



## RETURN BIDS TO:

## RETOURNER LES SOUMISSIONS À:

Bid Receiving - PWGSC / Réception des  
soumissions - TPSGC

11 Laurier St. / 11, rue Laurier

Place du Portage, Phase III

Core 0B2 / Noyau 0B2

Gatineau, Québec K1A 0S5

Bid Fax: (819) 997-9776

## 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

Ship Refits and Conversions / Radoubss et  
modifications de navires and / et

11 Laurier St. / 11, rue Laurier

6C2, Place du Portage

Gatineau, Québec K1A 0S5

<b>Title - Sujet</b> CCGS Griffon Summer Refit	
<b>Solicitation No. - N° de l'invitation</b> F2599-180006/C	<b>Date</b> 2018-04-11
<b>Client Reference No. - N° de référence du client</b> F2599-180006	<b>GETS Ref. No. - N° de réf. de SEAG</b> PW-\$MD-034-26786
<b>File No. - N° de dossier</b> 034md.F2599-180006	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> <b>on - le 2018-05-24</b>	
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input checked="" type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Green, Dave	<b>Buyer Id - Id de l'acheteur</b> 034md
<b>Telephone No. - N° de téléphone</b> (819) 420-2900 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b> DEPARTMENT OF FISHERIES AND OCEANS MARINE ENGINEERING 520 EXMOUTH ST SARNIA Ontario N7T8B1 Canada	

Instructions: See Herein

Instructions: Voir aux présentes

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



Item Article	Description	Dest. Code Dest.	Inv. Code Fact.	Qty Qté	U. of I. U. de D.	Unit Price/Prix unitaire FOB/FAM Destination	Plant/Usine	Delivery Req. Livraison Req.	Del. Offered Liv. offerte
1	CCGS Griffon Summer Refit as per S pec 864.17	F2599	F2599	1	It	\$	XXXXXXXXXXXX	See Herein	

**Invitation to Tender  
(ITT)**

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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, if applicable, and the basis of selection;
- Part 5 Certifications: includes the certifications to be provided;
- Part 6 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 Federal Contractors Program for Employment Equity - Certification, the Insurance Requirements and any other Annexes.

### 1.2 Summary

- (a) The requirement is:
  - i. For an alongside refit to carry out inspections, regulatory maintenance, main propulsion refurbishment, replacement of steel, equipment replacement and coordination of work separately contracted and executed by two external contractors on board the Canadian Coast Guard Vessel CCGS Griffon in accordance with the associated Technical Specifications detailed in Annex "A".
  - ii. To carry out Unscheduled Work authorized by the Contracting Authority.
  - iii. There is a **mandatory** Bidders' Conference and Site Visit associated with this requirement. Consult Part 2 – Bidder Instructions.
- (b) As per the Integrity Provisions under section 01 of Standard Instructions 2003 bidders must provide a list of all owners and/or Directors and other associated information as required. Refer to section 4.21 of the Supply Manual for additional information on the Integrity Provisions.
- (c) The requirement is exempt from the provisions of the World Trade Organization Agreement on Government Procurement (WTO-AGP), Annex 4 and the North American Free Trade Agreement (NAFTA), Chapter 10, Annex 1001.2b, Paragraph 1(a).

The requirement is subject to the Agreement on Internal Trade (AIT). The sourcing strategy relating to this procurement will be limited to suppliers from Eastern Canada, in accordance with the Shipbuilding, Refit, Repair and Modernization Policy (2010-08-16).
- (d) The Federal Contractors Program (FCP) for employment equity applies to this procurement; see Part 5 - Certifications, Part 7 - Resulting Contract Clauses and the annex titled Federal Contractors Program for Employment Equity - Certification.

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Buyer ID - Id de l'acheteur  
034md  
CCC No./N° CCC - FMS No./N° VME

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### **1.3 Work Period - Marine**

Commencement: July 3, 2018  
Completion: October 17, 2018

### **1.4 Debriefings**

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

## **PART 2 - BIDDER INSTRUCTIONS**

### **2.1 Standard Instructions, Clauses and Conditions**

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual (<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual/all>) issued by Public Works and Government Services Canada (PWGSC). 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 SACC 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 PWGSC Bid Receiving Unit by the date, time and place designated on the front page Invitation to Tender (ITT) of the bid solicitation.

Due to the nature of the bid solicitation, bids transmitted by facsimile will not be accepted.

### **2.3 Enquiries - Bid Solicitation**

All enquiries must be submitted in writing to the Contracting Authority (CA) 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 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.

It is the Bidder's responsibility to ensure that all available, accessible or visible information has been seen, noted and validated. Canada will assume that Bidders are in possession of that information, that they validated it and will not consider any request for adjustment related to that information from the successful Contractor once in contract.

Any clarifications or changes to the bid solicitation resulting from questions and answers will be included as an amendment to the solicitation.

### **2.4 Applicable Laws**

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

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

**Refer to Annex "I1" for Deliverables/Certifications.**

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## 2.5 Mandatory Site Visit – Vessel

It is mandatory that the Bidder or a representative of the Bidder visit the work site. Arrangements have been made for the site visit to be held on May 2, 2018 at 09:00am at the Canadian Coast Guard Base, 17 rue Prince, Sorel, (Québec). All Contractors must have valid identification to sign in at the Main Gate. All personnel must at a minimum have a hard hat and protective footwear to enter the vessel.

There is minimal parking available at the CCG Base Sorel.

Map : <https://www.google.ca/maps/place/17+Rue+du+Prince,+Sorel-Tracy,+QC+J3P+4J4/@46.0467645,-73.1172358,17z/data=!3m1!4b1!4m5!3m4!1s0x4cc8859dd658ced9:0x95d47b691744d1eb!8m2!3d46.0467608!4d-73.1150471?hl=en>

Bidders must communicate with the Contracting Authority no later than April 30, 2018 to confirm attendance and provide the name(s) of the person(s) who will attend. Bidders will be required to sign an attendance sheet. Bidders should confirm in their bid that they have attended the site visit. Bidders who do not attend the mandatory site visit or do not send a representative will not be given an alternative appointment and their bid will be declared non-responsive. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

## 2.6 Mandatory Bidders' Conference

A bidders' conference will be held at the Canadian Coast Guard Base at 17 rue Prince, Sorel, (Québec) on May 2, 2018 at 1pm. The scope of the requirement outlined in the bid solicitation will be reviewed during the conference and questions will be answered. Bidders who intend to submit a bid must attend or send a representative. Bidders must communicate with the Contracting Authority before the conference to confirm attendance. Bidders must provide, in writing, to the Contracting Authority, the name(s) of the person(s) who will be attending and a list of issues they wish to table no later than April 30, 2018.

Bidders will be required to sign an attendance sheet. Bidders should confirm in their bid that they have attended the Bidder Conference. Bidders who do not attend the mandatory bidders' conference or do not send a representative will not be given an alternative appointment and their bid will be declared non-responsive. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

## 2.7 Additional Instructions - Work Period – Marine

By submitting a bid the Bidder certifies that they have sufficient material and human resources allocated or available and that the work period outlined in 1.3 Work Period – Marine is adequate to both complete the known work and absorb a reasonable amount of unscheduled work.

The vessel will be manned during the work period and will be considered to be in-commission. The vessel during that period will be in the care or custody of the Canadian Coast Guard (CCG) and under its control.

## **PART 3 - BID PREPARATION INSTRUCTIONS**

### **3.1 Bid Preparation Instructions**

Due to the nature of the bid solicitation, bids transmitted by facsimile will not be accepted.  
Canada requests that Bidders provide their bid in separately bound sections as follows:

- Section I - Technical Bid (2 hard copies and 1 soft copy on USB key)
- Section II - Financial Bid (1 hard copy)
- Section III - Certifications (2 hard copies and 1 soft copy on USB key)

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

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

### **3.2 Required Submission Information**

#### **Section I: Technical Bid**

The Bidder must provide all of the deliverables as referenced in Annex I – Deliverables / Certifications.

In their technical bid, Bidders must demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders must demonstrate their capability and describe their approach in a thorough, concise and clear manner for carrying out the work. Bidders must provide detailed evidence that they and/or their proposed subcontractors have completed work similar in scope and complexity.

#### **Section II: Financial Bid**

The Bidder must submit their financial bid in accordance with Annex H – Financial Bid Presentation Sheet and in Annex H - Appendix 1 – Pricing Data Sheet. The total amount of applicable taxes must be shown separately.

#### **Section III: Certifications**

The Bidder must submit the certifications required under Part 5.

### **3.3 Submission Format**

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.

## **PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION**

### **4.1 Evaluation Procedures**

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

#### **Technical Bid**

Notwithstanding deliverable requirements specified within the solicitation and its associated Annex A – Statement of Work, mandatory deliverables that must be submitted with the Bidder's bid to be deemed responsive are summarized in Annex I – Deliverables / Certifications – I1 Mandatory Tender Deliverables Check List.

#### **Financial Bid**

In order to be compliant, the Bidder's bid must to the satisfaction of Canada meet all requirements and provide all information required under Part 3, article 3.2 – Required Submission Information, Section II – Financial Bid.

#### **Certifications**

Bidders must submit the certifications required under Part 5 – Certifications.

Canada reserves the right to request information to support any bid requirement. The Bidder is instructed to address each requirement in sufficient depth to permit a complete analysis and assessment by the Evaluation Team. The Bid will be deemed responsive if it is found to meet all of the mandatory requirements.

### **4.2 Evaluation of Price**

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

#### **4.2.1 Unscheduled Work and Evaluation Price**

In any vessel refit, repair or docking contract, unscheduled work will arise after the vessel and its equipment is opened up and surveyed.

An anticipated cost for the unscheduled work will be included in the evaluation price. The evaluation price will be calculated by including an estimated amount of additional person-hours multiplied by a firm hourly charge-out rate for unscheduled work and will be added to the firm price for the known work.

The evaluation price will be used for evaluating the bid. The additional amount of person-hours for unscheduled 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 unscheduled work.

### **4.3 Basis of Selection**

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

Bidders should note that all contract awards are subject to Canada's internal approvals process, which includes a requirement to approve funding in the amount of any proposed contract. Notwithstanding that a Bidder may have been recommended for award of contract, issuance of any contract will be contingent upon internal approval in accordance with Canada's policies. If such approval is not given, no contract will be awarded.

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Buyer ID - Id de l'acheteur  
034md  
CCC No./N° CCC - FMS No./N° VME

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#### **4.4 Deliverables after Contract Award**

For details refer to Annex I – Deliverables / Certifications – I2 Deliverables after Contract Award.

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## PART 5 - CERTIFICATIONS

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

The certifications provided by bidders to Canada are subject to verification by Canada at all times. Canada will declare a bid non-responsive, or will declare a contractor in default in carrying out any of its obligations under the Contract, 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 may render the bid non-responsive or constitute a default under the Contract.

### 5.1 Certifications Required Precedent to Contract Award

The certifications listed below should be completed and submitted with the bid but may be submitted afterwards. If any of these required certifications 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 comply with the request of the Contracting Authority and to provide the certifications within the time frame specified will render the bid non-responsive.

#### 5.1.1 Integrity Provisions - Associated Information

By submitting a bid, the Bidder certifies that the Bidder and its Affiliates are in compliance with the provisions as stated in Section 01 Integrity Provisions - Bid of SACC 2003 Standard Instructions - Goods or Services - Competitive Requirements. The associated information required within the Integrity Provisions will assist Canada in confirming that the certifications are true.

#### 5.1.2 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](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 C 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.

#### 5.1.3 Education and Experience

The Bidder certifies that all the information provided in the résumés and supporting material submitted with its bid, particularly the information pertaining to education, achievements, experience and work history, has been verified by the Bidder to be true and accurate. Furthermore, the Bidder warrants that every individual proposed by the Bidder for the requirement is capable of performing the Work described in the resulting contract.

#### **5.1.4 Status and Availability of Resources**

The Bidder certifies that, should it be awarded a contract as a result of the bid solicitation, every individual proposed in its bid will be available to perform the Work as required by Canada's representatives and at the time specified in the bid solicitation or agreed to with Canada's representatives. If for reasons beyond its control, the Bidder is unable to provide the services of an individual named in its bid, the Bidder may propose a substitute with similar qualifications and experience. The Bidder must advise the Contracting Authority of the reason for the substitution and provide the name, qualifications and experience of the proposed replacement. For the purposes of this clause, only the following reasons will be considered as beyond the control of the Bidder: death, sickness, maternity and parental leave, retirement, resignation, dismissal for cause or termination of an agreement for default.

