



**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**

**SOLICITATION AMENDMENT  
MODIFICATION DE L'INVITATION**

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

**Comments - Commentaires**

**Vendor/Firm Name and Address**

**Raison sociale et adresse du  
fournisseur/de l'entrepreneur**

**Issuing Office - Bureau de distribution**

Fuel & Construction Products Division  
L'Esplanade Laurier,  
140 O'Connor Street,  
East Tower, 4th floor,  
Ottawa  
Ontario  
K1A 0S5

<b>Title - Sujet</b> R&O SPACE & WATER HEATERS	
<b>Solicitation No. - N° de l'invitation</b> W8486-184162/A	<b>Amendment No. - N° modif.</b> 014
<b>Client Reference No. - N° de référence du client</b> W8486-184162	<b>Date</b> 2019-02-20
<b>GETS Reference No. - N° de référence de SEAG</b> PW-\$\$HL-668-75797	
<b>File No. - N° de dossier</b> hl668.W8486-184162	<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 2019-02-28</b>	
<b>Time Zone</b> <b>Fuseau horaire</b> Eastern Standard Time EST	
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Boyer, Michel	<b>Buyer Id - Id de l'acheteur</b> hl668
<b>Telephone No. - N° de téléphone</b> (613) 295-9383 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>	

**Instructions: See Herein**

**Instructions: Voir aux présentes**

<b>Delivery Required - Livraison exigée</b>	<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/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)</b>	
<b>Signature</b>	<b>Date</b>

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**THIS AMENDMENT IS RAISED TO:**

- A. Provide answers to questions received from potential bidder(s)
- B. Replace Annex "B"
- C. Replace Annex "D":

**A. Questions and answers**

- Q1. We forwarded data to show that the CCTT designation is only available in 4 provinces and in an amendment Canada stated they would accept technicians licensed with the province that they are in, however, the latest still requires CCTT licensed technicians, there is no mention of the provincial registration. This could easily lead to confusion in the evaluation of different bids and end up with a Bidder being deemed non-compliant. We would request that the evaluation table be amended to show the actual requirement for provincially licensed technicians.
- A1. With respect to CCTT certification, it is a national certification that comes from meeting provincial qualifications and therefor is available across Canada according to their website. It is awarded based on provincial qualifications so as already indicated DND is willing to consider provincial qualifications as equivalent where it is proposed by the bidder. See modified Annex "D" which is part of this Amendment.
- Q2. How will DND handle tasks for CSA approved modifications?
- A2. CSA approvals will be part of tasks developing modifications. There would be a Technical Investigation Engineering Study (TIES) issued to develop any modification. This task is not associated with the MRC, and the requirement that no more than 50% of the MRC can be subcontracted therefore does not apply.
- Q3. We have forwarded information directly from CSA regarding the data that is necessary to gain CSA certification and Canada stated that the winning Contractor will have to procure the data from the OEM. What happens if the OEM refuses to sell the data at any cost? Will this be acceptable to DND?
- A3. CSA certification is in DND's experience, generally achievable and specifics would be negotiated into the Technical Investigation Engineering Study (TIES) task.
- Q4. Would DND please advise how many units by NSN in the RFP are currently CSA certified?
- A4. All electrically powered heaters included in this RFP are currently CSA approved as far as DND is aware, but some older heaters may or may not be CSA certified. CSA certification is required for future modifications.

**B. Annex "B"**

Remove Annex "B" and replace with Annex "B-1"

## ANNEX "B-1"

# 1.0 GENERAL INTRODUCTION

## 1.1 AIM

The Department of National Defence (DND) has a requirement to sustain the fleet of Tactical Mobile Heaters as detailed in the Annex A, Technical Statement of Work (SOW). The Contractor shall repair and overhaul only those items for which he has received authorization IAW the Selection Notice and Priority Summary (SNAPS) for Repairable Materiel Account (RMA) code(s) TBD for the NSNs as identified in Appendix 2 to Annex A, Technical SOW. The Contractor shall conform to such supply procedures as are advised in this Logistical Statement of Work (SOW) related to the management of DND equipment and stores in his possession. Repair and Overhaul priorities will be maintained as advised in the SNAPS.

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

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

**DRMIS** Defence Resource Management Information System: provides total asset visibility of all Canadian Forces (CF) materiel, whether it is in use, in stock, or on a repair line. As a fundamental policy, all supply transactions and movement of materiel must be visible and traceable. All transactions for goods movements must be supported by appropriate computer transactions. The contractors' responsibilities related to management of the accounts in DRMIS are explained and outlined below. Contractors having access to DRMIS must process required transactions as instructed in this publication. NDQAR must assist those contractors with no DRMIS access and must provide detailed instruction, guidance and training on DRMIS transaction processing and on DRMIS account management to all contractors.

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

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

- All spare parts issued to a contractor as part of CIS are to be catalogued and are visible in the system of record, DRMIS, for National Defence.

- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the procurement authority has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement, Contract furnished materiel (CFM.)
- DND is prepared to accept the scheduled risk consequential to the late delivery of CIS from DND supporting facilities (CFSD).

**CRPA (Contractor Repair Parts Account):** DRMIS provisioning account with a Serviceable and an Unserviceable storage location. It records all managed spare parts pre-propositioned within that CRPA Plant/Serviceable Storage Location. The spares are located at the Contractor's repair facility and are to be used to assist on the repair of the repairable items contracted out for repair. These spares are called Contract Issue Spares (CIS) because they are DND spares issued to the contractor in order to affect the repair or overhaul of DND equipment.

**GFOS (Government Furnished Overhaul Spares):**

- Non-catalogued spare parts that are salvaged by the contractor, on NDHQ authority, from DND materiel undergoing repair, overhaul, re-life or modification.

Refer to the Supply Support Section 8.2.6 in the A-LM 184-001/JS-001 for more information on GFOS.

**GFE/GFI:**

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

Refer to the Supply Support Section in Section 8.4.1 and Annex F in the A-LM-184-001/JS-001 for more information on the loan of GFE/GFI.

## **1.2 EXTENT OF WORK/TYPES OF EQUIPMENT (Mandatory)**

The Contractor must repair and overhaul only those items for which they have received authorization. This authority is in accordance with the Selection Notice and Priority Summary (SNAPS).

The DND equipment to be repaired are categorized as:

- **Selected Equipment:** "A" accountable equipment's/components that have received authorization for repair or overhaul and appears on the Selection Notice and Priority Summary (SNAPS) for a Repair Materiel Account (RMA).

The Contractor must monitor and ensure that the total costs of the overhaul remain within the approved Maximum Repair Cost (MRC).

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

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

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

Refer to Annex B in the A-LM-184-001/JS-001 for step by step Process Flowchart. The process flowchart describes who does what in the repair process.

## **2.0 RECEIPTS (Mandatory)**

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

- Identify the equipment and ensure they are authorized to repair (SNAPS or Email);
- Open a separate work order for each reparable "E" tracked item. For remaining items, a work order is created for each line item reflected by the shipping paperwork;
- Carry out a physical check to ensure that the item is complete and is in accordance with the accompanying vouchers;
- Complete receipt documentation, including any adjustment transactions or work order number;
- Carry out a physical check to ensure that the item is complete according to latest OEM specifications; and
- Action warranty materiel. (If warranty repair required refer to [Section 9](#) in the A-LM-184-001/JS-001).

**Note:** DRMIS Receipt and Work order must be raised within 48 working hours of delivery to plant (see exception for Major Equipment). The contractor with no DRMIS access must contact NDQAR advising that the item has been received for repair and obtain the DND Work Order. The turnaround time begins once the DND Work Order is created.

