



**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

Quebec

K1A 0S5

Bid Fax: (819) 997-9776

**REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION**

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

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

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

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

Comments - Commentaires

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Frigate Life Extension (FELEX) Project / Bureau de projet de prolongation de la vie des frégates (BP FELEX)

455 Blvd de la Carrière

Gatineau

Quebec

K1A 0K2

Title - Sujet HCCS IN-SERVICE SUPPORT		
Solicitation No. - N° de l'invitation W8482-168150/D		Date 2019-07-08
Client Reference No. - N° de référence du client W8482-168150		
GETS Reference No. - N° de référence de SEAG PW-\$\$FX-008-27388		
File No. - N° de dossier 008fx.W8482-168150	CCC No./N° CCC - FMS No./N° VME	
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-11-08		Time Zone Fuseau horaire Eastern Standard Time EST
F.O.B. - F.A.B. Specified Herein - Précisé dans les présentes Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input checked="" type="checkbox"/>		
Address Enquiries to: - Adresser toutes questions à: Fortin, Marie-Andrée		Buyer Id - Id de l'acheteur 008fx
Telephone No. - N° de téléphone (819) 939-3234 ()		FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: Specified Herein Précisé dans les présentes		

Instructions: See Herein

Instructions: Voir aux présentes

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

1PART 1 - GENERAL INFORMATION	1
1.1 INTRODUCTION.....	1
1.2 SUMMARY	1
1.3 DEBRIEFINGS	3
1.4 COMMUNICATIONS NOTIFICATION	3
2PART 2 - BIDDER INSTRUCTIONS.....	4
2.1 STANDARD INSTRUCTIONS, CLAUSES AND CONDITIONS	4
2.2 SUBMISSION OF BIDS.....	4
2.3 FORMER PUBLIC SERVANT	4
2.4 ENQUIRIES - BID SOLICITATION	6
2.5 APPLICABLE LAWS.....	6
2.6 OPTIONAL SITE VISIT.....	6
2.7 BASIS FOR CANADA'S OWNERSHIP OF INTELLECTUAL PROPERTY.....	7
2.8 TECHNICAL DATA.....	7
PART 3 - BID PREPARATION INSTRUCTIONS.....	8
3.1 BID PREPARATION INSTRUCTIONS	8
3.2 SUBMISSION OF ONLY ONE BID AND JOINT VENTURE EXPERIENCE.....	10
3.3 EVALUATION AND JOINT VENTURES.....	10
4PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION.....	12
4.1 EVALUATION PROCEDURES.....	12
4.2 PHASED BID COMPLIANCE PROCESS (PBCP)	12
4.3 TECHNICAL EVALUATION	16
4.4 BASIS OF SELECTION.....	45
5PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION.....	47
5.1 CERTIFICATIONS REQUIRED WITH THE BID	47
5.2 CERTIFICATIONS PRECEDENT TO CONTRACT AWARD AND ADDITIONAL INFORMATION	47
5.3 STATUS AND AVAILABILITY OF RESOURCES.....	48
5.4 EDUCATION AND EXPERIENCE.....	48
6PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS.....	49
6.1 SECURITY REQUIREMENTS.....	49
6.2 FINANCIAL CAPABILITY	49
6.3 CONTROLLED GOODS REQUIREMENT.....	50
6.4 INSURANCE REQUIREMENTS	51
7PART 7 - RESULTING CONTRACT CLAUSES.....	52
SECTION 1 – STATEMENT OF REQUIREMENTS.....	52
7.1 REQUIREMENT	52

7.2	WORK CATEGORIES:	52
7.3	WORK PHASES:	53
7.4	WORK AUTHORIZATION – EMERGENT WORK:	53
7.5	ANNUAL OPERATING PLAN	53
7.6	REPAIR AND OVERHAUL:	53
7.7	MEETINGS	54
7.8	REPORTS	55
7.9	OPTIONAL GOODS AND/OR SERVICES	55
7.10	DELIVERY	55
7.11	DELIVERY OF WORK BEYOND CONTRACT PERIOD	55
SECTION 2 – TERMS AND CONDITIONS		56
7.12	STANDARD CLAUSES AND CONDITIONS	56
7.13	SECURITY REQUIREMENTS.....	56
7.14	TERM OF CONTRACT	60
7.15	TASK AUTHORIZATION - DEPARTMENT OF NATIONAL DEFENCE	61
7.16	AUTHORITIES	61
7.17	CERTIFICATIONS AND ADDITIONAL INFORMATION	63
7.18	APPLICABLE LAWS.....	63
7.19	PRIORITY OF DOCUMENTS.....	63
7.20	DEFENCE CONTRACT	64
7.21	ACCESS TO FACILITIES AND EQUIPMENT	64
7.22	NON-DISCLOSURE AGREEMENT.....	64
7.23	CANADIAN FORCES SITE REGULATIONS	64
7.24	GOVERNMENT SITE REGULATIONS	64
7.25	FOREIGN NATIONALS - CANADIAN CONTRACTOR.....	65
7.26	MOBILE REPAIR PARTIES	65
7.27	INSURANCE REQUIREMENTS	65
7.28	CONTROLLED GOODS.....	65
7.29	CONTROLLED GOODS PROGRAM.....	66
7.30	LIMITATION OF LIABILITY	66
7.31	PRIORITY RATING - CANADIAN CONTRACTORS	67
7.32	DISPUTES	67
SECTION 3 – FINANCIAL.....		67
7.33	BASIS OF PAYMENT – REFER TO ANNEX C – BASIS AND METHOD OF PAYMENT	67
7.34	LIMITATION OF EXPENDITURE.....	67
7.35	METHOD OF PAYMENT	67
7.36	TRAVEL AND LIVING EXPENSES (T & L)	69
7.37	PERFORMANCE INCENTIVE FEE:	69
7.38	GAIN SHARING INCENTIVE:.....	69
7.39	INVOICING INSTRUCTIONS FOR PROGRESS PAYMENTS.....	69
7.40	CONTRACT RATES	70

