



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

**Bid Receiving - PWGSC / Réception des
soumissions - TPSGC**

11 Laurier St. / 11, rue Laurier

Place du Portage , Phase III

Core 0B2 / Noyau 0B2

Gatineau

Québec

K1A 0S5

Bid Fax: (819) 997-9776

**REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION**

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

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

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

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

Comments - Commentaires

**THIS DOCUMENT CONTAINS A SECURITY
REQUIREMENT.**

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

**Marine Machinery and Services / Machineries et services
maritimes**

11 Laurier St. / 11, rue Laurier

6C2, Place du Portage

Gatineau

Québec

K1A 0S5

Title - Sujet R&O Turbocharger	
Solicitation No. - N° de l'invitation W8482-168399/A	Date 2017-12-07
Client Reference No. - N° de référence du client W8482-168399	
GETS Reference No. - N° de référence de SEAG PW-\$\$ML-058-26570	
File No. - N° de dossier 058ml.W8482-168399	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2018-01-24	Time Zone Fuseau horaire Eastern Standard Time EST
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Nemati, Saeed	Buyer Id - Id de l'acheteur 058ml
Telephone No. - N° de téléphone (873) 469-3617 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

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

Request for Proposal (RFP)
For Repair and Overhaul (R&O) Support for Napier Turbo Charger

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PART 1 - GENERAL INFORMATION

1.1 Introduction

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

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

The Annexes include the Statement of Work (SOW), the Logistics Statement of Work, the Basis of Payment, the Security Requirements Checklist, the Insurance Requirement, the DND 626 Task Authorization Form, the Electronic Payment Instruments, the Federal Contractors Program for Employment Equity - Certification, and the Evaluation Plan.

1.2 Summary

The Department of National Defence (DND) has a requirement for Repair and Overhaul Support, including Disposal, Mobile Repair Party (MRP), Field Service Representative (FSR), Technical Investigation and Engineering Support (TIES), and Special Investigations and Technical Studies (SITS) for the Napier Turbocharger/Cartridge assemblies fitted on the Halifax Class frigate propulsion diesel engines. The Halifax-class ship's homeports are in Esquimalt, British Columbia, and Halifax, Nova Scotia. The period of the contract is for three (3) years with an option for two (2) periods of one (1) year each.

There are security requirements associated with this requirement. For additional information, consult Part 6 - Security, Financial and Other Requirements, and Part 7 - Resulting Contract Clauses. For more information on personnel and organization security screening or security clauses, Bidders should refer to the Industrial Security Program (ISP) of Public Works and Government Services Canada (<http://ssi-iss.tpsgcpgwsc.gc.ca/index-eng.html>) website.

The Canadian Free Trade Agreement (CFTA) applies to this bid solicitation. The Federal Contractors Program (FCP) for employment equity applies to this procurement; see Part 5 – Certifications and Additional Information, Part 7 - Resulting Contract Clauses and the Annex "H" titled Federal Contractors Program for Employment Equity - Certification.

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1.3 Debriefings

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

PART 2 - BIDDER INSTRUCTIONS

2.1 Standard Instructions, Clauses and Conditions

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

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

The 2003 (2017-04-27) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2.1.1 SACC Manual Clauses

B1000T (2014-06-26), Condition of Material - Bid

D5401T (2007-11-30), Quality Plan - Solicitation

2.2 Submission of Bids

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

2.3 Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than seven (7) calendar days before the bid closing date. Enquiries received after that time may not be answered.

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

2.4 Applicable Laws

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

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

PART 3 - BID PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

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

Section I: Technical Bid three (3) hard copies and three (3) soft copies on CD, DVD or USB key.

Section II: Financial Bid (one (1) hard copy)

Section III: Certifications (one (1) hard copy)

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

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

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

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

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

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

Section I: Technical Bid

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

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

Section II: Financial Bid

- 3.1.1** Bidders must submit their financial bid in accordance with the Financial Bid Presentation Sheet in the Evaluation Plan at Annex "I". The total amount of Applicable Taxes must be shown separately.

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3.1.2 Electronic Payment of Invoices – Bid

If you are willing to accept payment of invoices by Electronic Payment Instruments, complete Annex “H” Electronic Payment Instruments, to identify which ones are accepted.

If Annex “H” Electronic Payment Instruments is not completed, it will be considered as if Electronic Payment Instruments are not being accepted for payment of invoices.

Acceptance of Electronic Payment Instruments will not be considered as an evaluation criterion.

3.1.3 Exchange Rate Fluctuation

SACC Manual clause C3011T (2013-11-06), Exchange Rate Fluctuation

Section III: Certifications

Bidders must submit the certifications and additional information required under Part 5.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

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

4.1.1 Technical Evaluation

4.1.1.1. Mandatory Technical Criteria

An offer must comply with the requirements of the Request for Proposal and meet all mandatory technical evaluation criteria to be declared responsive. The Offeror must submit the supporting documentation required in accordance with this requirement.

To be declared responsive, a bid must:

Meet all mandatory technical criteria as described at Annex "I" - Evaluation Plan, paragraph 1.1 – Mandatory Technical Criteria.

4.1.2 Financial Evaluation

4.1.2.1. Evaluation of Price – Bid

The price of the bid as described in Annex "I" Evaluation Plan, paragraph 1.2 will be evaluated in Canadian dollars, Applicable Taxes excluded, FCA Free Carrier at Contractor facility, Incoterms 2010. Canadian customs duties and excise taxes are included.

4.2 Basis of Selection

4.2.1 Basis of Selection - Mandatory Technical Criteria

A bid must comply with the requirements of the bid solicitation and meet all mandatory technical evaluation criteria to be declared responsive. The responsive bid with the lowest evaluated price will be recommended for award of a contract.

PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION

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

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

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

5.1 Certifications Required with the Bid

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

5.1.1 Integrity Provisions - Declaration of Convicted Offences

In accordance with the *Ineligibility and Suspension Policy* (<http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html>), the Bidder must provide with its bid the required documentation, as applicable, to be given further consideration in the procurement process.

5.2 Certifications Precedent to Contract Award and Additional Information

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

5.2.1 Integrity Provisions – Required Documentation

In accordance with the *Ineligibility and Suspension Policy* (<http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html>), the Bidder must provide the required documentation, as applicable, to be given further consideration in the procurement process.

5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

By submitting a bid, the Bidder certifies that the Bidder, and any of the Bidder's members if the Bidder is a Joint Venture, is not named on the Federal Contractors Program (FCP) for employment equity "FCP Limited Eligibility to Bid" list available at the bottom of the page of the Employment and Social Development Canada (ESDC) - Labour's website (http://www.esdc.gc.ca/en/jobs/workplace/human_rights/employment_equity/federal_contractor_program.page?&_ga=1.229006812.1158694905.1413548969#afed).

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

Canada will also have the right to terminate the Contract for default if a Contractor, or any member of the Contractor if the Contractor is a Joint Venture, appears on the "FCP Limited Eligibility to Bid" list during the period of the Contract.

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The Bidder must provide the Contracting Authority with a completed Annex "H" Federal Contractors Program for Employment Equity - Certification, before contract award. If the Bidder is a Joint Venture, the Bidder must provide the Contracting Authority with a completed Annex "H" Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

6.1 Security Requirements

1. Before award of a contract, the following conditions must be met:
 - (a) the Bidder must hold a valid organization security clearance as indicated in Part 7 - Resulting Contract Clauses;
 - (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work sites must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;
 - (c) the Bidder must provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites;
2. Bidders are reminded to obtain the required security clearance promptly. Any delay in the award of a contract to allow the successful Bidder to obtain the required clearance will be at the entire discretion of the Contracting Authority.
3. For additional information on security requirements, Bidders should refer to the Industrial Security Program (ISP) of Public Works and Government Services Canada (<http://ssi-iss.tpsgc-pwgsc.gc.ca/index-eng.html>) website.

6.2 Financial Capability

SACC Manual clause A9033T (2012-07-16), Financial Capability

6.3 Insurance - Proof of Availability Prior to Contract Award

The Bidder must provide a letter from an insurance broker or an insurance company licensed to operate in Canada stating that the Bidder, if awarded a contract as a result of the bid solicitation, can be insured in accordance with the Insurance Requirements specified in Annex "E".

If the information is not provided in the bid, the Contracting Authority will so inform the Bidder and provide the Bidder with a time frame within which to meet the requirement. Failure to comply with the request of the Contracting Authority and meet the requirement within that time period will render the bid non-responsive.

PART 7 - RESULTING CONTRACT CLAUSES

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

7.1 Statement of Work

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

The requirement is broken down into categories of work:

- i. Category 1 will consist of (Free Flow) Repair (maintenance of an item in order to return it to a serviceable condition involving only the correction of specific defects) and Disposal.
- ii. Category 2 will consist of Engineering Tasks such as Mobile Repair Party (MRP), Field Service Representative (FSR), Technical Investigation and Engineering Support (TIES) and Special Investigations and Engineering Studies (SITS). Work to be executed under Category 2 requires Task Authorization (TA).

7.1.1 Additional information related to Category 1

Repair & Overhaul (R&O): This activity covers modification of the equipment or system (from the Original Equipment Manufacturer (OEM) standard) which DND specifically requests (e.g. a DND-sponsored modification, DND-approved "optional extras" or incorporation of optional OEM service bulletins), to which DND agrees and includes. R&O is not limited to:

"Involuntary" modifications not considered "Engineering Change", still require DND's knowledge and approval, and may include improvements;

Examples:

- replacing a part which is no longer produced, with the OEM's new substitute part; or
- incorporation of compulsory service bulletins; or
- updating an early configuration to the OEM's current baseline standard.

7.1.1.1 Technical Changes, Substitutes and Alternatives

Any technical changes, equivalent products and alternatives proposed by the Contractor must be evaluated for acceptance by the Technical Authority. Any equivalent products and alternatives must be equivalent in form, fit, function and performance. Equivalent products and alternatives that are offered as equivalent will only be acceptable once they are approved by the Technical Authority as an equivalent. A contract amendment or a completed Design Change/Deviation form will be issued. Should the Technical Authority not accept the equivalent product or the alternative and the Contractor is unable to meet the technical requirement, Canada may terminate the contract for default in accordance with the general conditions stated in the contract.

7.1.1.2 Disposal

This activity includes all disposal-related aspects such as physical disposal of assets from the free-flow repair line.

7.1.2 Additional information related to Category 2

7.1.2.1 Field Service Representative

This activity includes Field Service Representative (FSR) support either onboard a ship or at DND facilities on an as and when requested basis.

Tasks associated with FSR may include tasks such as:

- Unsatisfactory Condition Report (UCR) investigations;
- Pre-Installation Failures;
- Measure system performance;
- Provide detailed findings as a result or investigation of work;
- Make recommendations on maintenance practice and procedures; and
- Provide technical and engineering assistance to Fleet Maintenance Facility (FMF).