Based upon available information or inspection of the item, the Contractor must determine the extent of work required, prepare a cost estimate, and if cost to repair is below the Maximum Repair Cost (MRC), proceed with the repair. Whenever the cost to repair threatens to exceed the MRC, the Contractor must request authority using a SNOM (Selection Notice Observation Message)/email to proceed with the repair in accordance with Annex D in the A-LM-184-001/JS-001.

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

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## **2.1 DISCREPANCIES IN SHIPMENTS (Mandatory)**

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

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

The Contractor must contact their supporting NDQAR to report and action discrepancies in shipments. If the discrepant item is one of the commodities listed below the supporting NDQAR must be contacted within 24 hours. The supporting NDQAR must then ensure Controlled Goods loss procedures are followed and the loss is reported to CTAT office within 48 hours of discrepancy.

### **Commodity:**

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

## **3.0 WORK CONTROL (Mandatory)**

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

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

The Contractor must provide to the NDQAR, and as necessary amend, a list of Contractor personnel authorized to open work orders. A work order must be opened for each repairable "E" tracked item (refer to Section 8.5.10 in the A-LM-184-001/JS-001 for the definition.) For remaining items, a work order is created, for each line item reflected by the shipping paperwork.

## **3.1 COMPLETION OF WORK (Mandatory)**

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

The following "Contractor Certification" must be stamped on the Supply Document and the DND 2227 and signed.

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### **Contractor Certification**

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

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**(Contractor QC)**

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Once the DND 2227 is signed and stamped on completion of work by the contractor it is sent to the NDQAR Supply Tech with the DRMIS job ticket (DRMIS Work order printout) and they finalize the closure of the work order process and the shipping process. The contractor must keep a copy for audit purposes. An additional copy of the DND2227 (signed and stamped) would be required to be attached with the item in the shipment. For Contractors with DRMIS access, they are not required to send the DND 2227 to the NDQAR but are still required to have a copy filed for audit purposes.

### **3.2 STOP REPAIR ACTION (Mandatory)**

Upon receipt of an updated SNAPS indicating Stop Repair Action, the contractor must action the Repairable as per the Instructions supplied. This applies to all stoppage of repairs for:

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

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

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

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

### **4.0 ANNUAL REPAIR FORECAST - SNAPS (As applicable on an exceptional basis)**

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

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

NDQAR must distribute the SNAPS for in-country repair facilities on a monthly basis. The contractor must be advised of the selection of a new MMR item or of changes to the current SNAPS.

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

If R&O contractors need to make observations on information contained in the SNAPS, they are to submit their observations to the PA using the Selection Notice Observation Message (SNOM). See Section 8.6 in the A-LM-184-001/JS-001 for reasons to use the SNOM.

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

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

## **5.0 COST CONTROL (Mandatory)**

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

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

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

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

## **6.0 COSTING RECORDS (Mandatory)**

The Contractor must prepare forms and maintain records which must provide:

- a cost listing, by serial number if applicable, of each item or job lot going through the repair line;

- details of the extent of work carried out, in-process inspections completed and materiel embodied at any stage of the repair process;
- the average cost of repair or overhaul, by MMR; and
- the total repair cost for a MMR, by work order.

**Note:** This data must be provided as requested by the Procurement Authority and/or NDQAR

## **7.0 MAINTENANCE SUPPORT- MINOR REPAIRS (Mandatory)**

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

### **7.1 MOBILE REPAIR PARTY (MRP) (As Applicable)**

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

### **7.2 EQUIPMENT TURN AROUND TIME (TAT) (Mandatory)**

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

### **7.3 PRIORITY REPAIR REQUEST (PRR) (Mandatory)**

A Priority Repair Request (PRR) is a direction to the contractor to repair an item on a priority basis. These requests originate from NDHQ/Supply Managers (SM) or PA and are communicated to NDQAR by e-mail. The SM or PA forwards the information to the contractor for action. A sample copy of a PRR format is illustrated in Annex E in the A-LM-184-001/JS-001.

On receipt of a PRR, the contractor is to determine whether DND's required delivery date (RDD) can be met. If not, the contractor is required to provide to the appropriate Supply Manager or PA at NDHQ with a realistic estimated delivery date (EDD). The format of the e-mail/fax to be forwarded by the contractor is illustrated in Annex E in the A-LM-184-001/JS-001 using the PRR format. Correspondence in response to PRRs is the contractor's responsibility.

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

### **7.4 SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs) (Mandatory)**

When authorized by the Procurement Authority via a Task Authorization/DND 626, the Contractor must open a work order to undertake special investigation and technical studies and must provide relevant data to these investigations as and when required. The scope of work normally covered under special investigation and technical studies is to cater for equipment not meeting fit, form and function specification standards or due to repetitive failures. This excludes studies or investigations which have or will have fleet fitment application.

### **7.5 TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES) (Mandatory)**

When authorized by the PA, via a Task Authorization/DND 626, the Contractor must undertake technical investigations and engineering studies. This activity includes the provision of system and maintenance support and management services. It includes the requirement analysis and planning to ensure current

reliability availability of specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as the development of policies and maintenance procedures. It includes the contract management activities as well as the validation/acceptance of deliverables when maintenance activity is contracted.

### **7.6 CONTRACT CLOSE OUT (Mandatory)**

When an R & O contract is not extended, or cancelled by mutual consent or terminated for convenience or by default, the Procurement Authority must form a Contract close-out planning team to provide the contractor with instruction for the completion of the work already on the repair line and to provide instruction and to coordinate the transfer of DND-owned equipment. The DQA/R&O staff must be included in the close out team. The following are some considerations for the close-out plan:

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

## **8.0 SUPPLY SUPPORT/SUSTAINMENT SUPPORT (Mandatory)**

### **8.1 TRANSACTION DOCUMENTATION (Mandatory)**

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

The Contractor must file and retain auditable transaction documentations by applicable Storage location/account either by MMR or by Requisition Number:

### **8.2 CONTRACTOR SUPPLY ACCOUNTING (Mandatory)**

#### **8.2.1 RMA**

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

In many circumstances, a contractor will need spare parts from DND. These spare parts are called Contract Issue Spares (CIS) or GFOS and the contract must specify what spares to be used. To account for the CIS, the contractor must be allocated a Contractor Repair Parts Account (CRPA). Account structure can be found in Annex H in the A-LM-184-001/JS-001.

#### **8.2.2 CRPA/CIS (Contract Issued Spares)**

Contract Issued Spares are DND-owned materiel issued to Contractors exclusively for use on the repair line in support of DND equipment. DND must authorize Contractors to use or request CIS when spare parts are catalogued, and managed in DRMIS using a CRPA account.

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

Prior to approval of the CIS being issued to a Contractor, the PA must ensure:

- Initial Max and Min levels are set by DQA R&O (where applicable) on the authority of the PA for MMR's held on a CRPA. Subsequent amendments to levels must be actioned by NDQAR/ Contractor upon PA approval;
- DND stocked inventory is to be used prior to contractors procuring commercially. There are exceptions to this rule and the PA has to authorize this procurement and justify why DND stocked inventory is not being used first. For instance, there may be spares reserved for other operations and may not be available to use as CIS or it may be more economical for DND to allow commercial procurement, contract furnished material (CFM); and
- DND is prepared to accept the schedule risk consequential to the late delivery of CIS from DND supporting facilities. Deviations to the foregoing may be acceptable in the following circumstances and if authorized by the contract authority:
  - Urgent operational requirements may justify the use DND inventory even though the spare part would normally be obtained by the contractor through other means.
  - Safety considerations may require the use of DND inventory.