7.41	COST SUBMISSION	72
7.42	DISCRETIONARY AUDIT.....	72
7.43	TIME AND CONTRACT PRICE VERIFICATION.....	73
7.44	COMPETITIVE BIDDING PROCESS.....	73
7.45	PRICE SUPPORT	74
7.46	T1204 – DIRECT REQUEST BY CUSTOMER DEPARTMENT.....	74
7.47	LIEN – SECTION 427 OF THE BANK ACT	75
SECTION 4 – DELIVERY, INSPECTION AND ACCEPTANCE.....		75
7.48	SHIPPING INSTRUCTIONS (DEPARTMENT OF NATIONAL DEFENCE) - CANADIAN-BASED CONTRACTOR (D0037C) – FREE FLOW R&O.....	75
7.49	SHIPPING INSTRUCTIONS - DELIVERY AT DESTINATION (D6009C) - OVERHAULS AND SPARE PARTS.....	76
7.50	INSPECTION AND ACCEPTANCE.....	77
7.51	RELEASE DOCUMENTS (DEPARTMENT OF NATIONAL DEFENCE): CANADIAN-BASED CONTRACTOR.....	77
7.52	RELEASE DOCUMENTS – DISTRIBUTION	77
7.53	ENVIRONMENTAL PROTECTION	78
7.54	CUSTOMS DUTIES - CONTRACTOR IMPORTER.....	78
7.55	PACKAGING REQUIREMENT:.....	78
7.56	MARKING.....	79
7.57	WOOD PACKAGING MATERIALS	79
7.58	PALLETIZATION	79
7.59	INCOMPLETE ASSEMBLIES.....	80
7.60	DELIVERY OF DANGEROUS GOODS / HAZARDOUS PRODUCTS.....	80
7.61	LABELLING	80
7.62	DANGEROUS GOODS / HAZARDOUS PRODUCTS – LABELLING AND PACKAGING COMPLIANCE.....	81
7.63	ISO 9001:2015 QUALITY MANAGEMENT SYSTEMS - REQUIREMENTS (QUALITY ASSURANCE CODE Q).....	81
7.64	QUALITY ASSURANCE AUTHORITY (DEPARTMENT OF NATIONAL DEFENCE): CANADIAN- BASED CONTRACTOR	82
7.65	QUALITY PLAN	82
SECTION 5 – GOVERNMENT OWNED MATERIAL.....		83
7.66	GOVERNMENT FURNISHED INFORMATION (GFI).....	83
7.67	GOVERNMENT SUPPLIED MATERIAL (GSM)/CONTRACTOR ISSUED SPARES (CIS)	83
7.68	GOVERNMENT FURNISHED EQUIPMENT (GFE)	84
7.69	CATALOGUE OF MATERIAL ON CD-ROM	84
8ANNEX A - PERFORMANCE WORK STATEMENT.....		85
9ANNEX B – SECURITY REQUIREMENT		86
10ANNEX C - BASIS AND METHOD OF PAYMENT		87

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

11 ANNEX D – EMERGENT WORK REQUEST – TASK AUTHORIZATION PROCESS
94

12 ANNEX E – CONTRACT DELIVERABLES..... 99

13 ANNEX F – GENERAL CONDITIONS 100

14 ANNEX G - SUPPLEMENTAL GENERAL CONDITIONS..... 117

**15 ANNEX H - FEDERAL CONTRACTOR'S PROGRAM FOR EMPLOYMENT EQUITY
– CERTIFICATION..... 151**

16 ANNEX I - INSURANCE REQUIREMENTS..... 152

17 ANNEX J – INDUSTRIAL AND TECHNOLOGICAL BENEFITS (ITB) 157

18 ANNEX K - PERSONNEL CATEGORIES 158

19 ANNEX L – LOG SOW..... 171

20 ANNEX M – NON-DISCLOSURE AGREEMENT 172

PART 1 - GENERAL INFORMATION

1.1 Introduction

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

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

The Annexes include the Performance Work Statement and its Appendices, the Basis of Payment, Security Requirements, the Insurance Requirements, the DND 626 Task Authorization Form and any other annexes identified in the Table of Contents.

1.2 Summary

- 1.2.1 The contract consists of the provision of in-service support (ISS) for the Royal Canadian Navy (RCN) for six Halifax-class Combat Systems (HCCS) called the HCCS Equipment Group (EG). The HCCS EG is an integral component of the Halifax-class ships and will require In-Service Support.
- 1.2.2 The HCCS EG comprises the following systems:
 - a. 3D Radar System SMART-S (OEM: Thales, Netherlands);
 - b. 2D Radar System SG-180 (OEM: Saab, Sweden);
 - c. 2D Radar System SG-AMB (OEM: Saab, Sweden);
 - d. Navigation Radar NSC-26 (OEM: Raytheon, Germany);
 - e. Fire Control System CEROS200 (OEM: Saab, Sweden);
 - f. Identification Friend or Foe System MK XIIA (OEM: Telephonics, USA); and,
 - g. Associated Test Equipment and Training Aids.
- 1.2.3 The Contractor will be required to provide In-Service Support on the HCCS Equipment Group systems installed in all twelve (12) Halifax-class ships, RCN Fleet Schools, Fleet Maintenance Facility Cape Scott (FMFCS), Fleet Maintenance Facility Cape Breton (FMFCB), and the Naval Electronic Systems Test Range Atlantic and Pacific (NESTRA, NESTRP). Special Tools and Test Equipment (STTE) located at some of these sites will also require In-Service Support.