7.1.2.2 MRP: Mobile Repair Party

The Contractor's Mobile Repair Parties must comply with the procedures set forth in the latest issue of the Canadian Forces Technical Order (CFTO) C-02-005-011/AM-000, Mobile Repair Parties Manned by Contractor Personnel.

Tasks associated with MRP may include tasks such as:

- Provide on-site assistance/expertise when problems encountered are beyond the capability of in-house expertise at the FMF;
- Provide on-site assistance when problems encountered are beyond the capabilities of ship staff;
- Provide on-site assistance during Installation and Check Out of systems; and
- Assist ship personnel during Harbour Acceptance Trials (HATS) and Sea Acceptance Trials (SATS).

7.1.2.3 TIES: Technical Investigation and Engineering Support

This activity includes the provision of system and equipment maintenance support and management services. It includes the requirement analysis and planning to ensure reliability and availability specifications can be met, the scheduling of maintenance, the identification of spares and support.

7.1.2.4 SITS: Special Investigations and Technical Studies

When authorized by the Procurement Authority, utilising a DND 626, the Contractor must undertake special investigations and technical studies and must provide relevant data to these investigations as and when required.

The scope of work normally covered under special investigations and technical studies is to cater to equipment not meeting specification standards or due to repetitive failures.

This excludes studies and/or investigations, which have or will have fleet fitment application.

The Contractor must complete a Technical Investigation Report (CF 1057), on an as required basis when so directed by the Procurement Authority.

7.1.3 Task Authorization

The Work related to Category 2 to be performed under the Contract will be on an "as and when requested basis" using a Task Authorization (TA). The Work described in the TA must be in accordance with the scope of the Contract.

7.1.3.1 Task Authorization Process

1. The Technical Authority will provide the Contractor with a description of the task using the "DND 626, Task Authorization Form" form specified in Annex "F".
2. The Task Authorization (TA) will contain the details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major activities or submission dates for the deliverables. The TA will also include the applicable basis (bases) and methods of payment as specified in the Contract.
3. The Contractor must provide the Procurement Authority, within five (5) calendar days of its receipt, the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.
4. The Contractor must not commence work until a TA authorized by the Procurement Authority or the Contracting Authority has been received by the Contractor. The Contractor acknowledges that any work performed before a TA has been received will be done at the Contractor's own risk.

7.1.3.2 Task Authorization Limit

The Procurement Authority may authorize for Category 2 individual task authorizations up to a limit of \$50,000.00, Applicable Taxes included, inclusive of any revisions.

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

7.1.3.3 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.

7.1.3.4 Periodic Usage Reports - Contracts with Task Authorizations

The Contractor must compile and maintain records on its provision of services to the federal government under authorized Task Authorizations issued under the Contract.

The Contractor must provide this data in accordance with the reporting requirements detailed below. If some data is not available, the reason must be indicated. If services are not provided during a given period, the Contractor must still provide a "nil" report.

The data (report) must be submitted on a quarterly basis to the Contracting Authority.

The quarterly periods are defined as follows:

1st quarter: April 1 to June 30;

2nd quarter: July 1 to September 30;

3rd quarter: October 1 to December 31; and

4th quarter: January 1 to March 31.

The data must be submitted to the Contracting Authority no later than 15 calendar days after the end of the reporting period.

Reporting Requirement- Details

A detailed and current record of all authorized tasks must be kept for each contract with a task authorization process. This record must contain:

For each authorized task:

- i. the authorized task number or task revision number(s);
- ii. a title or a brief description of each authorized task;
- iii. the total estimated cost specified in the authorized Task Authorization (TA) of each task, exclusive of Applicable Taxes;
- iv. the total amount, exclusive of Applicable Taxes, expended to date against each authorized task;
- v. the start and completion date for each authorized task; and
- vi. the active status of each authorized task, as applicable.

For all authorized tasks:

- i. the amount (exclusive of Applicable Taxes) specified in the contract (as last amended, as applicable) as Canada's total liability to the contractor for all authorized TAs; and
- ii. the total amount, exclusive of Applicable Taxes, expended to date against all authorized TAs.

7.1.3.5 Task Authorization - Department of National Defence

The administration of the Task Authorization process will be carried out by the Technical Authority. This process includes monitoring, controlling and reporting on expenditures of the contract with task authorizations to the Contracting Authority.

7.2 Standard Clauses and Conditions

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

7.2.1 General Conditions

2035 (2016-04-04), General Conditions - Higher Complexity - Services, apply to and form part of the Contract.

1031-2 (2012-07-16), Contract Cost Principles, apply to and form part of the Contract.

7.3 Security Requirements

The following security requirements apply and form part of the Contract.

- 7.3.1 The Contractor must, at all times during the performance of the Contract, hold a valid **Designated Organization Screening (DOS)**, issued by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).
- 7.3.2 The Contractor personnel requiring access to sensitive work site(s) must EACH hold a valid **RELIABILITY STATUS**, granted or approved by CISD/PWGSC.

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7.3.3 Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CISD/PWGSC.

7.3.4 The Contractor must comply with the provisions of the:

- (a) Security Requirements Check List attached at Annex "D";
- (b) Industrial Security Manual (Latest Edition).

7.4 Term of Contract

7.4.1 Period of the Contract

The period of the Contract is from April 1 2018 to March 31 2021 inclusive.

7.4.2 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two (2) additional one (1) year periods under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least thirty (30) calendar days before the expiry date of the Contract. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

7.5 Authorities

7.5.1 Contracting Authority

The Contracting Authority for the Contract is:

Name: Saeed Nemati
Title: Supply Team Leader
Public Works and Government Services Canada
Defence and Marine Procurement Branch
11, Laurier St, Place du Portage, Phase III, 6C2, Gatineau, QC, K1A 0S5
Telephone: 873-469-3617
E-mail address: Saeed.Nemati@tpsgc-pwgsc.gc.ca

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

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7.5.2 Technical Authority

The Technical Authority for the Contract is: ***To be inserted at contract award***

Department of National Defence
National Defence Headquarters
101 Colonel By Drive
Ottawa, Ontario
K1A 0K2

Attention: _____

Telephone: ____-____-____

Facsimile: ____-____-____

E-mail address: _____

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

7.5.3 Procurement Authority

The Procurement Authority for the Contract is:

For Mailing:

Department of National Defence
National Defence Headquarters
Major-General George R. Pearkes Building
101 Colonel By Drive Ottawa, Ontario, Canada
K1A 0K2

Attention: _____ ***To be inserted at contract award***

Telephone: ____-____-____

Facsimile: ____-____-____

E-mail address: _____

For Visits:

National Defence Headquarters
Louis St-Laurent Building
455 Blvd de la Carrière
Gatineau, Quebec
J8Y 6R5

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

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Procurement Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

7.5.4 Inspection Authority

The Inspection Authority for the Contract is: ***To be inserted at contract award***

National Defence Headquarters
MGen George R. Pearkes Building
Ottawa, Ontario
K1A 0K2

Attention: _____

Telephone: ____ - ____ - _____

Facsimile: ____ - ____ - _____

E-mail address: _____

The Inspection Authority is the representative of the department or agency for whom the Work is being performed under the Contract and is responsible for inspection of the Work and acceptance of the finished work. The Inspection Authority may be represented on-site by a designated inspector and any other Government of Canada inspector who may from time to time be assigned in support of the designated Inspector.

7.5.5 Contractor's Representative

The Contractor's Representative for the contract is: ***To be inserted at contract award***

Name: _____

Title: _____

Organization: _____

Address: _____

Telephone: ____ - ____ - _____

Facsimile: ____ - ____ - _____

E-mail address: _____

7.6 Payment

7.6.1 Basis of Payment – Firm Price(s)

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid firm price(s), as specified in Annex "C", Basis of Payment, FCA Free Carrier at Contractor facility, Incoterm 2010. Canadian customs duties and excise taxes are included and Applicable Taxes are extra.

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

7.6.2 Limitation of Expenditure

1. Canada's total liability to the Contractor under the Contract must not exceed \$_____ (Amount to be inserted at contract award date). Customs duties are included and Applicable Taxes are extra.
2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:
 - a. when it is 75 percent committed, or
 - b. four (4) months before the contract expiry date, or
 - c. as soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work, whichever comes first.
3. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

7.6.3 Multiple Payments

SACC Manual clause H1001C (2008-05-12) Multiple Payments

7.6.4 SACC Manual Clauses

C0305C (2014-06-26), Cost Submission - Limitation of Expenditure or Ceiling Price;
C2000C (2007-11-30), Taxes - Foreign-based Contractor;
C2605C (2008-05-12), Canadian Customs Duties and Sales Tax - Foreign-based Contractor;
C2608C (2015-02-25), Canadian Customs Documentation;
C2610C (2007-11-30), Customs Duties - Department of National Defence – Importer.

7.6.5 Time Verification

SACC Manual clause C0711C (2008-05-12) Time Verification

7.6.6 Financial Responsibility

Canada will not be responsible for payment of any claims, which exceed the financial limitations of the contract. Authority to carry out work is not, and shall not be construed as, authority to proceed with the work, which will result in exceeding the financial limitation of this contract. The only authority to proceed with work, which may, or will, result in the financial limitation of this contract being exceeded is specific and explicit authorization in writing by the Minister to exceed the financial limit. The Contracting Authority is to ensure that the successful contractor has appropriate cost control systems to comply with this requirement.

7.7 Invoicing Instructions

7.7.1 Invoicing Instructions for Category 1

Invoices will be submitted as follows:

1. Invoices must clearly identify the following:
 - a. DND financial coding (F C113, FC 2183CQ, CC 2183SD, GL 6225);
 - b. contract serial number;
 - c. details of items repaired including:
 - i. NSN;
 - ii. Description of item;
 - iii. Materiel costs;
 - iv. Other applicable costs;
 - v. Work order numbers; and
 - vi. Stock holding code change notification document number.
 - d. rate of payment.
2. The original and one (1) copy of the invoice, with all supporting documentation, must be forwarded to the DND Procurement Authority.
3. Payment will only be made on receipt of satisfactory invoices duly supported by specified release documents and other documents called for under the terms of the contract.

7.7.2 Invoicing Instructions for Category 2

1. Invoices must be submitted as specified in each DND 626, Task Authorization. Invoices must clearly identify the following:
 - a. DND financial coding as quoted on the tasking;
 - b. Contract serial number;
 - c. Task authorization requisition number;
 - d. Engineering or technical support classification;
 - e. Rate of payment;
 - f. Number of hours applicable to the task;
 - g. Approved travel and living expenses related to the task (receipts required); and
 - h. Receipts or other supporting documentation as required in the Contract or task.
2. The original invoice with attachments must be forwarded to the DND Procurement Authority. A copy of the invoice must be forwarded to the Contracting Authority.