If the Bidder has proposed any individual who is not an employee of the Bidder, the Bidder certifies that it has the permission from that individual to propose his/her services in relation to the Work to be performed and to submit his/her résumé to Canada. The Bidder must, upon request from the Contracting Authority, provide a written confirmation, signed by the individual, of the permission given to the Bidder and of his/her availability. Failure to comply with the request may result in the bid being declared nonresponsive.

## **PART 6 - FINANCIAL AND OTHER REQUIREMENTS**

### **6.1 Financial Capability**

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

### **6.2 Contract Financial Security**

#### **6.2.1** In the bid, the Bidder must indicate the following:

In Annex I1 "Deliverables/Certifications":

a) the type of Contract Financial Security the Bidder intends to provide if awarded the Contract;  
and

In Annex H "Financial Bid Presentation Sheet":

b) the cost to the Bidder of the Contract Financial Security.

#### **Refer to Annex "I1" for Deliverables/Certifications**

**6.2.2** If this bid is accepted, the Bidder shall be required to provide the Contract Financial Security in accordance with 7.14 within **(5) five Working Days** after the date of contract award.

**6.2.3** If, for any reason, Canada does not receive, within the specified period, the required Contract Financial Security, Canada may accept another offer, seek new bids, negotiate a contract or not accept any bids, as Canada may deem advisable.

### **6.3 Vessel Transfer Costs**

Vessel Transfer Costs will apply to the evaluation price of this solicitation.

1. The evaluation price must include the cost for transferring the vessel from its home port to the shipyard/ship repair facility where the Work will be performed and the cost of transferring the vessel to its home port following completion of the Work, in accordance with the following:
  - a. The Bidder must provide the location of the shipyard/ship repair facility where it proposes to perform the Work together with the applicable vessel transfer cost from the list provided under article 6.3, paragraph 2 of this section and shall be entered into Annex H – Financial Bid Presentation Sheet, item D).
  - b. If the list in article 6.3, paragraph 2 of this section does not provide the shipyard/ship repair location where the Bidder intends to perform the Work, then the Bidder must advise the Contracting Authority, in writing, at least ten (10) calendar days before the bid closing date, of its proposed location for performing the Work.
  - c. The Contracting Authority will confirm to the Bidder, in writing, at least five (5) calendar days before the bid closing date, the location of the shipyard/ship repair and the applicable vessel transfer cost. A bid that specifies a location for executing the Work which is not on the list provided under article 6.3, paragraph 2 of this section and for which a notification in writing has not been received by the Contracting Authority as required above, will be considered non-responsive.
2. List of shipyard/ship repair facilities and applicable vessel transfer costs:

Vessel: CCGS Griffon  
Home port: Prescott, Ontario

Transfer costs in the case of vessels transferred using a government delivery crew include the fuel cost at the vessel's most economical speed of transit and for unmanned refits only, crew

transportation costs for the delivery crew based on the location of the vessel's home port and the shipyard/ship repair facility.

Crew transportation costs do not include any members of the delivery crew who remain at the shipyard/ship repair facility in order to discharge project responsibilities related to the vessel being transferred. Transfer costs in the case of vessels transferred unmanned by either commercial towing, railway, highway or other suitable means of transportation must be:

- (i) included as part of the Bidder's financial bid in the case where the Bidder is responsible for the transfer; or
- (ii) identified as the applicable vessel transfer cost, as given in the list below, in the case when Canada is responsible for the transfer.

**Shipyard/Ship Repair Facility- Applicable Vessel Transfer Costs**  
**Manned only: CCGS Griffon**

Company	City/Province	Manned Transfer Cost
Caraquet Marine Industry Ltd.	Caraquet, NB	\$42,696
Canadian Maritime Engineering Limited	North Sydney, NS	\$62,650
Chantier Forillon	Gaspe, QC	\$39,085
Meridien Maritime	Matane, QC	\$27,873
Davie Industries Inc.	Levis, QC	\$15,267
Heddie Marine	Hamilton, ON	\$13,873
Hike Metal Products Ltd	Wheatley, ON	\$24,325
MetalCraft Marine Inc.	Kingston, ON	\$3,484
Réparations Navales et industrielles Océan	Quebec, QC	\$15,267
Shelburne Ship Repair	Shelburne, NS	\$68,858
Verreault Navigation Inc.	Les Mechins, QC	\$29,329

All Prices in CAD

**Proposed Alongside Location:** \_\_\_\_\_.

For details refer to Annex I Deliverables / Certifications, II - Mandatory Tender Deliverables Check List.

**Refer to Annex "I1" for Deliverables/Certifications**

## **6.5 Workers' Compensation - 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 with the bid, a certificate or letter from the applicable Worker's Compensation Board confirming the Bidder's good standing account. Failure to comply with the request may result in the bid being declared non-responsive.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

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## 6.6 Valid Labour Agreement

If the Bidder has a labour agreement, or other suitable instrument, in place with all its unionized labour, it must be valid for the proposed period of any resulting contract. Documentary evidence of the agreement or suitable instrument must be provided on or before bid closing date. If this information is not provided with the bid it will render the bid non-responsive.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.7 Preliminary Work Schedule

6.7.1 At the time of bid closing the Bidder must submit to Canada one (1) copy of its preliminary production work schedule in Gantt chart format. 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 successful Bidder at the Pre-Refit Meeting.

6.7.2 The Contractor's schedule must include target dates for each of the following significant events:

- a. Commencement of Work as defined at Article 7.5.1
- b. All priced work items listed at Annex H Appendix 1
- c. FSR Scheduling for Priced Work Items as defined at Annex A – 7.3.1.6, 16.3.1.2, 17.3.1.2, and 19.3.1.3
- d. Completion of Work as defined at Article 7.5.1
- e. Dock and Sea Trials Period

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 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.

At bid closing date, the 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. If this information is not provided with the bid it will render the bid non-responsive.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.9 ISO 9001:2008 - Quality Management Systems

The Bidder shall have in place a Quality Management System registered to ISO 9001:2008 or a Quality Management System modeled on ISO 9001:2008 and shall provide at time of bid closing:

- If registered its valid ISO 9001-2008 certification;
- Example of Quality Control Plan (QCP) as per article 6.16.

Documentation and procedures of bidders may be subject to a Quality System Evaluation (QSE) by the Technical Authority during bid evaluation period.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.10 Health and Safety

The Bidder must submit with its bid objective evidence that it has a documented Health and Safety system fully compliant with all current Federal, Provincial and Municipal regulations. If this information is not provided with the bid it will render the bid non-responsive.

For details refer to Annex II Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

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## 6.11 Fire Protection, Fire Fighting and Training Procedures

The Bidder must submit with its bid 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 article 7.27. If this information is not provided with the bid it will render the bid non-responsive.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.12 Hazardous Waste

1. The Bidder acknowledges that sufficient information has been provided by Canada with respect to the location and estimated amount of hazardous materials such as asbestos, lead PCBs, silica or other hazardous materials or toxic substances.
2. The price includes all costs associated with the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances on board the vessel, including those costs resulting from the need to comply with applicable laws and regulations in relation to the removal, handling, disposal or storage of hazardous materials or toxic substances.
3. The completion date for the Work takes into account the fact that the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances may be affected by the need to comply with applicable federal, provincial and municipal laws or regulations and that this will not be considered to be an excusable delay.

## 6.13 Insurance Requirements

The Bidder must provide with its bid 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 D – Insurance Requirements. If this information is not provided with the bid it will render the bid non-responsive.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.14 Welding Certification

1. Welding must be performed by a welder certified by a Canadian Standards Association (CSA) accredited business in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
  - a. CSA W47.1-09, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2); and
  - b. CSA W47.2-11, Certification for Companies for Fusion Welding of Aluminum (Minimum Division Level 3).

The bidder must submit proof of Certification for Companies for Fusion Welding of Steel with the bid. The certification must remain valid for the duration of the contract. If this information is not provided with the bid, it will render the bid non-responsive.

Proof of Certification for Companies for Fusion Welding of Aluminum is not required with the bid but must be readily available before the commencement of any fabrication work, and upon request from the Technical Authority. The certification must remain valid for the duration of the contract.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## 6.15 Project Management Services

The Contractor is required to provide their own Project Management Team experienced and capable of successfully managing the ship repair contract as defined herein. Project management personnel, services and deliverables must comply with the requirements detailed in the contract.

### Introduction

Project management refers to system integration and technical control as well as business management of the CCGS Griffon Inspection, Repair and Maintenance Requirement.

The Contractor must provide the following within 5 days of Contract Award:

### Project Action Plan (PAP):

The Contractor must document the project management for the work in a Project Action Plan and must update this plan at monthly intervals or more frequently as required by the Contracting Authority.

The PAP must comprise:

- i) organization structure charts;
- ii) a master schedule, support schedules, sub-Contractor schedules and work;
- iii) Government Furnished Equipment (GFE), and Contractor Furnished Equipment (CFE) delivery dates as a minimum.

The monthly updates to the PAP must comprise schedule updates, a progress report and review meetings. The components of the PAP and its updates are described in the following sub-sections.

#### *1) Project Integration Management:*

The Contractor must provide an overall project organizational chart identifying all key personnel and sub-Contractors. Further, the Contractor must identify the contract-related work each sub-Contractor is responsible for.

#### *2) Change Management Log:*

The Contractor must provide a Change Management Log that must be used for the duration of the project to manage project changes.

The Change Management Log must track project issues with the following criteria:

- i) Individual tracking number;
- ii) Date issue was raised;
- iii) Expected resolution date;
- iv) Date issue was resolved;
- v) Brief note of resolution on issue;
- vi) Individual who raised issue;
- vii) Individual assigned to resolve issue;
- viii) Risk Factor.

#### *3) Risk Management Plan:*

The Contractor must identify emergent risks and rank these risks by impact on the work. Mitigation strategies must be identified for all "High" risks. The "Risk Management Plan" must be updated at least bi-weekly and provided to the Technical and Contracting Authorities. The "Risk Management Plan" must be included in the monthly progress meeting Record of Decisions.

#### *4) Scheduling:*

The Contractor must provide a schedule(s) that breaks the work down to the system and component level. The schedule must include sub-Contractor and FSR schedules to the same level. The Contractor must update the schedule(s) on a weekly basis and the updates must be submitted electronically in MS Project 2013 or

equivalent format to the Contract Authority, and the Technical Authority by close of Business each Monday until the end of the project.

The schedule(s) must identify at a minimum the following elements ;

The schedule(s) must be baselined.

- a) Major Milestones
- b) The Work Breakdown Structure (WBS) on at least three or more levels for each section of the Specification package. More specifically, the WBS must include the strip outs, production, assembly, installation, bench testing, system commissioning and tests and trials, the expected and required resources, and the necessary sea trials;
- c) Predecessors and successors; start and end dates for each item;
- d) The critical path to the acceptance of the work;
- e) The subcontractors' and FSR schedules up to the same level;
- f) Long lead items and GFE;

The PMBOK eighth edition must be used as the reference for scheduling.

5) *Project Reporting*: must provide a monthly Progress Report describing the status of the project Time Line, Cost and Performance as an introduction. Time, Cost and Performance must then be addressed in detail, clearly demonstrating earned value using Cost Performance Index (CPI) and Schedule Performance Index (SPI). The report must identify significant risks to the program and the actions taken to resolve these risks. The risk analysis must identify any impact upon delivery and actions taken to recover any slippage that may affect the contract delivery date. The report, either in hard copy or in electronic format, must be delivered monthly, three (3) working days prior to the progress review meeting to the Contract Manager, the Inspection Authority and the Technical Authority. The progress report must include sub-Contractor and major component supplier activity.

The following Management Reports and Documentation are to be prepared and maintained by the Contractor and submitted to Canada in accordance with the Contract or upon request by the Contracting Authority.

- i. Production Work Schedule
- ii. Inspection Summary Report
- iii. Growth Work Summary

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

#### **6.16 List of Proposed Subcontractors**

If the bid includes the use of subcontractors and FSR's, the Bidder must provide a list of all subcontractors and FSR's including a description of the things to be purchased, a description of the work to be performed by specification section, the location of the performance of that work, previous experience related to the specification and any planned travel.

