

**SIP TRUNKING FOR SKYPE 2019 ON-PREMISE
FOR
SHARED SERVICES CANADA**

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List of Annexes

Annex A – Statement of Requirements
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List of Forms

Form 1 – OEM Certification Form
Form 2 – Integrity Form
Form 2A – Supply Chain Security Information Form

1. Requirement

- a. _____ (the "Contractor") agrees to supply to the Client the goods and services described in the Contract, including the Statement of Requirements, in accordance with, and at the prices set out in the Contract, to one location designated by Canada. This includes:

i. SIP Trunking for Skype 2019 On-Premise as per the following specifications:

- Compatibility with Skype for Business 2019 and Microsoft Teams.
- Initially 10 SIP/PSTN Trunks/channels, option to expend to up to 50 SIP/PSTN Trunks/channels.
- 100 Direct Inward Dialing (DIDs) in the 819 or 873 area code.
- 2 Toll-Free (Canada) DIDs.
- 100Mbps dedicated connection with two VLANs.
- Minimum of two static IPs.
- Emergency support lines (E911 service for VOIP).
- 24/7/365 Technical Support for SIP services.
- A customer portal.
- The ability to burst SIP channels temporarily (24 hrs) should the allocated SIP trunks be overcommitted.

ii. Provision of the per-minute all-inclusive long distance or incoming Toll Free Services for all local, Canada and US calls, as and when requested by Canada.

to location described in Annex B.

- b. **Client:** Under the Contract, the "Client" is Shared Services Canada ("SSC"), an organization with a mandate to provide shared services. This Contract will be used by SSC to provide shared services to the Department of National Defense.
- c. **Reorganization of Client:** The Contractor's obligation to perform the Work will not be affected by (and no additional fees will be payable as a result of) the renaming, reorganization, reconfiguration, or restructuring of any Client. The reorganization, reconfiguration and restructuring of the Client includes the privatization of the Client, its merger with another entity, or its dissolution, where that dissolution is followed by the creation of another entity or entities with mandates similar to the original Client. In connection with any form of reorganization, Canada may designate another department or government body as the Contracting Authority or Technical Authority, as required to reflect the new roles and responsibilities associated with the reorganization.
- d. **Defined Terms:** Words and expressions defined in the General Conditions or Supplemental General Conditions or Annex A Statement of Requirement and used in the Contract have the meanings given to them in the General Conditions or Supplemental General Conditions or Annex A Statement of Requirement. Also, the following words and expressions have the following meanings:
- any reference to a "**deliverable**" or "**deliverables**" includes the Hardware, the license to use the Licensed Software (the Licensed Software itself is not a deliverable, because the Licensed Software is only being licensed under the Contract, not sold or transferred).
- "Work"** means all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the Contractor under the resulting contract.

2. Security Requirement

- i) The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer/Supply Arrangement, hold a valid Designated Organization Screening (DOS) with approved Document Safeguarding at the level of **Protected A**, issued by the Canadian Industrial Security Directorate (CISD), PSPC.
- ii) The Contractor/Offeror personnel requiring access to protected information, assets or work site(s) must EACH hold a valid Reliability Status, granted or approved by the Canadian Industrial Security Directorate (CISD), PSPC.
- iii) The Contractor must not utilize its Information Technology systems to electronically process, produce or store protected information until the CISD/PSPC has issued written approval. After approval has been granted or approved, these tasks may be performed up to the level of Protected A, including an IT Link up to the level of Protected A.
- iv) Subcontracts which contain security requirements are not to be awarded without the prior written permission of CISD/PSPC.
- v) The Contractor/Offeror must comply with the provisions of the:
 - a. Security Requirements Check List;
 - b. Industrial Security Manual (Latest Edition)

3. Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual (<http://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada. All references contained within the General Conditions or Supplementary General Conditions to the Minister of Public Works and Government Services will be interpreted as a reference to the minister presiding over Shared Services Canada and all references to the Department of Public Works and Government Services will be interpreted as Shared Services Canada.

For purposes of this contract the PWGSC policies referenced within the Standard Acquisitions Clauses and Conditions Manual are adopted as SSC policies.

a. General Conditions:

- i. **2035 (2018-06-21), General Conditions - Higher Complexity - Services**, apply to and form part of the Contract. These General Conditions are amended as follows:

Section 2 of the General Conditions is amended as follows: delete "Pursuant to the *Department of Public Works and Government Services Act*, S.C. 1996, c.16"

apply to and form part of the Contract.