7.8 Certifications and Additional Information

7.8.1 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.

7.8.2 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.

7.9 Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in _____. (*The name of the province will be identified at Contract Award as specified by the Bidder in its bid, if applicable*).

7.10 Priority of Documents

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

- (a) the Articles of Agreement;
- (b) the general conditions 1031-2 (2012-07-16), Contract Cost Principles;
- (c) the general conditions 2035 (2016-04-04), Higher Complexity - Services;
- (d) Annex A, Statement of Work;
- (e) Annex B, Logistics Statement of Work;
- (f) Annex C, Basis of Payment;
- (g) Annex D, Security Requirements Check List;
- (h) Annex E, Insurance Requirement;
- (i) the signed Task Authorizations (including all of its annexes, if any);
- (j) the Contractor's bid dated _____, (The date of bid will be as specified by the Bidder in its bid).

7.11 Defence Contract

SACC Manual clause A9006C (2012-07-16) Defence Contract

7.12 Insurance – Specific Requirement

The Contractor must comply with the insurance requirements specified in Annex "E". The Contractor must maintain the required insurance coverage for the duration of the Contract. Compliance with the insurance requirements does not release the Contractor from or reduce its liability under the Contract.

The Contractor is responsible for deciding if additional insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any additional insurance coverage is at the Contractor's expense, and for its own benefit and protection.

The Contractor must forward to the Contracting Authority within ten (10) days after the date of award of the Contract, a Certificate of Insurance evidencing the insurance coverage and confirming that the insurance policy complying with the requirements is in force. For Canadian-based Contractors, coverage must be placed with an Insurer licensed to carry out business in Canada, however, for Foreign-based Contractors, coverage must be placed with an Insurer with an A.M. Best Rating no less than "A-". The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

7.13 SACC Manual Clauses

A9019C (2011-05-16), Hazardous Waste Disposal;
A9062C (2011-05-16), Canadian Forces Site Regulations;
B8041C (2008-05-12), Catalogue of Material on Compact Disc-Read only Memory (CD-ROM);
D0035C (2010-01-11) Shipping Instructions (Department of National Defence) - Foreign-based Contractors;
D0037C (2016-01-28), Shipping Instructions (Department of National Defence) - Canadian-based Contractor;
D2000C (2007-11-30), Marking;
D2001C (2007-11-30), Labelling;
D2025C (2013-11-06), Wood Packaging Materials;
D3010C (2016-01-28), Delivery of Dangerous Goods/Hazardous Products;
D3014C (2007-11-30), Transportation of Dangerous Goods/Hazardous Products;
D3015C (2014-09-25), Dangerous Goods / Hazardous Products - Labelling and Packaging Compliance;
D5510C (2014-06-26), Quality Assurance Authority (Department of National Defence) - Canadian-based Contractor;
D5515C (2010-01-11) Quality Assurance Authority (Department of National Defence) - Foreign-based and United States Contractor;
D5540C (2010-08-16), ISO 9001:2008 Quality Management Systems - Requirements (Quality Assurance Code Q);
D5604C (2008-12-12) Release Documents (Department of National Defence) - Foreign-based Contractor;
D5605C (2010-01-11) Release Documents (Department of National Defence) - United States-based Contractor;
D5606C (2012-07-16), Release Documents (Department of National Defence) - Canadian-based Contractor.

7.14 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: _____ *To be inserted at contract award*

- 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

7.15 Quality Plan

No later than 30 days after the effective date of the Contract, the Contractor must submit for acceptance by the Department of National Defence (DND) a Quality Plan prepared according to the latest issue (at contract date) of *ISO 10005:2005 "Quality management systems - Guidelines for quality plans"*. The Quality Plan must describe how the Contractor will conform to the specified quality requirements of the Contract and specify how the required quality activities are to be carried out, including quality assurance of subcontractors. The Contractor must include a traceability matrix from the elements of the specified quality requirements to the corresponding paragraphs in the Quality Plan.

The documents referenced in the Quality Plan must be made available when requested by Public Works and Government Services Canada or DND.

If the Quality Plan was submitted as part of the bidding process, the Contractor must review and, where appropriate, revise the submitted plan to reflect any changes in requirements or planning which may have occurred as a result of pre-contract negotiations.

Upon acceptance of the Quality Plan by DND, the Contractor must implement the Quality Plan. The Contractor must make appropriate amendments to the Quality Plan throughout the term of the contract to reflect current and planned quality activities. Amendments to the Quality Plan must be acceptable to DND.

If the Contract includes the option for software 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"*.

7.16 Preparation for Delivery

Preparation for Delivery - Canadian-based Contractor

1. Preservation and packaging must be in accordance with the Canadian Forces packaging specification *D-LM-008-001/SF-001*, and must be marked to *D-LM-008-002/SF-001*. Form Level B **Pkg Data Form Req'd** must be in accordance with *D-LM-008-011/SF-001*.
2. Packaging data forms previously approved by Canadian authorities are acceptable.
3. Approved coded packaging data is shown immediately below the description of the item to which it applies. Where no data is shown, the Contractor must submit a packaging data form for approval.

Preparation for Delivery – United States-based Contractor

1. Preservation and packaging must be in accordance with the current issue of United States (U.S.) Department of Defense Military Standard MIL-STD-2073 and must be marked to MIL-STD-129.
2. Packaging data forms previously approved by U.S. authorities are acceptable.
3. Approved coded packaging data is shown immediately below the description of the item to which it applies. Where no data is shown, the Contractor must submit a packaging data form for approval

7.17 Shipping Instructions (Department of National Defence) - Canadian-based Contractor

1. Delivery will be FCA Free Carrier at Contractor facility Incoterms 2010. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

_____ (*DND Inbound Logistics Coordination Center Information will be provided at contract award*)

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

7.18 Progress Review Meetings

Progress Review Meetings must be held a minimum once per year following the project start-up meeting for the duration of the contract and whenever the Technical, Procurement or Contractual Authority deems it necessary. These meetings must address technical, contractual and procedural issues of the contract.

The Contractor must be responsible for the drafting and promulgation of agendas and minutes for these meetings. Progress Review Meetings are generally held at the contractor's facility.

7.19 Protection and Security of Data Stored in Databases

1. The Contractor must ensure that all the databases containing any information related to the Work are located in Canada or, if the Contracting Authority has first consented in writing, in another country where:
 - a. equivalent protections are given to personal information as in Canada under legislation such as the [Privacy Act](#), R.S. 1985, c.P-21, and the [Personal Information Protection and Electronic Documents Act](#), S.C. 2000, c.5, and under any applicable policies of the Government of Canada; and
 - b. the laws do not allow the government of that country or any other entity or person to seek or obtain the right to view or copy any information relating to the Contract without first obtaining the Contracting Authority's written consent.

In connection with giving its consent to locating a database in another country, the Contracting Authority may, at its option, require the Contractor to provide a legal opinion (from a lawyer qualified in the foreign country) that the laws in that country meet the above requirements, or may require the Contractor to pay for Canada to obtain such a legal opinion. Canada has the right to reject any request to store Canada's data in a country other than Canada if there is any reason to be concerned about the security, privacy, or integrity of Canada's data. Canada may also require that any data sent or processed outside of Canada be encrypted with Canada-approved cryptography and that the private key required to decrypt the data be kept in Canada in accordance with key management and storage processes approved by Canada.

2. The Contractor must control access to all databases on which any data relating to the Contract is stored so that only individuals with the appropriate security clearance are able to access the database, either by using a password or other form of access control (such as biometric controls).
3. The Contractor must ensure that all databases on which any data relating to the Contract is stored are physically and logically independent (meaning there is no direct or indirect connection of any kind) from all other databases, unless those databases are located in Canada (or in another country approved by the Contracting authority under subsection 1) and otherwise meet the requirements of this article.
4. The Contractor must ensure that all data relating to the Contract is processed only in Canada or in another country approved by the Contracting Authority under subsection 1.
5. The Contractor must ensure that all domestic network traffic (meaning traffic or transmissions initiated in one part of Canada to a destination or individual located in another part of Canada) is routed exclusively through Canada, unless the Contracting Authority has first consented in writing to an alternate route. The Contracting Authority will only consider requests to route domestic traffic through another country that meets the requirements of subsection 1.
6. Despite any section of the General Conditions relating to subcontracting, the Contractor must not subcontract (including to an affiliate) any function that involves providing a subcontractor with access to any data relating to the Contract unless the Contracting Authority first consents in writing.

7.20 Existing Technical Publications – Translation

The Contractor grants to Canada a non-exclusive, perpetual, irrevocable and royalty-free license to translate and reproduce for government use all or any part of the technical publications supplied with the equipment delivered under the Contract. Copyright in the

translation made by Canada or by independent contractors engaged by Canada will belong to Canada.

In addition to the copies which are to be delivered with the equipment, one (1) hard copy and one (1) soft copy of each publication must be forwarded to:

Department of National Defence
MGen George Pearkes Building
Ottawa, Canada
K1A 0K2
Attention: _____. *(To be inserted at contract award)*

7.21 Performance and Reliability

Equipment repaired or overhauled in accordance with the terms of this contract will be produced to meet the standards of performance and reliability described in applicable engineering orders and test sheets. When such standards are not described or when the standards described are considered by the Contractor to be inadequate, the Contractor will submit the standards of performance and reliability to which he proposes to repair/overhaul to the Technical Authority for DND approval.

7.22 Supply Accounting

Matériel held on Contractor Repair Parts Account (CRPA), Repair Shop Account (RSA) and Repairable Matériel Account (RMA) must be accounted for as per the Canadian Forces Supply System (CFSS) automated procedures in accordance with A-LM-184-001/JS-001. Government Furnished Overhaul Spares (GFOS) and Accountable Advanced Spares (AAS) will be accounted for in either a manual or an automated system. Regardless of the system used, the Contractor must maintain an audit trail acceptable to DND. Further, any automated or manual matériel accounting system must first be approved by the Procurement Authority. Supply accounting records for DND matériel must be maintained separate from other company records.

7.23 Condition of Material

The Contractor must provide material that is new production of current manufacture supplied by the principal manufacturer or its accredited agent. The material must conform to the latest issue of the applicable drawing, specification and part number, as applicable, that was in effect on the bid closing date. If new material is not available, in order to support turnaround time objectives, use of serviceable material may be authorized by the DND Technical Authority providing the material is the same form, fit and function as required.

7.24 Replacement Parts

It is the responsibility of the Contractor to supply all parts and components necessary to satisfy the services required by Canada. Replacement parts and subassemblies provided by the Contractor must be of new or like-new quality OEM parts and equivalent in function to original equipment parts. If new material is not available, in order to support turnaround time objectives, use of serviceable material may be authorized by the DND Technical Authority providing the material is the same form, fit and function as required. Serviceable exchange material may also be authorized by the TA to replace repairable engine accessories and components in order to support turnaround time objectives. Replaced parts shall become the property of the Contractor with the exception of any media or electronic components which contains Canada's confidential information. This information is to be erased in conjunction with, and with the permission of

Canada. All Contractor-supplied parts and associated labour will carry a twelve (12) months warranty.