-
- 1.2.4** The Contractor must support the RCN's HCCS readiness and sustainment objectives by performing all activities for the provision of In-Service Support including:
- a. ISS Management;
 - b. Technical Schedule Management;
 - c. In-Service Support Activities, including: Configuration Management, Technical Problem Management, Obsolescence Management, Technical Data Management, Special Tools and Test Equipment, Engineering Support, Maintenance and Materiel Management;
 - d. Training Support;
 - e. Information Exchange;
 - f. Performance Monitoring and Assessment.
- 1.2.5** The Contractor must obtain and maintain for the duration of the contract all necessary rights, licenses and agreements to be able to perform the Work as described in the PWS.
- 1.2.6** The initial contract period is six (6) years from date of contract award.
- 1.2.7** Canada may exercise, at its sole discretion, up to six (6) optional contract extensions. The option years are one year in length and one or multiple optional extensions can be exercised at any time.
- 1.2.8** Canada may add or remove systems from the HCCS Equipment Group.
- 1.2.9** The Contract is performance-based. Without in any way limiting Canada's discretion to exercise any option, the exercise of the optional contract extensions will depend on Canada's operational requirements and fiscal capabilities, and on the Contractor's ability to meet mutually agreed performance indicators.
- 1.2.10** There are security requirements associated with this requirement. For additional information, consult Part 6 - Security, Financial and Other Requirements, and Part 7 - Resulting Contract Clauses. For more information on personnel and organization security screening or security clauses, Bidders should refer to the [Contract Security Program](http://www.tpsgc-pwgc.gc.ca/esc-src/introduction-eng.html) of Public Works and Government Services Canada (<http://www.tpsgc-pwgc.gc.ca/esc-src/introduction-eng.html>) website.
- 1.2.11** The national security exceptions provided for in the trade agreements have been invoked; therefore, this procurement is excluded from the obligations of all the trade agreements. The procurement is in any event excluded from the North American Free Trade Agreement pursuant to Article 1018(1), from the World Trade Organization pursuant to Agreement on Government Procurement, Article III(1), and the Canadian Free Trade Agreement, Article 801.
- 1.2.12** Since the frigates may operate anywhere within Canadian territorial waters, the location of where deployed repair services, if any, may be required is unknown at this time but could occur anywhere in Canadian Arctic waters or globally. Repair work required within Canadian territorial waters may be subject to the applicable Comprehensive Land Claims Agreements (CLCAs). The Contractor who is awarded a contract for HCCS ISS will be required to make its best efforts to use the applicable CLCA business lists to source and procure any goods and/or services necessary for in-service support work in the Arctic and will, to the extent possible, employ CLCA beneficiary people for the required labour.
- 1.2.13** This procurement is subject to the Controlled Goods Program. The [Defence Production Act](#) defines Canadian Controlled Goods as certain goods listed in Canada's Export Control List, a regulation made pursuant to the Export and Import Permits Act (EIPA).
- 1.2.14** There is an optional site visit associated with this requirement where personnel security screening is required prior to gaining access to Her Majesty's Canadian Dockyards and Her Majesty's Canadian Ships. Consult Part 2 – Bidder Instructions.

-
- 1.2.15** The Federal Contractors Program (FCP) for employment equity applies to this procurement; refer to Part 5 – Certifications and Additional Information, Part 7 - Resulting Contract Clauses and the annex titled Federal Contractors Program for Employment Equity - Certification.
- 1.2.16** The Industrial and Technological Benefits (ITB) policy, including Value Proposition (VP) will apply to this procurement. The ITB policy is administered by Innovation, Science and Economic Development Canada with assistance from the regional development agencies. To obtain information about Canada's ITB policy, visit: <http://www.ic.gc.ca/eic/site/086.nsf/eng/home>
- 1.2.17** Canada has engaged an Independent Fairness Monitor for this procurement. The Fairness Monitor will provide formal oversight and independent validation of the fairness of the procurement process. The Fairness Monitor will submit its final report to Canada, which will be made public. Fairness Monitor Reports may be viewed at: <http://www.tpsgc-pwgsc.gc.ca/se-fm/index-eng.html>
- 1.2.18** The resulting contract will be managed as a relational contract. The aim of relational contracting is to encourage collaboration, and streamline processes without affecting contractual obligations.
- 1.2.19** The Phased Bid Compliance Process applies to this requirement.

1.3 Debriefings

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

1.4 Communications Notification

The successful Contractor must notify the Contracting Authority in advance of its intention to make public an announcement related to the award of a contract for the HCCS In-Service Support.

PART 2 - BIDDER INSTRUCTIONS

2.1 Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the [Standard Acquisition Clauses and Conditions Manual](https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) (<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada. Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The [2003](#) (2019-03-04) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

Subsection 5.4 of [2003](#), Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: 60 days
Insert: 365 days

Subsection 17.3 of 2003, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete 2003 (17) 3 in its entirety.
Insert in its entirety:

2003(17) 3. The bid must be signed by all the members of the joint venture. For the purposes of administering the bid following the submission of any bid, the joint venture should appoint one member, in writing with the bid, to act on behalf of all members of the joint venture.

