



RETURN BIDS TO:

RETOURNER LES SOUMISSIONS À:

Bid Receiving Public Works and Government
Services Canada/Réception des soumissions
Travaux publics et Services gouvernementaux
Canada

Pacific Region

401 - 1230 Government Street

Victoria, B.C.

V8W 3X4

Bid Fax: (250) 363-3344

INVITATION TO TENDER

APPEL D'OFFRES

**Tender 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.

**Soumission 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 et sur toute feuille ci-annexée, au(x) prix indiqué(s).

Comments - Commentaires

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Public Works and Government Services Canada -

Pacific Region

401 - 1230 Government Street

Victoria, B. C.

V8W 3X4

Title - Sujet Docking and Vessel Service Support	
Solicitation No. - N° de l'invitation W3555-190229/A	Date 2018-03-23
Client Reference No. - N° de référence du client W3555-190229	GETS Ref. No. - N° de réf. de SEAG PW-\$XLV-211-7479
File No. - N° de dossier XLV-7-40239 (211)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2018-04-10	
Time Zone Fuseau horaire Pacific Daylight Saving Time PDT	
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: Buchan, Torrey	Buyer Id - Id de l'acheteur xl211
Telephone No. - N° de téléphone (250) 216-2092 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: National Defence Canada See herein	

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

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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: includes the certifications 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, the Basis of Payment, the Insurance Requirements and any other annexes.

1-2 Summary

1. The Canadian Coast Guard of the Department of Fisheries and Oceans has a requirement for a contractor to:
 - (a) provide manned Docking Support and Services for the HMCS Chicoutimi at the Esquimalt Graving Dock, in accordance with the associated technical specifications detailed in the Statement of Work; Inspections, Tests and Trials; and Project Management Services; and
 - (b) Carry out any approved unscheduled work not covered in paragraph (a) above.

Solicitation documents are available on the BuyAndSell.gc.ca/tenders web site. For specifications, drawings, annexes, and appendices associated with this solicitation, bidders must contact the Contracting Authority identified in Article 7-5.1.

2. Term of Contract

Work must commence and be completed as follows:

- Commence: April 26, 2018;
- Docking Date: May 1, 2018;
- Complete: September 15, 2018.

By submitting a bid, the Bidder certifies that it has sufficient material and human resources allocated or available and that the above work period is adequate to both complete the known work and absorb a reasonable amount of unscheduled work.

3. Bidder Capabilities

Bidders will be required to supply with their bid:

- a. Details of Bidder capabilities, how they will comply with mandatory requirements and how they will deliver any other requested goods and services.
- b. List of specialized sub-contractors to be engaged in the performance of the work.

4. Security Requirement

There is a security requirement applicable to this Contract. For more information, see articles 6-1 and 7-3.

5. Sourcing Strategy

The sourcing strategy related to this procurement will be limited to suppliers in the Area of Origin of the vessel [*Pacific*], in accordance with the PWGSC Supply Manual Article 3.170.10(b). This procurement is subject to the Canadian Free Trade Agreements CFTA and is exempt from North American Free Trade Agreement (NAFTA, see Chapter 10, Annex 1001.2b, paragraph 1(a)), and from the World Trade Organization Agreement on Government Procurement (WTO-AGP, see Annex 4).

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 of 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.

2-2 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 five (5) working 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 - Bid

1. Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in British Columbia.
2. Bidder may, at its 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 (1 copy)
Section II: Financial Bid (1 copy)
Section III: Certifications (1 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.

3-1.1 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 in a thorough, concise and clear manner for carrying out the work.

3-1.2 Section II: Financial Bid

Bidders must submit their financial bid in accordance with the Financial Bid Presentation Sheet, Annex H, and the detailed Pricing Data Sheet, Appendix 1 to Annex I.

3-1.3 Section III: Certification Requirements

Bidders must submit the certifications required under Part 5.

3-1.4 Electronic Payment of Invoices – Bid

If you are willing to accept payment of invoices by Electronic Payment Instruments, complete **Annex K - Electronic Payment Instruments**, to identify which ones are accepted.

If **Annex K - 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

3-2 Tables of Bid Deliverables

3-2.1 Mandatory Bid Deliverables

Regardless of requirements specified elsewhere in this bid solicitation and its associated Statement of Work, the following are the only mandatory documents that must be submitted with the response at the time of bid closing. The Bidder must be compliant on each item to be considered responsive.

Item	Description	Completed and Attached
Section I Technical Bid		
1	Solicitation document part 1 page 1, completed and signed	
Section II Financial Bid		
1	Annex I <u>Financial Bid Presentation Sheet</u> , completed	
2	Appendix 1 to Annex I <u>Pricing Datasheet</u> , completed	

3-2.2 Supporting Bid Deliverables

If the following documents which support the bid are not submitted with the bid they may be requested by the Contracting Authority and they must be provided within **48 hours** of the written request:

Item	Description	Completed and Attached	To be forwarded if requested by the CA
Section I Technical Bid			
1	Details of Bidder capabilities, how they will comply with mandatory requirements and how they will deliver any other requested goods and services, as per article 1-2.3 & 3-1.1.		
2	List of the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work sites, as per article 6-1.1		
3	Proof of welding certification, as per article 6-10		
4	Preliminary Work Schedule, as per article 6-13		
5	Examples of work schedules, tracking and reporting, as per article 6-13		
6	ISO Registration Certificate or Quality Assurance Documentation, as per article 6-14		
Section II Financial Bid			
1	Changes to Applicable Laws (if any) as per article 2-4		
2	Information related to the Contract Financial Security, as per article 6-3		
3	Proof of good standing with Worker's Compensation Board as per article 6-6		
4	Subcontractor List (if any) as per article 6-12		
5	Contractor's Representative(s) as per article 7-5.4		
6	Project Management Team Details, as per article E-5		
Section III Certifications			

1	Integrity Provisions – Required Documentation article 5-2.1 - Provide a complete list of names of all individuals who are currently directors of the Bidder.		
2	Annex J - Federal Contractors program for employment equity-Certification		
3	Annex K – Electronic Payment Instruments, completed		

3-2.3 Supplementary Bid Deliverables

The following information, which supports the bid, may be requested by the Contracting Authority, from the bidder and it must be provided within **5 working days** of the written request:

Item	Description	Completed and Attached	To be forwarded if requested by the CA
Section I Technical Bid			
1	Details of environmental emergency response plans and waste management procedures, as per article 6-7		
2	Details of formal environmental training completed by employees, as per article 6-7		
3	Details of safety measures for fueling and disembarking fuel, name and qualifications of person in charge, as per article 6-8		
4	Examples of Inspections Plans, as per article 6-16		
5	Details of Material and Supply Support, as per article 6-17		
6	Details of accommodations facility offered, as per article 6-18		
7	Details of parking facility offered, as per article 6-19		
Section II Financial Bid			
1	Financial Statements and information, as per article 6-2		
2	Either proof of insurance coverage, as required by Annex C, or a letter substantiating that the required insurance coverage will be provided, as per article 6-5		
3	Proof of valid Labour Agreement or similar instrument covering the work period as per article 6-11		

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.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

4-1.1 Financial Evaluation

- 1) The price of the bid will be evaluated in Canadian dollars, Applicable Taxes excluded, Canadian customs duties and excise taxes included.

- 2) **Unscheduled Work and Evaluation Price**

In any vessel refit, repair or docking contract, unscheduled work may arise after the vessel and its equipment is opened up and surveyed. The anticipated cost of the Work will be included in the evaluation of bids. The overall total cost will be calculated by including an estimated amount of additional person-hours (and/or material) multiplied by a firm hourly charge-out labour rate and is added to the firm price for the Work.

The overall total referred to as the "Evaluation Price" will be used for evaluating the bids. The estimated work will be based on historical experience and there is no minimum or maximum amount of unscheduled work nor is there a guarantee of such work.

4-2 Basis of Selection

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

PART 5 – CERTIFICATIONS

5-1 General

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.

5-1.1 Certifications Required With the Bid

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

5-1.1.1 Integrity Provisions - Declaration of Convicted Offences

In accordance with the Integrity Provisions of the Standard Instructions, all bidders must provide with their bid, **if applicable**, the Integrity declaration form available on the [Forms for the Integrity Regime](http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html) website (<http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html>), 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 section titled Information to be provided when bidding, contracting or entering into a real procurement agreement of the [Ineligibility and Suspension Policy](http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html) (<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 (http://www.labour.gc.ca/eng/standards_equity/eq/emp/fcp/list/inelig.shtml) available from Employment and Social Development Canada (ESDC) - Labour's website.

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.