7.25 Specifications

Unless otherwise specified, the latest issue in effect on the date of issuance of the Contract, of the following specifications, shall form part of this Contract at such time as any work requirement exists that falls within the terms of these specifications.

A-LM-184-001/JS-001	Special Instructions for Repair and Overhaul
D-02-006-008/SG-001	Design Change, Design Deviation and Waiver Procedures
A-LM-181-001/JS-001	Standard Supply Instructions
C-05-015-014/AM-000	Pre-Installation Failures
C-02-015-001/AG-000	Unsatisfactory Condition Reports

7.26 Identification Marking

All equipment assemblies or components after overhaul or reconditioning must have the original marking information restored and must have the following information added immediately adjacent to the original identification markings or previous reconditioning markings:
Reconditioner's Identification, Date of Reconditioning, date of expiration of Warranty and Inspector's stamp/number.

7.27 Environmental Protection

The Contractor is responsible for ensuring that all work carried out on a DND vessel by staff, or duly appointed sub-contractors, under this contract is:

- Completed using personnel qualified and certified in the scope of work that they are undertaking and,
- In compliance with all applicable municipal, provincial, federal and statutory environmental protection laws and regulations.

Prior to the commencement of work, each contractor must have in place an Emergency / Spill Response Plan and also processes and procedures for the identification, management, handling and disposal of all substances, pollutants and material covered by the applicable municipal, provincial, federal and statutory environmental protection laws and regulations.

Copies of all Hazardous Material Disposal Certificates raised whilst completing any work under the scope of the contract are to be provided to the Inspection Authority. Furthermore, additional evidence of compliance with municipal, provincial, federal and statutory environmental laws and regulations is to be forthwith furnished by the Contractor to the Inspection Authority upon request.

Failure to comply with any of the above will be, of and by itself, grounds for termination of the contract for default.

7.28 Warranty

The Work or any part of the Work found to be defective or non-conforming will be returned to the Contractor's plant for replacement, repair or making good. However, when in the opinion of

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Canada it is not expedient to remove the Work from its location, the Contractor must carry out any necessary repair or making good of the Work at that location. In such cases, the Contractor will be paid the fair and reasonable Cost (including reasonable travel and living expenses) incurred in so doing, with no allowance for profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.

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ANNEX "A"

STATEMENT OF WORK

STATEMENT OF WORK FOR REPAIR AND OVERHAUL CONTRACT NAPIER TURBOCHARGERS (TYPE A&B)

1. SCOPE

1.1 This Statement of Work (SOW) states the requirements of the Department of National Defence (DND) for Repair and Overhaul (R&O) of Napier Turbochargers Type A & B and associated Cartridge assembly fitted on the HALIFAX Class frigate propulsion diesel engines (PDEs). The Logistics (generic) Statement of Work for Free Flow (Components) for Repair and Overhaul (R&O) is specified in Annex B of the R & O contract.

2. DETAILS OF TURBOCHARGERS

2.1 The turbochargers fitted on the PDEs are of NAPIER type, manufactured by Napier Turbochargers Limited in England.

Types of turbochargers and cartridge assemblies fitted in PDEs are:

- a. Turbocharger Type A, Part No. NA 355-A, NSN 2950-99-880-8158;
- b. Turbocharger Type B, Part No. NA 355-B, NSN 2950-99-547-8540;
- c. Cartridge Assembly, Part No. NA 355-C, NSN 2950-99-338-7991;
- d. Nozzle Assembly, Part No. NA 355-650, NSN 2950-99-309-4661;
and
- e. Casing, Compressor Outlet, Part No. NA 355-401, NSN 2950-99-781-8226.

3. REQUIREMENTS

3.1 All turbochargers and cartridge assemblies received for overhaul shall be dismantled; all individual components shall be cleaned and inspected, the nozzle assembly, turbine shaft and impeller shall be dye-penetrant and checked for fatigue and cracks, the rotor assembly shall be dynamically balanced, and any parts shall be renewed or replaced as required. All repairs shall be conducted in accordance with Napier Turbochargers Ltd. approved procedures.

3.2 The contractor shall supply all parts and labor to return the turbochargers/ cartridge assembly to "as-new" serviceable condition.

3.3 The contractor shall advise if any change/upgrade to the parts or assemblies were made during the repair, including part number changes.

3.4 The contractor shall ensure the latest upgrades approved by Napier Turbochargers Limited are installed on each turbocharger or cartridge assemble to be repaired or overhauled.

3.5 For each turbocharger or cartridge assembly that comes for R&O, the contractor shall prepare a service report. The report shall contain details of the repairs, tests, upgrade and adjustments conducted for each unit overhauled. The report shall be shipped with each serviced unit. The shipping package shall be identified with part number, serial number and NSN.

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3.6 The contractor shall advise the Technical Authority (TA) if the unit(s) received is damaged and determined to be beyond repair.

3.7 The contractor shall advise the TA of any supportability/ obsolescence issues with the units as soon as they are known.

4. DELIVERABLES

4.1 Deliverables under this SOW shall be defined work in category 1 or 2 as applicable and include reports or other documents as requested by the TA.

5. POINT OF CONTACT

5.1 The TA for technical matters _____ (*TA contact Information will be provided at contract award*).

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ANNEX "B"

LOGISTICS STATEMENT OF WORK

(Separately attached)

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ANNEX "C"

BASIS OF PAYMENT

1.0 Basis of Payment

During the period of Contract, for Work performed in accordance with the Contract, the Contractor will be paid as specified below:

The mark-up includes the transportation charges and Canadian customs duties and excise taxes, from out of country to Canada, FCA Free Carrier at Contractor facility, Incoterms 2010.

Category 1 & 2, Repair and overhaul (R&O), Mobile Repair Party (MRP), Field Service Representative (FSR), Technical Investigation and Engineering Support (TIES) and Special Investigations and Engineering Studies (SITS) and Disposal

LABOUR HOURLY RATES & MATERIAL PRICES					
Working hours	Year 1	Year 2	Year 3	Option Year 1	Option Year 2
Regular Time: hourly rate for a normal working day i.e. any 8-hour period, Monday to Friday inclusive and totaling 40 hours per week	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h
Overtime: hourly rate for Monday to Friday overtime commencing after 8 hours of continuous work at regular time rate	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h
Overtime: rate for work to be executed on Saturdays, Sundays and Statutory Holidays	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h
New Material Mark-up (%) on Applicable Laid-down Cost	%	%	%	%	%

1.1 Travel time and Kilometric Charges

Contractor personnel may be required to travel to National Defence Headquarters (NDHQ) or other military establishments, to other Contractor's plants, and to other locations within Canada and internationally, as may be designated by the Technical Authority. All travel will require prior written approval of the Technical Authority.

At such time the Contractor personnel may be provided service transportation, and, on a cost reimbursable basis, accommodation and messing equivalent to that of an officer in the Canadian Forces.

Travel time and kilometrage charges for a service call will be invoiced from the Contractor's mobile repair unit base address nearest to the DND place of work, as indicated in the Contract, or from the actual

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location of the Contractor's mobile repair unit vehicle nearest to the DND place of work, whichever is the shortest distance.

1.2 Travel and Living Expenses

For Services rendered in accordance with Annex "A", the Contractor will be paid for the actual travel time in accordance with the hourly rates specified in this annex.

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 Technical Authority.

All payments are subject to verification by the Government.

1.3 Transportation Costs

DND will take charge of transportation (round trip), including costs, of components between the Contractor's facility in Canada and the DND places of work.

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ANNEX "D"

SECURITY REQUIREMENTS CHECK LIST

(Separately attached)

ANNEX "E"

INSURANCE REQUIREMENT

Commercial General Liability Insurance

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$2,000,000 per accident or occurrence and in the annual aggregate.
2. The Commercial General Liability policy must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by Public Works and Government Services Canada.
 - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
 - c. Products and Completed Operations: Coverage for bodily injury or property damage arising out of goods or products manufactured, sold, handled, or distributed by the Contractor and/or arising out of operations that have been completed by the Contractor.
 - d. Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.
 - e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
 - f. Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
 - g. Employees and, if applicable, Volunteers must be included as Additional Insured.
 - h. Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
 - i. Broad Form Property Damage including Completed Operations: Expands the Property Damage coverage to include certain losses that would otherwise be excluded by the standard care, custody or control exclusion found in a standard policy.
 - j. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
 - k. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
 - l. Amendment to the Watercraft Exclusion to extend to incidental repair operations on board watercraft

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ANNEX “F”

DND 626 TASK AUTHORIZATION FORM

(Separately attached)

ANNEX "G" to PART 3 OF THE BID SOLICITATION

ELECTRONIC PAYMENT INSTRUMENTS

Canada requests that Bidders complete option 1 or 2 below:

1. ☐ Electronic Payment Instruments will be accepted for payment of invoices.
The following Electronic Payment Instrument(s) are accepted:
 - ☐ VISA Acquisition Card;
 - ☐ MasterCard Acquisition Card;
 - ☐ Direct Deposit (Domestic and International);
 - ☐ Electronic Data Interchange (EDI);
 - ☐ Wire Transfer (International Only);
 - ☐ Large Value Transfer System (LVTS) (Over \$25M)

2. ☐ Electronic Payment Instruments will not be accepted for payment of invoices.

The Bidder is not obligated to accept payment by Electronic Payment Instruments.

Acceptance of Electronic Payment Instruments will not be considered as an evaluation criterion.

ANNEX "H" to PART 5 OF THE BID SOLICITATION

FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY – CERTIFICATION

I, the Bidder, by submitting the present information to the Contracting Authority, certify that the information provided is true as of the date indicated below. The certifications provided to Canada are subject to verification at all times. I understand that Canada will declare a bid non-responsive, or will declare a contractor in default, if a certification is found to be untrue, whether during the bid evaluation period or during the contract period. Canada will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply with any request or requirement imposed by Canada may render the bid non-responsive or constitute a default under the Contract.

For further information on the Federal Contractors Program for Employment Equity visit [Employment and Social Development Canada \(ESDC\) – Labour's website](#).

Date: _____ (YYYY/MM/DD) (If left blank, the date will be deemed to be the bid solicitation closing date.)

Complete both A and B.

A. Check only one of the following:

- ☐ A1. The Bidder certifies having no work force in Canada.
- ☐ A2. The Bidder certifies being a public sector employer.
- ☐ A3. The Bidder certifies being a federally regulated employer being subject to the Employment Equity Act.
- ☐ A4. The Bidder certifies having a combined work force in Canada of less than 100 permanent full-time and/or permanent part-time employees.