#### 8.2.3 CIS MATERIEL RECEIVED OFF CONTRACT/PROCUREMENT

Receipts of CIS materiel from a purchase order that was generated by normal spare parts demands or pushed by the Supply Managers directly to the Contractors must be performed by the supporting NDQAR.

#### 8.2.5 ORDERING/RECEIVING CATALOGUED CIS IN DRMIS

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

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

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

#### 8.2.6 GFOS: Government Furnished Overhaul Spares

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

GFOS salvaged by Contractor, received from external sources and initially entering the system are to be brought on as an un-forecasted receipt by the contractor using the CRPA Serviceable Storage Location. A DND 2227 must support this transaction. The DND 2227 must be signed and approved prior to processing the transaction

The contractor is responsible for accounting of the GFOS to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at Annex R in the A-LM-184-001/JS-001 for step by step instruction. The Technical Authority is responsible to provide all disposal instructions.

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

If a GFOS item needs to be repaired so it can be utilized in the repair of a main catalogued item (repairable), a work order must be opened against the main catalogued item, and all catalogued components must be issued into this work order thus ensuring the cost of the GFOS repair must be charged against the repair of the main catalogued item. Refer to Annex A in the A-LM-184-001/JS-001.

The contractor is responsible for maintaining stock records for both repairable and serviceable GFOS. The contractor does not establish the re-provisioning levels. GFOS stock must be reduced to the lowest level possible.

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

All catalogued MMRs found in GFOS stores, must be converted to CIS and brought on charge to the CRPA using the step by step process in Annex T in the A-LM-184-001/JS-001 for stock adjustment with a DND 2227 to support the transaction.

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

- Batch considered contaminated;
- Items rendered unusable because of corrosion attributable to factors beyond the control of the contractor or Complete inability to establish serviceability at a viable cost, etc.;
- Items that fail to meet the quality assurance standards;
- Material unfit for use because of unserviceable conditions; and
- Shelf life expired.

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

### **8.3 MANAGEMENT OF DND-OWNED SPARES (As Applicable)**

Spares must be used in the following order or as specified in the contract:

- Government Furnished Overhaul Spares (GFOS);
- Contract Issue Spares (CIS); and

### **8.4 SPARES REVIEW (As Applicable)**

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

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

The contractor is responsible for accounting of the spares to the repair operation, maintaining custody of the item and disposing of the item. See Disposal Model at Annex R in the A-LM-184-001/JS-001 for step by step instruction. The Technical authority is responsible to provide all disposal instructions.

#### 8.4.1 LOANS/GFI/GFE

The Contractor must submit to the PA all requests for GFE (Government furnished equipment)/GFI (Government furnished information). DND will loan GFE/GFI to a Contractor only when it is considered to be in the interest of DND to do so, under the conditions that:

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

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

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

- No stock movement (Issues & Returns) is to be done without going through the PA and DQA Loans first;
- Contractors must not submit requests directly to DQA Loans; they must go through PA every time;
- Contractors are not allowed to process any loans transactions. Only the Loan section in DQA is authorized to do any transactions against loan accounts.

Contractor responsibilities:

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

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

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

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

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

- Would seriously disrupt military training and operations;
- Could be subject to misuse or depreciation;
- Necessitates unwarranted expenditure of defence funds such as but not limited to cost associated to transportation, materiel handling, packaging, etc.;

- Is reasonably available from commercial sources or other facilities; or
- Creates an unfair advantage for any Contractor.

## **8.5 STOCKTAKING**

The PA working with the supporting NDQAR must initiate and have the contractor carry out a one hundred per cent (100%) manual stocktaking of in country RMAs, and CRPAs, as well as, CIS, GFOS and Loan Accounts must be counted at a minimum of once every two years or as indicated by Cycle Count Indicator, in accordance with Section 3.4 of the SAM, A-LM-007-100/AG-001. The PA is responsible to monitor all stocktaking activity working with NDQAR. Refer to Annex L in the A-LM-184-001/JS-001 for step by step Process.

In the event of discrepancies between the DRMIS and the Contractor's records, DRMIS is the source record. DGMSSC is responsible for conducting random stock verifications of DND owned materiel and equipment as part of its mandate and in support of OAG audits. In order to carry out these stock verifications the contractor must provide DGMSSC personnel with access to the DND owned materiel and equipment being held.

### **8.5.1 Stocktaking Process**

- Verify stock integrity. This is measured by comparing DND Owned material held under the Contractor's responsibility with all records and documentation;
- Adjust the associated records or documents according to the materiel held;
- Investigate discrepancies; and, if required,
- Action write-off reports in accordance with Section 3.5 of the SAM A-LM-100/AG-001.

### **8.5.2 Contractor Responsibilities**

- Identify any discrepancies in stockholdings versus stock records;
- Initiate and complete stocktaking IAW the stocktaking plan;  
**Note:** Some repairable items, because of their material types may require stocktaking on a more frequent basis. (Refer to Annex I in the A-LM-184-001/JS-001);
- Contact the NDQAR to adjust stock records ensuring that the quantity on stock records is reconciled with the quantity on hand;
- Investigate discrepancies as requested by NDQAR;
- Conduct investigative stocktaking upon DND's request;
- Verify serial numbers; and
- Hold all transactions from the cut-off date until completion of the stocktaking. Local co-ordination will be required to ensure which transactions were not processed by the cut-off date because of mail delays, machine downtime, etc. in order for them to include these transactions when doing the stocktaking and reconciliation.

Refer to Annex L, in the A-LM-184-001/JS-001 for step by step process to carry out stocktaking at a contractor facility. The supporting NDQAR must assist in the stocktaking process for contractor facilities.

### **8.5.3 Investigative Stocktaking**

The Contractor must initiate an investigative stocktaking no later than 48 hours after a discrepancy is found or reported, or is suspected either for a single or a range of MMRs or part numbers. The Contractor must investigate discrepancies identified by the NDQAR and if such discrepancies are not resolved, notify NDQAR for further action. NDQAR must determine the action to be taken to adjust the quantities and to report overages or deficiencies using a write-off report, or request reimbursement from the Contractor for shortages, depending on the circumstances.

In instances where the stocktaking indicates that the Contractor's inventory management system is inadequate, DND must request that improvements be implemented. Failure to rectify these problems over

a period of time may result in cancellation of the contract with cause.

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

#### 8.5.4 Stocktaking Plan

No later than two (2) months after contract award and every year thereafter, on or before the first of March, the Contractor will be responsible to prepare and submit to the PA and the NDQAR, a two-year stocktaking plan. The stocktaking plan must provide information on the Contractor's planned stocktaking schedule for the next two year period, calculated from the time responsibility of DND Owned material has been assumed. The Contractor must ensure that 100% of the DND Owned material is planned to undergo stocktaking at least one time during this two year period or more frequently as dictated at Annex I in the A-LM-184-001/JS-001. The Stocktaking Plan template is attached at Annex J in the A-LM-184-001/JS-001.

The Contractor must distribute a copy of the Stocktaking Plan to the Procurement Authority and the NDQAR for review and concurrence. The Contractor must not initiate any 100% stocktaking unless PA approval has been given. Once the approval has been given NDQAR must provide further directions on using the applicable reports to provide visibility of material into Work Orders.