The Bidder must provide the Contracting Authority with a completed annex 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 Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

PART 6 - SECURITY, FINANCIAL, AND OTHER REQUIREMENTS

6-1 Security Requirement

6-1.1 At the date of bid closing, 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 names of all individuals who will require access to classified or protected information, assets or sensitive work sites;

6-1.2 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) (<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 Contract Financial Security

1. If the bid is accepted, the Bidder must provide one of the following contract financial securities within 5 calendar days after the date of contract award. The Bidder is to indicate below, the type of Contract Financial Security they intend to provide and for which they have inserted a cost in Annex H:

EITHER

- a. a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 50% percent of the contract price. Any bond must be accepted as security by one of the bonding companies listed in Treasury Board Contracting Policy, Appendix L, Acceptable Bonding Companies.

OR

- b. a security deposit (as defined in Paragraph 4 below) to the value of 10 percent of the contract price.
2. Security deposits in the form of government guaranteed bonds with coupons attached will be accepted only if all coupons that are unmaturred, at the time the security deposit is provided, are attached to the bonds. The Contractor must provide written instructions concerning the action to be taken with respect to coupons that will mature while the bonds are pledged as security, when such coupons are in excess of the security deposit requirement.
3. If Canada does not receive the required financial security within the specified period, Canada may terminate the Contract for default pursuant to the Contract default provision.
4. In this clause:

"security deposit" means

- a. a bill of exchange that is payable to the Receiver General for Canada and certified by an approved financial institution or drawn by an approved financial institution on itself; or
- b. a government guaranteed bond; or
- c. an irrevocable standby letter of credit, or
- d. such other security as may be considered appropriate by the Contracting Authority and approved by Treasury Board;

"approved financial institution" means

- a. any corporation or institution that is a member of the Canadian Payments Association;
- b. a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the "Régie de l'assurance-dépôts du Québec" to the maximum permitted by law;
- c. a credit union as defined in paragraph 137(6) of the Income Tax Act;
- d. a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by a Canadian province or territory;
- e. the Canada Post Corporation.

"government guaranteed bond" means

- a. a bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:
 - i. payable to bearer;
 - ii. accompanied by a duly executed instrument of transfer of the bond to the Receiver General for Canada in accordance with the Domestic Bonds of Canada Regulations;
 - iii. registered in the name of the Receiver General for Canada.

"irrevocable standby letter of credit" means

- a. means any arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its behalf,
 - i. will make a payment to or to the order of Canada, as the beneficiary;
 - ii. will accept and pay bills of exchange drawn by Canada;
 - iii. authorizes another financial institution to effect such payment, or accept and pay such bills of exchange; or
 - iv. authorizes another financial institution to negotiate, against written demand(s) for payment, provided that the conditions of the letter of credit are complied with.

"conditions" of the letter of credit are

- a. must state the face amount which may be drawn against it;
- b. must state its expiry date;
- c. must provide for sight payment to the Receiver General for Canada by way of the financial institution's draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his/her office;
- d. must provide that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the letter of credit;
- e. must provide that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600;
- f. must clearly specify that it is irrevocable or considered to be irrevocable pursuant to article 6c) of the ICC Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No. 600; and
- g. must be issued (Issuer) or confirmed (Confirmer), in either official language, by a financial institution that is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.

6-4 NOT USED - Controlled Goods Requirement

6-5 Insurance Requirements

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 C.

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.

6-6 Workers' Compensation Certification - Letter of Good Standing

The Bidder must have an account in good standing with the applicable provincial or territorial Workers' Compensation Board.

The Bidder must provide, within 48 hours following a request from the Contracting Authority, a certificate or letter from the applicable Workers' Compensation Board confirming the Bidder's good standing account. Failure to comply with the request may result in the bid being declared non-responsive.

6-7 Environmental Protection

Before contract award and within five (5) working days of written notification by the Contracting Authority, the Bidder must submit details of its environmental emergency response plans, waste management procedures and/or formal environmental training undertaken by its employees. In addition, the Bidder must submit samples of its processes and procedures pertinent to the completion of the Work.

6-8 Safety Measures for Fueling and Disembarking Fuel

Fueling and disembarking fuel from Canadian government vessels must be conducted under the supervision of a responsible supervisor trained and experienced in these operations.

Before contract award and within five (5) working days of written request by the Contracting Authority, the successful Bidder must provide details of its safety measures for fueling and disembarking fuel together with the name and qualifications of the person in charge of this activity.

6-9 NOT USED - Docking Facility Certification

6-10 Welding Certification - Bid

1. Welding must be performed by a welder certified by the Canadian Welding Bureau and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a. CSA W47.1-(latest revision), Certification of Companies for Fusion Welding of Steel (Minimum Division Level 2.; and,
 - b. CSA W47.2 , (latest revision) Certification of Companies for Fusion Welding of Aluminum (Minimum Division Level 2).

2. Before contract award and within 48 hours of the written request by the Contracting Authority, the Bidder must submit evidence demonstrating its (or its subcontractor's) certification to the welding standards. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.

6-11 Valid Labour Agreement

If the Bidder has a labour agreement, or other suitable instrument, in place with its unionized labour or workforce, it must be valid for the proposed period of any resulting contract. Before contract award and within *five (5) working days* of written notification by the Contracting Authority the Bidder must provide evidence of that agreement.

6-12 List of Proposed Subcontractors

If the bid includes the use of subcontractors, the Bidder agrees, upon written request from the Contracting Authority, to provide a list of all subcontractors including a description of the things to be purchased, a description of the work to be performed by specification section and the location of the performance of that work. The list should not include the purchase of off-the-shelf items, software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business, or the provision of such incidental services as might ordinarily be subcontracted in performing the Work, i.e. subcontract work valued at less than \$5,000.00.

6-13 Project Schedule and Reports

Before contract award and within 48 hours of written notification by the Contracting Authority the Bidder must submit to Canada one (1) copy of its preliminary production work schedule. This schedule is to show the commencement and completion dates for the Work in the available work period, including realistic target dates for significant events. This schedule will be reviewed with the Bidder at the Pre-Refit Meeting.

Before contract award and within 48 hours of written notification by the Contracting Authority the Bidder must provide a sample document from its scheduling system including a typical progress report, a quality control inspection report and a milestone event network.

6-14 ISO 9001:2008 - Quality Management Systems

Before contract award and within 48 hours of written notification by the Contracting Authority the Bidder must provide its current ISO Registration Documentation indicating its registration to ISO 9001:2008.

Documentation and procedures of bidders not registered to the ISO standards may be subject to a Quality System Evaluation (QSE) by the Inspection Authority or designate before award of a contract.

6-15 Quality Plan - Solicitation

The Bidder must submit a Quality Plan with the bid. The Quality Plan must be in the same format that will be used after award of contract.

The Quality Plan may reference other documents. Where referenced documents do not already exist, but are required by the Quality Plan, the plan must identify them and also identify when, how and by whom they will be prepared and approved. The documents

referenced in the Quality Plan must be made available when requested by Public Works and Government Services Canada or the Department of National Defence.

6-16 Inspection and Test Plan

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide an example of its Inspection and Test Plans.

6-17 Material and Supply Support

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide details of its proposed material and supply support.

6-18 Accommodation

Before contract award and within five (5) working days of written notification by the Contracting Authority, the Bidder must provide details of the accommodation proposed to meet Statement of Work A-3.2, articles 11 and 12.. This information is to include an accommodation arrangement drawing and details about materials and furnishings.

6-19 Parking

Before contract award and within five (5) working days of written notification by the Contracting Authority the Bidder must provide details of the parking proposed to meet Statement of Work A-3.2, article 13.

6.20 Fire Protection, Fire Fighting and Training Procedures

The Bidder must submit, following a request from the Contracting Authority objective evidence that it has documented fire protection, firefighting and training procedures compliant with current regulations and their insurance requirements. The fire protection, firefighting and training procedures will, once accepted by Canada, form part of the Contract. Please refer to clause 7.34.

6.21 Health and Safety

The Bidder must submit, following a request from the Contracting Authority objective evidence that it has a documented Health and Safety system fully compliant with all current Federal, Provincial and Municipal regulations.

6-22 Vessel Refit, Repair and Docking - Cost

The following costs must be included in the evaluation price:

1. **Services:** include all costs for ship services such as water, steam, electricity, etc., required for vessel maintenance for the duration of the Contract. This price must be firm and is subject to increase only if the period of the Contract is extended with the approval of the Contracting Authority.
2. **Docking and Undocking include:**
 - a. all costs resulting from drydocking, wharfage, security, shoring, shifting and/or moving of the vessel within the successful Bidder's facility;
 - b. the cost of services to tie up the vessel alongside and to cast off.

Unless specified otherwise, the vessel will be delivered by Canada to the successful Bidder's facility alongside a mutually agreed safe transfer point, afloat and upright, and the successful

Bidder will do the same when the Work is completed. The cost of services to tie up the vessel alongside and to cast off must be included in the evaluation price.