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 aggregate for the project.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

### **6.17 Quality Control Plan**

At the time of bid closing the Bidder must submit to Canada an example of its Quality Control Plan (QCP) as applied on previous projects of the same nature.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

### **6.18 Inspection and Test Plan**

At the time of bid closing the Bidder must submit to Canada an example of an Inspection and Test Plan (ITP) complete with requirement and inspection reports as developed on previous projects of the same nature.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

### **6.19 Environmental Protection**

At the time of bid closing the Bidder must submit details of its environmental emergency response plans, waste management procedures and/or formal environmental training undertaken by its employees.

For details refer to Annex I Deliverables / Certifications, I1 - Mandatory Tender Deliverables Check List.

## **PART 7 - RESULTING CONTRACT CLAUSES**

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

### **7.1 Requirement**

The requirement is:

- a. To carry out inspections, regulatory maintenance, main propulsion refurbishment, replacement of steel, equipment replacement and coordination of work separately contracted and executed by two external contractors on board the Canadian Coast Guard Vessel CCGS Griffon in accordance with the associated Technical Specifications detailed in Annex "A".
- b. To carry out unscheduled work authorized by the Contracting Authority.

### **7.2 Definitions:**

In this Contract, unless the context otherwise requires:

'CCGS' – means Canadian Coast Guard Ship

'Design Change' - means any change to approved drawings, Specifications, or statements of requirements. Work necessary to eliminate " fouling" points or for the correction of errors made by the Contractor is not a "Design Change" within the meaning of this section;

'DFO' – means Department of Fisheries and Oceans Canada

Dollar, "Dollars", or "\$" - means the legal tender of Canada;

"Good Marine Quality" - means constructed of materials unaffected by or resilient to moisture, sea spray (salt water and salt air), extremes of temperature, and other hazards of the marine environment, and has been designed and constructed to perform intended function in the marine environment conditions of the Atlantic Ocean and to withstand the dynamic motions and cyclic loads imparted in a marine environment. The item must further be designed and constructed for ease and safety of operation under dynamic conditions, to have an operational life equal or superior to the useful life that can be reasonably expected from such item in similar operating conditions and to require minimum maintenance as a result of such marine operating conditions;

'Milestone' - means an event, the completion of which signifies a significant and measurable achievement in the performance of the Work.

'OEM' - means original equipment manufacturer;

'Owner' - means Her Majesty the Queen in right of Canada as represented by the Minister of Fisheries and Oceans

'Owners Representative' – means the Chief Engineer of the Griffon or his/her designate.

'PWGSC' – means Public Works and Government Services Canada;

'Working Day' – means any day of the year other than a Saturday, Sunday or any statutory holiday in the Province of Newfoundland, Nova Scotia, Ontario, Quebec or in the Public Service of Canada, and any reference herein to a day or days will mean calendar days unless expressly described as a "Working Day" or "Working Days"

Capitalized terms not otherwise defined in these Articles of Agreement numbered 1 through 42 inclusive and defined in the General Conditions or Supplemental Conditions referred to at Section 7.2 will have meanings given to them in those Annexes.

### 7.3 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/all>) issued by Public Works and Government Services Canada.

#### 7.3.1 General Conditions

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

SACC Manual Clause 2030 (2016-04-04) General Conditions Higher Complexity - Goods are hereby amended as follows:

##### Section 22 Warranty

1. The Contractor, if requested by Canada, must replace or repair at its own expense any finished work, excluding Government Issue incorporated in the Work, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.
2. Despite acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that the following will be free from all defects and will conform with the requirements of the Contract:

- (a) The painting of the underwater portion of the hull for a period of 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 365 days and multiplied by the number of days remaining in the warranty period. The resultant sum would represent the "Dollar Credit" due to Canada from the Contractor.

- (b) All other painting work for a period of 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 will be 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 supplied or held by the Contractor which exceed the periods indicated above.
4. Refer to Annex E - Appendix 1 for Warranty Defect Claim Procedures and Form.

#### 7.3.2 Supplemental General Conditions

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

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

SACC Manual Clause 4007 (2010-08-16), Canada to Own Intellectual Property Rights in Foreground Information, apply and form part of the Contract.

## **7.4 Security Requirement**

There is no security requirement applicable to this Contract.

## **7.5 Term of Contract**

### **7.5.1 Work Period – Marine**

1. Work must commence and be completed as follows:

Commencement: July 3, 2018  
Completion: October 17, 2018

2. The Contractor agrees that the above times (the "Work Period") provides an adequate period to perform the subject work and absorb a reasonable amount of unscheduled work. The Contractor certifies that they have sufficient material and human resources allocated or available to complete the subject work and a reasonable amount of unscheduled work within the Work Period.

Canada has the right to delay the arrival of the Vessel at the Contractor's facility subject to the following conditions:

- (a) Canada gives 30 calendar days advance notice of a 15 day maximum delay. The Contractor may claim no additional cost when arrival of the vessel at the Contractor's facility is delayed up to a maximum of 15 calendar days beyond the commencement date, above. The Completion Date shall be extended by a period equal to the length of the delay.
- (b) Canada does not provide 30 calendar days advance notice of a delay. The Completion Date shall be reasonably adjusted to reflect the impact of the delay on the arrival of the Vessel and Canada shall pay only the Daily Services Fee referred to in the Basis of Payment for the period of the delay.

### **7.5.2 Additional Instructions to Work Period**

The vessel will be manned during the work period and will be considered to be in commission. The vessel during that period will be in the care and custody of the Canadian Coast Guard and under its control.

## **7.6 Authorities**

### **7.6.1 Contracting Authority**

The Contracting Authority for the Contract is:

Dave Green  
Department of Public Works and Government Services Canada (PWGSC)  
Marine Sector  
PWGSC, 6C2 Place du Portage, Phase III  
11 Laurier Street,  
Gatineau, Quebec, K1A 0S5  
Tel: (819) 420-2900  
Fax: (819) 956-0897  
E-Mail: dave.green@pwgsc.gc.ca

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

## 7.6.2 Technical Authority

The Technical Authority for the Contract is: (To be completed at contract award)

Name:  
Title:  
Department:  
Address:

Phone:  
Fax:  
Email:

The Technical Authority 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.

## 7.6.3 Inspection Authority

The Inspection Authority for the Contract is the Canadian Coast Guard is: (To be completed at contract award)

Name:  
Telephone:  
Cell:  
Fax:  
E-mail:

The Inspection Authority named above is responsible for the inspection of the Work and acceptance of the finished work. The Inspection Authority may be represented on site by a designated Inspector and any other Government of Canada Inspector who may from time to time be assigned in support of the designated Inspector.

## 7.7 Payment

### 7.7.1 Basis of Payment – Firm Price

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a firm price indicated in Annex B – Basis of Payment for the known Work. All Taxes are extra, if applicable.

Payment for unscheduled work shall be in accordance with Annex B as applicable.

No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Specifications, will be authorized or paid to the Contractor unless such design changes, modifications or interpretations have been authorized in writing, by the Contracting Authority prior to their incorporation in the Work.

### 7.7.2 Terms of Payment – Progress Payment

1. Canada will make progress payments in accordance with the payment provisions of the Contract, no more than once a month, for cost incurred in the performance of the Work, up to ninety (90) percent of the amount claimed and approved by Canada if:
  - a. an accurate and complete claim for payment using form [PWGSC-TPSGC 1111](http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1111.pdf), Claim for Progress Payment (<http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1111.pdf>), 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 ninety (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.

### **7.7.3 Liens – Section 427 of the Bank Act**

Refer to SACC Manual Clause [H4500C](#) (2010-01-11) Liens – Section 427 of the Bank Act

### **7.7.4 Limitation of Price**

Refer to SACC Manual Clause [C6000C](#) (2011-05-16) Limitation of Price

### **7.7.5 Time Verification**

Refer to SACC Manual Clause [C0711C](#) (2008-05-12) Time Verification

## **7.8 Invoicing Instructions**

The Contractor must submit invoices in accordance with the information required in SACC Manual General Conditions 2030 (2016-04-04) Higher Complexity – Goods, Section 13 as well as Article 7.7 – Payment and Article 7.8 – Invoicing Instructions herein.

### **7.8.1 Invoices**

1. Invoices are to be addressed to:

Canadian Coast Guard Marine Engineering  
520 Exmouth Street  
Sarnia, ON, N7T 8B1  
Attn: Helen Evans  
Helen.Evans@dfo-mpo.gc.ca

And;

The original invoice to be forwarded for verification to:

Public Works and Government Services Canada  
Marine Systems Directorate  
Ship Refit Division  
6C2 Place du Portage, Phase III  
11 Laurier Street  
Gatineau, Quebec K1A 0S5  
Attention: Dave Green

2. Canada will only make payment upon receipt of a satisfactory invoice duly supported by specified release documents and any other documents called for under the Contract.
3. The Contractor must not submit an invoice prior to the completion and acceptance of the Work or shipment of the items to which it relates.

### **7.8.2 Invoicing Instructions – Progress Claim**

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111 <http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1111.pdf>, 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;
2. 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 Inspection Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.

The Inspection 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.

### **7.8.3 Warranty Holdback**

A warranty holdback of five (5) percent of the total contract price as last amended (Applicable Taxes excluded) will be applied to the final claim for payment. This holdback will be payable by Canada upon the expiry of the 90 day warranty period(s) applicable to the Work. Applicable Taxes, as appropriate, is to be calculated and paid on the total amount of the claim before the five (5) percent holdback is applied. At the time that the holdback is released, there will be no Applicable Taxes payable, as it was included in previous payments.

## **7.9 Certifications**

### **7.9.1 Compliance**

The continuous compliance with the certifications provided by the Contractor in its bid and the ongoing cooperation in providing associated information are conditions of the Contract. Certifications are subject to verification by Canada during the entire period of the Contract. If the Contractor does not comply with any certification, fails to provide the associated information, or if it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

### **7.9.2 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

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Contractor in default as per the terms of the Contract.

## **7.10 Applicable Laws**

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

## **7.11 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) General Conditions – Higher Complexity - Goods;
- (d) the general conditions 1031-2 (2012-07-16), Contract Cost Principles;
- (e) Bidders' Questions and Answers
- (f) Annex A – Statement of Work - Specifications;
- (g) Annex B – Basis of Payment;
- (h) Annex C – Federal Contractors Program for Employment Equity – Certification;
- (i) Annex D - Insurance Requirements;
- (j) Annex E – Warranty;
- (k) Annex F – Procedure for Unscheduled Work;
- (l) Annex G – Quality Control / Inspection;
- (m) Annex H – Financial and Bid Presentation Sheet;
- (n) Annex I – Deliverables / Certifications;
- (o) the Contractor's bid dated \_\_\_\_\_(insert date of bid), as amended on \_\_\_\_\_(insert date(s) of amendment(s) if applicable).

## **7.12 Insurance Requirements**

The Contractor must comply with the insurance requirements specified in Annex D – Insurance Requirements. 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) working 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. Coverage must be placed with an Insurer licensed to carry out business in Canada. The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies

## **7.13 Limitation of Contractor's Liability for Damages to Canada**

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 twelve (12) months after service of the original notice to terminate served by either Party pursuant to sub-article 5., above.
7. Nothing shall limit Canada's other remedies, including Canada's right to terminate the Contract for default for breach by the Contractor of any of its obligations under this Contract, notwithstanding that the

Contractor may have reached any limitation of its liability hereunder.

#### **7.13.1 Environmental Impairment Liability Insurance**

- 1. The Contractor must obtain Contractor's Pollution Liability insurance, providing coverage for Asbestos Abatement, 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 \$5,000,000 per accident or occurrence and in the annual aggregate.
- 2. 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.
- 3. The Contractor's Pollution Liability insurance coverage provided under the remarks section above) policy must include the following:
  - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of

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the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by Public Works and Government Services Canada.