A5. The Bidder has a combined workforce in Canada of 100 or more employees; and

- ☐ A5.1. The Bidder certifies already having a valid and current Agreement to Implement Employment Equity (AIEE) in place with ESDC-Labour.
- OR**
- ☐ A5.2. The Bidder certifies having submitted the Agreement to Implement Employment Equity (LAB1168) to ESDC-Labour. As this is a condition to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to ESDC-Labour.

B. Check only one of the following:

- ☐ B1. The Bidder is not a Joint Venture.

OR

- ☐ B2. The Bidder is a Joint venture and each member of the Joint Venture must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification. (Refer to the Joint Venture section of the Standard Instructions)

ANNEX "I"

EVALUATION PLAN

1.0 Evaluation plan

1.1 Mandatory Technical Criteria

All mandatory technical criteria must be met in order to be technically compliant. The Offeror must submit the supporting documentation required in accordance with this requirement.

The mandatory technical criteria to be met by bidder are described in the following table:

No.	Mandatory Technical Criteria	Meets requirement – Y/N	Description (How the Bidder demonstrates compliance with the criterion (when applicable))	Bidder Proposal Reference (page #, section)
1	The bidder shall be a Napier Turbocharger Authorized Agent (Service Centre).		The bidder must provide a proof of certified repair/service facility.	
2	The bidder shall have overhauled Napier turbochargers in the last 5 year period.		The bidder must provide proof via reference letters from customers, only one letter if a single customer.	
3	The bidder shall have at least one Napier qualified Field Service Representative (FSR) who received product training on the operation and maintenance of NAPIER 5 Series Turbochargers, which is available to respond to DND requirements.		The bidder must provide a document (letter or certificate) issued by NAPIER Turbochargers Ltd that proves such training had been completed by the proposed, i.e. named, FSR(s). The bidder must provide a statement confirming that linked FSR(s) will be available to respond to DND requirements.	
4	The bidder shall offer a warranty period of 1 year (12 months) on all overhauled Napier Turbocharger.		The bidder must provide a written statement where he declares accepting to provide a one-year period warranty.	
5	FSR's bidder must respond within 48 hours of the request for repair, service and failure investigations of Turbochargers at Esquimalt (BC) and Halifax (NS) dockyards.		The bidder must provide a statement in which he commits to meet this requirement during the course of an eventual contract resulting from this bid submission.	
6	The Bidder shall have a location in Canada for shipment purposes		The bidder must provide the address of its location in Canada.	

1.2 Financial Evaluation Criteria

The financial evaluation criteria are shown in the following table, named Financial Bid Presentation Sheet.

In order to present a bid to be considered receivable for the financial evaluation, all cells provided for rates or costs in the below the Financial Bid Presentation Sheet must be properly filled in. All amounts should be provided in Canadian dollars (\$CAD) only. The bidder is to include the transportation charges and Canadian customs duties and excise taxes, from out of country to Canada, FCA Free Carrier at Contractor facility, Incoterms 2010 in its mark-up %.

The sum of the sub-totals shown in the Financial Bid Presentation Sheet (Table) will constitute the basis of the financial evaluation.

The estimates of levels of effort and spending amounts shown in the table below are only estimations made in good faith and are not to be considered in any way as commitment from Canada. The Labour Firm Hourly Rates and the New Material mark-up (%) proposed by a bidder will be used in the evaluation and be part of the Basis of payment of an eventual contract if the bid is selected. Please note that Firm Hourly Rates cover Categories 1 and 2.

Instructions

The Bidder must complete all Cells in the table below:

Financial Bid Presentation Sheet (table)

Category 1 & 2, Repair and overhaul (R&O), Mobile Repair Party (MRP), Field Service Representative (FSR), Technical Investigation and Engineering Support (TIES) and Special Investigations and Engineering Studies (SITS) and Disposal

Prices and Rates in Canadian dollars only (\$CAD)						
	Year 1	Year 2	Year 3	Option Year 1	Option Year 2	(Sub) Total
LABOUR FIRM HOURLY RATES FOR CATEGORY 1 & 2						
Regular Time						
Proposed hourly rate for a normal working day i.e. any 8-hour period, Monday to Friday inclusive and totaling 40 hours per week	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h	
Estimated number of working hours at regular time rate per year	200	200	200	200	200	
Regular Time Sub-Total (A)	\$	\$	\$	\$	\$	\$
Overtime Monday to Friday						
Proposed hourly rate for Monday to Friday overtime commencing after 8 hours of continuous work at regular time rate	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h	

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Estimated number of hours for work to be executed in excess of regular time 8 hours per day (Estimated hours per year)	40	40	40	40	40	
Overtime Monday to Friday Sub-Total (B)	\$	\$	\$	\$	\$	\$
Overtime Saturdays, Sundays and Statutory Holidays						
Proposed hourly rate for work to be executed on Saturdays, Sundays and Statutory Holidays	\$____/h	\$____/h	\$____/h	\$____/h	\$____/h	
Estimated number of hours for work to be executed on Saturdays, Sundays and Statutory Holidays (Estimated hours per year)	20	20	20	20	20	
Saturdays, Sundays and Statutory Holidays Sub-Total (C)	\$	\$	\$	\$	\$	\$
NEW MATERIAL						
New Material: Applicable Laid-down Cost and Mark-up (combined %)	1+____%	1+____%	1+____%	1+____%	1+____%	
Estimated Amount per year for material & spares	\$125,000	\$127,500	\$130,050	\$132,651	\$135,304	
New Material Sub-Total (D)	\$	\$	\$	\$	\$	\$
Yearly Total of Prices (E) = (A) + (B) + (C) + (D)	\$	\$	\$	\$	\$	
Evaluated Price (Total) : (E) Year 1 + (E) Year 2 + (E) Year 3 + (E) Option Year 1 + (E) Option Year 2						\$

Example for calculating New Material Sub-Total Value:

Assume a combined percent of 10% for Laid-down Cost and mark-up for Year 1

New Material Sub-Total for Year 1 = \$125,000 X 1.10 = \$137,500

LOGISTICS
STATEMENT OF WORK

For

Repair and Overhaul Contracts
Including
In and Out of Country Repair
Major Equipment
Accountable Advance Spares

Issued on authority of the Assistant Deputy Minister (Material) (ADM(Mat))

OPI: DMPP 9 30-09-2015

Record of Changes

[illegible]

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1.0 GENERAL INTRODUCTION

1.1 AIM

This Logistic Statement of Work (LOG SOW) is distributed on the authority of the Assistant Deputy Minister (Material) (ADM(Mat)). It will be distributed, as required, internally to ADM (Mat) staff engaged in creating Repair and Overhaul (R&O) Contracts and Procurement Instruments (PI) and those who manage Repair and Overhaul Contracts.

This is a common LOG SOW which will entail contract conditions for Repair and Overhaul contracts for:

In and Out of country: For step by step instruction on in and out of country repair process refer to Annex B in the A-LM-184-001/JS-001. This model will describe the roles and responsibilities in the end to end repair process.

Major Equipment: For complete instructions on receipt of Major Equipment, refer to Chapter 2 in the A-LM-184-001/JS-001

Accountable Advance Spares For complete instruction on AAS, refer to Chapter 8.2.7 in the A-LM-184-001/JS-001

This LOG SOW is to be read in conjunction with the A-LM-184-001/JS-001 for additional information.

It is important to understand the system of record (DRMIS) being used in DND and the various account structures in place. All of this information is located in Chapter 1.1 of the A-LM-184-001/JS-001.

1.2 EXTENT OF WORK/TYPES OF EQUIPMENT

Refer to Chapter 1.2 of A-LM-184-001/JS-001 for further information on the different types of DND Equipment that are authorized for repair and the category types.

2.0 RECEIPT

Refer to Ch. 2.0 of the A-L-M 184 for complete instruction on how to process receipts

2.1 DISCREPANCIES IN SHIPMENTS

The Contractor shall action discrepancies in shipments in accordance with Chapter 2.1 of A-LM-184-001/JS-001.

3.0 WORK CONTROL

The Contractor shall ensure that the repair of all DND equipment is controlled by a serial numbered work order IAW Chap 3 of A-LM-184-001/JS-001.

3.1 COMPLETION OF WORK

Refer to Chapter 3.1 of A-LM-184-001/JS-001.

3.2 STOP REPAIR ACTION

The Contractor shall comply immediately with all stop repair instructions. Detailed procedures are contained in Chapter 3.2 of A-LM-184-001/JS-001.

4.0 ANNUAL REPAIR FORECAST - SNAPs

Refer to Chapter 4 of the A-LM-184-001/JS-001 for more information.

5.0 COST CONTROL

Refer to Chapter 5.0 of the A-LM-184-001/JS-001 for more information

6.0 COSTING RECORDS

The Contractor shall prepare forms and maintain records IAW Chapter 6.0 of the A-LM-184-001/JS-001.

6.1 INVOICE / CLAIMS FOR PAYMENT (AAS SPARES)

The Contractor shall submit monthly invoices for AA spare parts, IAW Chapter 6.1 of the A-LM-184-001/JS-001.

7.0 MAINTENANCE SUPPORT-MINOR REPAIRS

Refer to Chapter 7.0 of the A-LM-184-001/JS-001 for more information

7.1 MOBILE REPAIR PARTIES (MRPs)

Refer to Chapter 7.1 of the A-LM-184-001/JS-001 for more information

7.2 EQUIPMENT TURN AROUND TIME (TAT)

Refer to Chapter 7.2 of the A-LM-184-001/JS-001 for more information

7.3 PRIORITY REPAIR REQUEST (PRR)

Refer to Chapter 7.3 of the A-LM-184-001/JS-001 for more information

7.4 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)

Refer to Chapter 7.4 of the A-LM-184-001/JS-001 for more information

7.5 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)

Refer to Chapter 7.5 of the A-LM-184-001/JS-001 for more information

7.6 TERMINATION OF CONTRACT

Refer to Chapter 7.6 of A-LM-184-001/JS-001.

8.0 SUPPLY SUPPORT/IN SERVICE SUPPORT/

8.1 TRANSACTION DOCUMENTATION

Refer to Chapter 8.1 of A-LM-184-001/JS-001 for more information

8.2 CONTRACTOR SUPPLY ACCOUNTING

Refer to Ch. 8.2. For explanation of CRPA/CIS

8.2.3 CONTRACTOR ISSUE SPARES (CIS) MATERIEL RECEIVED OFF CONTRACT/PROCUREMENT

Refer to Chapter 8.2.3 of A-LM-184-001/JS-001 for more information

8.2.4 SHORTAGE OF CONTRACT ISSUE SPARES (CIS)

Refer to Section 8.2.4 of A-LM-184-001/JS-001.