The Contracting Authority may, at any time, require each member of the joint venture to confirm that the representative has been appointed with full authority to act as its representative for the purposes of the bid solicitation.

2003 (17) 4. If a contract is awarded to a joint venture, all members of the joint venture will be required to sign any resulting contract, and will be jointly and severally or solidarily liable for the performance of any resulting contract. In addition and for the purposes of administering any resulting contract, the joint venture will appoint one member, to act on behalf of all members of the joint venture.

2.2 Submission of Bids

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

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

2.3 Former Public Servant

Contracts awarded to former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. In order to comply with Treasury Board policies and directives on contracts awarded to FPSs, bidders must provide the information required below before contract award. If the answer to the questions and, as applicable the information required have not been received by the time the evaluation of bids is completed, Canada will inform the Bidder of a time frame within which to provide the information. Failure to comply with

Canada's request and meet the requirement within the prescribed time frame will render the bid non-responsive.

2.3.1 Definitions

For the purposes of this clause, "former public servant" is any former member of a department as defined in the Financial Administration Act, R.S., 1985, c. F-11, a former member of the Canadian Armed Forces or a former member of the Royal Canadian Mounted Police. A former public servant may be:

- a. an individual;
- b. an individual who has incorporated;
- c. a partnership made of former public servants; or
- d. a sole proprietorship or entity where the affected individual has a controlling or major interest in the entity.

"lump sum payment period" means the period measured in weeks of salary, for which payment has been made to facilitate the transition to retirement or to other employment as a result of the implementation of various programs to reduce the size of the Public Service. The lump sum payment period does not include the period of severance pay, which is measured in a like manner.

"pension" means a pension or annual allowance paid under the Public Service Superannuation Act (PSSA), R.S., 1985, c. P-36, and any increases paid pursuant to the Supplementary Retirement Benefits Act, R.S., 1985, c. S-24 as it affects the PSSA. It does not include pensions payable pursuant to the Canadian Forces Superannuation Act, R.S., 1985, c. C-17, the Defence Services Pension Continuation Act, 1970, c. D-3, the Royal Canadian Mounted Police Pension Continuation Act, 1970, c. R-10, and the Royal Canadian Mounted Police Superannuation Act, R.S., 1985, c. R-11, the Members of Parliament Retiring Allowances Act, R.S. 1985, c. M-5, and that portion of pension payable to the Canada Pension Plan Act, R.S., 1985, c. C-8.

2.3.2 Former Public Servant in Receipt of a Pension

As per the above definitions, is the Bidder a FPS in receipt of a pension? **Yes () No ()**

If so, the Bidder must provide the following information, for all FPSs in receipt of a pension, as applicable:

- a. name of former public servant;
- b. date of termination of employment or retirement from the Public Service.

By providing this information, Bidders agree that the successful Bidder's status, with respect to being a former public servant in receipt of a pension, will be reported on departmental websites as part of the published proactive disclosure reports in accordance with Contracting Policy Notice: 2012-2 and the Guidelines on the Proactive Disclosure of Contracts.

2.3.3 Work Force Adjustment Directive

Is the Bidder a FPS who received a lump sum payment pursuant to the terms of the Work Force Adjustment Directive? **Yes () No ()**

If so, the Bidder must provide the following information:

- a. name of former public servant;
- b. conditions of the lump sum payment incentive;
- c. date of termination of employment;
- d. amount of lump sum payment;
- e. rate of pay on which lump sum payment is based;
- f. period of lump sum payment including start date, end date and number of weeks;

- g. number and amount (professional fees) of other contracts subject to the restrictions of a work force adjustment program.

For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to a FPS who received a lump sum payment is \$5,000, including Applicable Taxes.

2.4 Enquiries - Bid Solicitation

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

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

All enquiries and other communications related to this RFP must be directed to the PSPC Contracting Officer:

Marie-Andrée Fortin
Public Services and Procurement Canada
Defence and Marine Procurement Branch
Marine Services and Small Vessels Sector
E-mail: marie-andree.fortin@tpsgc-pwgc.gc.ca

2.5 Applicable Laws

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

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

2.6 Optional Site Visit

It is recommended that the Bidder or a representative of the Bidder visit the work site. Arrangements have been made for the site visit to be held at the Fleet Maintenance Facility Cape Scott, HMC Dockyard building D200 and D247, 2365 Provo Wallis Street, Halifax, NS, B3K 5X5 on 24-25 July 2019. The site visit will begin at 10:30 ADT.

Personnel security screening is required prior to gaining authorized access to PROTECTED sites. The Bidder's Company Security Officer (CSO) must ensure that their representative(s) hold a valid security clearance at the required level for the site visit. Failure to comply with the security requirements will result in the representative(s) being denied access to the site.

Bidders must communicate with the Contracting Authority no later than **11 July 2019** to confirm attendance and provide the name(s) of the person(s) holding a valid security clearance at the required level, who will attend. Canada will limit the number of participants to two (2). Bidders who do not confirm attendance and who do not provide the name(s) of the person(s) who will attend as required will not be allowed access to the site. Bidders will be requested to sign an attendance sheet. No alternative appointment will be given to bidders who do not attend or do not send a representative. Bidders who do

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

not participate in the visit will not be precluded from submitting a bid. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

2.7 Basis for Canada's Ownership of Intellectual Property

The **Department of National Defence** has determined that any intellectual property rights arising from the performance of the Work under the resulting HCCS contract will belong to Canada, for the following reasons, as set out in the *Policy on Title to Intellectual Property Arising Under Crown Procurement Contracts*:

- a. national security

2.8 Technical Data

In order to receive Technical Data Packages against this solicitation, Bidders must send their request by email to marie-andree.fortin@tpsgc-pwgsc.gc.ca and provide the following details:

- a) Company Name;
- b) Complete mailing & physical address (P.O. box numbers are not acceptable);
- c) Area code and telephone number;
- d) Contact name;
- e) E-mail address;
- f) Solicitation Number & Closing Date.