- b. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
- c. Separation of Insureds: 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.
- 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. Incidental Transit Extension: The policy must extend to losses arising from any waste, products or materials transported, shipped, or delivered via any transportation mode to a location beyond the boundaries of a site at which the Contractor or any entity for which
- f. the Contractor is legally liable is performing or has performed the operations described in the contract.
- g. Litigation Rights: Pursuant to subsection 5(d) of the Department of Justice Act, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:  
Director Business Law Directorate,  
Quebec Regional Office (Ottawa),  
Department of Justice,  
284 Wellington Street, Room SAT-6042,  
Ottawa, Ontario, K1A 0H8

For other provinces and territories, send to:

Senior General Counsel,  
Civil Litigation Section,  
Department of Justice  
234 Wellington Street, East Tower  
Ottawa, Ontario K1A 0H8

A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

## **7.14 Financial Security**

### **7.14.1 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 may, at its sole discretion, require an extension to the period of the security, for which the Contractor may apply for financial compensation.

The Contracting Authority may, at its sole discretion, return the security to the Contractor before the expiration, provided however that no risk will accrue to Canada as a result of this.

### **7.14.2 Contract Financial Security**

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

(a) a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 20 percent of the Contract Price;

OR

(b) a security deposit as defined below 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 (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12027>). The bond forms mentioned in (a) above are available at: <http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html>.

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2. If, for any reason, Canada does not receive the financial security in the amount set out above within the specified period, the Contractor will be in default. Canada may, at its discretion, terminate the Contract for default pursuant to the Contract default provision, accept another bid, reject all bids or issue a new bid solicitation.
3. 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.
4. If the security deposit is in the form of a bill of exchange, Canada will deposit the bill of exchange in an open account in the Consolidated Revenue Fund. Bills of exchange that are deposited to the credit of the Consolidated Revenue Fund will bear simple interest, calculated on the basis of the rates which are in effect during the period the deposit is held.
- These rates are published monthly by the Department of Finance and are set to be equal to the average yield on 90-day Treasury Bills, less 1/8 of 1 percent. Interest will be paid annually or, when the security deposit is returned to the Contractor, if earlier. The Contractor may, however, request Canada to hold and not cash the bill of exchange, in which case no interest will become payable.
5. Canada may convert the security deposit to the use of Canada if any circumstance exists which would entitle Canada to terminate the Contract for default, but any such conversion will not constitute termination of the Contract.
6. When Canada so converts the security deposit:
- (a) the proceeds will be used by Canada to complete the Work according to the conditions of the Contract, to the nearest extent that it is feasible to do so and any balance left will be returned to the Contractor on completion of the warranty period; and
  - (b) if Canada enters into a contract to have the Work completed, the Contractor will:
    - (i) be considered to have irrevocably abandoned the Work; and
    - (ii) remain liable for the excess cost of completing the Work if the amount of the security deposit is not sufficient for such purpose. "Excess cost" means any amount over and above the amount of the Contract Price remaining unpaid together with the amount of the security deposit.
7. If Canada does not convert the security deposit to the use of Canada before completion of the contract period, Canada will return the security deposit to the Contractor within a reasonable time after such date.
8. If Canada converts the security deposit for reasons other than bankruptcy, the financial security must be reestablished to the level of the amount stated above so that this amount is continued and available until completion of the contract period.
9. In this Article,
- "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

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- (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 bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:

- (a) payable to bearer;
- (b) 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;
- (c) registered in the name of the Receiver General for Canada.

"irrevocable standby letter of credit"

- (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.
- (b) must state the face amount which may be drawn against it;
- (c) must state its expiry date;
- (d) 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;

(e) 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;

(f) must provide that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice (UCP) for Documentary Credits, 2007 Revision, ICC Publication No. 600.  
Pursuant to the ICC UCP, a credit is irrevocable even if there is no indication to that effect; and

(g) must be issued (Issuer) or confirmed (Confirmor), 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 Confirmor.  
The format is left to the discretion of the Issuer or Confirmor.

#### **7.15 Foreign Nationals (Canadian Contractor)**

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

#### **7.16 Sub-Contracts and Subcontractor 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 on pertinent stages of work to permit inspection when considered necessary by the Inspection Authority.

#### **7.17 Work Schedule and Reports**

No later than five (5) calendar days after contract award, the preliminary work schedule provided with the bid must be revised, detailed and resubmitted in preparation to the contract award meeting. The Contractor must provide a detailed work schedule 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.

#### **7.18 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.

#### **7.19 Trade Qualifications**

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

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## 7.20 ISO 9001:2008 - Quality Management Systems

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

ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid.

The Contractor's quality management system must address each requirement contained in the standard, however, the Contractor is not required to be registered to the applicable standard.

## 7.21 Project Management Services

The Contractor is required to provide their own Project Management Team experienced and capable of successfully managing the ship repair contract as defined herein. Project management personnel, services and deliverables must comply with the requirements detailed in the contract.

### Introduction

Project management refers to system integration and technical control as well as business management of the CCGS Griffon Refit Requirement.

The Contractor must provide the following within 5 days of Contract Award:

Project Action Plan (PAP):

The PAP must comprise:

- iv) organization structure charts;
- v) a master schedule, support schedules, sub-Contractor schedules and work;
- vi) Government Furnished Equipment (GFE), and Contractor Furnished Equipment (CFE) delivery dates as a minimum.

The monthly updates to the PAP must comprise schedule updates, a progress report and review meetings. The components of the PAP and its updates are described in the following sub-sections.

### *1) Project Integration Management:*

The Contractor must provide an overall project organizational chart identifying all key personnel and sub-Contractors. Further, the Contractor must identify the contract-related work each sub-Contractor is responsible for.

### *2) Change Management Log:*

The Contractor must provide a Change Management Log that must be used for the duration of the project to manage project changes.

The Change Management Log must track project issues with the following criteria:

- i) Individual tracking number;
- ii) Date issue was raised;
- iii) Expected resolution date;
- iv) Date issue was resolved;
- v) Brief note of resolution on issue;
- vi) Individual who raised issue;
- vii) Individual assigned to resolve issue;
- viii) Risk Factor.

### *3) Risk Management Plan:*

The Contractor must identify emergent risks and rank these risks by impact on the work. Mitigation strategies must be identified for all "High" risks. The "Risk Management Plan" must be updated at least bi-weekly and provided to the Technical and Contracting Authorities. The "Risk Management Plan" must

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be included in the monthly progress meeting Record of Decisions.

**4) Scheduling:**

The Contractor must provide a schedule(s) that breaks the work down to the system and component level. The schedule must include sub-Contractor and FSR schedules to the same level. The Contractor must update the schedule(s) on a weekly basis and the updates must be submitted electronically in MS Project 2013 or equivalent format to the Contract Authority, and the Technical Authority by close of Business each Monday until the end of the project.

The schedule(s) must be base-lined.

The schedule(s) must identify at a minimum the following elements ;

- a) Major Milestones
- b) The Work Breakdown Structure (WBS) on at least three or more levels for each section of the Specification package. More specifically, the WBS must include the strip outs, production, assembly, installation, bench testing, system commissioning and tests and trials, the expected and required resources, and the necessary sea trials;
- c) Predecessors and successors;
- d) The start and end dates for each item;
- e) The critical path to the acceptance of the work;
- f) The subcontractors' and FSR schedules up to the same level;
- g) Long lead items and GFE;

The PMBOK eighth edition must be used as the reference for scheduling.

**5) Project Reporting:**

The Contractor must provide a monthly Progress Report describing the status of the project Time Line, Cost and Performance as an introduction. Time, Cost and Performance must then be addressed in detail, clearly demonstrating earned value using Cost Performance Index (CPI) and Schedule Performance Index (SPI). The report must identify significant risks to the program and the actions taken to resolve these risks. The risk analysis must identify any impact upon delivery and actions taken to recover any slippage that may affect the contract delivery date. The report, either in hard copy or in electronic format, must be delivered monthly, three (3) working days prior to the progress review meeting to the Contract Manager, the Inspection Authority and the Technical Authority. The progress report must include sub-Contractor and major component supplier activity.

The following Management Reports and Documentation are to be prepared and maintained by the Contractor and submitted to Canada in accordance with the Contract or upon request by the Contracting Authority.

- i. Production Work Schedule
- ii. Inspection Summary Report
- iii. Growth Work Summary

**7.22 Quality Control Plan**

The Contractor must implement and follow the Quality Control Plan (QCP) prepared according to the latest issue (at contract date) of ISO 10005:2005 Quality management - Guidelines for quality plans, approved by the Inspection and the Technical Authority. The QCP 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 QCP. The QCP must be made available to the Inspection and Technical Authority for

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review and approval within five (5) calendar days after contract award.

The documents referenced in the QCP must be made available when requested by the Inspection Authority.

The Contractor must make appropriate amendments to the QCP throughout the term of the Contract to reflect current and planned quality activities. Amendments to the QCP must be acceptable to the Inspection Authority and the Technical Authority.

For details refer to Annex G - Quality Control / Inspection

### **7.23 Inspection and Test Plan**

The Contractor must in support of its Quality Control Plan (QCP), implement an approved Inspection and Test Plan (ITP).

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 may direct.

For details refer to Annex G - Quality Control / Inspection

### **7.24 Equipment/Systems: Inspection/Test**

Inspections, Tests and Trials of Equipment, Machinery and Systems must be conducted in accordance with the Specification. The Contractor is responsible for performing, or having performed, all Inspections, Tests and Trials necessary to substantiate that the materiel and services provided conform to contract requirements.

For details refer to Annex G - Quality Control / Inspection

### **7.25 Environmental Protection**

The Contractor and its subcontractors engaged in the Work on a Crown 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. The Contractor must maintain in force their Environmental Protection procedures through the course of the contract.

All waste disposal certificates are to be provided to the Technical Authority, 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 environmental emergency response plans and/or procedures in place. 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 noncompliance situations, must be competent to do so on the basis of appropriate education, training, or experience.

### **7.26 Hazardous Waste**

1. The Contractor acknowledges that sufficient information has been provided by Canada with respect to the location and estimated amount of hazardous materials such as asbestos, lead PCBs, silica or

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other hazardous materials or toxic substances.

2. The price includes all costs associated with the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances on board the vessel, including those costs resulting from the need to comply with applicable laws and regulations in relation to the removal, handling, disposal or storage of hazardous materials or toxic substances.
3. The completion date for the Work takes into account the fact that the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances may be affected by the need to comply with applicable federal, provincial and municipal laws or regulations and that this will not be considered to be an excusable delay.

#### **7.27 Supervision of Fueling and Disembarking Fuel**

The Contractor must ensure that fueling and disembarking of fuel from Canadian government vessels are conducted under the supervision of a responsible supervisor trained and experienced in these operations.

All fueling and disembarking of fuel on CCGS Griffon must be done in accordance with the Contractor's submitted and accepted procedures.

#### **7.28 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.

#### **7.29 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) 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.

For details refer to Annex I Deliverables / Certifications – I2 Deliverables after Contract Award.

#### **7.30 Welding Certification**

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 W47.1-09, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2); and
  - (b) W47.2-11, Certification for Companies for Fusion Welding of Aluminum (Minimum Division Level 3).
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 Technical Authority, the Contractor must provide approved welding procedures and/or a list of welding personnel intended to be used in the completion 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.

### **7.31 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 F – Procedure for Processing Unscheduled Work.

### **7.32 Vessel Manned Refits**

SACC Manual Clause A0032C (2011-05-16) 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. Fire fighting 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.

### **7.33 Pre-Refit Meeting**

A Pre-Refit meeting will be convened and chaired by the Contracting Authority at the Contractor's facility at a time to be determined. At that meeting the Contractor will introduce all its management personnel as per its organization chart, and Canada will introduce authorities. Details of ship's arrival and work commencement will be discussed.

### **7.34 Progress Review Meetings**

Progress meetings, chaired by the Contracting Authority, will take place at the Contractor's facility as and when required, generally once a month. Interim meetings may also be scheduled including daily production meetings where other contractors may attend for planning purposes. Contractor 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 discussions.

During each PRM the Contractor must provide a status of the overall contracted project, including programmatic, production, test, Integrated Logistics Support, subcontract, risk issues, and progress as it relates to the Project Action Plan (PAP) and Schedule, and the associated Work Breakdown Structure. For each PRM, the Contractor must:

- (a) Ensure that Contractor data, personnel and facilities are available for each formal meeting in order that the meetings may be conducted in an efficient manner; and
- (b) Include the following agenda items for discussion and resolution:
  - i. PAP and updates;
  - ii. Contractual Issues;
  - iii. Financial Issues;
  - iv. Technical Issues;
  - v. Environmental, Health and Safety Issues; and
  - vi. Previous action items.