8.2.5 ORDERING/RECEIVING CATALOGUED CIS IN DRMIS

Refer to Section 8.2.5 of A-LM-184-001/JS-001.

8.2.6 GOVERNMENT FURNISHED OVERHAUL SPARES (GFOS)

Refer to Section 8.2.6 for further explanation and detail.

8.2.7 ACCOUNTABLE ADVANCE SPARES (AAS)

Refer to Section 8.2.7 for further explanation and detail.

8.3 MANAGEMENT OF DND-OWNED SPARES

Refer to Chapter 8.3.1 of A-LM-184-001/JS-001 for more information

8.4 SPARES REVIEW

Refer to Chapter 8.4 of A-LM-184-001/JS-001 for more information

8.4.1 IMPORTATION OF AAS:

Refer to Chapter 8.4.1 of A-LM-184-001/JS-001 for more information

8.4.2 LOAN OF GOVERNMENT FURNISHED INFORMATION/ GOVERNMENT FURNISHED EQUIPMENT (GFI/GFE)

Refer to Section 8.4.2 for further explanation and detail.

8.5 STOCKTAKING

Refer to Section 8.5 for further explanation and detail

8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM)

Refer to Chapter 8.6 of A-LM-184-001/JS-001

8.7 EMBODIMENT FEES

Refer to section 8.7 of A-LM-184-001/JS-001 for further explanation and detail.

8.8 LOSS OR DAMAGE TO DND MATERIEL

Refer to section 8.8 of A-LM-184-001/JS-001 for further explanation and detail.

8.9 SCRAP - CUSTODY & DISPOSAL

Refer to section 8.9 of A-LM-184-001/JS-001 for further explanation and detail.

8.10 PACKAGING

Refer to section 8.10 of A-LM-184-001/JS-001 for further explanation and detail.

8.11 REUSABLE CONTAINER

Refer to Chapter 8.11 of the A-LM-184-001/JS-001.

8.12 TRANSPORTATION/SHIPMENT IDENTIFICATION/MODE OF SHIPMENT/LOSS OR DAMAGE IN TRANSIT/ GENERAL CLAIMS PROCEDURES

Refer to Chapter 8.12 of the A-LM-184-001/JS-001 for more information

8.13 CUSTOMS & EXCISE

Refer to Chapter 8.12 of the A-LM-184-001/JS-001 for more information

9.0 WARRANTY CONSIDERATION

Refer to Chapter 9.0 of the A-LM-184-001/JS-001 for more information.

10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS

Refer to Chapter 10.0 of the A-LM-184-001/JS-001 for more information.

11.0 PUBLICATIONS

Refer to Chapter 11 of A-LM-184-001/JS-001 for more information.

12.0 OFFICE SERVICES

Refer to Ch. 12 of A-LM-184-001/JS-001 for further explanation.

13.0 MINUTES OF MEETINGS

Refer to Ch. 13 of A-LM-184-001/JS-001 for further explanation.

14.0 PLANT SHUTDOWN/VACATION PERIOD

Refer to Ch. 14 of A-LM-184-001/JS-001 for further explanation.

15.0 REPORTS

Refer to Ch. 15 of A-LM-184-001/JS-001 for complete list of reports available to contractors.

A-LM-184-001/JS-001

SPECIAL INSTRUCTIONS FOR:

REPAIR AND OVERHAUL CONTRACTORS

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

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

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DISTRIBUTION AUTHORITY

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

SCOPE

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

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

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

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

4. Periodically, reference is made to Supply Procedures in the [A-LM-007-100/AG-001, Supply Administration Manual \(SAM\)](#), [Procurement Administration Manual \(PAM\)](#), [Disposal Surplus Material Guidance, \(DSMG\)](#) and other publications that contain additional R&O instructions. **Contractors will not be issued publications but should request information or clarification from the supporting NDQAR or the PA/contract authority for out of country contracts.** Contractors/vendors who do not have access to the various links will have to contact the supporting NDQAR or the PA/contract authority for out of country contracts for assistance.

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

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

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

CONTEXT

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

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

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

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

CHANNELS OF COMMUNICATION

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

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

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

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Ch. 1.0 GENERAL INTRODUCTION

1.1 AIM

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

DRMIS:

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

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

CIS (Contract Issue Spares):

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

- All spare parts issued to a contractor as part of CIS are to be catalogued and are visible in the system of record ([DRMIS](#)) for National Defence.
- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM.
- DND is prepared to accept the scheduled risk consequential to the late delivery of CIS from DND supporting facilities (CFSD).

CRPA (Contractor Repair Parts Account): [DRMIS](#) provisioning account (_P) with a Serviceable and an Unserviceable storage location. It records all managed spare parts pre-propositioned within that CRPA Plant /Serviceable Storage Location. The spares are located at the contractor's repair facility and are to be used to assist on the repair of the repairable items contracted out for repair. These spares are called

Contract Issue Spares (CIS) because they are DND spares issued to the contractor in order to affect the repair or overhaul of DND equipment.

GFOS (Government Furnished Overhaul Spares)

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

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

AAS (Accountable Advance Spares)

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

GFE/GFI:

- **Government Furnished Equipment (GFE)** is DND-owned equipment provided by DND to a contractor, on a loan agreement, to be used during the contract period and returned in essentially the same condition (subject to fair wear & tear) at the end of the contract. The equipment included in GFE is any equipment used in the production process, such as machine tools, special production tooling, tooling, ground handling equipment, and any other items or equipment that are considered to be in the best interest of DND. Any equipment used in testing process, such as prototypes, sealed samples, models, and any other items or equipment that are considered to be in the best interest of DND. The equipment NOT normally included in GFE is: materiel to be consumed or used in the manufacture or maintenance process, or materiel that will be used for any purpose that would prevent it being returned in substantially the same condition as when loaned, subject to fair wear and tear.
- **Government Furnished Information (GFI)** is any information that DND will provide, on a loan agreement, to the contractor to enable contract fulfillment. This normally includes items such as DND specifications, NATO (North Atlantic Treaty Organization) codification requirements, and Technical Data Packages (TDP). GFE/GFI clauses will be included in original contract; otherwise a contract amendment will be required. Refer to the Supply Support Section in [Section 8.4.2](#) and [Annex F](#) for more information on the loan of GFE/GFI.

1.2 EXTENT OF WORK/TYPES OF EQUIPMENT

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

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

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

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

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

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

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

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

Ch. 2.0 RECEIPTS

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

- Identify the equipment and ensure they are authorized to repair (SNAPS, RMR, SRR, DND 626, EPM Fax or Email);
- Open a separate work order for each repairable item;
- Carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;
- complete receipt documentation, including any adjustment transactions or work order number;
- Carry out a physical check to ensure that the item is complete according to any Material Authorization Document (MA) checklists in [DRMIS](#). MA documents can be found in DRMIS by individual Material Master Records (MMR) by using the T-Code (MM03) and under the Basic data 1 and Material Planning Object or Services for Object tabs;
- Action warranty materiel. (If warranty repair required refer to [Ch 9](#)); and
- If item is Major Equipment (M Class), verify the completeness of the equipment against the appropriate check list and process IAW [Annex O- EMO to R&O and return to Supply System](#).

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

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

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

Where it is impossible to determine the cost to repair, the Contractor may be granted authority by the PA to strip the equipment so as to assess its repair and/or overhaul potential and to estimate the costs.

Unless otherwise specified, and regardless of the value of the equipment, the cost of the work involved in estimating repair is chargeable to the item whether or not it is subsequently repaired.

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

On receipt of Major (A Class) equipment, the Contractor shall check the completeness of the major equipment against the appropriate check lists and the consignor's issue voucher, and report any discrepancy to the consignor with an information copy to the National Defence Quality Assurance Representative (NDQAR) and the Procurement Authority. The Contractor shall, within three working days of receipt of equipment, notify their supporting NDQAR, by email stating the applicable Stock Transport Order/Vehicle Movement Order (QTO/EMO/BMO) message, type and model, CFR, serial number(s)/EMR and date of receipt.

2.1 DISCREPANCIES IN SHIPMENTS

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

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

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

Commodity

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

2.2 INITIAL INSPECTION OF REPAIRABLE MATERIAL

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

Ch. 3.0 WORK CONTROL

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

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

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

3.1 COMPLETION OF WORK

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

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

Signed

Contractor Certification

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

Signature _____ **Date** _____

(Contractor QC)

—

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

3.2 STOP REPAIR ACTION

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

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

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

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

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

Ch. 4.0 ANNUAL REPAIR FORECAST - SNAPs

The contractor shall notify the PA when the receipt for a selected repairable line item exceeds the current (fiscal) year forecast (CYF) in the SNAPs report. The CYF is the quantity of items the contractor is authorized to repair from the 1st of April to the 31st Mar. The contractor shall not repair the line item until written approval is received from the PA or the SNAPs forecast amended.

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

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

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

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

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

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

Ch. 5.0 COST CONTROL

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

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

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

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

Ch. 6.0 COSTING RECORDS

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

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

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

6.1 INVOICES / CLAIMS FOR PAYMENTS (applicable to AAS)

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

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

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

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

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

Ch. 7.0 MAINTENANCE SUPPORT- MINOR REPAIRS

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

7.1 MOBILE REPAIR PARTY (MRP)

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

7.2 EQUIPMENT TURN AROUND TIME (TAT)

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

7.3 PRIORITY REPAIR REQUEST (PRR)

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

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

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

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

7.4 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)

When authorized by the Procurement Authority via a Task Authorization/DND 626, the Contractor shall open a work order undertake special investigation and technical

studies and shall provide relevant data to these investigations as and when required. The scope of work normally covered under special investigation and technical studies is to cater for equipment not meeting fit form and function specification standards or due to repetitive failures. This excludes studies and/or investigations which have or will have fleet fitment application.

7.5 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)

When authorized by the PA, via a Task Authorization/DND 626, the Contractor shall undertake technical investigations and engineering studies. This activity includes the provision of system and maintenance support and management services. It includes the requirement analysis and planning to ensure current reliability availability of specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as the development of policies and maintenance procedures. It includes the contract management activities as well as the validation/acceptance of deliverables when maintenance activity is contracted.

7.6 TERMINATION OF CONTRACT

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

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

Ch. 8.0 SUPPLY SUPPORT/IN SERVICE SUPPORT

8.1 TRANSACTION DOCUMENTATION

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

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

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

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

8.2 CONTRACTOR SUPPLY ACCOUNTING

8.2.1 RMA:

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

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

8.2.2 CRPA/CIS (Contract Issued Spares):

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

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

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

- Initial Max and Min levels are to set by DQA R&O (where applicable) on authority of the PA for MMR's held on a CRPA. Subsequent amendments to levels will be actioned by NDQAR/ Contractor upon PA approval,
- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize

this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement. (Contract furnished material) CFM

- DND is prepared to accept the schedule risk consequential to the late delivery of CIS from DND supporting facilities. Deviations to the foregoing may be acceptable in the following circumstances and if authorized by the contract authority:
 - a. Urgent operational requirements may justify the use DND inventory even though the spare part would normally be obtained by the contractor through other means.
 - b. Safety considerations may require the use of DND inventory.