It is imperative that the request be done as soon as possible to ensure timely receipt of the technical data. Notwithstanding, Canada must not be held responsible for untimely release of the technical data. Canada may require Bidders to sign non-disclosure agreements before receiving the technical data.

PART 3 - BID PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

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

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

- Section I: Technical Bid - Two (2) hard copies and five (5) soft copies on CD or DVD
- Section II: Financial Bid – One (1) hard copy and one (1) soft copy on CD or DVD
- Section III: Value Proposition – Seven (7) hard copies and one (1) soft copy on CD or DVD
- Section IV: Certifications – One (1) hard copy and one (1) soft copy on CD or DVD

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

Prices must appear in the financial bid only. No prices must be indicated in any other section of the bid. Canada requests that Bidders follow the format instructions described below in the preparation of their bid:

- a. Paper size - 8.5" x 11" (metric equivalent A4) OR as indicated
- b. Minimum Point size - 11 point TIMES NEW ROMAN or equal
- c. Margins - 25mm (1") left, 19mm (3/4") top, 12mm (1/2") right and bottom
- d. Double-sided pages will count as two (2) pages
- e. Paper size (foldout) - 11"x 17" (metric equivalent A3) or as indicated, single-sided, pages will count as two (2) pages".

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

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

3.1.1 Section I: Technical Bid

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

The technical bid should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests that Bidders address and present topics in the order of the evaluation criteria under the same headings. The Bidder's response to each technical criterion should be complete and self-contained and should not include cross-references to other parts of the Bid, nor rely upon information included in other parts of the bid unless such information is also repeated in the Bidder's response to the technical criterion.

3.1.2 Section II: Financial Bid

Bidders must submit their Financial Bid in accordance with 2003 (2019-03-04) Standard Instructions – Goods or Services – Competitive Requirements and the Financial Bid Presentation Sheet – Attachment 1 to Part 4.

The Financial Bid must be in Canadian dollars, Goods and Services Tax or Harmonized Sales Tax excluded, Canadian customs duties and excise taxes included.

Financial Bid Presentation Sheet – Attachment 1 to Part 4 – Financial Bid consists of four (4) sections:

1. All-Inclusive Hourly Labour Rate;
2. Management Fee;
3. Subcontractor mark-up; and
4. Material mark-up.

Section 1 - All-Inclusive Hourly Labour Rates:

Bidders must provide in section 1 - All-Inclusive Hourly Labour Rate for each personnel category in accordance with the Definitions of Personnel Categories specified in Annex K for each year of the initial six (6) year contract period. The All-Inclusive Hourly Labour Rate is for Work performed by the Contractor and must include the cost of direct labour, overhead, general and administrative costs (G&A) and profit. The All-Inclusive Hourly Labour Rate must include no more than 2 decimal places.

Section 2 - Management Fee:

Bidders must provide in section 2 – Management Fee, the firm Annual Management Fee for each year of the initial six (6) year contract period. The Management Fee must include the cost of direct labour, overhead, general and administrative costs (G&A) and profit. The Annual Management Fees must include all cost related to Management Work, as described or identified in the PWS, and all Contract Administration costs, and all other Costs except for Work that is specified to be Emergent Work under the Contract. Notwithstanding anything to the contrary herein, Management Work includes all work whether identified as either Management and (or) Emergent under Annex “A” that will be carried out by the Project Manager, Senior Systems Engineer, East Coast Representative and West Coast Representative. The quoted Management Fees must include no more than 2 decimal places.

Section 3 - Subcontractor Mark-up:

Bidders must provide in section 3 – Mark-up on Subcontractor Costs, a mark-up percentage for Subcontractor costs. This is a mark-up on the laid down cost to the contractor of subcontracted work and the mark-up should include general and administrative expenses, overhead and all profit to the contractor. In accordance with Attachment 1 to Part 4, Bidders must provide a decreasing rate starting with the annual volume threshold of \$0 to \$5M, and the delta between each mark-up rate must be at least one full percentage point (e.g. 10.3%, 9.3%, and 7.9%). Bidders must also provide separately the profit rate, the overhead and the general and administration rate that make up their mark-up. The requested breakdown will be treated as commercial confidential. The Mark-up on Subcontractor Costs will be firm for the initial six (6) year contract period. The mark-up on Subcontractor Costs must include no more than 2 decimal places.

The subcontractor mark-up will apply when a subcontractor performs a portion of the work, pursuant to a contract between the contractor and Canada, which includes all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the contractor under the contract.

Section 4 - Material Mark-up:

Bidders must provide in section 4 – Mark-up on Material Costs, a mark-up percentage for Material costs. This is a mark-up on the laid down cost to the contractor of materials and the mark-up should include

applicable purchasing expenses, internal handling, general and administrative expenses, overhead and all profit to the contractor. In accordance with Attachment 1 to Part 4, Bidders must provide a decreasing rate starting with the annual volume threshold of \$0 to \$3M, and the delta between each mark-up rate must be at least one full percentage point (e.g. 10.3%, 9.3%, and 7.9%). Bidders must also provide separately the profit rate, the overhead and the general and administration rate that make up their mark-up. The requested breakdown will be treated as commercial confidential. The Mark-up on Material Costs will be firm for the initial six (6) year contract period. The mark-up on Material Costs must include no more than 2 decimal places.