The PWGSC CA or authorized representative will chair the PRMs and will approve decisions prior to adjourning the PRM, with the resulting decisions reflected in the Meeting Minutes.

The Contractor shall record the minutes of all meetings, and include as a minimum discussion items, records of decisions, all action items, risk items, and a record of conclusions reached at the Progress Review and Technical Meetings.

The Contractor will distribute a draft of all minutes to the Contracting Authority, Inspection Authority and Technical Authority for review and comment from Canada, prior to issuing the final version.

Once final comments are incorporated to the satisfaction of Contracting Authority, the minutes shall be signed as accepted by the Contractor, Contracting Authority, and Technical Authority.

7.34.1 Weekly update meetings, chaired by the Contracting Authority, will take place by teleconference, generally once a week. Call-in co-ordinates and timings to be provided by Contract Authority at the Pre-Refit meeting. Contractor attendees at these meetings will, as a minimum, be its Contract (Project) Manager, and Project Planner. The following agenda items will be for discussion and resolution

- i. Schedule Update
- ii. Technical Issues
- iii. Contractual Issues

### **7.35 Outstanding Work and Acceptance**

1. The Inspection Authority, in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the 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 Inspection Authority on the work completion date to review and sign off the form PWGSC-TPSGC1205, Acceptance. 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 that work is completed.
2. The Contractor must complete the above form in three (3) copies, which will be distributed by the Inspection Authority as follows:
  - (a) original to the Contracting Authority;
  - (b) one copy to the Technical Authority;
  - (c) one copy to the Contractor.

### **7.36 Scrap and Waste Material**

Despite any other provision of the Contract, scrap and waste materials other than accountable material, derived from the Contract, will revert to the Contractor as part of the Contract Price.

### **7.37 Stability**

The Contractor will be solely responsible for the stability and trim of the ship during the period the vessel is in the Contractor's facility, including docking and undocking if required. The Contractor must maintain weight change information pertinent to the vessel's stability during the docking period. The Technical Authority will supply the Contractor with cross curves of stability, hydrostatic curves, tank status, location of centre of gravity, and other information relevant to the ship's condition upon commencement of work.

### **7.38 Vessel Access by Canada**

Canada reserves the right to have its personnel carry out limited work on equipment on board the vessel. This work will be carried out at times mutually acceptable to Canada and the Contractor.

Canada reserves the right to carry out work separately contracted by two external contractors on board the Canadian Coast Guard Vessel CCGS Griffon in accordance with the associated Technical Specifications detailed in Annex "A" at 2.12 CCG Employees and Others on the Vessel.

### **7.39 Title to Property - Vessel**

If the Contractor is in default in carrying any of its obligations under the Contract, Canada, or its agents, will have the immediate right to enter the shipyard, without first obtaining a court order, to take possession of the vessel and all other property of Canada, including, but not limited to, work-in-process located on the premises, and to perform any further work required to enable the vessel and other such property to be removed from the shipyard.

SACC Manual clause A9006C (2012-07-16) 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.

### **7.40 Workers Compensation**

The Contractor must maintain its account in good standing with the applicable provincial or territorial Workers' Compensation Board for the duration of the Contract.

### **7.41 Dispute Resolution**

The parties agree to follow the procedures below for the settlement of any disputes which may arise throughout the life of this Contract prior to seeking redress through court procedures:

- (a) Disputes arising from this Contract will in the first instance be resolved by the Contracting Authority and the Contractor's Contract Administrator within fifteen (15) working days or such additional time as may be agreed to by both parties.
- (b) Failing resolution under (a) above, the Manager of the Ship Refit Division (MD) of the Marine Systems Directorate at PWGSC and the Contractor's Representative Supervisor will attempt to resolve the dispute within an additional fifteen (15) working days.
- (c) Failing resolution under (a) or (b) above, the Senior Director of the Marine Systems Directorate at PWGSC, and the Contractor's Senior Management will attempt to resolve the dispute within an additional thirty (30) working days.
- (d) Notwithstanding the above procedure, either party may seek a decision through the courts at any time during the dispute.

### **7.42 Failure to Deliver**

Time is of the essence for the Contract. It is essential that the Work be delivered within or at the time stated in the Contract. Changes in the Completion date not caused by Canada are Contractor defaults, will prejudice Canada and are at the Contractor's expense. The Completion date will not be extended without consideration being provided by the Contractor acceptable to Canada in the form of adjustment to the price, warranty or services to be provided.

### **7.43 Care, Custody and Control**

Refer to Supplemental General Conditions 1029 (2010-08-16) Ship Repairs Article 08 Where Vessel In Commission.

### **7.44 Permits, Licenses and Certificates**

The Contractor must obtain and maintain all permits, licenses and certificates of approval required for the work to be performed under any applicable federal, provincial or municipal legislation. The Contractor is responsible for

any charges imposed by such legislation or regulations. Upon request, the Contractor must provide a copy of any such permit, license or certificate to Canada.

#### **7.45 Export Licenses:**

Where material is to be imported into Canada, the Contractor is responsible for obtaining all necessary export licenses from the country of origin in sufficient time to enable the export.

#### **7.46 Equivalency of Equipment**

- (a) The Contractor guarantees that the equipment to be delivered under the Contract is:
  - (i) equivalent in form, fit, function and quality to the existing equipment owned by Canada that was described in the bid solicitation that resulted in the Contract; and
  - (ii) fully compatible, interchangeable and interoperable with the existing equipment owned by Canada.
- (b) The Contractor also guarantees that any warranties with third parties concerning the existing equipment owned by Canada will not be adversely affected by Canada's use of the equipment delivered under the Contract (for example, by interconnecting the equipment) or by any other services provided by the Contractor under the Contract. If Canada determines in its sole discretion that any such warranty has been adversely affected, at Canada's sole option, the Contractor must:
  - (i) pay to Canada the amount that Canada must pay to the original supplier (or an authorized reseller of that supplier) to re-certify Canada's existing equipment for warranty purposes and any other amounts paid by Canada to a third party in order to restore the equipment to full warranty status;
  - (ii) perform all warranty work on Canada's existing equipment in place of the original supplier; or
  - (iii) pay to Canada the amount that Canada must pay to the original supplier (or an authorized reseller of that supplier) to perform maintenance work on the equipment that otherwise would have been covered by the warranty.
- (c) The Contractor agrees that, during the Contract Period, if Canada determines that any of the equipment is not equivalent in form, fit, function and quality to the existing equipment owned by Canada or is not fully compatible, interchangeable and interoperable with the existing equipment owned by Canada, the Contractor must immediately and entirely at its own expense take all steps necessary to ensure that the equipment satisfies these requirements (for example, by implementing any additional software or firmware), failing which Canada will have the immediate right to terminate the Contract for default. The Contractor agrees that, if Canada terminates the Contract for this reason, the Contractor must pay to Canada the costs of reprocurring the equipment from a third party and the difference, if any, in price paid by Canada to the third party. The Contractor acknowledges that its failure to deliver equivalent equipment that satisfies the above requirements may result in the Contractor (as well as its affiliates and any other entities with whom the Contractor or its principals do not deal at arm's length) being unable to propose equivalent substitutes in response to future PWGSC bid solicitations.

#### **7.47 Travel and Living Expenses - National Joint Council Travel Directive**

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

All travel must have the prior authorization of the Contracting Authority.

All payments are subject to government audit.

#### **7.48 Government Furnished Material**

Government Furnished Material (GFM) is the property of the Government of Canada. The Contractor is responsible for maintaining satisfactory records of the disposition of all GFM. The GFM described herein must be used in the manufacture of the item(s) contracted. Only the quantity of material stated herein will be supplied by Canada without charge. If GFM does not conform to requirements for incorporation into the Work, the Contractor must make a request for replacement GFM in writing to Canada within 30 days after the receipt of GFM. At Canada's instruction, the Contractor must replace or repair any GFM, at the prices and In Accordance with Contract provisions relating to Unscheduled Work. The Contractor must replace or make good, at its own expense, any GFM which fail to conform to the Contract requirements as a result of faulty or inefficient cutting, manufacture or workmanship by the Contractor.

In the event of problems with the GFM supplied, the Contractor must advise the Contracting Authority immediately, identifying the specific problem. Should the Contractor proceed without guidance from the Contracting Authority, any costs incurred, and loss of GFM shall be at the Contractor's expense.

The Contractor must repair or replace at its own expense GFM that is damaged or lost while in the Contractor's care.

While a final GFM accounting is not automatically required for every Contract, Canada reserves the right to request a final accounting at any time within one year of the Contract completion date.

The following items will be supplied as Government Furnished Material (GFM) for the CCGS Griffon:

<b><u>Annex A Reference</u></b>	<b><u>Item</u></b>	<b><u>Quantity</u></b>
7.3.2.3.4	Anti-condensation heaters	
9.3.2.2	Propulsion Generator Shunt	4
9.3.3.2	Propulsion Motor Shunt	2
10.1.1	Propulsion Motor Tachogenerator Assemblies	2
10.3.3.9	Klubersynth UH1-6-460 Gear Oil	
11.3.3.6	Propulsion Motor Filter Media	
17.3.3.15	Alternator Air Inlet Filter Media	
19.3.2.1	Directional Control Valve Repair Kit	1
19.3.2.8	Directional Control Valve Seal Kit	1
19.3.3.3	Davit Hydraulic Filter	1
	Davit Desiccant Breather Filter	1
19.3.3.4	Disc Brake Shaft	1
	Disc Brake Shaft Bearings	7
	Disc Brake Shaft Seals	2
21.1.1	Watertight Door Hydraulic Pump Set	3
	Watertight Door Hydraulic Pressure Switches	3
	Watertight Door Hydraulic Tubing Kits	3
21.3.3.1	Valve Block Pressure Switch "O" Rings	
21.3.3.9	Petrocan Hydrex MV 22	
23.1.2	Paint Locker CO2 System Control Head	1

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File No. - N° du dossier  
034mdF2599-180006

Buyer ID - Id de l'acheteur  
034md  
CCC No./N° CCC - FMS No./N° VME

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24.3.3.5	Dairy Room Evaporator: RefPlus model EKE1700-5-SP	1
24.3.4.2	Pressure Regulating Valve - ORIT611830: Sporlan	1
	Pressure Regulating Valve - ORIT1013830: Sporlan	1
	Ball Valve - 591WA11ST: Superior	1

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034md  
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## ANNEX A - STATEMENT OF WORK - SPECIFICATIONS

See Attached Document: CCGS Griffon Alongside Summer Refit 2018 - Statement of Work: #864.17 - Date: 2018-03-29

## ANNEX B - BASIS OF PAYMENT

Annex B will form the Basis of Payment for the resulting Contract and should not be filled in at the bid submission stage.

### B1 Contract Firm Price

A)	Known Work For work as stated in PART 7 - article 7.1, specified in Annex A and detailed in the attached Annex H – Appendix 1 - Pricing Data Sheet for the FIRM PRICE of:	\$
B)	Applicable taxes of line A) only:	\$
C)	Cost of Financial Security as per 7.14	\$
D)	Total firm Price including Applicable Taxes	\$

### B2 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, consumables, and profit, plus net laid-down cost of materials to which will be added a mark-up of 10%, plus applicable taxes, of the total cost of material and labour. 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."

B2.1: 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 this section B2.2 below, will not be negotiated, but will be compensated for in accordance with B2.2.

B2.2: Allowance for Related Labour Costs such as: Management, all Supervision, Purchasing and Material Handling, Quality Assurance and Reporting, First Aid, Gas Free Certification Inspecting and Reporting, Estimating, and Preparing Unscheduled Work Submissions will be included as Overhead for the purposes of determining the Charge-out Labour Rate entered in line B2 above.

B2.3: 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 Charge-out Labour Rate. The Contractor will not be entitled to a separate labour component for the purchase and handling of materials or subcontract administration.

### Pro-rated Prices Unscheduled Work

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

### B3 Overtime

The Contractor must not perform any overtime under the Contract unless authorized in advance and in writing by the Contracting Authority. There will be no overtime payment for Known Work. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the overtime performed pursuant to the written authorization. Payment for authorized overtime will be calculated as follows:

For unscheduled work, the Contractor will be paid the authorized overtime hours at the following charge-out labour rates:

- a. Time and One Half\*\*: \$ \_\_\_\_\_ per hour; or
- b. Double Time\*\*\*: \$ \_\_\_\_\_ per hour

This rate shall be a blended rate for all classes of labour, engineering and foreperson and shall include all overheads, supervision and profit.

