLE 5</b> <b>CASH ALLOWANCE FOR PERMITS</b> (Refer to Annex A – Basis of Payment, Article 4(a) ii.)		
COLUMN (A)	COLUMN (B)	COLUMN (C)
ITEM	DESCRIPTION OF REQUIREMENT	ESTIMATED TOTAL
1	Cash Allowance for Permits	\$50,000.00
Total Sum of Item 1		
<b>Note to Bidders:</b> The sum of the Firm Price Total under Column (C) for Item 1 will be used to calculate the Total Bid Amount (TBA) for Evaluation Purposes for Table 5.		

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<b>TABLE 6</b> <b>ADDITIONAL PERSONNEL</b> (Refer to Annex A – Basis of Payment)				
<b>COLUMN (A)</b>	<b>COLUMN (B)</b>	<b>COLUMN (C)</b>	<b>COLUMN (D)</b>	<b>COLUMN (E)</b>
<b>ITEM</b>	<b>CATEGORY OF PERSONNEL</b>	<b>CEILING HOURLY RATE</b>	<b>QUANTITY (HOURS)</b>	<b>EXTENDED TOTAL (C X D)</b>
<b>ADDITIONAL PERSONNEL (If and When Requested)</b> <i>Based on Estimated Hours for Price Evaluation Purposes;</i> (see Annex A, Basis of Payment, Article 2. (c))				
1	Project Manager	\$	150	\$
2	Construction Manager	\$	200	\$
3	Cost Estimator	\$	50	\$
4	Quality Manager	\$	40	\$
5	Contract Administrator	\$	50	\$
6	Assistant Superintendent	\$	100	\$
7	Safety Officer	\$	50	\$
8	Carpenter Foreman	\$	50	\$
9	Carpenter	\$	100	\$
10	General Labourer	\$	200	\$
<b>Total Sum of (Item 1 through 10):</b>				<b>\$</b>
<b>Notes to Bidders:</b> <i>The sum of the Extended Total under Column (E) for Item 1 through Item 10 will be used to calculate the Total Bid Amount (TBA) for Evaluation Purposes for Table 6.</i>  <b>Note 1.</b> <i>Payment for any additional services or personnel will be based on the hourly rate and paid on the basis of actual hours worked.</i>  <b>Note 2.</b> <i>The quantities and categories of personnel identified are for evaluation purposes only and should not be interpreted by the Bidder to be a commitment by Canada to request the services of any of the personnel for any quantity of days whatsoever.</i>  <b>Note 3.</b> <i>In order to ensure that fair and competitive hourly rates are received for each of the category of personnel the following requirements must be adhered to:</i>  a. <i>The Bidder must provide hourly rates for each category of personnel listed;</i> b. <i>The hourly rate for any given listed category of personnel cannot be \$0.00 or nil value.</i>  <i>Failure to comply with a or b. above will render the bid non-responsive.</i>  <b>Note 4.</b> <i>Hourly rates are included in the Total Bid Amount for Evaluation Purposes and will be authorized and paid in accordance with Annex A, Article 2. (c).</i>				

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<b>TABLE 7</b> <b>TOTAL BID AMOUNT FOR EVALUATION PURPOSES</b>			
<i>The Total Bid Amount (TBA) will be evaluated with the figures from Table 2 to Table 6.</i>			
<b>ITEM NO.</b>	<b>DESCRIPTION</b>	<b>PRICE</b>	
<b>1</b>	<b>TABLE 2</b> <b>ADVISORY SERVICES FEES (Item 1 total)</b>	<b>Total Firm Price from Table 2</b>	\$
<b>2</b>	<b>TABLE 3</b> <b>CONSTRUCTION MANAGER'S PERCENTAGE (%) FEE</b>	<b>Total Firm Price from Table 3</b>	\$
<b>3</b>	<b>TABLE 4</b> <b>BONDING AND INSURANCE</b>	<b>Total Firm Price from Table 4</b>	\$
<b>4</b>	<b>TABLE 5</b> <b>CASH ALLOWANCE FOR PERMITS</b>	<b>Total Firm Price from Table 5</b>	\$
<b>5</b>	<b>TABLE 6</b> <b>CONSTRUCTION MANAGER'S ADDITIONAL PERSONNEL</b>	<b>Total Firm Price from Table 6</b>	\$
<b>TOTAL BID AMOUNT (TBA) FOR EVALUATION PURPOSES, ALL EXCLUDING APPLICABLE TAXES:</b> <b>(Item 1 + Item 2 + Item 3 + Item 4+ Item 5)</b>			\$