4. Contract Period

- i. **Contract Period:** The "**Contract Period**" is the entire period of time during which the Contractor is obliged to perform the Work, which includes:
 - i. The "**Initial Contract Period**", which begins on the date the Contract is awarded and ends 3 years later; and
 - ii. The period, during which the Contract is extended, if Canada chooses to exercise any options set out in the Contract.
- ii. **Option to Extend the Contract:**
 - i. The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to 2 additional 1-year periods under the same terms and conditions. The Contractor

agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions set out in the Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least 30 calendar days before the expiry date of the Contract. The option may only be

5. Authorities

a. Contracting Authority

The Contracting Authority for the Contract is:

Name: **Irena Stevic**

Title: A/Team Lead

Shared Services Canada

Procurement and Vendor Relationships

Networks, Email and Internal Services Procurement

Address: 180 Kent, Ottawa, ON, K1G4A8

Telephone: (613) 793-1826

E-mail address: irena.stevic@canada.ca

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

b. Technical Authority

The Technical Authority for the Contract is:

Name: *to be provided after the contract award.*

Title:

Shared Services Canada

Telephone:

E-mail address:

The Technical Authority is responsible for all matters concerning the technical content of the Work under the Contract. Technical matters may be discussed with the Technical Authority; however, the Technical Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

c. Contractor's Representative:

Name: *to be provided after the contract award.*

Title:

Address:

Telephone:

Facsimile:

E-mail address:

6. Payment

a. Basis of Payment

- i. **Telecom Equipment and Services:** for the provision of telecom equipment and services, in accordance with the Contract, Canada will pay the Contractor the firm price(s) set out in Annex B, DDP Destination, including all customs duties, Applicable Taxes extra:

Estimated non-recurring cost: _____ CAD

Estimated monthly recurring cost: _____ CAD

- ii. **Long Distance and incoming Toll Free Services:** for the provision of the long distance (Canada and US) and Incoming Toll free Services in accordance with the Contract, Canada will pay the Contractor the firm unit prices set out in Annex B, DDP Destination, including all customs duties, Applicable Taxes extra:
- Estimated Total Cost for 36 months: up to _____ CAD**
- iii. **Competitive Award:** The Contractor acknowledges that the Contract has been awarded as a result of a competitive process. No additional charges will be allowed to compensate for errors, oversights, misconceptions or underestimates made by the Contractor when bidding for the Contract.
- iv. **Purpose of Estimates:** All estimated costs contained in the Contract are included solely for the administrative purposes of Canada and do not represent a commitment on the part of Canada to purchase goods or services in these amounts. Any commitment to purchase specific amounts or values of goods or services is described elsewhere in the Contract.
- b. **Limitation of Expenditure**
- i. Canada's total liability to the Contractor under the Contract must not exceed the amount set out on page 1 of the Contract, less any Applicable Taxes. With respect to the amount set out on page 1 of the Contract, Customs duties are excluded and Applicable Taxes are included, if applicable. Any commitments to purchase specific amounts or values of goods or services are described elsewhere in the Contract.
- ii. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum when:
- A. it is 75 percent committed, or
- B. 4 months before the Contract expiry date, or
- C. as soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work,
- whichever comes first.
- iii. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Providing this information does not increase Canada's liability.
- iv. Canada will not pay the Contractor for any design changes, modifications or interpretations of the Work unless they have been approved, in writing, by the Contracting Authority before their incorporation into the Work.
- c. **Method of Payment – Single Payment**
- i. H1008C (2008-05-12), Monthly Payment
- 7. Invoicing Instructions**
- a. The Contractor must submit invoices in accordance with the information required in the General Conditions.
- b. The Contractor's invoice must include a separate line item for each subparagraph in the Basis of Payment provision.

- c. By submitting invoices, the Contractor is certifying that the goods and services have been delivered and that all charges are in accordance with the Basis of Payment provision of the Contract, Annex B Pricing, including any charges for work performed by subcontractors.
- d. The Contractor must provide the original of each invoice to the Technical Authority. On request, the Contractor must provide a copy of any invoices requested by the Contracting Authority.