Changes to the stocktaking plan must be submitted to the PA, through the NDQAR, for approval.8.5.5  
Scheduled Stocktaking Notice

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

The Stocktaking Notice submitted to the NDQAR must include the following:

- Storage location (Serviceable or unserviceable);
- Date the first stock count must be completed; (must be 15 days , refer to Section 8.5.7 in the A-LM-184-001/JS-001);
- Range of MMRs to be counted.

If the materiel is not on charge (GFOS) in DRMIS the Contractor must also include the following details with the Stocktaking Notice:

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

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

#### 8.5.6 Count Sheets

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

For GFOS (inventory not recorded in DRMIS) the Contractor must produce count sheets using their own system. The Contractor must provide a copy of the count sheets to the NDQAR. The count sheets must, at a minimum, contain the following:

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

#### 8.5.7 Stock Count

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

The Contractor must submit a copy of each completed first stock count sheets to NDQAR. Refer to Annex K in the A-LM-184-001/JS-001 for count sheet template.

#### 8.5.8 Report and Resolve Stocktaking Discrepancies

##### 8.5.8.1 For inventory recorded in DRMIS

The NDQAR is responsible for entering the stocktaking counts into the system of record. They must confirm all the counts, in accordance with the count sheets. For discrepancies, the NDQAR must submit to the Contractor a list of all MMRs and identify the materiel requiring a second count. If necessary, this process can be repeated for a third count which is physically performed by NDQAR at the Contractor's location(s).

##### 8.5.8.2 Third Count Investigations

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

##### 8.5.8.3 For inventory not recorded in DRMIS

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

The Contractor is responsible to:

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

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

- Inventory materiel type;
- MMR/Part Number;
- Description;

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

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

The Contractor must prepare a Stocktaking Summary Report for each account type, template in Annex N in the A-LM-184-001/JS-001.

NDQAR on behalf of the Contractor must submit the original copy of the Write-off Report CF 152 and the Stocktaking Summary Report to the R&O Support cell for vetting prior to R&O Support cell forwarding to PA.

#### 8.5.9 GFOS Stocktaking

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

- Post all transactions to the Inventory Control Card (Non-Catalogued) (ICC) prior to stocktaking as per Annex Q in the A-LM-184-001/JS-001;
- List the part number and description of each line item on the count sheets normally used. The quantity on the ICCs must not be transcribed to the count sheet at this time;
- Ensure issues from stock are not discontinued unless it is essential to do so;
- Quarantine all receipts of spares and suspend posting action for a maximum period of four working days from the time of receipt;
- Conduct a physical count and show the quantity counted in one column of the count sheets. The person counting the stock must add to the list items found in stock for which there is no entry on the count sheets;
- Enter the quantity on the ICC's the appropriate column of the count sheets after the physical count takes place;
- Check for issues, receipts, etc., when quantities do not agree. Re-count the items if quantities still do not agree;
- Compare the quantity shown as "actual count" and the quantity on stock records and the discrepancies indicated on Form CF 152;
- Forward the CF 152 and any adjusting vouchers to the NDQAR under a covering letter;
- Identify surplus and obsolete items for disposal, in accordance with the contract; and
- Ensure that items with a MMR are identified for transfer to the CRPA warehouse.

#### 8.5.10 Verification/Stocktaking of Controlled Equipment

The Contractor must conduct a physical verification/stocktaking of all controlled equipment:

##### A. Semi-annually:

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

##### B. Quarterly:

- Small Arms (SA) – Stock Classification "E" and NSG "10" and "99"; and
- Self-Contained Weapon Systems – ST "A" and NSG "13" & "14"

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

Upon a discrepancy being found with controlled equipment, the Contractor must notify the supporting NDQAR immediately.

#### 8.5.11 Write off Report - CF 152

NDQAR on behalf of the Contractor must perform all adjustment transactions, then raise and submit the original copy of the CF 152 including the Stocktaking Summary Report to the R&O Support cell for vetting and furtherance to applicable EPMs. The NDQAR must include a covering letter with their submission. Refer to Annex L in the A-LM-184-001/JS-001 for the step by step Process.

### **8.6 SELECTION NOTICE OBSERVATION MESSAGE (SNOM) (Mandatory)**

The SNOM is used by Contractors to report any observation for:

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

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

Refer to Annex D in the A-LM-184-001/JS-001 for the SNOM template. It is understood that a SNOM can be an email with all the pertinent information enclosed.

### **8.7 LOSS OR DAMAGE TO DND MATERIEL (Mandatory)**

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

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

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

### **8.8 SCRAP - CUSTODY & DISPOSAL (Mandatory)**

The Contractor must safeguard, control, and dispose of the scrap materiel in accordance with section 6.2 of SAM, A-LM-007-100/AG-001. For all instructions pertaining to disposal NDQAR can ensure the Contractor has a copy of SAM Chapter 6.2.

See EP 18 Disposal Model Annex R in the A-LM-184-001/JS-001 for step by step instruction in conjunction with the above publications.

## **8.9 DOCUMENTATION AND RECORDS**

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

## **9.0 CONTRACTOR USE OF DND EQUIPMENT AND PUBLICATIONS (As Applicable)**

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

## **10.0 PUBLICATIONS (As Applicable)**

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

Unless otherwise specified, publications may be copied or have extracts taken from them. As these copies/extracts are not subject to follow-up amendment action, they are not valid for use as a reference document and must be stamped "FOR INFORMATION ONLY".

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

Publications and forms provided to Contractors must be issued, without charge, by DND.

## **11.0 AVAILABILITY OF PUBLICATIONS (As Applicable)**

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

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

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

The Contractor must request publications in writing from the PA, and once the request is approved, must raise a Supply Document DND 2227. Contractors must acknowledge receipt of publications by signing the accompanying documents.

### **11.1 DISPOSAL OF PUBLICATIONS**

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

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

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

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

## **Ch. 12.0 OFFICE SERVICES (As Applicable)**

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

## **Ch. 13.0 MINUTES OF MEETINGS (Mandatory)**

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

## **Ch. 14.0 PLANT SHUTDOWN/VACATION PERIOD (Mandatory)**

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

## **Ch. 15.0 REPORTS (Mandatory)**

### **15.1 MATERIAL MANAGEMENT REPORTS**

The following reports are available from the supporting NDQAR:

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

## **15.2 MRP PROGRESS REPORTS**

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

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

## **15.3 TECHNICAL INVESTIGATION AND ENGINEERING STUDIES (TIES) REPORTS**

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

## **15.4 ANNUAL DND OWNED INVENTORY REPORT**

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

### **C. Annex "D"**

Remove Annex "D" and replace with Annex "D-2"

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## ANNEX "D-2"

### 1 BID EVALUATION PLAN

#### 1.1 Introduction

This document outlines the proposal contents requirements and the methodology for evaluating a bid. This Bid Evaluation Plan identifies all the mandatory requirements and point-rated criteria items to be evaluated, their relative weighting and how they will be scored. **Your proposal must address, in written narrative, all subjects identified in the evaluation section below.**

#### 1.2 Evaluation Stages

##### 1.2.1 The evaluation will be comprised of the following stages:

- 1.2.1.1 Stage 1: Evaluation of Mandatory Requirements
- 1.2.1.2 Stage 2: Evaluation of Point Rated Criteria
- 1.2.1.3 Stage 3: Financial Evaluation

#### 1.3 Bid Evaluation Plan

This plan establishes and identifies the evaluation criteria that will be used in the bid solicitation document. Rating factors are assigned to the evaluation criteria. The rated factors reflect the relative importance of the evaluation criteria and their appropriate weighting to each requirement and ensure fair competition. Narrative responses consisting of a simple statement of compliance without clear narrative details could prevent proper assessment of the proposal and result in your proposal being rejected from further consideration.