3. **Field Service Representatives/Supervisory Services:** include all costs for field service representatives/supervisory services including manufacturers' representatives, engineers, etc. These services must not be an extra charge except where unscheduled work requiring these services is added to the Contract.
4. **Removals:** include all costs for removals necessary to carry out the Work and will be the responsibility of the successful Bidder whether or not they are identified in the specifications, except those removals not apparent when viewing the vessel or examining the drawings. The successful Bidder will also be responsible for safe storage of removed items and reinstalling them on completion of the Work. The successful Bidder will be responsible for renewal of components damaged during removal.
5. **Sheltering, Staging, Cranage and Transportation:** include the cost of all sheltering, staging including handrails, cranage and transportation to carry out the Work as specified. The successful Bidder will be responsible for the cost of any necessary modification of these facilities to meet applicable safety regulations.

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 - Contract

- (a) provide manned Docking Support and Services for the HMCS Chicoutimi at the Esquimalt Graving Dock, in accordance with the associated technical specifications detailed in the Statement of Work; Inspections, Tests and Trials; and Project Management Services; and
- (b) Carry out any approved unscheduled work not covered in the above paragraph (a).

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

2030 (2016-04-04), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract.

Section 22 entitled "Warranty" of General Conditions 2030 incorporated by reference above is hereby deleted in its entirety and replaced with the following:

1. At the discretion of the Minister, the Contractor will replace or make good at its own expense any finished work, excluding Government Issue incorporated therein, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.
2. Notwithstanding prior acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor hereby warrants that the following are free from all defects and conform with the requirements of the contract:
 - a. The painting of the underwater portion of the hull for a period of three hundred sixty five (365) days commencing from the date of undocking, except that the Contractor will only be liable to repair and/or replace to a value to be determined as follows:
Original cost to Canada of the underwater painting Work, divided by three hundred sixty five (365) days and multiplied by the number of days remaining in the warranty period. The resultant would represent the "Dollar Credit" due to Canada from the Contractor.

All other painting Work for a period of three hundred sixty five (365) days commencing from the date of acceptance of the Work;

- b. All parts and materials supplied for the Work for a period of three hundred and sixty five (365) days commencing from the date of acceptance of the Work;
- c. All other items of Work for a period of ninety (90) days commencing from the date of acceptance of the Work, except that:

- i. the warranty on the Work related to any system or equipment not immediately placed in continuous use or service must extend for a period of ninety (90) days from the date of acceptance of the vessel;
 - ii. for all outstanding defects, deviations, and Work items listed on the Acceptance Document at Delivery, the Warranty will be ninety (90) days from the subsequent date of acceptance for each item.
3. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the Materials and/or labour supplied or held by the Contractor which exceed the periods indicated above.

Section 26 entitled "Liability" of General Conditions 2030 incorporated by reference above is hereby deleted in its entirety and replaced with the following:

1. This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.
2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$10 million per incident or occurrence to an annual aggregate of \$20 million for losses or damage caused in any one year of carrying out the Contract, each year starting on the date of coming into force of the Contract or its anniversary. This limitation of the Contractor's liability does not apply to nor include:
 - (a) Any infringement of intellectual property rights;
 - (b) Any breach of warranty obligations;
 - (c) Any liability of Canada to a third party arising from any act or omission of the Contractor in performing the Contract; or
 - (d) Any loss for which the policies of insurance specified in the Contract or any other policies of insurance held by the Contractor would provide insurance coverage.
3. Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim against Canada or the Contractor. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada for that amount.
4. The Parties agree that nothing herein is intended to limit any insurable interest of the Contractor nor to limit the amounts otherwise recoverable under any insurance policy. The Parties agree that to the extent that the insurance coverage required to be maintained by the Contractor under this Contract or any additional insurance coverage maintained by the Contractor, whichever is greater, is more than the limitations of liability described in sub article (2), the limitations provided herein are increased accordingly and the Contractor shall be liable for the higher amount to the full extent of the insurance proceeds recovered.
5. If, at any time, the total cumulative liability of the Contractor for losses or damage suffered by Canada caused by the Contractor's performance of or failure to perform the Contract, excluding liability described under subsection 2(a), (b), (c) and (d) exceeds \$40 million, either Party may terminate the Contract by giving notice in writing to the other Party and neither Party will make any claim against the other for damages, costs, expected profits or any other such loss arising out of the termination. However, no such termination or expiry of the Contract shall reduce or

terminate any of the liabilities that have accrued to the effective date of the termination but which liabilities are subject to the limitations as specified in sub-article (1) through (4) above.

6. The date of termination pursuant to this Article, shall be the date specified by Canada in its notice to terminate, or, if the Contractor exercises the right to terminate, in a notice to the Contractor from Canada in response to the Contractor's notice to terminate. The date of termination shall be in Canada's discretion to a maximum of 12 months after service of the original notice to terminate served by either Party pursuant to sub-article 5, above.

7-2.2 Supplemental General Conditions

1029 (2010-08-16), Ship Repairs, apply to and form part of the Contract.

7-3 Security Requirement

7-3.1 The following security requirements (SRCL and related clauses provided by the Contract Security Program) apply and form part of the Contract.

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of SECRET, with approved Document safeguarding at the level of CONFIDENTIAL, issued by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of SECRET, granted or approved by CISD/PWGSC.
3. Processing of CLASSIFIED information electronically at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CISD/PWGSC.
5. The Contractor/Offeror must comply with the provisions of the:
 - (a) Security Requirements Check List and security guide (if applicable), attached at Annex H;
 - (b) Industrial Security Manual (Latest Edition).

7-3.2 Esquimalt Graving Dock - Port Facility Access

Access to Port Facilities and Government vessels is controlled. The Contractor must comply with applicable requirements. A system of positive identification, sign-in and out, and wearing of identification badges while within Port facilities or on board Government vessels is required.

The Contracting Authority and the Technical Authority reserve the right to direct that the Contractor's personnel possess a valid security clearance, at an appropriate level.

7-4 Term of Contract Work Period- Marine

1. Work must commence and be completed as follows:
Commence: April 26, 2018;
Docking Date: May 1, 2018;
Complete: September 15, 2018

2. The Contractor certifies that it has sufficient material and human resources allocated or available and that the above work period is adequate to both complete the known work and absorb a reasonable amount of unscheduled work

7-5 Authorities

7-5.1 Contracting Authority

The Contracting Authority for the Contract is:
Torrey Buchan
Public Works and Government Services Canada
Pacific Region, Acquisitions - Marine
401 - 1230 Government Street
Victoria, BC V8W 3X4
Telephone: 250-216-2092
E-mail: Torrey.Buchan2@pwgsc-tpsgc.gc.ca

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

7-5.2 Technical Authority

The Technical Authority for the Contract is:

Name: TBD
Title: TBD
Organization: TBD
Address: TBD
Telephone: TBD
Facsimile: TBD
E-mail: TBD

The Technical Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for all matters concerning 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 Inspection Authority

The Technical Authority is the Inspection Authority. All reports, deliverable items, documents, goods and all services rendered under the Contract are subject to inspection by the Inspection Authority or representative. Should any report, document, good or service not be in accordance with the Requirements at Annex A and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority will have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment. Any communication with a Contractor regarding the quality of the Work performed pursuant to this Contract shall be undertaken by official correspondence through the Contracting Authority.

The Inspection Authority may designate, and be represented by, an Inspector (TI), Quality Assurance Representative (QAR) or Designated Engineering Authority (DEA).

7-5.4 Contractor's Representative

Name and telephone numbers of the person responsible for production:

Name: _____ Telephone: _____
Facsimile: _____ E-mail: _____

Name and telephone numbers of the person responsible for delivery:

Name: _____ Telephone: _____
Facsimile: _____ E-mail: _____

7-6 Payment

7-6.1 Basis of Payment - Firm Price, Firm Unit Price(s) or Firm Lot Price(s)

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price as specified in Annex B. Customs duties 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 Progress Payments

1. Canada will make progress payments in accordance with the payment provisions of the Contract, for cost incurred in the performance of the Work up to 90 percent of the amount claimed and approved by Canada if:
 - a. an accurate and complete claim for payment using form PWGSC-TPSGC 1111 and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract.
 - b. the amount claimed is in accordance with the basis of payment;
 - c. the total amount for all progress payments paid by Canada does not exceed 90 percent of the total amount to be paid under the Contract;
 - d. all certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives.
2. The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of all work required under the Contract if the Work has been accepted by Canada and a final claim for the payment is submitted.
3. Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time during the performance of the Work. Any overpayment resulting from progress payments or otherwise must be refunded promptly to Canada.

7-6.3 SACC Manual Clauses

C0711C (2008-05-12) Time Verification
H4500C (2010-01-11) Lien - Section 427 of the Bank Act

7-6.4 Warranty Holdback

A warranty holdback of 3% of the contract price will be applied to the payment of the final invoice. This holdback will be payable by Canada upon the expiry of a 90 day holdback period. Applicable Taxes will be calculated on the warranty holdback amount and paid at the time that the warranty holdback is released.