These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

\* Regular time is defined as an 8 hour work day.

\*\* Time and One Half is defined as time in excess of the Regular Time\*.

\*\*\* Double Time is defined as Sundays and Statutory Holidays.

#### B4 Daily Services Fee

In the event of a delay in the performance of the Work that lengthens the Work period beyond the date specified in this Contract, and if such delay is recognized and agreed upon by the Contracting Authority as being attributable to Canada, Canada agrees to pay the Contractor the daily services fee, described below, for each day of such delay. This fee shall be the sole liability of Canada to the Contractor for the delay.

The firm daily services fee is:

- a. For a Working Day: \$ \_\_\_\_\_
- b. For a Non-Working Day: \$ \_\_\_\_\_

The above fees shall include but not be limited to, all aspects of the following costs: Project Management Services, Administrative Support, Production Services, Quality Assurance, Material Support, Planned Maintenance and Ship Services, and all other resources and direct costs needed to maintain the Vessel at the Contractor's facility. These fees are firm and not subject to any additional charges for mark-up or profit.

#### B5 Vessel, Refit, Repair or Docking Cost

The following costs must be included in the price:

B5.1: Ship Services: include all costs for ship services such as water, steam, electricity, etc., required for vessel maintenance for the duration of the Contract.

B5.2: Docking and Undocking include:

- a. all costs resulting from dry docking, 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.

- B5.3: Field Service Representatives/Supervisory Services: include all costs for field service representatives/supervisory services including manufacturers' representatives, engineers or other technical personnel as specified. The Contractor is responsible to schedule all subcontractors and FSRs and their respective performances.

FSR daily expenses will be charged separately once the work is completed by submitting for adjustment a PWGSC Form 1379. These daily expenses will need to be submitted in accordance with Article 7.47 of the Contract.

For adjustment purposes, the Contractor is required to submit with the Form 1379 FSR daily time sheets signed by the IA and as well as daily expenses. Canada will not be responsible for time lost, standby time or delays that are not caused by Canada. It is the contractor's responsibility to schedule and plan for an optimal FSR presence.

The Contractor may be authorized to charge for admissible FSRs costs when unscheduled work requiring these services is added to the Contract.

- B5.4: 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.

- B5.5: 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 Contractor will be responsible for the cost of any necessary modification of these facilities to meet applicable safety regulations.

#### B6 Pricing Data Sheets

Parameters from the Pricing Data Sheets will be used at Canada's sole discretion in the determination of unscheduled work price.

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ANNEX C to PART 5 - BID SOLICITATION

FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY – CERTIFICATION

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

For further information on the Federal Contractors Program for Employment Equity visit Employment and Social Development Canada (ESDC) – Labour's website  
([http://www.esdc.gc.ca/en/jobs/workplace/human\\_rights/employment\\_equity/federal\\_contractor\\_program.page](http://www.esdc.gc.ca/en/jobs/workplace/human_rights/employment_equity/federal_contractor_program.page)).

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 employees (combined work force includes: permanent full-time, permanent part-time and temporary employees [temporary employees only includes those who have worked 12 weeks or more during a calendar year and who are not full-time students]).

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 D - INSURANCE REQUIREMENTS

### D1. 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 and in the annual aggregate.
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 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 Environment Canada 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 endeavour 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.

### D2. Commercial General Liability Insurance

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence and in the annual aggregate.
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 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 a similar program)

- h. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority with thirty (30) days written notice of policy cancellation.
- i. If the policy is written on a claims-made basis, coverage must be in place for a period of at least twelve (12) months after the completion or termination of the Contract. Employees and, if applicable, Volunteers must be included as Additional Insured.
- 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 incidents.

### D3. Environmental Impairment Liability Insurance

- 1. The Contractor must obtain Contractor's Pollution Liability insurance, providing coverage for Asbestos Abatement, 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 \$5,000,000 per accident or occurrence and in the annual aggregate.
- 2. 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.
- 3. The Contractor's Pollution 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 as additional insured should read as follows: Canada, represented by Public Works and Government Services Canada.
  - b. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
  - c. Separation of Insureds: 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.
  - 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. Incidental Transit Extension: The policy must extend to losses arising from any waste, products or materials transported, shipped, or delivered via any transportation mode to a location beyond the boundaries of a site at which the Contractor or any entity for which the Contractor is legally liable is performing or has performed the operations described in the contract.
  - f. Lead and Asbestos Abatement: The policy must provide coverage for the removal and disposal of asbestos material.
  - g. Litigation Rights: Pursuant to subsection 5(d) of the Department of Justice Act, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

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File No. - N° du dossier  
034mdF2599-180006

Buyer ID - Id de l'acheteur  
034md  
CCC No./N° CCC - FMS No./N° VME

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For the province of Quebec, send to:  
Director Business Law Directorate,  
Quebec Regional Office (Ottawa),  
Department of Justice,  
284 Wellington Street, Room SAT-6042,  
Ottawa, Ontario, K1A 0H8

For other provinces and territories, send to:

Senior General Counsel,  
Civil Litigation Section,  
Department of Justice  
234 Wellington Street, East Tower  
Ottawa, Ontario K1A 0H8

A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

## ANNEX E – WARRANTY

### Warranty Procedures

#### E1. Scope

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

#### E2. 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 INSPECTION AUTHORITY has the closest and most active involvement of the contracted work completed this agency must assume this role.

#### E3. Procedures

- a. Immediately it becomes known to the Ship's 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 the Technical Authority when a defect, which is considered to be directly associated the refit work, has occurred.
  - ii. On review of the Specification and the Acceptance Document, the Technical Authority in consort with Ship's Staff is to complete the Tombstone Data and section 1 of the Appendix 1 – Warranty Claim Form Annex D and forward the original to the Contractor for review with a copy to the PWGSC contracting Authority. If the PWGSC Contracting or INSPECTION AUTHORITY is unable to support warranty action, the Defect Claim Form will be returned to the originator with a brief justification. (It is to be noted that in the latter instance PWGSC will inform the Contractor of its decision and no further action will be required of the Contractor.

Warranty defect claims may be forwarded in hard copy, by fax or by e-mail whichever format is the most convenient.

- iii. Assuming the Contractor accepts full responsibility for repair, the Contractor completes Section 2 and 3 of the Warranty Claim Form, returns it to the INSPECTION AUTHORITY who confirms corrective action has been completed, and who then distributes the form to the Technical Authority 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 Part 2 and 3 of the Warranty Claim Form with the appropriate information and forward it to the Contracting Authority who will distribute copies as necessary.
- c. When a warranty defect claim is disputed by the Contractor, the Technical Authority may arrange to correct the defect by in-house resources or by contracting the work out. All associated costs must be tracked and recorded as

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a possible charge against the contractor by PWGSC action. Material costs and man-hours expended in correcting the defect are to be recorded and entered in Section 5 of the warranty defect claim by the Technical Authority who will forward the warranty defect claim to the PWGSC Contracting Authority for action. 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 repair methods and costs must be segregated as a possible charge against a contractor by PWGSC action.

#### **E4. Liability**

a. Agreement between the Contracting Authority, Inspection Authority, Technical Authority 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. The Technical Authority accepts full responsibility for repair and overhaul of item concerned; or
- iii. The Contractor and the Technical Authority 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 paragraph 5c, PWGSC will take necessary action with the Contractor while the Technical Authority informs its Senior Management including pertinent data and recommendations.

c. The total cost of processing warranty claims must include accommodation and travel costs of the Contractor's employees as well as equipment/system down time and operational constraints. Accordingly, the cost to remediate the defect, in man-hours and material, will be discussed between the Contracting/Inspection Authorities and the Technical Authority to determine the best course of action.

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CCC No./N° CCC - FMS No./N° VME

## 2. Contractor's Investigative Report – Le rapport investigateur de l'entrepreneur

## 3. Contractor's Corrective Action – La modalité de reprise de l'entrepreneur

\_\_\_\_\_  
Contractor name and signature – Nom et signature de l'entrepreneur

\_\_\_\_\_  
Date of corrective action – Date de  
mesures correctives

\_\_\_\_\_  
Client name and signature – Nom et signature de client

\_\_\_\_\_  
Date - Date

## 4. PWGSC Review of Warranty Claim Action – Examen d'action de réclamation de garantie par TPSGC

\_\_\_\_\_  
Signature – Signature

\_\_\_\_\_  
Date - Date

## 5. Additional Information – Renseignements supplémentaires

Canada

PWGSC - TPSGC

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## ANNEX F – PROCEDURE FOR UNSCHEDULED WORK

### F1. 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.

### F2. 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.

### F3. 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

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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 must 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 must provide copies of purchase orders and paid invoices for subcontracts and/or material, including stocked items. The Contractor must 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 at the ceiling price or lower, if justified by the audit. A new PWGSC form will then be completed with the finalized costs, signed and issued with the same Serial Number without the suffix "A", and bearing a notation that this form is replacing and canceling the form having the same Serial Number with the suffix "A".

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.

#### F4. 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 G – QUALITY CONTROL / INSPECTION

### G1 Quality Control Plan

The Contractor must implement and follow the Quality Control Plan (QCP), prepared in accordance with the latest issue (at contract date) of the ISO 10005 : 2005 Quality Management – Guidelines for quality plans, approved by both the Inspection and the Technical Authority. The QCP 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 QCP. The QCP must be made available to both the Inspection and Technical Authority for review and approval within five (5) calendar days after contract award.

The documents referenced in the QCP must be made available within two (2) working days as and when requested by the Inspection Authority. The Contractor must make appropriate amendments to the QCP throughout the term of the Contract to reflect current and planned quality activities. Amendments to the QCP must be acceptable to the Inspection Authority and the Technical Authority.

### G2 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 its Quality Control Plan (QCP). The ITP must be submitted to the Inspection Authority for review and amended by the Contractor to the satisfaction of the Inspection Authority.
  - a. Each ITP must contain all inspection points identified in the Specification highlighting any mandatory points that must be witnessed by the Inspection Authority 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 ITP is to be coded for identification clearly demonstrating a systematic approach similar to the following (Contractor's system should be defined in its QCP):
    - i. Prefixes for Inspections, Tests and Trials:
      - prefix "1" is a contractor inspection – i.e.: 1H-10-01, 1H-10-02
      - prefix "2" is a contractor post repair test – i.e.: 2H-10-01; and
      - prefix "3" is a contractor post repair test – i.e.: 3H-10-01
  - b. Specification items followed by assigned sequence numbers for inspection processes within each Specification item; and
  - c. Cross reference to a verification document number.

### G3 Inspection and Test Plan Criteria

Inspection criteria, procedures and requirements are stated in the specifications, drawings, technical orders and reference standards invoked by the Specification. Test and trial documentation may also be included or referenced in the Specification. An individual ITP is required for each specification item.

1. All ITPs must be prepared by the Contractor in accordance with the above criteria, its quality plan and must provide the following reference information:
  - a. the ship's name;
  - b. the specification number item;

- c. equipment/system description and a statement defining the parameter which is being inspected;
- d. a list of applicable documents referenced or specified in the inspection procedure;
- e. the inspection, test or trial requirements specified in the specification;
- f. the tools and equipment required to accomplish the inspection;
- g. the environmental conditions under which the inspections are to be conducted and the tolerances on the inspection conditions;
- h. 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;
- i. name and signature of the person who prepared the plan, date prepared and amendment level; and
- j. names and signatures of the persons conducting and witnessing the inspection, test or trial.

2. Contractor Imposed Testing:

- a. Tests and trials in addition to those given in the specification must be approved by the Inspection Authority.
- b. Amendments: Amendment action for the ITPs 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.

G4 Conduct of Inspection

1. Inspections must be conducted in accordance with the ITP and as detailed in G4.
2. The Contractor must provide its own staff or subcontracted staff to conduct inspections, test and trials; excepting that Technical Authority or Inspection Authority personnel may be designated in the specification in which case the Contractor must ensure that its own staff are provided in support of such inspection, test and/or 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 and/or trial.
4. The Contractor must ensure that personnel required for equipment operation and records taking during the inspection, test and/or trial are briefed and available at the start and throughout the duration of the inspection, test and/or 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 and/or trial and ensure that safe conditions prevail throughout the inspection, test and/or trial.