#### 1.4 Bid Proposal

The bid proposals will be evaluated on the basis of a combination of mandatory and point rated criteria. To be considered responsive, a bid must meet all the mandatory requirements, must obtain the required minimum score of 75% (or 105 points) on the point-rated criteria, and must meet the first (i.e. minimum) performance level of each rated criteria. Bids not meeting all the mandatory and point rated requirements will be given no further consideration.

#### 1.5 Compliance with Certification

To be considered responsive, Bidders must demonstrate compliance with all checklists and certifications requested in the Request for Proposal.

#### 1.6 Contractor Selection Methodology

The winning Contractor must be selected by the Lowest Cost Compliant Bidder Methodology. Responsive bids must:

- a) Comply with all the requirements of the bid solicitation;
- b) Meet all mandatory and rated criteria requirements of the technical evaluation criteria; and
- c) Provide the lowest submitted price in accordance with paragraph 4, Stage 3: Financial Evaluation.

### 2 Stage 1: Evaluation of Mandatory Requirements

Canada will review each Proposal for compliance with the Mandatory Requirements. Bids that, in the determination of Canada, do not comply with the Mandatory Requirements will be eliminated from further consideration in the evaluation process and will not proceed to Stage 2 of the evaluation process.

For purposes of this RFP, comply and compliant mean that the Bid conforms to the Mandatory Requirements without deviation or reservation.

Mandatory requirements are evaluated on a simple pass/fail basis. The treatment of mandatory requirements is stringent. The Bid must address the mandatory requirements specified.

## 2.1 Compliance with the Terms and Conditions of the RFP

1.	<b>The Bidder must initial the check-off box indicating the company will comply with all of the Terms and Conditions (RFP Requisition No.: W8486-184162 in any resulting contract).</b>	<b>M</b>
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Description	Compliant Check-off
RFP Requisition No.: W8486-184162	

## 2.2 Compliance to Statement of Work, Annex "A" and Logistics Statement of Work, Annex "B".

Check-off Tables have been provided for each Annex detailed above.

1.	<b>The Bidder must check-off each box indicating the company will comply with all of the elements of the SOW in any resulting contract.</b>	<b>M</b>
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### 2.2.1 Mandatory Requirements of the SOW, Annex "A".

Table 1: ANNEX A - SOW Check-Off Table

Section	Mandatory Requirements	Check- Off
<b>1</b>	<b>Scope</b>	
1.1	Purpose	
1.2	Background	
<b>2</b>	<b>APPLICABLE DOCUMENTS</b>	
2.1	Applicability	
2.1.1	Order of Precedence	
2.1.2	Discrepancies	
2.2	Publications	
2.2.1	Government Furnished Publications	
2.2.2	Other Publications	

Solicitation No. - N° de l'invitation  
W8486-184162/A  
Client Ref. No. - N° de réf. du client  
W8486-184162

Amd. No. - N° de la modif.  
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<b>3</b>	<b>REPAIR AND OVERHAUL DEFINITIONS</b>	
3.1	The term "repair" is defined as:	
3.1.1	Third Level Repair	
3.2	The term "overhaul" is defined as:	
3.2.1	Scope of Overhaul	
<b>4</b>	<b>REQUIREMENTS</b>	
4.1	General Requirements	
4.2	Contractor Experience	
4.3	Contractor Resources	
4.3.1	Engineering and Technical Staff	
4.3.2	Test Facilities	
4.3.3	Publication Resources	
4.4	Performance and Reliability	
4.5	Maximum Repair Cost (MRC)	
4.6	Minimum and Maximum Repair Units	
4.7	Repair / Condemn Decisions	
4.8	Provision of Material	
4.8.1	Government Supplied Material	
4.8.2	Contractor Supplied Parts	
4.8.3	Obsolescence	
4.8.4	Contractor Furnished Parts	
4.8.5	Contractor Repair Parts Account	
4.9	General Extent of Work	
4.9.1	Mechanical	
4.9.2	Electrical	
4.9.3	Safety	
4.9.4	Finish	
4.9.5	Painting	
4.10	Tactical Mobile Heaters and Related Equipment Overhaul Work	
4.10.1	Equipment Inspection:	
4.10.2	Mechanical Work:	
4.10.3	Electrical Work:	
4.10.4	Frame and Sheet Metal Work:	
4.11	Acceptance Test Procedures	
4.12	Subcontracting of Repair Services	
4.13	Technical Investigation and Engineering Support (TIES)/ Special Investigation and Technical Studies (SITS)/ Field Service Representatives (FSRs) and Mobile Repair Parties	

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	(MRPs)	
4.13.1	TIES/SITS/FSR/MRP Services	
4.13.2	TIES/SITS/FSR/MRP Engineering Data and Drawings	
4.14	Documentation	
4.15	Unsatisfactory Condition Reports	
4.16	Communication and Technical Assistance	
4.17	Preparation for Delivery	
4.17.1	Preparation and Preservation Instructions	
4.17.2	Packaging	
4.18	Meetings	
4.18.1	Meetings, Agenda and Minutes	
4.18.2	Kick-off Meeting	
4.18.3	Progress Review Meetings	
<b>5</b>	<b>QUALITY ASSURANCE</b>	
5.1	Quality Assurance Representative	
5.2	Test and Inspection	
5.3	CSA Certification	
<b>6</b>	<b>ENVIRONMENTAL, OCCUPATIONAL HEALTH AND SAFETY</b>	
6.1	Compliance	
6.2	<b>Workplace Hazardous Materials Information System (WHMIS)</b>	
6.3	Controlled Products	
6.4	Use of Controlled Products	
6.5	Mercury Regulations	
6.6	Material Safety Data Sheets/ Safety Data Sheets	
6.7	<i>Environmental Management System (EMS) and Occupational Health and Safety</i>	
6.7.1	Environmental Management System	
6.7.2	Occupational Health and Safety Management System	
6.7.3	Applicability	
6.7.4	Audits	
<b>7</b>	<b>PROJECT MANAGEMENT</b>	
7.1	Cost and Schedule Control	
7.2	Access to Facilities	
7.2.1	Government Access to Contractor's Facilities	

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7.2.2	Contractor Access to Government Facilities	
7.3	Requests for Technical Information/Assistance	
7.4	Compliance with DND Policies	
<b>8</b>	<b>DELIVERABLES</b>	
8.1	Acceptance Test Procedures	
8.2	Repaired Materiel	
8.3	Completion of Work Documentation	
8.4	Identification Markings	
8.5	Reports	
8.5.1	In-inspection Report	
8.5.2	Monthly Progress Report	
8.5.3	Annual Inventory Report	
8.5.4	Other Reports	

Document	Mandatory Requirements	Check- Off
Appendix A1 to Annex A	Work Statement For Chemical Agent Resistant Coating System	
Appendix A2 to Annex A	Technical Publications	