7-6.5 Electronic Payment of Invoices – Contract (as applicable)

The Contractor accepts to be paid using the following Electronic Payment Instrument(s):

- Direct Deposit (Domestic and International);
- Electronic Data Interchange (EDI); or

7-7 Invoicing Instructions

7-7.1 Progress Payment Claim

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment.

Each claim must show:

- a. all information required on form PWGSC-TPSGC 1111;
- b. all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;

Each claim must be supported by an invoice.

Applicable Taxes must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.

3. The Contractor must prepare and certify one original and two (2) copies of the claim on form PWGSC-TPSGC 1111, and forward it to the Technical Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.

The Technical Authority will then forward the original and two (2) copies of the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.

4. The Contractor must not submit claims until all work identified in the claim is completed.

7-7.2 Invoice is to be made out to:

Contracts Section
Fleet Maintenance Facility Cape Breton
Building 250 Dockyard
Victoria, BC V9A 7N2

7-8 Certifications - Contract

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 associated 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 - Contract

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

7-10 Priority of Documents

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

- a. the Articles of Agreement;
- b. the Supplemental General Conditions 1029 (2010-08-16), Ship Repairs;
- c. the General Conditions 2030 (2016-04-04), Higher Complexity - Goods;
- d. Annex A, Statement of Work;
- e. Annex B, Basis of Payment;
- f. Annex C, Insurance Requirements;
- g. Annex D, Inspection/Quality Assurance/Quality Control;
- h. Annex E, Project Management Services;
- j. Annex F, Warranty Procedures and Claim Form;
- k. Annex G, Procedure for Processing Unscheduled Work;
- l. Annex H, Security Requirements Checklist; and
- m. the Contractor's bid dated _____.

7-11 Defence Contract

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

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

7-12 Insurance - Requirements

The Contractor must comply with the insurance requirements specified in Annex C. 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 NOT USED - Controlled Goods Requirement

7-14 Procedures for Design Change or Additional Work

SACC Manual Clause B5007C (2010-01-11) Procedures for Design Change or Additional Work. In addition, refer to Annex G – Procedure for Processing Unscheduled Work.

7-15 Financial Security

7-15.1 Financial Security Requirement

1. The Contractor must provide one of the following contract financial securities within five (5) calendar days after the date of contract award:

EITHER

- a. a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 50 percent of the Contract Price;

OR

- b. a security deposit as defined in Article 6.2.1 in the amount of 10 percent of the Contract Price.

Any bond must be accepted as security by one of the bonding companies listed in Treasury Board Contracting Policy, Appendix L, Acceptable Bonding Companies.

2. Security deposits in the form of government guaranteed bonds with coupons attached will be accepted only if all coupons that are unmaturing, at the time the security deposit is provided, are attached to the bonds. The Contractor must provide written instructions concerning the action to be taken with respect to coupons that will mature while the bonds are pledged as security, when such coupons are in excess of the security deposit requirement.
3. If Canada does not receive the required financial security within the specified period, Canada may terminate the Contract for default pursuant to the Contract default provision.

7-15.2 Term of Financial Security

Any bond, bill of exchange, letter of credit or other security provided by the Contractor to Canada in accordance with the terms of the Contract must not expire before 90 days after the completion date indicated in the Contract.

The Contracting Authority can, at its sole discretion, require an extension to the period of the security. The Contractor can apply for financial compensation to pay for this extension.

Provided that no risk will accrue to Canada as a result, the Contracting Authority can, at its sole discretion, return the financial security to the Contractor before the expiration date indicated in the Contract.

7-16 Environmental Protection

The Contractor and its sub-contractors engaged in the Work on a Canadian Government vessel must carry out the Work in compliance with applicable municipal, provincial and federal environmental laws, regulations and industry standards.

The Contractor must have detailed procedures and processes for identifying, removing, tracking, storing, transporting and disposing of all potential pollutants and hazardous material encountered, to ensure compliance as required above.

All waste disposal certificates are to be provided to the Inspection Authority or designate, with information copies sent to the Contracting Authority. Furthermore, additional evidence of compliance with municipal, provincial and federal environmental laws and regulations is to be furnished by the Contractor to the Contracting Authority when so requested.

The Contractor must have plans and procedures in place for oil spill and other environmental emergency responses. Contractor and subcontractor employees must have received the appropriate training in emergency preparedness and response. Contractor personnel engaging in activities which may cause environmental impacts or potential non compliance situations, must be competent to do so on the basis of appropriate education, training, or experience.

7-17 Trade Qualifications

The Contractor must use qualified, certificated (if applicable) and competent tradespeople and supervision to ensure a uniform high level of workmanship. The Inspection Authority may request to view and record details of the certification and/or qualifications held by the Contractor's tradespeople. This request should not be unduly exercised but only to ensure qualified tradespeople are on the job.

7-18 Welding Certification - Contract

1. The Contractor must ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a. CSA W47.1 latest version at contract award Certification for Companies for Fusion Welding of Steel (Minimum division level 2.1); and
 - b. CSA W47.2 latest version at contract award -Certification for Companies for Fusion Welding of Aluminum (Minimum division level 2.1).
2. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.
3. Before the commencement of any fabrication work, and upon request from the Inspection Authority or designate, the Contractor must provide approved welding procedures and/or a list of welding personnel he intends to use in the performance of the Work. The list must identify the CWB welding procedure qualifications attained by each of the personnel listed and must be accompanied by a copy of each person's current CWB welding certification.

7-19 Sub-contracts and Sub-contractor List

The Contracting Authority is to be notified, in writing, of any changes to the list of subcontractors before commencing the work.

When the Contractor sub-contracts work, a copy of the sub-contract purchase order is to be passed to the Contracting Authority. In addition, the Contractor must monitor progress of sub-contracted work and inform the Inspection Authority or designate on pertinent stages of work to permit inspection when considered necessary by the Inspector.

7-20 Project Schedule

The Contractor must provide a preliminary project schedule to the Contracting and Technical Authorities no later than three (3) working days after contract award.

The Contractor must provide a detailed work schedule to the Contracting and Technical Authorities no later than five (5) working days before the commencement of the Work showing

the commencement and completion dates for the Work in the available work period, including realistic target dates for significant events. During the Work Period the schedule is to be reviewed on an ongoing basis by the Inspection Authority and the Contractor, updated when necessary, and available in the Contractor's office for review by Canada's authorities to determine the progress of the Work.

The schedules must be revised on a pre-defined basis. (The revised schedules must show the effect of progressed work and approved work arisings. Any changes to the dates of the Work Period of the contract due to unscheduled work will not be accepted except as negotiated in accordance with article 7.14, Procedures for Design Change or Additional Work.

7-21 Meetings

7-21.1 Pre-Refit Meeting

A Pre-Refit meeting will be convened and chaired by the Contracting Authority at the Repair facility up to two (2) weeks before the commencement of the work period.

7-21.2 Progress Meetings

Progress meetings, chaired by the Contracting Authority, will take place at the Repair facility as and when required, generally once a month. Interim meetings may also be scheduled. Contractor's attendees at these meetings will, as a minimum, be its Contract (Project) Manager, Production Manager (Superintendent) and Quality Assurance Manager. Progress meetings will generally incorporate technical meetings to be chaired by the Technical Authority.

7-21.3 Outstanding Work and Acceptance

1. The acceptance of ships and vessels must done be in accordance with the procedures of Naval Maintenance Management System, C-03-005-012/AM-001, Part 13, using form CF 1148, Report of Inspection of (SHIP) and, as applicable, form CF 702, Acceptance of (SHIP) into the Canadian Forces.

The QAR, in conjunction with the Contractor, will prepare a list of outstanding work items towards the end of the vessel Work period. This list will form the annexes to the formal acceptance document for the vessel. A Contract Completion Meeting will be convened by the Contracting Authority on the work completion date to review and sign off the Acceptance Document. In addition to any amount held under the Warranty Holdback Clause, a holdback of twice the estimated value of outstanding work will be held until completion of said work. The Goods and Services Tax or Harmonized Sales Tax (GST/HST), as appropriate, is to be calculated on this outstanding work hold-back amount and not paid as the work has yet to be completed. At the time that the outstanding work holdback is released, GST/HST will be payable, on the amount of the holdback as it was not included in the previous payments.

The CF 1148 Acceptance Document is to be completed in three copies and distribution is to be made by the Contracting Authority as follows:

- (a) original to the PWGSC Contracting Authority
- (b) one copy to the Technical Authority
- (c) one copy to contractor

7-22 ISO 9001:2008 - Quality Management Systems - Requirements (Quality Assurance Code C)

The Contractor is responsible for implementing a quality system appropriate to the scope of the work to be performed. It is recommended that the quality system be based on ISO 9001:2008 "Quality management systems - Requirements."

The Contractor is responsible for performing or having performed all inspections and tests necessary to substantiate that the materiel or services provided conform to the drawings, specifications and the requirements of the contract. The Contractor must keep accurate and complete inspection records which must, upon request, be made available to the authorized Department of National Defence (DND) representative, who may make copies and take extracts during the performance of the Contract and for a period of one (1) year after the completion of the Contract.