G5 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 its 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 Inspection Authority as they are completed.
3. Unsatisfactory inspection, test and/or trial results for which corrective action cannot be completed during the normal course of the inspection, test and/or trial will require the Contractor to establish and record the cause of the unsatisfactory condition to the satisfaction of the Inspection Authority. Representatives to Canada may assist in identification where appropriate.

4. Corrective action to remove the cause of unsatisfactory inspections must be submitted to the Inspection Authority in writing by the Contractor for approval before affecting such repairs and rescheduling of the unsatisfactory inspection, test and/or trial. Such notices must be included in the final records passed to the Inspection Authority.
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 its 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 Inspection Authority upon request.

#### G6 Inspection and Trials Process

1. Drawing and purchase orders:
  - a. Upon receipt of two (2) copies of each drawing or purchase order, the designated Inspection Authority will review its content against the provisions of the specification. Where discrepancies are noted the Inspection Authority will formally advise all concerned in writing, using the Discrepancy Notice. The resolution of any such discrepancy is a matter for consultation between the Contractor and other Crown Authorities.

NOTE: The Inspection Authority is NOT responsible for the resolution of discrepancies.

2. Inspection:
  - a. Upon receipt and acceptance of the Contractor's ITP, inspection will consist of a number of inspection points supplemented by such other inspections, tests, demonstrations and/or trials as may be deemed necessary by the Inspection Authority to permit them to certify that the work has been performed in compliance with the provisions of the specification. The Contractor must be responsible for notifying the designated Inspection Authority of when the work will be available for inspection sufficiently in advance to permit the designated Inspection Authority to arrange for the appropriate inspection.
  - b. The Inspection Authority will inspect the materials, equipment and work throughout the project against the provisions of the specification and where non-conformances are noted, will issue appropriate inspection non-conformance reports (NCR).
  - c. The Contract requires the implementation of a Quality Assurance/Quality Control (QA/QC) system so the Inspection Authority requires the Contractor to provide a copy of its internal inspection report pertaining to a work item, before conducting the requested inspection. If third party inspections are required by the Contract the reports of these inspections must be submitted before the Work is inspected by the PWGSC Inspection Authority.
  - d. Incorrect or false QA/QC documentation submitted to the Inspection Authority prior to inspection of the Work the Inspection Authority may issue an Inspection non-conformance report against the Work. In addition, a separate report may be issued against the Contractor's QA/QC system.
  - e. Before carrying out any inspection, the PWGSC Inspection Authority must review the requirements for the Work and the acceptance and/or rejections standards to be applied. Where more than one standard or requirement are applicable, the order of precedence in the Contract will identify the priority.

### 3. Inspection Non-Conformance Report:

- a. An Inspection Non-Conformance Report will be issued for each non-conformance noted by the Inspection Authority. Each report will be uniquely numbered for reference purposes, will be signed and dated by the Inspection Authority and will describe the non-conformance.
- b. When the non-conformance has been corrected by the Contractor and has been re-inspected and accepted by the Inspection Authority, the Inspection Authority will update the report with applicable signature and date.
- c. At completion of the project the content of all Inspection Non-Conformance Reports which have not been signed off by the Inspection Authority will be transferred to the Acceptance documents before the Inspection Authority's certification of such documents.

### 4. Tests, trials and demonstrations

- a. To enable the Inspection Authority to certify that the Work has been performed satisfactorily and in accordance with the Contract and specification, the Contractor must schedule, co-ordinate, perform and record all specified tests, trials and demonstrations required.
- b. Where the specification contains a specific performance requirements for any component, equipment, sub-system or system the Contractor must test each component, equipment, sub-system or system to the satisfaction of the Inspection Authority to prove that the specified performance has been achieved and that the component, equipment, sub-system or system perform as per specification.
- c. Tests, trials and demonstrations must be conducted in accordance with a logical, systematic schedule which must ensure that all associated components and equipment are proven before sub-system demonstrations or testing, and that the sub-systems are proven before system demonstration or testing.
- d. Where the specification does not contain specific performance requirements of any component, equipment, sub-system or system, the Contractor must demonstrate such component, equipment, sub-system or system to the satisfaction of the Inspection Authority.
- e. The Contractor must submit its ITP as detailed in G2.
- f. The Contractor must co-ordinate each test, trial and demonstration with all interested parties including the Inspection Authority, Contracting and Technical Authorities, regulatory authorities, Classification Society, subcontractors etc. The Contractor must provide the Inspection Authority and other Crown Authorities with a minimum of five (5) working days notice of each scheduled test, trial or demonstration.
- g. The Contractor must keep written records of all tests, trials and demonstrations conducted as detailed in G5. The Contractor may utilize the PWGSC Standards Tests & Trials Record Sheets which can be customized by the Contractor to suit individual test or trial requirements. These record sheets are available from the Inspection Authority in digital format.
- h. The Contractor must in all respects be responsible for the conduct of all tests and trials in accordance with the requirements of the Contract.
- i. The Inspection Authority and the Technical Authority reserve the right to defer commencement of or continuation with any sea trials for any reasonable cause, including but not limited to:
  - i. adverse weather;
  - ii. visibility;

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- iii. equipment failure or degradation;
  - iv. lack of qualified personnel; and
  - v. inadequate or non-compliance with safety standards.

## ANNEX H – FINANCIAL BID PRESENTATION SHEET

### H1 Price for Evaluation:

A)	<p>Known Work</p> <p>For work as stated in Part 1 – GENERAL INFORMATION, article 1.2, specified in Annex A – Statement of Work – Specifications (CCGS Griffon) and detailed in the attached ANNEX H – Financial Bid Presentation Sheet – Appendix 1 - Pricing Data Sheet for a FIRM PRICE of:</p>	\$ _____
B)	<p>Unscheduled Work – Contractor labour cost</p> <p>Estimated labour hours at a firm charge out labour rate including overhead and profit for evaluation purposes only:</p> <p>4000 person hours x \$ _____ per hour for a PRICE of: See Annex H, article H2.1 and H2.2 below.</p> <p>Overtime premium for time and one half: Estimated hours for evaluation purposes only: 300 person hours x \$ _____ per hour for a PRICE of: See Annex H, article H3 below.</p> <p>Overtime premium for double time: Estimated hours for evaluation purposes only: 100 person hours x \$ _____ per hour for a PRICE of: See Annex H, article H3 below.</p>	<p>\$ _____</p> <p>\$ _____</p> <p>\$ _____</p>
C)	<p>Daily Service Fees</p> <p>For evaluation purpose only as per Annex H, article H4:</p> <p>Ten (10) working days x \$ _____ firm daily service fee</p> <p>Four (4) non-working days x \$ _____ firm daily service fee</p>	<p>\$ _____</p> <p>\$ _____</p>
D)	<p>Vessel Transfer Cost</p> <p>For evaluation purpose only as per Annex H, article H6:</p> <p>Proposed shipyard/ship repair facility _____</p>	\$ _____
E)	<p>Ventilated and Heated Shelter</p> <p>For evaluation purposes only as per Annex H, article H7:</p> <p>Ventilated and heated shelter \$ _____</p>	\$ _____
F)	<p>Cost to the Bidder of the Contract Financial Security</p> <p>For evaluation purposes only as per Annex H, article H7:</p>	
F)	<p>EVALUATION PRICE</p> <p>[A + B + C + D + E + F] for an EVALUATION PRICE (applicable taxes excluded) of:</p> <p style="text-align: right;">Page 62 of 72</p>	\$ _____

## H2 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 \$ \_\_\_\_\_ for the Contractor's firm hourly charge-out labour rate. This rate is to include consumables, overhead and profit. The net laid-down cost of materials which may include a mark-up of ten (10) percent plus applicable taxes. The firm hourly charge-out labour rate and the material mark-up will remain firm for the duration of the Contract including any subsequent amendments.

H2.1: Notwithstanding definitions or usage elsewhere in the Contract 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.

H2.2: Allowance for related labour costs such as management, all supervision, purchasing and material handling, quality assurance and reporting, first aid, gas free certification inspecting and reporting and estimating and preparing unscheduled work submissions will be included as overhead for the purposes of determining the charge-out labour rate as entered in section H2 above.

H2.3: The ten (10) percent mark-up rate for material will also apply to subcontracted costs. The mark-up rate includes any allowance for material and subcontract management not allowable in the charge out labour rate. The Contractor will not be entitled to a separate labour component for the purchase and handling of materials or subcontract administration.

### Pro-rated Prices Unscheduled Work

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

## H3 Overtime

The Contractor must not perform any overtime under the Contract unless authorized in advance in writing by the Contracting Authority. There will be no overtime payment for Known Work. Any request for payment must be accompanied by a copy of the overtime authorization and a report containing the overtime performed pursuant to the written authorization. Overtime shall not be paid unless authorized in writing by the Contracting Authority. Payment for authorized overtime will be calculated as follows:

For unscheduled work, the Contractor will be paid the authorized overtime hours at the following charge-out labour rates:

- a. Time and One Half\*\*: \$ \_\_\_\_\_ per hour; or
- b. Double Time\*\*\*: \$ \_\_\_\_\_ per hour

This rate shall be a blended rate for all classes of labor, engineering and foreperson and shall include all overheads, supervision and profit.

These rates will remain firm for the duration of the Contract, including all amendments and are subject to audit if considered necessary by Canada.

\* Regular time is defined as an 8 hour work day

\*\* Overtime Time and One-Half Rate is defined as time in excess of the regular time\*,.

\*\*\* Overtime Double Time Rate is defined as Sundays and Statutory Holidays Pro-rated Prices

#### H4 Daily Services Fees

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, Canada agrees to pay the Contractor the daily service fee described below for each day the Work is delayed. This fee shall be the sole liability of Canada to the Contractor for the delay.

The firm daily services fee is:

- a. For a working day: \$ \_\_\_\_\_
- b. For a non-working day: \$ \_\_\_\_\_

The above fees shall include but not be limited to all aspects of the following costs: project management services, administrative support, production services, quality assurance, material support, planned maintenance and ship services and all other resources and direct costs required to maintain the vessel at the Contractor's facility. These fees are firm and not subject to any additional charges for mark up or profit.

#### H5 Vessel, Refit, Repair or Docking Costs

The following costs must be included in the price:

1. Ship services: include all costs for ship services such as water, steam, electricity etc. that are required for vessel maintenance for the duration of the Contract.
2. Docking and undocking includes:
  - a. all costs resulting from dry docking, 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 services representatives/supervisory services: consist of the costs for field service representatives and/or 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 regardless if they are identified in the specification, 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 reinstallation of all items on completion of the Work. The successful Bidder will be responsible for renewal of components damaged while in their custody including during removal or reinstallation.
5. Sheltering, staging, cramage and transportation: include the cost of all sheltering, staging including handrails, carnage 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 in order to meet applicable safety regulations.

## H6 Vessel Transfer Costs

1. The evaluation price must include the cost for transferring the vessel from its home port to the shipyard/ship repair facility where the Work will be performed and the cost of transferring the vessel to its home port following completion of the Work, in accordance with the following:
  - a. The Bidder must provide the location of the shipyard/ship repair facility where it proposes to perform the Work together with the applicable vessel transfer cost from the list provided under G6, paragraph 2 of this section, which shall be entered into Annex H – Financial Bid Presentation Sheet, H1 Price for Evaluation, item D);
  - b. If the list provided under H6, paragraph 2 of this section does not provide the shipyard/ship repair location where the Bidder intends to perform the Work, the Bidder must advise the Contracting Authority of its proposed location for performing the Work in writing at least ten (10) calendar days prior to bid closing date. The Contracting Authority will confirm to the Bidder, in writing, at least five (5) calendar days before the bid closing date, the location of the shipyard/ship repair and the applicable vessel transfer cost.

A bid that specifies a location for executing the Work which is not on the list under H6, paragraph 2 of this section and for which a notification in writing has not been received by the Contracting Authority as required, will be considered non-responsive.

2. Vessel information and list of shipyard/ship repair facilities and applicable vessel transfer costs

Vessels: CCGS Griffon  
Home Port: Prescott, Ontario

Transfer costs in the case of vessels transferred using a government delivery crew include the fuel cost at the vessel's most economical speed of transit and for unmanned refits only, crew transportation costs for the delivery crew based on the location of the vessel's home port and the shipyard/ship repair facility. Crew transportation costs do not include any members of the delivery crew who remain at the shipyard/ship repair facility in order to discharge project responsibility related to the vessel being transferred.