2.2.2 Mandatory requirements of the Logistics SOW, Annex "B".

**Table 2: ANNEX B - Logistics SOW Check-Off Table**

Section	Mandatory Requirements	Check- Off
1.0	GENERAL	
1.1	AIM	
1.2	EXTENT OF WORK	
1.3	REPAIR AND OVERHAUL (IN AND OUT OF COUNTRY) PROCESS	
2.0	RECEIPTS	
2.1	DISCREPANCIES IN SHIPMENTS	
3.0	WORK CONTROL	
3.1	COMPLETION OF WORK	
3.2	STOP REPAIR ACTION	
4.0	ANNUAL REPAIR FORECAST - SNAPs	
5.0	COST CONTROL	
6.0	COSTING RECORDS	
7.0	MAINTENANCE SUPPORT	
7.1	MOBILE REPAIR PARTY (MRP)	
7.2	EQUIPMENT TURN AROUND TIME (TAT)	
7.3	PRIORITY REPAIR REQUEST (PRR)	

7.4	SPECIAL INVESTIGATIONS & TECHNICAL STUDIES (SITs)	
7.5	TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES)	
7.6	CONTRACT CLOSEOUT	
8.0	SUPPLY SUPPORT/SUSTAINMENT SUPPORT	
8.1	TRANSACTION DOCUMENTATION	
8.2	CONTRACTOR SUPPLY ACCOUNTING	
8.3	MANAGEMENT OF DND-OWNED SPARES	
8.4	SPARES REVIEW	
8.5	STOCKTAKING	
8.6	SELECTION NOTICE OBSERVATION MESSAGE (SNOM)	
8.7	LOSS OR DAMAGE TO DND MATERIEL	
8.8	SCRAP – CUSTODY & DISPOSAL	
8.9	DOCUMENTATION AND RECORDS	
9.0	CONTRACTOR USE OF DND EQUIPMENT/PUBLICATIONS	
10.0	PUBLICATIONS	
11.0	AVAILABILITY OF PUBLICATIONS	
11.1	DISPOSAL OF PUBLICATIONS	
12.0	OFFICE SERVICES	
13.0	MINUTES OF MEETINGS	
14.0	PLANT SHUTDOWN/VACATION PERIOD	
15.0	REPORTS	
15.1	MATERIAL MANAGEMENT REPORTS	
15.2	MRP PROGRESS REPORTS	
15.3	TECHNICAL INVESTIGATIONS & ENGINEERING STUDIES (TIES) REPORTS	
15.4	ANNUAL DND OWNED INVENTORY REPORT	

### 2.3 Company Profile

Outline the company's history and provide details of experience and expertise as they relate to the work that will be performed under any resulting contract for the Repair and Overhaul of Tactical Mobile Heaters and Related Equipment or Repair and Overhaul (R&O) contracts.

1.	The company and facilities at which the work will be performed must have a minimum of one (1) year of directly related experience including contracts for work on Tactical Mobile Heaters and Related Equipment or Repair and Overhaul (R&O) contracts with military projects. The narrative provided must include details to establish capabilities regarding volume, quality and expertise.	<b>M</b>
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### 2.4 Quality Assurance

- a) Provide a Quality Assurance Plan that meets the requirement of the contract or provide a copy of the Bidder's ISO 9001/2015 certification.

1.	A copy of a Quality Assurance Plan, with references to Quality Assurance Procedures, which must show how work, including subcontractors, must be monitored for adherence to contract quality assurance requirements as detailed in ISO 9001/2015, or provide a copy of the Bidder's ISO 9001/2015 certification.	<b>M</b>
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- b)** Provide the job description and major responsibilities of the in-house Quality Assurance/Control representative. Provide an Organizational Chart for the Company that clearly shows the position and reporting structure of the QA representative in your organization.

1.	The job description must reflect direct responsibility with respect to performing quality assurance work.	<b>M</b>
2.	The job description must reflect an Organization Chart showing the position of the QA representative in your organization.	<b>M</b>

- c)** Provide adequate in-house office to the National Defence Quality Assurance Representative (NDQAR).

1.	Propose a typical, functional office type facility for the NDQAR to perform his/her duties while at the Bidder's facility.	<b>M</b>
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## **2.5 Hazardous Material**

1.	The Bidder must <u>certify</u> that it will handle, transport, and dispose of all waste and hazardous waste generated as a result of the Contract in accordance with current Federal and Provincial environmental legislation.	<b>M</b>
2.	The Bidder must adequately explain how this is to be monitored and managed.	<b>M</b>

## **2.6 Mandatory Plans, Certifications and Checklists**

The following is a list of Mandatory Plans, Certifications and Checklists that the Bidder must provide as part of the Technical Evaluation. This list may not be all inclusive.

- (i) Initialed Checklists for RFP, Annex "A" and Annex "B";
- (ii) Quality Assurance Plan or copy of ISO 9001/2015 Certification; and
- (iii) Hazardous Material Certification.

### 3 Stage 2: evaluation of point rated criteria

BIDDER'S RESPONSES TO POINT RATED CRITERIA MUST BE EVALUATED ON THE EXTENT TO WHICH THEY MEET

THE REQUIREMENTS. FOR EACH BID THAT HAS PROCEEDED TO STAGE 2, CANADA WILL REVIEW, AND SCORE

THE INFORMATION PROVIDED BY THE BIDDER IN RESPONSE TO THE POINT RATED CRITERIA PROVIDED IN THIS SECTION.

#### 3.1 Scoring Methodology for Rated Criteria

**Bid Proposals must: achieve a total score of 75% (105 of 140 points); and meet the first (i.e. minimum) performance level of each rated criteria. Proposals that fail to score a total of 105 points must be considered non-compliant. Proposals that fail to meet the first performance level of each rated criteria must be considered non-compliant.** The points rated criteria are listed in the table below, along with their individual point values.

Proposals will be evaluated against the criteria listed in Table 3.

1.	Achieving a minimum total score equal to or higher than <b>105</b> is required to be considered compliant.	<b>M</b>
2.	Achieving the first performance level of each rated criteria is required to be considered compliant.	<b>M</b>

**Table 3: Scoring Table for Points Rated Criteria**

<b>Item</b>	<b>Criteria</b>	<b>Max Points</b>
1	Contractor Qualification Requirement	20
2	Organizational Responsibilities	10
3	Cost and Control Management	10
4	Logistical Procedures	20
5	Sub-contracting	10
6	Risk Management Plan	10
7	Technical Data Management	10
8	Configuration Management	10
9	Facility	20
10	Capability	20

**Maximum Points scored 140**

### 3.2 Contractor Qualification Requirements (Max 20 points)

The Bidder must provide specific qualifications and experience of the personnel expected to perform work under the contract. Information must include the individual's name and any relevant training and expertise in the area required relating to repair and overhaul of Tactical Mobile Heaters and Related Equipment. The response must also include how many in-house personnel will be licensed technicians by the Canadian Council of Technicians and Technologists (CCTT) or provincial equivalent that could be allocated to perform this contract. The Bidder must provide the license number or copy of certification of the licensed technician(s). Bidders must indicate resources available to produce electronic manuals, technical drawings and other logistic and engineering documentation. Curriculum Vitae (CV) must be included as substantiation for each technician, Professional Engineer, Shop Foreman, Technical Writer and Draftsman. Professional Engineer is defined as an Engineer registered with the licensing and regulating body for engineering in a province of Canada, and holds a permit to practice engineering in that province, and is in good standing with the licensing and regulating body. The Bidder must provide the permit number or copy of certification of the Professional Engineer.