8. Applicable Laws

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

9. Priority of Documents

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

- a. these Articles of Agreement, including any individual SACC clauses incorporated by reference in these Articles of Agreement;
- b. General Conditions 2035 (2018-06-21), General Conditions - Higher Complexity – Services;
- c. Annex A, Statement of Requirement;
- d. Annex B, Pricing;
- e. the Contractor's bids dated (*to be included at contract award*), as amended, not including any software publisher license terms and conditions that may be included in the bid, not including any provisions in the bid with respect to limitations on liability, and not including any terms and conditions incorporated by reference (including by way of a web link) in the bid.

10. Insurance Requirements

- a. SACC Manual clause G1005C (2008-05-12) Insurance Requirements applies: The Contractor is responsible for deciding if insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any insurance acquired or maintained by the Contractor is at its own expense and for its own benefit and protection. It does not release the Contractor from or reduce its liability under the Contract.

11. Limitation of Liability – Information Management/Information Technology

- a. This section applies despite any other provision of the Contract and replaced the section of the general condition entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees. This section applies regardless of whether the claim is based in contract, tort, or another cause of action. The Contractor is not liable to Canada with respect to the performance of or failure to perform the Contract, except as described in this section and in any section of the Contract pre-establishing any liquidated damages. The Contractor is only liable for indirect, special or consequential damages to the extent describes in this Articles, even if it has been made aware of the potential for this damages.
- b. **First Party Liability:**
 - i. The Contractor is fully liable for all damages to Canada, including indirect, special or consequential damages, caused by the Contractor's performance or failure to perform the Contract that relate to:
 - A. any infringement of intellectual property rights to the extent the Contractor breaches the section of the General Conditions entitled "Intellectual Property Infringement and Royalties";
 - B. physical injury, including death.

- ii. The Contractor is liable for all direct damages affecting real or tangible personal property owned, possessed, or occupied by Canada.
 - iii. Each of the Parties is liable for all direct damages resulting from its breach of confidentiality under the Contract. Each of the Parties is also liable for all indirect, special or consequential damages in respect of its unauthorized disclosure of the other Party's trade secrets (or trade secrets of a third party provided by one Party to another under the Contract) relating to information technology.
 - iv. The Contractor is liable for all direct damages relating to any encumbrance or claim relating to any portion of the Work for which Canada has made any payment. This does not apply to encumbrances or claims relating to intellectual property rights, which are addressed under subparagraph (a) above.
 - v. The Contractor is also liable for any other direct damages to Canada caused by the Contractor in any way relating to the Contract including:
 - A. any breach of the warranty obligations under the Contract, up to the total amount paid by Canada (including any applicable taxes) for the goods and services affected by the breach of warranty; and
 - B. any other direct damages, including all identifiable direct costs to Canada associated with re-procuring the Work from another party if the Contract is terminated by Canada either in whole or in part for default, up to an aggregate maximum for this subparagraph B. of the greater of 0.25 times the total estimated cost (meaning the dollar amount shown on the first page of the Contract in the cell titled "Total Estimated Cost" or shown on each call-up, purchase order or other document used to order goods or services under this instrument), or \$ 2 Million.
 - vi. In any case, the total liability of the Contractor under subparagraph (v) will not exceed the total estimated cost (as defined above) for the Contract or \$ 2 Million, whichever is more.
 - vii. If Canada's records or data are harmed as a result of the Contractor's negligence or willful act, the Contractor's only liability is, at the Contractor's own expense, to restore Canada's records and data using the most recent back-up kept by Canada. Canada is responsible for maintaining an adequate back-up of its records and data.
- c. Third Party Claims:**
- i. Regardless of whether a third party makes its claim against Canada or the Contractor, each Party agrees that it is liable for any damages that it causes to any third party in connection with the Contract as set out in a settlement agreement or as finally determined by a court of competent jurisdiction, where the court determines that the Parties are jointly and severally liable or that one Party is solely and directly liable to the third party. The amount of the liability will be the amount set out in the settlement agreement or determined by the court to have been the Party's portion of the damages to the third party. No settlement agreement is binding on a Party unless its authorized representative has approved the agreement in writing.
 - ii. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada by the amount finally determined by a court of competent jurisdiction to be the Contractor's portion of the damages to the third party. However, despite Sub-article Third Party Claims (i). with respect to special, indirect, and consequential damages of third parties covered by this Section, the Contractor is only liable for reimbursing Canada for the Contractor's portion of those damages that Canada is required by a court to pay to a third party as a result of joint and several liability that relate to the infringement of a third party's intellectual property rights; physical injury of a third party, including death; damages affecting a third party's real or tangible personal property; liens or encumbrances on any portion of the Work; or breach of confidentiality.