The material mark-up will apply when the subcontractor supplies only goods to the prime contractor.

3.1.2.1 Price Certification

By submitting a bid the bidder certifies that: The all-inclusive hourly labour rates proposed in the bid are based on Cost computed in accordance with General Conditions, Contract Cost Principles 1031-2, and include all Direct Labour Cost and Indirect Cost (overhead) of the bidder and include all mark-up and profit.

3.1.2.2 Exchange Rate Fluctuation

The requirement does not offer exchange rate fluctuation risk mitigation. Requests for exchange rate fluctuation risk mitigation will not be considered. All bids including such provision will render the bid non-responsive.

3.1.3 Section III: ITB/Value Proposition

***Please refer to separate attachment titled: Industrial and Technological Benefits – Value Proposition: Bidder instructions.*

3.1.4 Section IV: Certifications

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

3.2 Submission of Only One Bid and Joint Venture Experience

Submission of Only One Bid:

- a. A Bidder, will be permitted to submit only one bid in response to this bid solicitation. If a Bidder participates in more than one bid (participating means being the Bidder or any member of a joint venture Bidder, not being a subcontractor), Canada will provide those Bidders with two working days to identify the single bid to be considered by Canada. Failure to meet this deadline will result in all the affected bids being disqualified.
- b. Individual members of a joint venture cannot participate in another bid, either by submitting a bid alone or by participating in another joint venture bid.

3.3 Evaluation and Joint Ventures

A bidder may meet the evaluation criteria itself and bid as a corporation or other such single legal entity or may meet the evaluation criteria as a joint venture if the members of the joint venture together meet the evaluation criteria. In either event, the bidder itself must meet the evaluation criteria. Canada will not accept any bid by a joint venture composed of more than 3 members. Please note the following:

Where the Bidder is a joint venture with existing experience as that joint venture (and certain experience is specified to be an evaluation criterion), the Bidder may submit the experience that it has obtained as that joint venture.

Example: A Bidder is a joint venture consisting of members L and O. A bid solicitation requires that the Bidder demonstrate experience providing maintenance and support services for a period of 24 months to a customer with a fleet of at least 10 vessels. As a joint venture (consisting of members L and O), the Bidder has previously done the work. This Bidder can use this experience to meet the requirement. If member L obtained this experience while in a joint venture with a third party N, however, that experience cannot be used because the third party N is not part of the joint venture that is bidding.

A joint venture Bidder may rely on the experience of one of its members to meet any evaluated technical criterion of this bid solicitation.

Example: A Bidder is a joint venture consisting of members X, Y and Z. If a solicitation requires: (a) that the Bidder have 3 years of experience providing maintenance service, and (b) that the Bidder have 2 years of experience integrating hardware with complex systems, then each of these two requirements can be met by a different member of the joint venture. However, for a single criterion, such as the requirement for 3 years of experience providing maintenance services, the Bidder cannot indicate that each of members X, Y and Z has one year of experience, totaling 3 years. Such a response would be declared non-responsive. Joint venture members cannot pool their experience with other joint venture members to satisfy a single technical criterion of this bid solicitation.

Wherever substantiation of a criterion is required, the Bidder is requested to indicate which joint venture member satisfies the requirement. If the Bidder has not identified which joint venture member satisfies the requirement, the Contracting Authority will provide an opportunity to the Bidder to submit this information during the evaluation period. If the Bidder does not submit this information within the period set by the Contracting Authority, its bid will be declared non-responsive.

Any Bidder with questions regarding the way in which a joint venture bid will be evaluated should raise such questions through the Enquiries process as early as possible during the bid solicitation period.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

Bids will be assessed in accordance with the entire requirement of the bid solicitation including the Technical Bid, the Financial Bid and the Industrial and Technological Benefits/Value Proposition Proposal Bid.

The ranking of responsive Bidders will be based on the combined scores for technical, financial and value proposition bid submissions. The ratio will be:

55% for the Technical Merit Score
30% for the Financial Bid Score
15% for the Value Proposition

100%

An evaluation team composed of representatives of Canada will evaluate the bids.

Canada will use the Phased Bid Compliance Process described below for this requirement.

4.2 Phased Bid Compliance Process (PBCP)

4.2.1 General

- a. Canada is conducting the PBCP described below for this requirement.
- b. Notwithstanding any review by Canada at Phase I or II of the PBCP, Bidders are and will remain solely responsible for the accuracy, consistency and completeness of their Bids and Canada does not undertake, by reason of this review, any obligations or responsibility for identifying any or all errors or omissions in Bids or in responses by a Bidder to any communication from Canada.

THE BIDDER ACKNOWLEDGES THAT THE REVIEWS IN PHASE I AND II OF THIS PBCP ARE PRELIMINARY AND DO NOT PRECLUDE A FINDING IN PHASE III THAT THE BID IS NON-RESPONSIVE, EVEN FOR MANDATORY REQUIREMENTS WHICH WERE SUBJECT TO REVIEW IN PHASE I OR II AND NOTWITHSTANDING THAT THE BID HAD BEEN FOUND RESPONSIVE.

IN SUCH EARLIER PHASE. CANADA MAY DEEM A BID TO BE NON-RESPONSIVE TO A MANDATORY REQUIREMENT AT ANY PHASE.