8.2.3 CIS MATERIEL RECEIVED OFF CONTRACT/PROCUREMENT

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

8.2.4 SHORTAGE OF CONTRACT ISSUE SPARES

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

8.2.5 ORDERING/RECEIVING CATALOGUED CIS IN DRMIS

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

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

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

8.2.6 GFOS: Government Furnished Overhaul Spares:

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

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

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

http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf

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

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

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

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

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

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

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

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

- Batch considered contaminated;
- Items rendered unusable because of corrosion attributable to factors beyond the control of the contractor or Complete inability to establish serviceability at a

viable cost, etc.;

- Or items that fail to meet the quality assurance standards;
- Material unfit for use because of unserviceable conditions; and
- Shelf life expired.

For these items listed above the contractor shall remove these items from stock and prepare a DND 2227 to correct your stock record accordingly.

8.2.7. Accountable Advance Spares-AAS

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

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

The circumstances under which AAS may be purchased are:

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

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

http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf

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

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

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

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

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

8.3 MANAGEMENT OF DND-OWNED SPARES

8.3.1 Spares shall be used in the following order:

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

8.4 SPARES REVIEW

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

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

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

http://materiel.mil.ca/assets/MAT_Intranet/docs/en/business-functions-disposal/disposal-of-surplus-materiel-guidance.pdf

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

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

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

8.4.1 IMPORTATION OF AAS:

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

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

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

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

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

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

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

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

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

Vendor responsibilities:

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

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

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

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

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

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

8.5 STOCKTAKING

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

8.5.1 The stocktaking process consists of:

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

8.5.2 The Contractor is responsible for:

- Any discrepancies in stockholdings versus stock records;
- Initiating and completing stocktaking IAW the stocktaking plan;

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

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

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

8.5.3 Adhoc Stocktaking

The Contractor will initiate an adhoc stocktaking no later than 48 hours after a discrepancy is found or reported, or is suspected either for a single or a range of MMRs or part numbers. The Contractor will investigate discrepancies identified by the NDQAR or the Out-of-Country Repair Section (OCRS), and if such discrepancies are not resolved, submit a supply document to adjust the Contractor's [DRMIS](#) records. DND will determine the action to be taken to either report surpluses or deficiencies using a write-off report, and/or request reimbursement from the Contractor for shortages, depending on the circumstances.

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

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

8.5.4 Stocktaking Plan

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

The Contractor will distribute a copy of the Stocktaking Plan to the Procurement Authority and the NDQAR/OCRS for review and concurrence. The Contractor will not

initiate any 100% stocktaking unless PA approval has been given. Once the approval has been given NDQAR/OCRS will provide further directions on using the applicable reports to provide visibility of material into Work Orders.

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

8.5.5 Scheduled Stocktaking Notice

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

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

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

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

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

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

8.5.6 COUNT SHEETS

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

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

following

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

8.5.7 STOCK COUNT

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

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

8.5.8 REPORT AND RESOLVE STOCKTAKING DISCREPANCIES

8.5.8.1 For inventory recorded in DRMIS

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

8.5.8.2 For inventory not recorded in *DRMIS*

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

The Contractor is responsible to:

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

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

- Inventory materiel type;
- MMR / Part Number;
- Description;
- Unit price (Use average price method for AAS);
- Stock balance before stocktaking (First Count);

- Stock quantity counted (First Count);
- Stock Quantity Adjusted;
- Stock balance after adjustment;
- Stock balance before (Second count);
- Stock counted (Second count);
- Stock quantity adjusted (if required); and
- Corrective actions, reference transaction and justification.

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

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

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

8.5.8.3 THIRD COUNT/INVESTIGATIONS

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

8.5.9 AAS AND GFOS STOCKTAKING

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

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

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

8.5.10 E TRACKED ITEMS VERIFICATION/STOCKTAKING

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

A. Semi-annually:

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

B. Quarterly:

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

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

8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM)

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

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

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

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

8.7 EMBODIMENT FEES

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

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

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

8.8 LOSS OR DAMAGE TO DND MATERIEL

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

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

- Weapons, Ammunition, Explosive Ordinance, Self-Contained

Weapons Systems, and Guided Missiles;

- Classified Equipment including Crypto and accountable COMSEC Materiel;
- Deficient Controlled Goods as defined in DAOD 3003-0; and
- Night Vision Devices (NVD).

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

8.9 SCRAP - CUSTODY & DISPOSAL

The Contractor shall safeguard, control, and dispose of the scrap materiel in accordance with Part 1 of Supply Administration Manual A-LM-007-100/AG-001 and Disposal of Surplus Materiel Guidance A-LM-007-015/AG-001. For all instructions pertaining to disposal NDQAR can ensure the contractor has a copy of "Disposal of Surplus Materiel Guidance A-LM-007-015/AG-001".

See EP 18 Disposal Model Annex R for step by step instruction in conjunction with the above publications.

Disposal of Scrap and/or waste materiel resulting from PSPC cost reimbursable contracts.

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

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

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

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

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

8.10 PACKAGING

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

- Method of packaging;

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

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

8.11 REUSABLE CONTAINER

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

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

Individual Reusable containers will be used and provided as per directed in this contract. The contractor may be required to inspect, repair or repaint reusable container.

Before application of required markings on reusable container, all non-applicable markings will be removed.

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

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

8.12 TRANSPORTATION

If contractors are required to return equipment back to DND, they must follow the terms and conditions of the contract in place. When it comes to transportation of R&O from the contractor, two terms are used in the contract to establish responsibilities. Uniform Commercial Codes (UCC) Free on Board (FOB) Plant or Incoterms 2000/2010 Free Carrier (FCA, insert named place of delivery). In either case, the contractor must contact the appropriate Inbound Logistics (IL) (ILEA Germany, ILUK England, ILQA Montreal, ILAA Halifax, ILCA Toronto and ILHQ Ottawa) for transportation and customs clearance as required. The contract will be very specific as to which IL the contractor must contact by the insertion of clause such as D0035C attached below. <https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/5/D/D0035C/2>

Once an item is repaired and returned to the storage location via an IW8W, process the stock transport order "ME21N" and proceed with the outbound delivery as per Annex B.

8.12.1 SHIPMENT IDENTIFICATION

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

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

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

8.12.2 MODE OF SHIPMENT

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

8.12.3 LOSS OR DAMAGE IN TRANSIT

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

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

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

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

8.12.4 GENERAL CLAIMS PROCEDURES

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

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

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

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

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

- notifying the carrier of loss or damage;

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

The appropriate comptroller/accounting officer is responsible for:

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

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

DOCUMENTATION AND RECORDS

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

SAMPLE LOSS/DAMAGE REPORT can be found in:

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

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

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

8.13.1

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

Ch. 9.0 WARRANTY CONSIDERATION

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

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

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

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

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

9.1 WARRANTY REVIEW BOARD

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

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

9.2 LIABILITY

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

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

- DND accepts full responsibility for all costs to repair or overhaul; or

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

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

9.3 ACCOUNTING

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

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

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

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

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

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

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

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

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

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

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

Ch. 10.0 CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS

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

Ch. 11.0 PUBLICATIONS

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

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

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

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

11.1 AVAILABILITY OF PUBLICATIONS

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

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

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

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

<http://dgmsscdev.ottawahull.mil.ca/mega/SCI%20Flowcharts%20Qualiware%20Production%20Area/QualiwareWWW/WorkFlowDiagram/1d89f4c0-af71-45e1-99b8-ef1ffa543540.html>

11.2 DISPOSAL OF PUBLICATIONS

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

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

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

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

Ch. 12.0 OFFICE SERVICES

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

Ch. 13.0 MINUTES OF MEETINGS

When minutes of meetings are required, the Contractor shall be responsible for taking them and preparing them in a format approved by the Procurement Authority. The Contractor shall submit the minutes to the contract authority or the Procurement Authority as directed at the meeting, within ten (10) working days following the meeting.

Ch. 14.0 PLANT SHUTDOWN/VACATION PERIOD

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

Ch. 15.0 REPORTS/QUERIES

15.1 MATERIAL MANAGEMENT REPORTS

The following reports are available from the supporting NDQAR:

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

15.2 MRP PROGRESS REPORTS

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

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

15.3 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS

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

15.4 ACCIDENT/INCIDENT REPORTS

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

15.5 ANNUAL DND OWNED INVENTORY REPORT

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

ANNEX A REPAIR OF COMPONENTS/ACCESSORIES PROCESS FLOWCHART

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



EP 04 Unserviceable
Repairable Component

ANNEX B IN / OUT OF COUNTRY REPAIR PROCESS FLOWCHART

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



EP 04 Repair and
Overhaul External (F)

ANNEX C SNAPS (Selection Notice and Priority Summary)Report

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



Annex C - SNAPS
TEMPLATE.docx

ANNEX D SNOM (Selection Notice Observation Message)

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



Annex D -
SNOM.docx

ANNEX E PRIORITY REPAIR REQUEST- (PRR)

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



PRR.pdf

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

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



Issue to a Loan via
DFPS.pdf



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

ANNEX G QD MESSAGE FORMAT DIR

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



Annex G - QD
Message.docx

ANNEX H RMA ACCOUNT DESIGN

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



Annex H - RMA
Account design.docx

ANNEX I STOCKTAKING SECURITY REQUIREMENTS FOR MATERIAL TYPES

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



Annex I - Material
Type.docx

ANNEX J STOCKTAKING PLAN

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



Annex J -
Stocktaking Plan - Ani

ANNEX K DRMIS STOCKTAKING COUNT SHEETS



Annex K - DRMIS
STOCKTAKING COUN

ANNEX L STOCKTAKING PROCESS MODEL

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



EP04 Repair and
Overhaul Physical Inv

ANNEX M DND OWNED INVENTORY REPORTING REQUIREMENTS

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



Annex M - DND
Owned Inventory Hol

ANNEX N STOCKTAKING SUMMARY REPORT

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



Annex N -
Stocktaking Summary

ANNEX O EMO TO R&O FACILITY

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



EMO to R&O.pdf

ANNEX P RMR TEMPLATE

A RMR is submitted when a repairable MMR (B, F, N) is not selected with forecasts in ZEMM_RO_MANAGED

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



Annex P - RMR
Template.docx

ANNEX Q INVENTORY CONTROL CARD (Non Catalogued)

Inventory control card for dnd owned and supplied materiel (non catalogued)
ontract and account info



Annex Q - Inventory
Control Card (Non-Ca

ANNEX R DISPOSAL AT R&O FACILITIES

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



EP 18 Disposal -
Mod1.pdf

ANNEX S PROCUREMENT AUTHORITY LIST

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



Annex S - PAL.docx

ANNEX T EP04 - REPAIR AND OVERHAUL PHYSICAL INVENTORY (IN AND OUT OF COUNTRY, STOCKTAKING)



EP04 Repair and
Overhaul Physical Inv

ANNEX U RECEIPT (UNFORECASTED) OF GOVERNMENT OWNED MATERIEL (GOM) AT INDUSTRY



Receipt of
Government Owned M

GLOSSARY

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

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

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

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

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

Canadian Forces Supply Depot (CFSD): The supply depots in the CF are:
7 CFSD Edmonton and 25 CFSD Montreal. These depots are responsible for warehousing and stocking supplies of materiel for distribution to bases and stations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

First In, First Out (FIFO): In the case of FIFO strategy, the system first proposes the oldest quant from the storage type from which you want to remove products from stock. The system calculates the age of a

quant (its retention period in the warehouse) from the date when goods receipt was posted. The goods receipt date is set automatically in the quant and in the warehouse request for each goods receipt posting. You can accept the goods receipt date that the system sets or you can enter a different date. Regardless of whether you adopt the goods receipt date or enter a new one, the system uses this date to calculate the age of the quant. This date influences the sort sequence for each product.