1.	<ul style="list-style-type: none"> <li>- The technical staff includes at least one (1) licensed technician in the mechanical field registered with the CCTT or provincial equivalent.</li> <li>- Access to at least one (1) Professional Engineer when required.</li> </ul>	5
2.	<ul style="list-style-type: none"> <li>-The technical staff includes at least one (1) licensed technician in the mechanical field registered with the CCTT or equivalent.</li> <li>-The technical staff includes at least one (1) licensed technician in the electrical field registered with the CCTT or equivalent.</li> <li>- Access to at least one (1) Professional Engineer when required.</li> </ul>	10
3.	<ul style="list-style-type: none"> <li>-The technical staff includes at least one (1) technician in the mechanical field registered with the CCTT or equivalent.</li> <li>-The technical staff includes at least one (1) licensed technician in the electrical field registered with the CCTT or equivalent.</li> <li>-The staff also includes a Shop foreman, with a minimum of five (5) years of experience and at least one (1) year of supervisory experience relating to R&amp;O of Field Heaters.</li> <li>- Access to at least one (1) Professional Engineer when required.</li> </ul>	15
4.	<ul style="list-style-type: none"> <li>- The technical staff includes at least one (1) technician in the mechanical field registered with the CCTT or equivalent.</li> <li>- The technical staff includes at least one (1) licensed technician in the electrical field registered with the CCTT or equivalent.</li> <li>- The staff also includes a Shop foreman, with a minimum of five (5) years of experience and at least one (1) year of supervisory experience relating to R&amp;O of Field Heaters and technical writers able to produce electronic manuals, technical drawings and other</li> </ul>	20

	engineering documentation. - The engineering staff includes at least one (1) Professional Engineer in house.	
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### 3.3 Organization Responsibilities (Max 10 points)

The Bidder must provide a list of organizational roles and responsibilities and name a Project Manager as the single point of contact for the project. **A CV for the Bidder's Project Manager must be provided.** This is for experience assessment purposes only.

1.	The Bidder provides the company organizational chart and identifies a Project Manager.	2
2.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of two (2) years of experience in R&O contracts.	5
3.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of five (5) years of experience in R&O contracts.	7.5
4.	The Bidder provides the company organizational chart and identifies a Project Manager with a minimum of five (5) years of experience in R&O contracts of which three (3) years have been in military R&O projects.	10

### 3.4 Compliance with Special Instructions for Repair and Overhaul Contractors, A-LM-184-001/JS-001 (Max 30 points)

#### 3.4.1 (Cost and Control (Max 10 points))

Bidders must indicate how R&O costs and schedules will be controlled and how modifications and additional tasks will be met and managed.

1.	The Bidder provides details of: -the interrelationship between the company cost accounting system and the cost control system.	2.5
2.	The Bidder provides details of: -the interrelationship between the company cost accounting system and the cost control system; and -how cost and schedule control of the contracted tasks will be met and managed.	5
3.	The Bidder provides details of: -the interrelationship between the company cost accounting system; -the cost control system and how cost and schedule control of the	7.5

	contracted tasks will be met and managed; and -the interrelationship between the tasks and various role of personnel involved in the cost control process.	
4.	The Bidder provides details of: -the interrelationship between the company cost accounting system and the cost control system; -how cost and schedule control of the contracted tasks will be met and managed; -the interrelationship between the tasks and various role of personnel involved in the cost control process; and -their capability to collect and segregate actual costs on a real-time basis.	10

### 3.4.2 Logistical Procedures (Max 20 Points)

The Bidder must state specifically in a narrative and provide evidence that their company has the ability to meet, or is performing, or has performed all procedures applicable to the contract in accordance with A-LM-184-001/SJ-001. The Bidder must provide the contract title for the cited past experience and current experience.

1.	The Bidder has basic awareness of the logistic issues.	5
2.	The Bidder has stated the logistics issues and provided evidence of abilities.	10
3.	The Bidder has stated the logistics issues and cited past experience in implementing DND logistic procedures in accordance with A-LM-184-001/SJ-001.	15
4.	The Bidder has stated the logistics issues, has cited past experience in implementing DND logistic procedures and currently has a well-established in-house logistical team implementing the DND procedures in accordance with A-LM-184-001/SJ-001.	20

### 3.5 Sub-contracting (Max 10 Points)

The Bidder must identify potential subcontractors and identify which work must be performed by these subcontractors. The Bidder must provide details on how quotes will be solicited, how subcontractors will be selected and how the quality and delivery schedules of subcontracted work will be monitored to ensure compliance with the terms and conditions of the SOWs. The Bidder must outline any previous experience with the proposed subcontractors.

1.	The Bidder identifies its potential subcontractors, but does not demonstrate the company has knowledge of subcontracting processes.	1
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2.	The Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOWs, and states the issues involved in the subcontracting process.	5
3.	The Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOWs, and states the issues involved in the subcontracting process, based on cited past experience in resolving or mitigating the issues involved in the subcontracting process.	7.5
4.	The Bidder has no subcontractors, or the Bidder identifies its potential subcontractors and their roles in fulfilling the requirements of the SOWs, and states the issues involved in the subcontracting process, based on cited past experience in resolving or mitigating the issues involved in the subcontracting process and there is little or no reliance on subcontractors in the production plan.	10

### 3.6 Risk Management Plan (Max 10 Points)

The Bidder must provide a risk management plan that addresses the risks inherent in the program, and includes a risk assessment, risk prioritization and risk mitigation strategies. The plan must include how the risks will be managed through the contract and the frequency of updates.

1.	The Bidder has basic knowledge of the risk issues.	2.5
2.	The Bidder understands risks involved in an R&O contract, and: -has identified and prioritized the risks.	5
3.	The Bidder understands the risks in an R&O contract, and: -has identified and prioritized the risks; and -has included a risk mitigation plan.	7.5
4.	The Bidder understands the risks in an R&O contract, and: -has identified and prioritized the risks; -has included a risk mitigation plan; and -has provided an example risk mitigation plan currently implemented on another R&O project.	10

### 3.7 Technical Data Management (Max 10 points)

The Bidder must demonstrate his capability to manage and update technical data for the contract.

1.	The Bidder does not have any in-house technical data capability, or Computer Aided Design (CAD) systems and uses Subcontractors for this requirement.	1
2.	The Bidder has in-house technical data capability and a CAD system.	5

3.	The Bidder has in-house technical data and a CAD system and has at least two (2) years of experience in production of technical data for various contracts.	<b>7.5</b>
4.	The Bidder has in-house technical data capability and a CAD system, and has more than two (2) years of experience in providing technical data for military projects.	<b>10</b>

### 3.8 Configuration Management (Max 10 Points)

Bidders must provide a Configuration Management (CM) Plan demonstrating how they intend to manage the configuration of Field Heaters and Related Equipment.

1.	The Bidder has a basic awareness of configuration management requirements.	<b>2.5</b>
2.	The Bidder has a CM plan but the plan provided does not completely address the four fundamental parts of configuration management, which are organization, responsibilities, reports and control.	<b>5</b>
3.	The Bidder has a CM plan that addresses the four aspects of configuration management and how it will be handled for the R&O contract, including organization, responsibilities, reports and control.	<b>7.5</b>
4.	The Bidder has a CM plan that addresses the four aspects of configuration management and how it will be handled for the R&O contract, including organization, responsibilities, reports and control. In addition, the Bidder has at least one year of experience in CM on military Diesel Fuel Fired Field Heaters and Related Equipment or military R&O projects.	<b>10</b>

### 3.9 Facility (Max 20 Points)

This evaluation applies to the overall facility and equipment capacity notwithstanding of location or status (in-house or sub-contracted).

Bidders must identify their owned/leased facilities and location where the work will be performed. Provide description, size and layout of work areas, storage facilities and a list of machinery, repair, tooling and test equipment that will be available for work to be performed at the time of bid closing.