- iii. The Parties are only liable to one another for damages to third parties to the extent described in this Sub-article Third Party Claims.

12. Extension of Existing Product Line

- a. During the Contract Period, if technological improvements have been made to the products available for purchase under the Contract, the Contractor may propose new products that are an extension of an existing product line or the “next generation” of an existing product line that meet or exceed the specification(s) of existing products under the Contract, if the price for the new product does not exceed:
- A. the firm price (or ceiling price, if applicable) for the product originally offered in the Contractor's bid that resulted in the award of the Contract plus 5%;
 - B. the current published list price of the substitute product, minus any applicable Government discount; or
 - C. the price at which the substitute product is generally available for purchase,
- b. Whichever is the lowest.
- c. The proposed new product may be subject to benchmark evaluation and the Contractor must pay for all costs associated with the benchmark evaluation (e.g., transportation, benchmark fee, etc.).
- d. Whether or not to accept or reject a proposed new product is entirely within the discretion of Canada. If Canada does not accept a proposed new product that is proposed to replace an existing product, the Contractor must continue to deliver the original product. If accepted, the addition of the new product will be documented for the administrative purposes of Canada by a contract amendment, by adding the new product to the Contract.
- e. No new products will be included in the Contract until one month after the Contract is awarded.
- f. The proposed new product is also to the requirements of the clause entitled “Assessment of New Products”.

13. Safeguarding Electronic Media

- a. Before using them on Canada's equipment or sending them to Canada, the Contractor must use a regularly updated product to scan electronically all electronic media used to perform the Work for computer viruses and other coding intended to cause malfunctions. The Contractor must notify Canada if any electronic media used for the Work are found to contain computer viruses or other coding intended to cause malfunctions.
- b. If magnetically recorded information or documentation is damaged or lost while in the Contractor's care or at any time before it is delivered to Canada in accordance with the Contract, including accidental erasure, the Contractor must immediately replace it at its own expense.

14. Representations and Warranties

- a. The Contractor made statements regarding its experience and expertise in its bid that resulted in the award of the Contract. The Contractor represents and warrants that all those statements are true and acknowledges that Canada relied on those statements in awarding the Contract. The Contractor also represents and warrants that it has, and all its resources and subcontractors that perform the Work have, and at all times during the Contract Period they will have, the skills, qualifications, expertise and experience necessary to perform and manage the Work in accordance with the Contract, and that the Contractor (and any resources or subcontractors it uses) has previously performed similar services for other customers.

15. Termination for convenience of services

Regardless of the contract period and despite the Termination for Convenience provisions contained in the General Conditions, Canada may terminate for convenience, at no cost to Canada, any services being provided under the contract. Canada will provide the Contractor 30 calendar days of advance written notice if it terminates services for convenience and will be liable to the Contractor to pay only any unpaid charges that have accrued up to and including the date of termination.

16. Transition Services at End of Contract Period

The Contractor agrees that, Canada may in its discretion commence the transition to another supplier up to 12 months prior to the end of the Contract Period and, for up to 12 months after the Contract Period, the Contractor will make all reasonable efforts to assist Canada in the transition from the Contract to a contract with another supplier. The Contractor agrees that there will be no charge for these services.