Despite the above, all materiel is subject to verification and acceptance by DND at destination. The authorized DND representative at destination may either be the consignee(s), the Technical Authority, or the Quality Assurance Authority.

7-23 Quality Plan

No later than 5 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.

Refer to Annex "D" for details.

7-24 Equipment/Systems: Inspection/Test

The Contractor must comply with the requirements stipulated in Annex D regarding equipment and systems inspections and testing.

7-25 Inspection and Test Plan

The Contractor must submit for approval to the Technical authority and implement prior to the commencement of the work in support of its QCP, an approved Inspection and Test Plan (ITP) in accordance with the Inspection and Test Plan requirements at Annex D1. The Contractor must provide at no additional cost to Canada, all applicable test data, all Contractor technical data, test pieces and samples as may reasonably be required by the Inspection Authority to

verify conformance to contract requirements. The Contractor must forward at his expense such technical data, test data, test pieces and samples to such location as the Inspection Authority or designate may direct.

7-26 Material and Supply Support

The Contractor must provide Material Management support systems which meet the requirements detailed in Annex E.

7-27 Loan of Equipment - Marine

The Contractor may apply for the loan of the Government special tools and test equipment particular to the subject vessel as identified in the Specifications. The provision of other equipment required for the execution of work in the Specifications is the sole responsibility of the Contractor.

Equipment loaned under this provision must be used only for work under this Contract and may be subject to demurrage charges if not returned on the date required by Canada. In addition, equipment loaned under the above provision must be returned in a like condition, subject to normal wear and tear.

A list of Government equipment that the Contractor intends to request must be submitted to the Contracting Authority within *three (3) working days* of Contract Award to permit timely supply or for alternate arrangements to be made. The request must state the time frame for which the equipment is required.

7-28 Insulation Materials - Asbestos Free

All materials used to insulate or re-insulate any surfaces on board the vessel must meet Transport Canada Marine standards, for commercial marine work, and, for all work, be free from asbestos in any form. The Contractor must ensure that all machinery and equipment located below or adjacent to surfaces to be re-insulated are adequately covered and protected before removing existing insulation.

7-29 Accommodation

The Contractor must provide accommodations and services in accordance with section 11 and 12 of the Statement of Work A-3.2 for the period of the Contract, starting one (1) week before the work period and finishing two (2) weeks after the work period.

7-30 Parking

The Contractor must provide fourteen (14) reserved parking spaces within the confines of the shipyard for Government personnel, commencing one (1) week before the work period and completing two (2) weeks after the work period.

7-31 Vessel Manned Refits

1. The vessel will be manned during the work period and will be considered to be in commission. The vessel during that period will remain in the care or custody of Canada and under its control.
2. Firefighting equipment must be readily accessible and made available by the Contractor should a fire emergency arise. The Contractor must take adequate precautions when burning or welding is carried out in compartments or other confined areas of the vessel.

7-32 **Quality Assurance Requirements - Submarine Safety**

The Work described in the Contract involves submarine systems or equipment classified as First Level or otherwise critical to submarine safety, as defined in *Canadian Forces Technical Order (CFTO) C-23-VIC-000/AM-001, Quality Assurance for Safety in Submarines VICTORIA Class*. Manufacture, repair, overhaul, installation, inspection and tests for each such item identified in the requirement must be documented in accordance with the requirements of the above mentioned CFTO.

For each such item, the Contractor must provide a Certificate of Conformity [*form DND 2513* or locally produced equivalent approved by the Quality Assurance Authority (QAA)] in accordance with this CFTO. For subcontracted work, the Contractor must obtain that Certificate of Conformity from the subcontractor. Obtaining the said certificate from a subcontractor does not relieve the Contractor from its obligation to ensure compliance with the technical requirements of the Contract, nor must it be construed as authorizing any liability on the part of Canada to the subcontractor.

For each such item, the Certificate of Conformity, along with certified true copies of any deviation, waiver and all required records identified in the Statement of Quality Requirements (*form DND 2328* or equivalent) attached to the Statement of Requirement, Statement of Work or Technical Specifications in Annex A to the Contract or otherwise attached to or forming part of the Contract, must be completed and made available for review by the designated QAA before release of such item and associated documents to the Department of National Defence. Unless otherwise directed by the QAA, those documents must be attached to, or enclosed with, the shipment they are associated to, in a waterproof envelope.

7-33 **Quality assurance authority (Department of National Defence): Canadian-based Contractor**

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

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

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

- Atlantic - Halifax 902-427-7224 or 902-427-7150
- Quebec - Montreal 514-732-4401 or 514-732-4477
- Quebec - Quebec City 418-694-5996
- National Capital Region - Ottawa 819-939-8605 or 819-939-8608
- Ontario - Toronto 416-635-4404, ext. 6081 or 2754
- Ontario - London 519-964-5757
- Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
- Alberta - Calgary 403-410-2320, ext. 3830
- Alberta - Edmonton 780-973-4011, ext. 2276
- British Columbia - Vancouver 604-225-2520, ext. 2460

- **British Columbia - Victoria 250-363-5662**

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

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

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

7-34 Fire Protection, Fire Fighting and Training

The Contractor must maintain in force their fire protection, firefighting and training procedures through the course of the Contract.

7-35 SACC Manual Clauses

A0285C	(2007-05-25)	Workers Compensation
A0290C	(2008-05-12)	Hazardous Waste – Vessels
A2000C	(2006-06-16)	Foreign Nationals (Canadian Contractor)
A9047C	(2008-05-12)	Title to Property - Vessel
A9055C	(2010-08-16)	Scrap and Waste Material
A9056C	(2008-05-12)	Supervision of Fueling and Disembarking Fuel
A9066C	(2008-05-12)	Vessel - Access by Canada
A9068C	(2010-01-11)	Government Site Regulations
B6100C	(2008-05-12)	Stability

ANNEX A - STATEMENT OF WORK

A-1 **Work Site**

The vessel must be drydocked at the PWGSC facility located at Esquimalt Graving Dock

A-2 **Interpretation**

The words "shall" or "must" or "is required" or "mandatory" or "will", where they appear in the Statement of Work and/or referenced specifications, are to be read as obligations of the Contractor in the performance of the Work within the Contract Price.

The word "should" is to be read as a preference or recommendation that is not obligatory.

A-3 The Statement of Work [SOW] is provided in separate electronic documents entitled:

A-3.1 "CHI DOCKING AND UNDOCKING – REVISION 00.pdf" and

A-3.2 "HMCS CHI Requirements for Ships Services – REVISION 00.pdf"

To obtain the SOW the Bidder must make a request in writing to the Contracting Authority identified in Article 7-5.1.

ANNEX B - BASIS OF PAYMENT

B-1 Contract Price

a.	Known Work For work as stated in Part 7 Article 1, as specified in Annexes A, D & H and as detailed on the Pricing Data Sheet, For a FIRM PRICE of:	
b.	Cost of Financial Security As per article 7-15	
c.	Contract Price [a + b]: For a FIRM PRICE of: Customs duties are included and Applicable Taxes are extra	

Note: The "Total Estimated Cost" or "Revised Estimated Cost" given on Page 1 of the Contract or Contract Amendment includes an estimate of the Applicable Taxes [refer to the General Conditions].

B-2 Unscheduled Work

A. Price Breakdown:

The Contractor must, upon request, provide a price breakdown for all unscheduled work, by specific activities with trades, person-hours, material, subcontracts and services.

B. Pro-rated Prices:

Hours and prices for unscheduled work will be based on comparable historical data applicable to similar work at the same facility, or will be determined by pro-rating the quoted work costs in the Contract when in similar areas of the vessel.

C. Payment for Unscheduled Work:

The Contractor will be paid for unscheduled work arising, as authorized by Canada. The authorized unscheduled work will be calculated as follows:

Number of hours (to be negotiated) X \$_____, being the Contractor's firm hourly charge-out labour rate which includes overhead and profit, plus net laid-down cost of materials to which will be added a mark-up of 10 percent plus Applicable Taxes.

The firm hourly charge-out labour rate and the material mark-up will remain firm for the term of the Contract and any subsequent amendments.

B-2.1 Notwithstanding definitions or usage elsewhere in this document, or in the Contractor's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject work package. Elements of *Related Labour Costs* identified in B2.2, will not be negotiated, but will be compensated for in accordance with B2.2.

B-2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* set out in clause B2.

B-2.3 The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. The Contractor will not be entitled to a separate labour component for the purchase and handling of materials or subcontract administration.

B-3 Overtime

1. The Contractor must not perform any overtime under the Contract unless authorized in advance and in writing by the Contracting Authority. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the details of the overtime performed pursuant to the written authorization.