Transfer costs in the case of the vessels transferred unmanned by either commercial towing, railway, highway or other suitable means of transportation must be:

- i. included as part of the Bidder's financial bid in the case where the Bidder is responsible for the transfer; or
- ii. identified as the applicable vessel transfer cost, as given in the list below, in the case when Canada is responsible for the transfer.

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**Shipyard/Ship Repair Facility- Applicable Vessel Transfer Costs (All Prices in CAD)**  
**Manned only: CCGS Griffon**

Company	City/Province	Manned Transfer Cost
Caraquet Marine Industry Ltd.	Caraquet, NB	\$42,696
Canadian Maritime Engineering Limited	North Sydney, NS	\$62,650
Chantier Forillon	Gaspe, QC	\$39,085
Meridien Maritime	Matane, QC	\$27,873
Davie Industries Inc.	Levis, QC	\$15,267
Heddle Marine	Hamilton, ON	\$13,873
Hike Metal Products Ltd	Wheatley, ON	\$24,325
MetalCraft Marine Inc.	Kingston, ON	\$3,484
Réparations Navales et industrielles Océan	Quebec, QC	\$15,267
Shelburne Ship Repair	Shelburne, NS	\$68,858
Verreault Navigation Inc.	Les Mechins, QC	\$29,329

**H7 Ventilated and Heated Shelter**

The evaluation price must include the cost for providing and maintaining a ventilated and heated shelter as required. The requirement to provide the shelter lies solely with the Contractor. Failure to protect the Work and/or the Ship that causes deficiencies and/or damages will result in the Contractor repairing the damage to the level of Annex A - Statement of Work at no additional cost to Canada.

ANNEX H – Appendix 1 – PRICING DATA SHEET

Ref #	Spec #	Description	Total Hours	Total Labour Cost (\$)	Total Material Cost (\$)	Total FSR & Sub-Contractor Cost (\$)	Total Firm Price (\$)	Unit Cost (\$)
4.0		<b>TOTAL SPEC. 2 SERVICES</b>		\$	\$	\$	\$	
	4.2	Berthing		\$	\$	\$	\$	
	4.3	Mooring Lines		\$	\$	\$	\$	
	4.4	Gangways		\$	\$	\$	\$	
	4.5.5	Electrical Power - Estimated Consumption Of 150,000 Kw-Hr		\$	\$	\$	\$	
	4.5.5	Unit Rate/Kw-Hr For Estimated Consumption Of 150,000 Kw-Hr						\$
	4.6.9	Potable Water – 10m³/Day For Duration Of Contract (108 Days)		\$	\$	\$	\$	
	4.6.9	Unit Rate/M³ For Estimated Consumption Of 10m³/Day						\$
	4.7.1	Compressed Air Supply – 150 psig at 36 Cubic Feet per Minute For Duration Of Contract (108 Days)		\$	\$	\$	\$	
	4.7.1	Unit Rate/Day for Compressed Air Supply						\$
	4.8.1	Cranage Including Operator – 80 Hrs. For Duration Of Contract	80	\$	\$	\$	\$	
	4.8.2	Unit Rate/Hr For Crane Supply						\$

	4.9.1	Garbage Removal – Supply And Emptying Of 5 M³ Dumpster (Min. Every 4 Days) For Duration Of Contract		\$	\$	\$	\$	
<b>5.0</b>		<b>TOTAL SPEC. 5 - BILGE CLEANING</b>		\$	\$	\$	\$	
	5.3.1.4	Removal And Disposal Of 20m³ Of Oily Waste		\$	\$	\$	\$	
	5.3.1.6	Optional Bilge Cleaning for End of Work Period		\$	\$	\$	\$	
<b>6.0</b>		<b>TOTAL SPEC. 6 - PROPULSION GENERATOR REMOVAL ROUTE</b>		\$	\$	\$	\$	
	6.3.7.4	Testing and Certification of Equipment in Table at 6.3.7.6		\$	\$	\$	\$	
	6.3.7.4	Unit Price for Testing and Certifying Lifting Anchors						\$
	6.3.7.5	Supply and Replace Five (5) Lifting Anchors		\$	\$	\$	\$	
	6.3.7.5	Unit Price to Supply and Replace Lifting Anchors						\$
<b>7.0</b>		<b>TOTAL SPEC. 7 – OVERHAUL OF PROPULSION GENERATORS (Survey Item)</b>		\$	\$	\$	\$	
	7.3.1.6	FSR (Fairbanks Morse) – Allowance for Duration of Contract				\$50,000.00	\$50,000.00	

	7.3.3.5 & 7.3.3.6	Optional Armature Work		\$	\$	\$	\$	
8.0		<b>TOTAL SPEC. 8 - PROPULSION SYSTEM INSPECTION</b>		\$	\$	\$	\$	
9.0		<b>TOTAL SPEC. 9 – PROPULSION OVERCURRENT PROTECTION SYSTEM</b>		\$	\$	\$	\$	
10.0		<b>TOTAL SPEC. 10 - PROPULSION MOTOR TACHOGENERATOR REPLACEMENT</b>		\$	\$	\$	\$	
11.0		<b>TOTAL SPEC. 11 – PROPULSION MOTOR SURVEY</b>		\$	\$	\$	\$	
12.0		<b>TOTAL SPEC. 12 – OVERHAUL OF PROPULSION MOTOR BLOWERS</b>		\$	\$	\$	\$	
13.0		<b>TOTAL SPEC. 13 – OVERHAUL OF PROPULSION MOTOR &amp; GENERATOR</b>		\$	\$	\$	\$	
14.0		<b>TOTAL SPEC. 14 – SURVEY OF SHIP'S CIRCUIT BREAKERS</b>		\$	\$	\$	\$	
15.0		<b>TOTAL SPEC. 15 – MEGGER TESTING OF ELECTRICAL CIRCUITS</b>		\$	\$	\$	\$	
16.0		<b>TOTAL SPEC. 16 – HULL CONDITION SURVEY</b>		\$	\$	\$	\$	
	16.3.1.2	FSR (Classification Society - TBD) – Allowance for Duration of Contract		\$	\$	\$10,000.00	\$10,000.00	

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	16.3.1.6	Man-lift Including Operator – 100 Hrs. For Duration Of Contract	100	\$	\$	\$	\$	
	16.3.1.6	Unit Rate/Hr For Man-lift Supply						\$
	16.3.4.4	FSR (NDT Specialist - TBD) – Allowance for Duration of Contract		\$	\$	\$10,000.00	\$10,000.00	
	16.3.5.2	Unit Rate For Removal of Each Additional M <sup>2</sup> of Insulation and Deck Coverings Removed						\$
	16.3.5.2	Unit Rate For Each Additional Panel Removed						\$
	16.3.5.2	Removing Fan Housings, Lights, Speakers, Smoke Detectors, and Other Similar Components. Price Based on 50 units.		\$	\$	\$	\$	
	16.3.5.2	Unit Rate For Each Additional Component Removed						\$
17.0		<b>TOTAL SPEC. 17 – SHIP SERVICE GENERATORS MAINTENANCE AND OVERHAULS</b>		\$	\$	\$	\$	
	17.3.1.2	FSR (Toromont) – Allowance for Duration of Contract		\$	\$	\$90,000.00	\$90,000.00	
18.0		<b>TOTAL SPEC. 18 – HVAC SOFTWARE AND CONTROL REPLACEMENT</b>		\$	\$	\$	\$	
19.0		<b>TOTAL SPEC. 19 – MIRANDA DAVIT MAINTENANCE</b>		\$	\$	\$	\$	
	19.3.1.3	FSR (Palfinger) – Allowance for Duration of Contract		\$	\$	\$10,000.00	\$10,000.00	

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20.0		<b>TOTAL SPEC. 20 – HIAB SEA CRANE INSPECTION (QUINQUENNIAL)</b>		\$	\$	\$	\$	
	20.3.1.3	FSR (Atlas Polar) Allowance for Duration of Contract				\$10,000.00	\$10,000.00	
21.0		<b>TOTAL SPEC. 21 – WATERTIGHT DOOR REFURBISHMENT</b>		\$	\$	\$	\$	
22.0		<b>TOTAL SPEC. 22 – POOP DECK CARPET REPLACEMENT</b>		\$	\$	\$	\$	
23.0		<b>TOTAL SPEC. 23 – ANNUAL FIREFIGHT SYSTEMS INSPECTION</b>		\$	\$	\$	\$	
24.0		<b>TOTAL SPEC. 24 – ANNUAL REFRIGERATION MAINTENANCE AND DAIRY ROOM EVAPORATOR</b>		\$	\$	\$	\$	
		<b><u>TOTALS</u></b>		\$	\$	\$	\$	

## ANNEX I - DELIVERABLES / CERTIFICATIONS

### I1 Mandatory Tender Deliverables Check List

Notwithstanding deliverable requirements specified within the bid solicitation and its associated Statement of Work (Annex A), mandatory deliverables that must be submitted with the Bidder's tender to be deemed responsive, are summarized below.

The Bidder must submit a completed Annex I1 – Deliverables/Certifications.

The following are mandatory and the Bidder's submission will be evaluated against the requirements as defined herein. The Bidder must be determined to be compliant on each item to be considered responsive.

Item	Description	Completed and Attached
1	Invitation to Tender document part 1, page 1, completed and signed;	
2	Completed Annex H - Financial Bid Presentation Sheet, clauses H1 through H7;	
3	Completed Pricing Data Sheet, as per Annex H – Appendix 1, as detailed in PART 3, article 3.2, Section II;	
4	Completed Annex I1 Deliverables/Certifications;	
5	Changes to any applicable laws as per PART 2 – Bidder Instructions, article 2.4;	
6	Confirmed attendance at Mandatory Site Visit and Mandatory Bidders' Conference as per Part 2 – article 2.5 and article 2.6;	
7	Integrity provisions – Associated information, as per PART 5 – Certifications, 5.1.1;	
8	Vessel transfer cost as per Annex H – article H6, 2;	
9	Type and Cost of Financial Security to be Provided – article 6.2.1	
10	Proof of good standing with the Workers' Compensation Board, as per PART 6 – Financial and other Requirements, article 6.5;	
11	Proof of valid Labour Agreement or similar instrument covering the work period, as per PART 6 – Financial and other Requirements, article 6.6;	
12	Preliminary work schedule as per PART 6 – Financial and other Requirements, article 6.7;	
13	Fueling and Disembarking Procedures as per PART 6 – Financial and other Requirements, article 6.8;	
14	If registered its valid ISO 9001-2008 Certification, as per PART 6 – Financial and other Requirements, article 6.9;	
15	Objective evidence of documented Health and Safety System as per PART 6 – Financial and other Requirements, article 6.10;	
16	Objective evidence of documented Fire Protection, Fire Fighting and Training Procedure as per PART 6 – Financial and other Requirements, article 6.11;	
17	Insurance Requirements as per PART 6 – Financial and other Requirements, article 6.13;	
18	Proof of welding certification as per PART 6 – Financial and other Requirements, article 6.14;	
19	Project Management as per PART 6 – Financial and other Requirements, article 6.15;	
20	List and qualifications of subcontractors as per PART 6 – Financial and other Requirements, article 6.16;	
21	Example of its Quality Control Plan as per PART 6 – Financial and other Requirements, article 6.17;	
22	Example of an Inspection and Test Plan as per PART 6 – Financial and other Requirements, article 6.18;	

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23	Details of Environmental Emergency Response Plan, Details of Formal Environmental Training as per PART 6 – Financial and other Requirements, article 6.19.	
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## I2 Deliverables after Contract Award

Item	Description	Reference	Due
1	Insurance requirements as per Annex D	Article 7.12 and Annex D	Ten (10) working days after Contract Award
2	Financial Securities	Article 7.14.2	Five (5) working days after Contract Award
3	Revised work schedule	Article 7.17	Five (5) calendar days after Contract Award
4	The Contractor's Quality Control Plan	Article 7.22	Five (5) calendar days after Contract Award
5	The list of Government specialized loaned equipment that the Contractor intends to request	Article 7.29	Three (3) calendar days after Contract Award