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

Government Supplied Materiel (GSM): Government Supplied Materiel is DND-owned materiel supplied to a contractor to incorporate into equipment which will be delivered to DND under the contract. It includes CIS, AAS and GFOS.

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Digits 1-4; for example, 5305, the NATO supply classification, consisting of Group 53, which covers all items of hardware, followed by the class within the group 05 (screws), 06 (bolts), etc., the whole being known as the supply class.

b. Digits 5-6; for example, -21-, the NATO code for the National Codification Bureau that assigned the stock number; for example, 00 U.S.A., 21 Canada, 14 France, 99 U.K., etc.

c. Digits 7-13; for example, 111-3333, the National Item Identification Number; non-significant, but sequentially assigned by each National Codification Bureau to a unique item of supply.

d. Digits 5-13; for example, 21-111-3333, the NATO Item Identification Number, including both the NATO code for the National Codification Bureau and its item identification number. The last 9 digits of the number remain the item throughout its life, even though the NATO supply classification may change as a result of reclassification and consequent conversion of stock numbers; for example, 5305-21-111-2222 converted to 2805-21-

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

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

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

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

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

Pre-Installation Failure (PIF): It is failure of new, newly repaired or overhauled equipment (R&O) which:

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

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

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

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

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

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

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

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

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

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

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

a. Repair. The maintenance of an item of equipment in order to return it to a serviceable condition.

b. Overhaul. The complete restoration of an item of equipment entailing replacement of both worn and damaged parts or parts whose service life has expired.

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

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

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

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

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

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

Special Instruction (SPIN) *

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

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

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

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

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

Stores Removal Request: SRR is used by the SM to instruct personnel at a plant / storage location to move stock to a repair facility for repair, testing, modification, or re-work. This decision to move the stock to a repair facility is a result of funding becoming available or a change to requirements such as changes to planning and forecasting with customer demands, referrals, a high priority request (HPR) or a contract award.

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

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

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

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

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

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

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

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du Canada

Contract Number / Numéro du contrat

W8482-168399

Amendment 1

sm

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SECURITY REQUIREMENTS CHECK LIST (SRCL)

LISTE DE VÉRIFICATION DES EXIGENCES RELATIVES À LA SÉCURITÉ (LVERS)

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

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Canada



Government of Canada
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PART A (continued) / PARTIE A (suite)

8. Will the supplier require access to PROTECTED and/or CLASSIFIED COMSEC information or assets?
Le fournisseur aura-t-il accès à des renseignements ou à des biens COMSEC désignés PROTÉGÉS et/ou CLASSIFIÉS?
If Yes, indicate the level of sensitivity.
Dans l'affirmative, indiquer le niveau de sensibilité :

☒ No ☐ Yes
Non Oui

9. Will the supplier require access to extremely sensitive INFOSEC information or assets?
Le fournisseur aura-t-il accès à des renseignements ou à des biens INFOSEC de nature extrêmement délicate?

☒ No ☐ Yes
Non Oui

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

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

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

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

Special comments:
Commentaires spéciaux : Access to HMC Ships and Dockyards

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

10. b) May unscreened personnel be used for portions of the work?
Du personnel sans autorisation sécuritaire peut-il se voir confier des parties du travail?
If Yes, will unscreened personnel be escorted?
Dans l'affirmative, le personnel en question sera-t-il escorté?
On DND premises, unscreened pers. may only access public/reception zone

☐ No ☒ Yes
Non Oui
☒ No ☐ Yes
Non Oui

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

INFORMATION / ASSETS / RENSEIGNEMENTS / BIENS

11. a) Will the supplier be required to receive and store PROTECTED and/or CLASSIFIED information or assets on its site or premises?
Le fournisseur sera-t-il tenu de recevoir et d'entreposer sur place des renseignements ou des biens PROTÉGÉS et/ou CLASSIFIÉS?

☒ No ☐ Yes
Non Oui

11. b) Will the supplier be required to safeguard COMSEC information or assets?
Le fournisseur sera-t-il tenu de protéger des renseignements ou des biens COMSEC?

☒ No ☐ Yes
Non Oui

PRODUCTION

11. c) Will the production (manufacture, and/or repair and/or modification) of PROTECTED and/or CLASSIFIED material or equipment occur at the supplier's site or premises?
Les installations du fournisseur serviront-elles à la production (fabrication et/ou réparation et/ou modification) de matériel PROTÉGÉ et/ou CLASSIFIÉ?

☒ No ☐ Yes
Non Oui

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

11. d) Will the supplier be required to use its IT systems to electronically process, produce or store PROTECTED and/or CLASSIFIED information or data?
Le fournisseur sera-t-il tenu d'utiliser ses propres systèmes informatiques pour traiter, produire ou stocker électroniquement des renseignements ou des données PROTÉGÉS et/ou CLASSIFIÉS?

☒ No ☐ Yes
Non Oui

11. e) Will there be an electronic link between the supplier's IT systems and the government department or agency?
Disposera-t-on d'un lien électronique entre le système informatique du fournisseur et celui du ministère ou de l'agence gouvernementale?

☒ No ☐ Yes
Non Oui

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PART C - (continued) / PARTIE C - (suite)

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

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

SUMMARY CHART / TABLEAU RÉCAPITULATIF

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

12. a) Is the description of the work contained within this SRCL PROTECTED and/or CLASSIFIED?

La description du travail visé par la présente LVERS est-elle de nature PROTÉGÉE et/ou CLASSIFIÉE?

☒ No
Non

☐ Yes
Oui

If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification".

Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire.

12. b) Will the documentation attached to this SRCL be PROTECTED and/or CLASSIFIED?

La documentation associée à la présente LVERS sera-t-elle PROTÉGÉE et/ou CLASSIFIÉE?

☒ No
Non

☐ Yes
Oui

If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification" and indicate with attachments (e.g. SECRET with Attachments).

Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire et indiquer qu'il y a des pièces jointes (p. ex. SECRET avec des pièces jointes).



Government of Canada
Gouvernement du Canada

Contract Number / Numéro du contrat W8482-168399 <i>And 1</i>
Security Classification / Classification de sécurité Unclassified

PART D - AUTHORIZATION / PARTIE D - AUTORISATION			
13. Organization Project Authority / Chargé de projet de l'organisme			
Name (print) - Nom (en lettres moulées) M. Meunier		Title - Titre DNPS 3-4	Signature <i>Michel Meunier</i>
Telephone No. - N° de téléphone 819-939-3367	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel michel.meunier@forces.gc.ca	Date 15 June 2017
14. Organization Security Authority / Responsable de la sécurité de l'organisme			
Name (print) - Nom (en lettres moulées) Sasa Medjovic		Title - Titre DDSO - Industrial Security Senior Security Analyst Tel: 613-996-0286	Signature <i>Sasa Medjovic</i>
Telephone No. - N° de téléphone	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel E-mail: sasa.medjovic@forces.gc.ca	Date 17 June 2017
15. Are there additional instructions (e.g. Security Guide, Security Classification Guide) attached? Des instructions supplémentaires (p. ex. Guide de sécurité, Guide de classification de la sécurité) sont-elles jointes? <input type="checkbox"/> No / Non <input checked="" type="checkbox"/> Yes / Oui			
16. Procurement Officer / Agent d'approvisionnement			
Name (print) - Nom (en lettres moulées) JEAN CLAUDE LABOSSIERE		Title - Titre Supply specialist	Signature <i>J. Labossiere</i>
Telephone No. - N° de téléphone 819 420 2901	Facsimile No. - N° de télécopieur 819 956 0897	E-mail address - Adresse courriel JEAN-CLAUDE.LABOSSIERE@TPSGC-PWGSC.GC.CA	Date JUN 22 2017
17. Contracting Security Authority / Autorité contractante en matière de sécurité			
Name (print) - Nom (en lettres moulées)		Title - Titre	Signature <i>Sherry Campbell</i>
Telephone No. - N° de téléphone	Facsimile No. - N° de télécopieur	E-mail address - Adresse courriel Sherry.Campbell@tpsgc-pwgsc.gc.ca	Date July 10, 2017

Contract Security Officer, Contract Security Division
Tel/Tél - 613-948-1646 / Fax/Téléc - 613-9 48-

TASK AUTHORIZATION
AUTORISATION DES TÂCHES

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

**Instructions for completing
DND 626 - Task Authorization**

Contract no.

Enter the PWGSC contract number in full.

Task no.

Enter the sequential Task number.

Amendment no.

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

Increase/Decrease

Enter the increase or decrease total dollar amount including taxes.

Previous value

Enter the previous total dollar amount including taxes.

To

Name of the contractor.

Delivery location

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

Delivery/Completion date

Completion date for the task.

for the Department of National Defence

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

Services

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

Cost

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

GST/HST

The GST/HST cost as appropriate.

Total

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

Applicable only to PWGSC contracts

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

Note:

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

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

N° du contrat

Inscrivez le numéro du contrat de TPSGC en entier.

N° de la tâche

Inscrivez le numéro de tâche séquentiel.

N° de la modification

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

Augmentation/Réduction

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

Valeur précédente

Inscrivez le montant total précédent, y compris les taxes.

À

Nom de l'entrepreneur.

Expédiez à

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

Date de livraison/d'achèvement

Date d'achèvement de la tâche.

pour le ministère de la Défense nationale

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

Services

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

Prix

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

TPS/TVH

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

Total

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

Ne s'applique qu'aux contrats de TPSGC

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

Nota :

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