Bidders must provide details confirming the facilities meet regulations governed by all levels of government and environmental requirements imposed by award of a repair & overhaul contract.

1.	The Bidder provides a facility area of minimum 800 sq. ft to 999 sq. ft and a minimum list of machinery and equipment capable of performing the following tasks: - precision metal machining;	<b>1</b>
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	<ul style="list-style-type: none"> <li>- welding capability for repairing and fabricating with stainless steel, aluminum and steel;</li> <li>- precision metal drilling;</li> <li>- Storage capability for incoming and outgoing heaters (minimum 10 units) and Spare parts;</li> <li>- special tools and test equipment to perform the specified acceptance test procedure; and</li> <li>- Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.</li> </ul>	
2.	<p>The Bidder provides a facility area of minimum 1000 sq. ft to 4999 sq. ft and has a minimum list of machinery and equipment capable of performing the following tasks:</p> <ul style="list-style-type: none"> <li>- precision metal machining and surface milling;</li> <li>- welding capacity for repairing and fabricating with stainless steel, aluminum and steel;</li> <li>- precision metal drilling;</li> <li>- Storage capability for incoming and outgoing heaters (minimum 15 units) and Spare parts;</li> <li>- special tools and test equipment to perform the specified acceptance test procedure; and</li> <li>- Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.</li> </ul>	10
3.	<p>The Bidder provides a facility area of 5000 sq. ft or greater and has a minimum list of machinery and equipment capable of performing the following tasks:</p> <ul style="list-style-type: none"> <li>- precision metal machining, surface milling and Computer Numerically Controlled (CNC) milling;</li> <li>- welding capacity for repairing and fabricating with stainless steel, aluminum and steel;</li> <li>- precision metal drilling;</li> <li>- Storage capability for incoming and outgoing heaters (minimum 25 units) and spare parts;</li> <li>- special tools and test equipment to perform the specified acceptance test procedure; and</li> <li>- Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.</li> </ul>	15
4.	<p>The Bidder provides a facility area of 5000 sq. ft or greater and has a minimum list of machinery and equipment capable of performing the following tasks:</p> <ul style="list-style-type: none"> <li>- precision metal machining, surface milling and Computer Numerically Controlled (CNC) milling;</li> <li>- welding capacity for repairing and fabricating with stainless steel, aluminum and steel;</li> <li>- precision metal drilling;</li> </ul>	20

	<ul style="list-style-type: none"> <li>- Storage capability for incoming and outgoing heaters (minimum 50 units) and spare parts;</li> <li>- Diagnostic equipment for testing diesel engines;</li> <li>- performing in-house CARC painting;</li> <li>- special tools and test equipment to perform the specified acceptance test procedures; and</li> <li>- Environmental control (ventilation, exhaust and heating) to comply with Environmental Health and Safety Act.</li> </ul>	
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### 3.10 Production Capability (Max 20 Points)

The Bidder must provide a written production plan which outlines the startup, production, ordering of parts and corresponding time required for each task from time of contract award. The production plan must demonstrate the routine 60 calendar day turnaround time (TAT) from the date the equipment is received to the date the equipment is reported serviceable, after successful completion of the Acceptance Test Procedures.

The Bidder must provide a narrative to indicate how they intend to monitor the R&O process to ensure the routine TAT is met throughout the contract. The Production Plan must show the process of how each operation is to be conducted (Bidders may choose to submit a flow chart in the explanation).

1.	The Bidder provides only a production management plan.	<b>3</b>
2.	The Bidder provides a production management plan, and: <ul style="list-style-type: none"> <li>- explanation of the process and how each operation is executed and the respective organizational responsibilities.</li> </ul>	<b>6</b>
3.	The Bidder provides a production management plan, and: <ul style="list-style-type: none"> <li>- explanation of the process and how each operation is executed and the respective organizational responsibilities; and</li> <li>- has at least 24 months of experience in the last five (5) years in executing a production plan with processes for each operation on Military equipment.</li> </ul>	<b>10</b>
4.	The Bidder provides a production management plan, and: <ul style="list-style-type: none"> <li>- explanation of the process and how each operation is executed and the respective organizational responsibilities;</li> <li>- the production plan details procedures for handling urgent requirements including priority repair requests (PRR); and</li> <li>- the Bidder has at least 24 months of experience in the last five (5) years in executing a production plan with processes for each operation on Military equipment.</li> </ul>	<b>15</b>
5.	The Bidder provides a production management plan, and: <ul style="list-style-type: none"> <li>- explanation of the process and how each operation is executed and the respective organizational responsibilities;</li> <li>- the production plan details procedures for handling urgent</li> </ul>	<b>20</b>

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	<p>requirements including priority repair requests (PRR);</p> <ul style="list-style-type: none"><li>- the production plan details of procedures in place for handling workload surges while continuing to meet TAT; and</li><li>- the Bidder has at least 24 months of experience in the last five (5) years in executing a production plan with processes for each operation on Military equipment.</li></ul>	
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## 4 Stage 3: Financial Evaluation

### 4.1 Mandatory Financial Evaluation Criteria

*The Financial Bid must be in accordance with the Price Schedule at Annex C and the Basis of Payment in the Request for Proposal.*

The evaluated price of the Bid must be determined as follows:

#### Part A – Labour Cost

1. Determine the Average All-Inclusive Hourly Rate from the Firm All-Inclusive Hourly Rate over the five (5) year period for each of the four (4) following categories:
  - a. In-plant Repair and Overhaul (R&O);
  - b. Special Investigation and Technical Studies (SITS);
  - c. Technical Investigation and Engineering Support (TIES); and
  - d. Field Service Representative (FSR) / Mobile Repair Party (MRP).
2. Determine the weighted cost per category: (Average All-Inclusive Hourly Rate) x (weight).
  - a. In-plant R&O: In-plant R&O Average All-Inclusive Hourly Rate x 78;
  - b. SITS: SITS Average All-Inclusive Hourly Rate x 5;
  - c. TIES: TIES Average All-Inclusive Hourly Rate x 15; and
  - d. FSR/MRP: FSR/MRP Average All-Inclusive Hourly Rate x 2.

The sum of all weighed cost per category will determine the Total Cost of Part A.

#### Part B – Sub-Contracting, Parts & Material Cost

For evaluation purposes:

- The Sub-contracting estimated amount equals 50% of the Total Cost of all four (4) categories (In-plant R&O, SITS, TIES and FSR/MRP) determined in the above, Part A. The Sub-contracting estimated amount will be equal to (Total Cost for all four (4) categories x 50 percent); and
  - The Parts and Material estimated amount equals 30% of the Total Cost of all four (4) categories (In-plant R&O, SITS, TIES and FSR/MRP) determined in the above, Part A. The Parts and Material estimated amount will be equal to (Total Cost for all four (4) categories x 30 percent).
1. The total cost of sub-contracting is determined as follows:  
(Average mark-up rate over the 5-year period) x (Sub-contracting estimated amount)

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File No. - N° du dossier  
hl668.W8486-184162

Buyer ID - Id de l'acheteur  
hl668  
CCC No./N° CCC - FMS No./N° VME

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2. The total cost of parts and material:  
(Average mark-up rate over the 5-year period) x (Parts and material estimated amount)
3. The sum of the total cost of sub-contracting and total cost of parts and material will determine the cost of Part B.

The sum of Part A and Part B will determine the evaluated price of the bid.

**See Example of Evaluation Grid (Appendix D1 to Annex D).**