Payment for authorized overtime will be calculated as follows:

- a. For the Known Work, the Contractor will be paid the Contract Price plus authorized overtime hours paid at the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

- b. For unscheduled work, the Contractor will be paid the authorized overtime hours at the quoted charge-out labour rate, plus the following premium rates:

For time and one half: \$_____ per hour, or

For double time: \$_____ per hour.

2. The above premiums will be calculated by taking the average hourly direct labour rate premiums, plus certified fringe benefit, plus profit of 7.5 percent on labour premium and fringe benefits. These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

B-4 Lay Day/Berthage Day Fees

The following fees are to be provided by the Bidder. In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

a. Lay day fee for a working day: \$_____

b. Lay day fee for a non-working day: \$_____

c. Berthage Fee per day (70.25 meters X \$_____ / Meter): \$_____

A lay day is defined as "a day of delay in port" with the vessel docked (i.e. removed from the water) at the contractor's facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor's facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

ANNEX C - INSURANCE REQUIREMENTS

C-1 Ship Repairers' Liability Insurance

1. The Contractor must obtain Ship Repairer's 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 \$10,000,000 per accident or occurrence. **(For annual and maximum liabilities see article 7-2.1 of the Contract.)**
2. The Ship Repairer's Liability insurance 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 as additional insured should read as follows: Canada, represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada.
 - b. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada for any and all loss of or damage to the vessel, however caused.
 - c. Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of cancellation.
 - d. 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.
 - 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.

C-2 Commercial General Liability

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 \$10,000,000 per accident or occurrence.
2. The Commercial General Liability Insurance 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 Fisheries and Oceans Canada/Canadian Coast Guard and Public Works and Government Services Canada.
 - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
 - c. 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.
 - d. 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.
 - e. 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.
 - f. Employees and, if applicable, Volunteers must be included as Additional Insured.
 - g. Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
 - h. Notice of Cancellation: The Insurer will endeavor to provide the Contracting Authority thirty (30) days written notice of policy cancellation.

Solicitation No. - N° de l'invitation
W3555-190229/A
Client Ref. No. - N° de réf. du client
W3555-190229

Amd. No. - N° de la modif.
File No. - N° du dossier
XLV-7-40239

Buyer ID - Id de l'acheteur
xlV211
CCC No./N° CCC - FMS No./N° VME

- i. 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.
- j. Owners' or Contractors' Protective Liability: Covers the damages that the Contractor becomes legally obligated to pay arising out of the operations of a subcontractor.
- k. Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution.

ANNEX D - INSPECTION/QUALITY ASSURANCE/QUALITY CONTROL

D1 Inspection and Test Plan (ITP):

1. The Contractor must prepare an Inspection and Test Plan (ITP) comprising individual inspection and test plans for each specification item of this project, in accordance with the Quality Standard and their Quality Control Plan. The ITP must be submitted to the QAR for review and amended by the Contractor to the satisfaction of the QAR.
 - a. Each ITP must contain all inspection points identified in the PMRS highlighting mandatory (M) points that must be witnessed by the QAR and other "hold" points imposed by the Contractor to ensure the quality of the work.
 - b. Milestone delivery date for the ITP is given in the Contract, however individual ITPs should be forwarded for review as developed.
2. Coding:
 - a. Each Inspection and Test Plan (ITP) is to be coded for identification clearly demonstrating a systematic approach similar to the following:
(Contractor's system should be defined in its Quality Control Plan): e.g. Prefixes for Inspections, Test and Trials:
 - i. Prefix "1" is a Contractor inspection,
 - ii. Prefix "2" is a Contractor post repair test,
 - iii. Prefix "3" is a Contractor post repair trial,
 - b. Specification items followed by assigned sequence numbers for inspection processes within each Specification Item; and
 - c. Cross reference to a verification document number
3. Inspection and Test Plan Criteria:

Inspection criteria, procedures and requirements are stated in the specifications, drawings, technical orders and reference standards invoked by the PMRS Specifications. Test and trial documentation is also included or referenced in the PMRS Specifications. An individual Inspection and Test Plan (ITP) is required for each PMRS item.

 - a. All ITPs must be prepared by the Contractor in accordance with the above criteria, their Quality Plan, and must provide the following reference information:
 - i. the ship's name;
 - ii. the PMRS item number;
 - iii. equipment/system description and a statement defining the parameter which is being inspected;
 - iv. a list of applicable documents referenced or specified in the inspection procedure;
 - v. the inspection, test or trial requirements specified in the PMRS;
 - vi. the tools and equipment required to accomplish the inspection;
 - vii. the environmental conditions under which the inspections are to be conducted and the tolerances on the inspection conditions;
 - viii. a detailed step-by step procedure of how each inspection is to be performed, conformance parameters, accept/reject criteria and recording of results, deficiencies found and description of corrective action(s) required;
 - ix. name and signature of the person who prepared the plan, date prepared and amendment level; and,
 - x. names and signatures of the persons conducting and witnessing the inspection, test or trial.
4. Contractor Imposed Testing:

Tests and trials in addition to those given in the PMRS must be approved by the QAR.

- a. Amendments: Amendment action for the Inspection and Test Plans must be ongoing throughout the refit and reflect the inspection requirements for unscheduled work. Amendments must be submitted as developed, but not less frequently than once every second week.

D2 Conduct of Inspection

1. Inspections must be conducted in accordance with the ITP as approved by the QAR..
2. The Contractor must provide their own staff or subcontracted staff to conduct inspections, tests and trials; excepting that Field Service Representative (FSR), QAR or Designated Engineering Authority (DEA) personnel may be designated in the specifications, in which case the Contractor must ensure that their own staff is provided in support of such inspection/test/trial.
3. The Contractor must ensure that the required conditions stated in the ITP prevail at the commencement of, and for the duration of, each inspection/test/trial.
4. The Contractor must ensure that personnel required for equipment operation and records taking during the inspection/test/trial are briefed and available at the start and throughout the duration of the inspection/test/trial. Tradesmen or FSRs who may be required to effect minor changes or adjustments in the installation must be available at short notice.
5. The Contractor is to coordinate the activities of all personnel taking part in each inspection/test/trial and ensure that safe conditions prevail throughout the inspection/test/trial.

D3 Inspection Records and Reports

1. The Contractor on the inspection record, test or trials sheets as applicable must record the results of each inspection. The Contractor must maintain files of completed inspection records consistent with the Quality Standard and their Quality Plan for this project.
2. The Contractor's QC representative (and the FSR when required) must sign as having witnessed the inspection, test or trial on the inspection record. The Contractor must forward originals of completed inspection records, together with completed test(s) and/or trials sheets to the QAR in their Provisional Acceptance Certificate (PAC) files. (See section D4 below)
3. Unsatisfactory inspection/test/trial results, for which corrective action cannot be completed during the normal course of the inspection/test/trial, will require the Contractor to establish and record the cause of the unsatisfactory condition to the satisfaction of the QAR. The Crown representatives may assist in identification where appropriate.
4. Corrective action to remove cause of unsatisfactory inspections must be submitted to the QAR in writing by the Contractor, for approval prior to affecting such repairs and rescheduling of the unsatisfactory inspection/test/trial. Such notices must be included in the final record (PAC).
5. The Contractor must undertake rectification of defects and deficiencies in the Contractor's installation or repair as soon as practicable. The Contractor is responsible to schedule such repairs at their own risk.

6. The Contractor must reschedule unsatisfactory inspections after any required repairs have been completed.
7. Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the QAR upon request.

D4 Provisional Acceptance Certificate

1. The Contractor must provide to the QAR, for their verification, a separate file for each PMRS item. The file must contain all the relevant information for that work item. The QAR will review the file and the physical completion of the work. Upon agreement that both the physical work and the supporting file (PAC) are complete and correct, that work package is considered "provisionally accepted" by Canada. The work is still dependent upon on final acceptance (i.e the signing of form 1148) in accordance with article 7.33 of the Contract.
2. In the event that an element of uncompleted work is discovered after provisional acceptance but prior to final acceptance, it is considered a defect and must be corrected by the Contractor.
3. Any work which has been provisionally accepted and which is then damaged prior to a compartment being handed over from the Contractor to Canada, is considered a defect and must be corrected by the Contractor.
4. The PAC files must include at least the following:
 - a. Original specification;
 - b. Specification amendments;
 - c. Unpriced copies of all 1379s;
 - d. Deviation and waiver notices;
 - e. Completed test and trial sheets;
 - f. Disposal certificates;
 - g. Signed certificates of compliance for known work;
 - h. Signed certificates of completion for unscheduled work; and,
 - i. Red-lined drawings.

ANNEX E - PROJECT MANAGEMENT SERVICES

E-1. Contractor's Project Management Services - Intent

- a. Job titles used in this Annex are for clarity within this document only. The Contractor is free to choose job titles that suit their organization.
- b. The Contractor, through their Project Management Team, is responsible to discharge the duties and supply the deliverables required in the Contract and the Specifications.
- c. Project Management is considered to encompass the direction and control of such functions as engineering, planning, purchasing, manufacturing, assembly, overhauls, installations and test and trials.