17. On-going Supply Chain Integrity Process

a. **Supply Chain Integrity Process:** The Parties acknowledge that a Supply Chain Integrity Process assessment was a key component of the procurement process that resulted in the award of this Contract. In connection with that assessment process, Canada assessed the Contractor's Supply Chain Security Information (SCSI) without identifying any security concerns. The following SCSI was submitted:

- i. an IT Products List;
- ii. a list of subcontractors

This SCSI is included as Annex C – Supply Chain Security Information. The Parties also acknowledge that security is a critical consideration for Canada with respect to this Contract and that on-going assessment of SCSI will be required throughout the Contract Period. This Article governs that process.

b. **Assessment of New SCSI:** During the Contract Period, the Contractor may need to modify the SCSI information contained in Annex C – Supply Chain Security Information. In that regard:

- i. The Contractor must revise its SCSI at least once every 30 calendar days to show all changes made, as well as all deletions and additions to the SCSI that affect the services under the Contract (including Products deployed by its subcontractors) during that period; the list must be marked to show the changes made during the applicable period. If no changes have been made during a 30 calendar day period, the Contractor must advise the Contracting Authority in writing that the existing list is unchanged. Changes made to the IT Product List must be accompanied with revised Network Diagram(s) when applicable.
- ii. The Contractor agrees that, during the Contract Period, it will periodically (at least, once a year) provide the Contracting Authority with updates regarding upcoming new Products that it anticipates deploying in the Work (for example, as it develops its "technology roadmap" or similar plans). This will allow Canada to assess those Products in advance so that any security concerns can be identified prior to the Products being deployed in connection with the services being delivered under the Contract. Canada will endeavour to assess proposed new Products within 30 calendar days, although lengthier lists of Products may take additional time.

- iii. Canada reserves the right to conduct a complete, independent security assessment of all new SCSI. The Contractor must, if requested by the Contracting Authority, provide any information that Canada requires to perform its assessment.
 - iv. Canada may use any government resources or consultants to conduct the assessment and may contact third parties to obtain further information. Canada may use any information, whether it is provided by the Contractor or comes from another source, that Canada considers advisable to conduct a comprehensive assessment of any proposed new SCSI.
- c. Identification of New Security Vulnerabilities in SCSI already assessed by Canada:**
- i. The Contractor must provide to Canada timely information about any vulnerabilities of which it becomes aware in performing the Work, including any weakness, or design deficiency, identified in any Product used to deliver services that would allow an unauthorized individual to compromise the integrity, confidentiality, access controls, availability, consistency or audit mechanism of the system or the data and applications it hosts.
 - ii. The Contractor acknowledges that the nature of information technology is such that new vulnerabilities, including security vulnerabilities, are constantly being identified and, that being the case, new security vulnerabilities may be identified in SCSI that have already been the subject of an SCSI assessment and assessed without security concerns by Canada, either during the procurement process or later during the Contract Period.
- d. Addressing Security Concerns:**
- i. If Canada notifies the Contractor of security concerns regarding a Product that has not yet been deployed, the Contractor agrees not to deploy it in connection with this Contract without the consent of the Contracting Authority.
 - ii. At any time during the Contract Period, if Canada notifies the Contractor that, in Canada's opinion, there is a Product that is being used in the Contractor's solution (including use by a subcontractor) that has been assessed as having the potential to compromise or be used to compromise the security of Canada's equipment, firmware, software, systems or information, then the Contractor must:
 - (a) provide Canada with any further information requested by the Contracting Authority so that Canada may perform a complete assessment;
 - (b) if requested by the Contracting Authority, propose a mitigation plan (including a schedule), within 10 business days, such as migration to an alternative product. The Contracting Authority will notify the Contractor in writing if Canada approves the mitigation plan, or will otherwise provide comments about concerns or deficiencies with the mitigation plan; and
 - (c) implement the mitigation plan approved by Canada.

This process applies both to new Products and to Products that were already assessed pursuant to the Supply Chain Integrity Process assessment by Canada, but for which new security vulnerabilities have since been identified.
 - iii. Despite the previous Sub-article, if Canada determines in its discretion that the identified security concern represents a threat to national security that is both serious and imminent, the Contracting Authority may require that the Contractor immediately cease deploying the identified Product(s) in the Work. For Products that have already been deployed, the Contractor must identify and/or remove (as required by the Contracting Authority) the Product(s) from the Work according to a schedule determined by Canada. However, prior to making a final determination in this regard, Canada will provide the Contractor with the opportunity to make representations

within 48 hours of receiving notice from the Contracting Authority. The Contractor may propose, for example, mitigation measures for Canada's consideration. Canada will then make a final determination.

e. Cost Implications:

- i. Any cost implications related to a demand by Canada to cease deploying or to remove a particular Product or Products will be considered and negotiated in good faith by the Parties on a case-by-case basis and may be the subject of a Contract Amendment. However, despite any such negotiations, the Contractor must cease deploying and/or remove the Product(s) as required by Canada. The negotiations will then continue separately. The Parties agree that, at a minimum, the following factors will be considered in their negotiations, as applicable:
 - (a) with respect to Products already assessed without security concerns by Canada pursuant to an SCSI assessment, evidence from the Contractor of how long it has owned the Product;
 - (b) with respect to new Products, whether or not the Contractor was reasonably able to provide advance notice to Canada regarding the use of the new Product in connection with the Work;
 - (c) evidence from the Contractor of how much it paid for the Product, together with any amount that the Contractor has pre-paid or committed to pay with respect to maintenance and support of that Product;
 - (d) the normal useful life of the Product;
 - (e) any "end of life" or other announcements from the manufacturer of the Product indicating that the Product is or will no longer be supported;
 - (f) the normal useful life of the proposed replacement Product;
 - (g) the time remaining in the Contract Period;
 - (h) whether or not the existing Product or the replacement Product is or will be used exclusively for Canada or whether the Product is also used to provide services to other customers of the Contractor or its subcontractors;
 - (i) whether or not the Product being replaced can be redeployed to other customers;
 - (j) any training required for Contractor personnel with respect to the installation, configuration and maintenance of the replacement Products, provided the Contractor can demonstrate that its personnel would not otherwise require that training;
 - (k) any developments costs required for the Contractor to integrate the replacement Products into the Service Portal, operations, administration and management systems, if the replacement Products are products not otherwise deployed anywhere in connection with the Work; and
 - (l) the impact of the change on Canada, including the number and type of resources required and the time involved in the migration.
- ii. Additionally, if requested by the Contracting Authority, the Contractor must submit a detailed cost breakdown, once any work to address a security concern identified under this Article has been completed. The cost breakdown must contain an itemized list of all applicable cost elements related to the work required by the Contracting Authority and must be signed and certified as accurate by the Contractor's most senior financial officer, unless stated otherwise in writing by the Contracting Authority. Canada must consider the supporting information to be sufficiently detailed for each cost element to allow for a complete audit. In no case will any reimbursement of any expenses of the Contractor (or any of its subcontractors) exceed the demonstrated out-of-pocket expenses directly

attributable to Canada's requirement to cease deploying or to remove a particular Product or Products.

- iii. Despite the other provisions of this Article, if the Contractor or any of its subcontractors deploys new Products that Canada has already indicated to the Contractor are the subject of security concerns in the context of the Work, Canada may require that the Contractor or any of its subcontractors immediately cease deploying or remove that Product. In such cases, any costs associated with complying with Canada's requirement will be borne by the Contractor and/or subcontractor, as negotiated between them. Canada will not be responsible for any such costs.

f. **General:**

- i. The process described in this Article may apply to a single Product, to a set of Products, or to all Products manufactured or distributed by a particular supplier.
- ii. The process described in this Article also applies to subcontractors. With respect to cost implications, Canada acknowledges that the cost considerations with respect to concerns about subcontractors (as opposed to products) may be different and may include factors such as the availability of other subcontractors to complete the work.
- iii. Any service levels that are not met due to a transition to a new Product or subcontractor required by Canada pursuant to this Article will not trigger a Service Credit, nor will a failure in this regard be taken into consideration for overall metric calculations, provided that the Contractor implements the necessary changes in accordance with the migration plan approved by Canada or proceeds immediately to implement Canada's requirements if Canada has determined that the threat to national security is both serious and imminent.
- iv. If the Contractor becomes aware that any subcontractor is deploying Products subject to security concerns in relation to the Work, the Contractor must immediately notify both the Contracting Authority and the Technical Authority and the Contractor must enforce the terms of its contract with its subcontractor. The Contractor acknowledges its obligations pursuant to General Conditions 2030, Subsection 9(3).
- v. Any determination made by Canada will constitute a decision with respect to a specific Product, subcontractor or Tenant and its proposed use under this Contract, and does not mean that the same Product, subcontractor or Tenant would necessarily be assessed in the same way if proposed to be used for another purpose or in another context.