THE BIDDER ALSO ACKNOWLEDGES THAT ITS RESPONSE TO A NOTICE OR A COMPLIANCE ASSESSMENT REPORT (CAR) (EACH DEFINED BELOW) IN PHASE I OR II MAY NOT BE SUCCESSFUL IN RENDERING ITS BID RESPONSIVE TO THE MANDATORY REQUIREMENTS THAT ARE THE SUBJECT OF THE NOTICE OR CAR, AND MAY RENDER ITS BID NON-RESPONSIVE TO OTHER MANDATORY REQUIREMENTS.

- c. Canada may, in its discretion, request and accept at any time from a Bidder and consider as part of the Bid, any information to correct errors or deficiencies in the Bid that are clerical or administrative, such as, without limitation, failure to sign the Bid or any part or to checkmark a box in a form, or other failure of format or form or failure to acknowledge; failure to provide a procurement business number or contact information such as names, addresses and telephone numbers; inadvertent errors in numbers or calculations that do not change the amount the Bidder has specified as the price or of any component thereof that is subject to evaluation. This shall not limit Canada's right to request or accept any information after the bid solicitation closing in circumstances where the bid solicitation expressly provides for this right. The Bidder will have the

time period specified in writing by Canada to provide the necessary documentation. Failure to meet this deadline will result in the Bid being declared non-responsive.

- d. The PBCP does not limit Canada's rights under Standard Acquisition Clauses and Conditions (SACC) 2003 (2019-03-04) Standard Instructions – Goods or Services – Competitive Requirements nor Canada's right to request or accept any information during the solicitation period or after bid solicitation closing in circumstances where the bid solicitation expressly provides for this right, or in the circumstances described in subsection (c).
- e. Canada will send any Notice or CAR by any method Canada chooses, in its absolute discretion. The Bidder must submit its response by the method stipulated in the Notice or CAR. Responses are deemed to be received by Canada at the date and time they are delivered to Canada by the method and at the address specified in the Notice or CAR. An email response permitted by the Notice or CAR is deemed received by Canada on the date and time it is received in Canada's email inbox at Canada's email address specified in the Notice or CAR. A Notice or CAR sent by Canada to the Bidder at any address provided by the Bidder in or pursuant to the Bid is deemed received by the Bidder on the date it is sent by Canada. Canada is not responsible for late receipt by Canada of a response, however caused.

4.2.2 Phase I: Financial Bid

- a. After the closing date and time of this bid solicitation, Canada will examine the Bid to determine whether it includes a Financial Bid and whether any Financial Bid includes all information required by the solicitation. Canada's review in Phase I will be limited to identifying whether any information that is required under the bid solicitation to be included in the Financial Bid is missing from the Financial Bid. This review will not assess whether the Financial Bid meets any standard or is responsive to all solicitation requirements.
- b. Canada's review in Phase I will be performed by officials of the Department of Public Works and Government Services.
- c. If Canada determines, in its absolute discretion that there is no Financial Bid or that the Financial Bid is missing all of the information required by the bid solicitation to be included in the Financial Bid, then the Bid will be considered non-responsive and will be given no further consideration.
- d. For Bids other than those described in c), Canada will send a written notice to the Bidder ("Notice") identifying where the Financial Bid is missing information. A Bidder, whose Financial Bid has been found responsive to the requirements that are reviewed at Phase I, will not receive a Notice. Such Bidders shall not be entitled to submit any additional information in respect of their Financial Bid.
- e. The Bidders who have been sent a Notice shall have the time period specified in the Notice (the "Remedy Period") to remedy the matters identified in the Notice by providing to Canada, in writing, additional information or clarification in response to the Notice. Responses received after the end of the Remedy Period will not be considered by Canada, except in circumstances and on terms expressly provided for in the Notice.
- f. In its response to the Notice, the Bidder will be entitled to remedy only that part of its Financial Bid which is identified in the Notice. For instance, where the Notice states that a required line item has been left blank, only the missing information may be added to the Financial Bid, except that, in those instances where the addition of such information will necessarily result in a change to other calculations previously submitted in its Financial Bid, (for example, the calculation to determine a total price), such necessary adjustments shall be identified by the Bidder and only these adjustments shall be made. All submitted information must comply with the requirements of this solicitation.

- g. Any other changes to the Financial Bid submitted by the Bidder will be considered to be new information and will be disregarded. There will be no change permitted to any other Section of the Bidder's Bid. Information submitted in accordance with the requirements of this solicitation in response to the Notice will replace, in full, only that part of the original Financial Bid as is permitted above, and will be used for the remainder of the bid evaluation process.
- h. Canada will determine whether the Financial Bid is responsive to the requirements reviewed at Phase I, considering such additional information or clarification as may have been provided by the Bidder in accordance with this Section. If the Financial Bid is not found responsive for the requirements reviewed at Phase I to the satisfaction of Canada, then the Bid shall be considered non-responsive and will receive no further consideration.
- i. Only Bids found responsive to the requirements reviewed in Phase I to the satisfaction of Canada, will receive a Phase II review.