E-2. Project Manager

- a. The Contractor must supply an experienced Project Manager (PM) dedicated to this project and delegate to him/her full responsibility to manage the project.
- b. The PM must have experience in managing a project of this nature.

E-3. Project Management Team

- a. Other than the Project Manager, the Contractor may assign and vary other job descriptions to suit their organization; provided however that the collective resume of their Project Management Team must provide for effective control of the project elements including but not limited to:
 - i. Project Management
 - ii. Quality Assurance
 - iii. Material Management
 - iv. Planning and Scheduling
 - v. Estimating
 - vi. Safety and Environmental Management
 - vii. Subcontracts Management

E-4. Reports

- a. The following Management Reports and Documentation are to be prepared and maintained by the Contractor and submitted to the Crown in accordance with the Contract or upon request by the Contracting Authority:
 - i. Production Work Schedule
 - ii. Inspection Summary Report
 - iii. Growth Work Summary

E-5. Bid Deliverables

- a. Names, brief resumes, and a list of duties for each of the team members that ensures that each of the project elements listed in article 3 above have been addressed.

ANNEX F - WARRANTY PROCEDURES AND CLAIM FORM

F-1 Warranty Procedures

1. Scope

The following are the procedures which suit the particular requirements for warranty considerations for a vessel on completion of a refit.

2. Definition

- a. There are a number of definitions of "warranty" most of which are intended to describe their force and effect in law. One such definition is offered as follows:
"A warranty is an agreement whereby the vendor's or manufacturer's responsibility for performance of their product is extended for a specific period of time beyond the date at which the title to the product passes to the buyer."

3. Warranty Conditions

- a. General Conditions 2030 (2012-07-16), General Conditions - Higher Complexity - Goods are augmented by clauses incorporated into the subject Contract.
- b. The warranty periods may be stated in more than one part:
 - i. 90 days commencing from the day the CF-1148 acceptance document is signed for workmanship provided by the contractor for the refit work specified;
 - ii. 365 days from the date of acceptance for the specified areas of painting;
 - iii. 365 days commencing from the day the CF-1148 acceptance document is signed for parts and material provided by the contractor for the refit work specified;
 - iv. Any other specific warranty periods that may be required in the contract or offered by the Contractor.
- c. The foregoing does not cover the disposition of other deficiencies that will be directly related to DND problem areas of the following nature:
 - i. items becoming unserviceable that were not included in the refit specification;
 - ii. refit specifications or other related documentation requiring amendments or corrections to increase viability; and
 - iii. work performed is directly related to DND or DND agencies.

4. Reporting Failures With Warranty Potential

- a. The initial purpose of a report of a failure is to facilitate the decision as to whether or not to involve warranty and to generate action to effect repairs. Therefore in addition to identification, location data, etc. the report must contain details of the defect. Warranty decisions as a general rule are to be made locally and the administrative process is to be in accordance with procedures as indicated.
- b. These procedures are necessary as invoking a warranty does not simply mean that the warrantor will automatically proceed with repairs at his expense. A review of the defect may well result in a disclaimer of responsibility, therefore, it is imperative that during such a review the Department is directly represented by competent technical authority qualified to agree or disagree with the warrantor's assertions. Since the QAR has the closest and most active involvement of the contracted work completed, this agency must assume this role.

5. Procedures

- a. Immediately it becomes known to the Staff that an equipment/system is performing below accepted standards or has become defective, the procedures for the investigation and reporting are as follows:

- i. The vessel advises MARCOM, MARPAC, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate when a defect, which is considered to be directly associated the refit work, has occurred.
- ii. On review of the CF-1148 and the PMRS, the appropriate authority in consort with ships engineer (as applicable) is to complete the Tombstone Data and section 1 of the Warranty Claim Form (Copy attached as appendix 1 to Annex E) and forward the original to the appropriate QAR for review. The QAR checks the claim, and if deemed justified in accordance with the warranty conditions and refit specifications, actions the form, and forwards it to the pertinent contractor with information copies to NDHQ, FMF PLO, and the PWGSC Contracting Authority. If the QAR is unable to support warranty action, the Defect Claim Form is to be returned to the originator with a brief justification. (It is to be noted that in the latter instance NDHQ does not intend to enter into any arbitration between the originator and the QAR. Authority for the QAR to administer the refit on behalf of NDHQ prevails in respect to decision on the validity of possible warranty items.)

If a potential warranty defect is of an urgent nature, e.g., near the end of the warranty period, SHIP, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate, is to advise the QAR by message, followed by submission of the Warranty Defect Claim Form.

- iii. Assuming the Contractor accepts full responsibility for repair, the Contractor completes Sections 2 & 3 of the Claim Form, returns it to the QAR involved who confirms corrective action has been completed, and distributes the form to NDHQ, FMF/PLO, originator, and the PWGSC Contracting Authority.
- b. In the event that the Contractor disputes the claim as a warranty defect, or agrees to share, the contractor is to complete Section 2 of the Claim Form with the appropriate information and forward it to the QAR who will distribute copies as necessary.
- c. When a warranty defect claim is disputed by the Contractor, the SHIP, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate, may arrange to correct the defect by FMF through the normal work order routine. FMF costs must be segregated as a possible charge against the contractor by PWGSC action. Material costs and manhours expended in correcting the defect are to be recorded and entered in Section 5 of the warranty defect claim by the QAR, who will forward the warranty defect claim to thePWGSC Contracting Authority for action, with a copy to NDHQ for information. Defective parts of equipment are to be retained pending settlement of claim.
- d. Defective equipment associated with potential warranty should not normally be dismantled until the contractor's representative has had the opportunity to observe the defect. The necessary work is to be undertaken through normal FMF channels and costs must be segregated as a possible charge against a contractor by PWGSC action.

6. Liability

- a. Agreement between the QAR and the contractor will result in one of the following conditions:
 - i. The contractor accepts full responsibility for costs to repair or overhaul under the warranty provisions of the contract;

- ii. DND accepts full responsibility for repair and overhaul of item concerned; or
 - iii. The contractor and DND agree to share responsibility for the costs to repair or overhaul the unserviceable item, in such cases the PWGSC Contracting Authority will negotiate the best possible sharing arrangement.
- b. In the event of a disagreement as in Para 5c, PWGSC will take necessary action with the contractor while the QAR informs NDHQ including pertinent data and recommendations.
- c. It will be appreciated that the total cost of processing warranty claims must include accommodation and travel costs of the contractor's employees as well as equipment/systems down time and operational constraints. Accordingly, where the cost in manhours and material is readily identifiable as less than \$10,000 dollars and an operational requirement precludes delaying corrective action, the repair will be undertaken using DND resources regardless of responsibility at no cost to the contractor. The above situation is the only juncture at which DND will normally waive contractor responsibility.
- d. In the following instances, warranty outlined in Para 5.a.ii will be followed:
 - i. Warranty items under 10,000 dollars that can be delayed and accumulated;
 - ii. Warranty items exceeding 10,000 dollars requiring immediate attention due to operational commitments; and
 - iii. Warranty items over 10,000 dollars that can be delayed. Alongside Period For Warranty Repairs and Checks
- e. If at all possible, an alongside period for the vessel is to be arranged just prior to the expiration of the 90 day warranty period. This alongside period is to provide time for warranty repair and check by the contractor.
- f. In respect to the underwater paint, should it become defective during the associated warranty period the contractor is only liable to repair to a value determined as follows: "Original cost to the Crown for painting and preservation of the underwater section of the hull, divided by 365 days and multiplied by the number of days remaining in the 365 warranty period. The resultant would represent the 'Dollar Credit' due to the Crown from the Contractor."
- g. The Underwater paint system, prior to expiration of the warranty is to be checked by divers. SHIP, FDU, RTU, CANCOMTRAINRON, QHM, as appropriate is to arrange.

ANNEX G - PROCEDURE FOR UNSCHEDULED WORK

G1. Purpose

The unscheduled work procedure has been instituted for the following purposes:

- a. To establish a uniform method of dealing with requests for unscheduled work;
- b. To obtain the necessary Technical Authority approval and Contracting Authority authorization before unscheduled work commences;
- c. To provide a means of maintaining a record of unscheduled work requirements including serial numbers, dates and accumulated cost. The Contractor must have a cost accounting system that is capable of assigning job numbers for each unscheduled work requirement so that each requirement can be audited individually.

G2. Definitions

- a. An unscheduled work procedure is a contractual procedure whereby changes to the scope of work under the Contract may be defined, priced and contractually agreed to. Such changes may arise from:
 - i. "Work Arising" from opening up of machinery and/or surveys of equipment and material,
OR
 - ii. "New Work" not initially specified but required on the Vessel.
- b. The procedure does not allow for the correction of deficiencies in the Contractor's Bid.
- c. No unscheduled work may be undertaken by the Contractor without written authorization by the Contracting Authority, except under emergency circumstances as described in sub paragraph 3(b) unscheduled work.
- d. Work undertaken without written Contracting Authority authorization will be considered the Contractor's responsibility and cost.
- e. The appropriate PWGSC form is the final summary of the definition of the unscheduled work requirement, and the costs negotiated and agreed to

G3. Procedures

- a. The procedure involves the electronic form PWGSC 1379 for refit and repair and will be the only form for authorizing all unscheduled work.
- b. Emergency measures required to prevent loss or damage to the Vessel which would occur if this procedure were followed, shall be taken by the Contractor on its own authority. The responsibility for the cost of such measures shall be determined in accordance with the terms and conditions of the Contract.
- c. The Technical Authority will initiate a work estimate request by defining the unscheduled work requirement. It will attach drawings, sketches, additional specifications, other clarifying details as appropriate, and allocate their serial number for the request.

- d. Notwithstanding the foregoing, the Contractor may propose to the Technical Authority in writing either by letter or some type of Defect Advice Form (A Contractor owned form) that certain unscheduled work should be carried out.
- e. The Technical Authority will either reject or accept such proposal and advise the Contractor and Contracting Authority. Acceptance of the proposal is not to be construed as authorization for the work to proceed. If required, the Technical Authority will then define the unscheduled work requirement in accordance with sub paragraph 3(c).
- f. The Contractor will electronically submit its proposal to the Contracting Authority together with all price support and any qualifications, remarks or other information as requested. The price support shall demonstrate the relationship between the scope of work, the Contractor's estimated costs and its selling price. It is a breakdown of the Contractor's unit rates, estimates of person hours by trade, estimate of material cost per item for both the Contractor and all of its subcontractors including quotations, estimates and any related schedule impact and an evaluation of the Contractor's time required to perform the unscheduled work.
- g. The Contractor shall provide copies of purchase orders and paid invoices for subcontracts and/or material, including stocked items. The Contractor shall provide a minimum of two quotations for subcontracts or material. If other than the lowest or sole source is being recommended for quality and/or delivery considerations, this shall be noted. Upon request by the Contractor, the Contracting Authority shall be permitted to meet with any proposed subcontractor or material supplier for discussion of the price, and always with the Contractor's representative present.
- h. After discussion between the Contracting Authority and the Contractor and if no negotiation is required, the Contracting Authority will seek confirmation from the Technical Authority to proceed with the work by signing the form noted above in sub paragraph 3(d). The Contracting Authority will then sign and authorize the unscheduled work to proceed.
- i. In the event that the Technical Authority does not wish to proceed with the work, the Contracting Authority will cancel the proposed unscheduled work in writing.
- j. In the event the negotiation involves a credit, the appropriate PWGSC form will be noted accordingly.
- k. In the event that the Technical Authority requires unscheduled work of an urgent nature or an impasse has occurred in negotiations the commencement of unscheduled work should not be unduly delayed and should be processed as follows:
- The Contractor will complete PWGSC 1379 form indicating the estimated cost and provide it to the Contracting Authority.
 - If the Technical Authority wishes to proceed, both the Technical Authority and the Contracting Authority will sign the completed PWGSC form. It will be understood and accepted that this cost will be a ceiling price cost and therefore only subject to downward adjustment.
 - A serial number will be allocated and will include Suffix A.

The work will proceed with the understanding that following an audit of the Contractor's actual costs for completing the described work, the cost will be finalized no higher than the ceiling price and less as applicable and justified. A new PWGSC form will be completed with the finalized cost and duly signed and issued with the same serial number but without suffix A. This form is replacing the original and will be the final approved form.

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NOTE: PWGSC forms bearing serial numbers with a suffix A shall not be included in any contract amendments and therefore no payment shall be made until final resolution of the prices and subsequent incorporation into the contract have been completed.

G4. Amendment to Contract or Formal Agreement

The contract will be amended from time to time in accordance with the contract terms in order to incorporate costs that have been authorized on the proper PWGSC form(s).

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ANNEX H – SECURITY REQUIREMENTS CHECKLIST

To obtain the SOW the Bidder must make a request in writing to the Contracting Authority identified in Article 7-5.1.

ANNEX I - FINANCIAL BID PRESENTATION SHEET

I-0 Proposed Work Period Location: _____

I-1 Evaluation of Price

The price of the bid will be evaluated in Canadian dollars, Applicable Taxes excluded, Canadian customs duties and excise taxes included.

a.	Known Work For work as stated in Part 1 article 1.2, specified in Annexes A, D and E and detailed in the attached Pricing Data Sheet Annex I, Appendix 1 for a FIRM PRICE of:	\$ _____
b.	Unscheduled Work <i>Labour Cost:</i> Estimated labour hours at a firm <i>Charge-out Labour Rate</i> , including overhead and profit: 1500 person hours X \$ _____ per hour for a PRICE of: See articles I2.1 and I2.2 below.	\$ _____
c.	Lay Day / Berthage Fees As per article I4 i. Five (5) working lay days X \$ _____ = \$ _____ ii. Two (2) non-working lay days X \$ _____ = \$ _____ iii. Three (3) berthing days X \$ _____ = \$ _____	\$ _____
d.	Cost of Financial Security As per Part 6 Financial Security article, 6-3	\$ _____
e.	EVALUATION PRICE Applicable Taxes Excluded, [a + b + c + d + e]: For an EVALUATION PRICE of :	\$ _____

I-2 Unscheduled Work

Unscheduled work arising, as authorized by the Minister, will be calculated in the following manner:

"Number of hours (to be negotiated) X _____ your firm hourly *Charge-out Labour Rate* which includes *Overhead* and profit, plus net laid-down cost of materials to which will be added a 10% mark-up, plus Applicable Taxes. The firm hourly *Charge-out Labour Rate* and the material mark-up will remain firm for the duration of the Contract and any subsequent amendments."

I-2.1 Notwithstanding definitions or usage elsewhere in this document, or in the Bidder's Cost Management System, when negotiating *Hours* for unscheduled work, PWGSC will consider only those hours of labour directly involved in the production of the subject work package.

Elements of *Related Labour Costs* identified in I-2.2 will not be negotiated, but will be compensated for in accordance with I-2.2. It is therefore incumbent upon the Bidder to enter values in the above table which will result in fair compensation, regardless of the structure of their Cost Management System.

I-2.2 Allowance for *Related Labour Costs* such as: Management, Direct Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Inspecting and

Reporting, and Estimating will be included as *Overhead* for the purposes of determining the *Charge-out Labour Rate* entered in Table I-1 line I-1b. above.

- I-2.3** The 10% mark-up rate for materials will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowed for in the Chargeout Labour Rate. A separate labour component for the purchase and handling of materials or subcontract administration is not allowable.

I-3 Overtime

1. The Contractor must not perform any overtime under the Contract unless authorized in advance and in writing by the Contracting Authority. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the details of the overtime performed pursuant to the written authorization.

Payment for authorized overtime will be calculated as follows:

- a. For known work, the Contractor will be paid the Contract Price plus authorized overtime hours paid at the following premium rates:

For time and one half: \$ _____ per hour, or

For double time: \$ _____ per hour.

- b. For unscheduled work, the Contractor will be paid the authorized overtime hours at the quoted charge-out labour rate, plus the following premium rates:

For time and one half: \$ _____ per hour, or

For double time: \$ _____ per hour.

2. The above premiums will be calculated by taking the average hourly direct labour rate premiums, plus certified fringe benefit, plus profit of 7.5 percent on labour premium and fringe benefits. These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

I-4 Lay Day/Berthage Day Fees

The following fees are to be provided by the Bidder. In the event of a delay in the performance of the Work, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, these fees will be used to establish the liability of Canada to the Contractor for the delay.

a. Lay day fee for a working day: \$ _____

b. Lay day fee for a non-working day: \$ _____

c. Berthage Fee per day (70.25 Meter X \$ _____ / Meter): \$ _____

A lay day is defined as "a day of delay in port" with the vessel docked (i.e. removed from the water) at the contractor's facility. A lay day fee should include those costs associated with maintaining the vessel at the Contractor's facility but will not include costs of consumption of such services including but not limited to electrical power, potable water, steam, compressed air, etc. The lay day and berthage fees are firm and not subject to any additional charges for mark-up or profit.

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APPENDIX 1 TO ANNEX I - PRICING DATA SHEET

The Pricing Data Sheet [PDS] is provided in a separate electronic document entitled:

“W3555-190229 – Pricing Datasheet.xls”

To obtain the PDS, the Bidder must make a request in writing to the Contracting Authority identified in Article 7-5.1.

ANNEX J - 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)

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ANNEX K - ELECTRONIC PAYMENT INSTRUMENTS

The Bidder accepts to be paid by any of the following Electronic Payment Instrument(s):

- Direct Deposit (Domestic and International);
- Electronic Data Interchange (EDI);
- Large Value Transfer System (LVTS) (Over \$25M)