4.2.3 Phase II: Technical Bid

- a. Canada's review at Phase II will be limited to a review of the Technical Bid to identify any instances where the Bidder has failed to meet any Eligible Mandatory Criterion. This review will not assess whether the Technical Bid meets any standard or is responsive to all solicitation requirements. Eligible Mandatory Criteria are all mandatory technical criteria that are identified in this solicitation as being subject to the PBCP. Mandatory technical criteria that are not identified in the solicitation as being subject to the PBCP, will not be evaluated until Phase III. **Phase II will also apply to the Value Proposition/ITB Bid, and the applicable Eligible Mandatory Criteria of the Value/Proposition ITB Bid, and these provisions shall be read and interpreted accordingly.**
- b. Canada will send a written notice to the Bidder (Compliance Assessment Report or "CAR") identifying any Eligible Mandatory Criteria that the Bid has failed to meet. A Bidder whose Bid has been found responsive to the requirements that are reviewed at Phase II will receive a CAR that states that its Bid has been found responsive to the requirements reviewed at Phase II. Such Bidder shall not be entitled to submit any response to the CAR.
- c. A Bidder shall have the period specified in the CAR (the "Remedy Period") to remedy the failure to meet any Eligible Mandatory Criterion identified in the CAR by providing to Canada in writing additional or different information or clarification in response to the CAR. Responses received after the end of the Remedy Period will not be considered by Canada, except in circumstances and on terms expressly provided for in the CAR.
- d. The Bidder's response must address only the Eligible Mandatory Criteria listed in the CAR as not having been achieved, and must include only such information as is necessary to achieve such compliance. Any additional information provided by the Bidder which is not necessary to achieve such compliance will not be considered by Canada, except that, in those instances where such a response to the Eligible Mandatory Criteria specified in the CAR will necessarily result in a consequential change to other parts of the Bid, the Bidder shall identify such additional changes, provided that its response must not include any change to the Financial Bid.
- e. The Bidder's response to the CAR should identify in each case the Eligible Mandatory Criterion in the CAR to which it is responding, including identifying in the corresponding section of the original Bid, the wording of the proposed change to that section, and the wording and location in the Bid of any other consequential changes that necessarily result from such change. In respect of any such consequential change, the Bidder must include a rationale explaining why such consequential change is a necessary result of the change proposed to meet the Eligible Mandatory Criterion. It is not up to Canada to revise the Bidder's Bid, and failure of the Bidder to

do so in accordance with this subparagraph is at the Bidder's own risk. All submitted information must comply with the requirements of this solicitation.

- f. Any changes to the Bid submitted by the Bidder other than as permitted in this solicitation, will be considered to be new information and will be disregarded. Information submitted in accordance with the requirements of this solicitation in response to the CAR will replace, in full, only that part of the original Bid as is permitted in this Section.
- g. Additional or different information submitted during Phase II permitted by this section will be considered as included in the Bid, but will be considered by Canada in the evaluation of the Bid at Phase II only for the purpose of determining whether the Bid meets the Eligible Mandatory Criteria. It will not be used at any Phase of the evaluation to increase or decrease any score that the original Bid would achieve without the benefit of such additional or different information. For instance, an Eligible Mandatory Criterion that requires a mandatory minimum number of points to achieve compliance will be assessed at Phase II to determine whether such mandatory minimum score would be achieved with such additional or different information submitted by the Bidder in response to the CAR. If so, the Bid will be considered responsive in respect of such Eligible Mandatory Criterion, and the additional or different information submitted by the Bidder shall bind the Bidder as part of its Bid, but the Bidder's original score, which was less than the mandatory minimum for such Eligible Mandatory Criterion, will not change, and it will be that original score that is used to calculate any score for the Bid
- h. Canada will determine whether the Bid is responsive for the requirements reviewed at Phase II, considering such additional or different information or clarification as may have been provided by the Bidder in accordance with this Section. If the Bid is not found responsive for the requirements reviewed at Phase II to the satisfaction of Canada, then the Bid shall be considered non-responsive and will receive no further consideration.
- i. Only Bids found responsive to the requirements reviewed in Phase II to the satisfaction of Canada, will receive a Phase III evaluation.

4.2.3.1 Mandatory Technical Criteria

The Phased Bid Compliance Process will apply to all five mandatory technical criteria in Table 1 of section 4.3.1 Mandatory Technical Criteria Evaluation.

4.2.3.2 Mandatory ITB/VP Criteria

The Phased Bid Compliance Process will apply to the mandatory ITB/VP criteria identified in section 2 of the ITB/VP – Evaluation Plan.

4.2.4 Phase III: Final Evaluation of the Bid

- a. In Phase III, Canada will complete the evaluation of all Bids found responsive to the requirements reviewed at Phase II. Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical and financial evaluation criteria.
- b. A Bid is non-responsive and will receive no further consideration if it does not meet all mandatory evaluation criteria of the solicitation.

4.3 Technical Evaluation

4.3.1 Mandatory Technical Criteria Evaluation

This solicitation contains mandatory requirements M1 to M5, as outlined in Table 1 – Mandatory Technical Evaluation Criteria below, which must be met by the Bidder itself. For criteria that require the Bidder to propose an individual to perform the work specified in the evaluation criterion, the proposed individual must be an employee of the Bidder, or have entered into an agreement with the Bidder to become an employee of the Bidder for the purpose of any Contract that results from this RFP, and the Bidder will supply evidence of this upon request of the Contracting Authority. Evaluation teams will review each proposal to determine if the mandatory requirements have been met. If a proposal does not meet the mandatory requirements it will be given no further consideration and will be declared non-responsive. Proposals meeting all the mandatory technical requirements will go on to be evaluated for the point-rated requirements.

Table 1 - Mandatory Technical Evaluation Criteria

Item Number	Mandatory Technical Evaluation Criteria	Compliant Yes / No	
M1	<p><u>Corporate Experience</u></p> <p>The Bidder must clearly demonstrate its experience in the provision of in-service support or in a major acquisitions project in the defence sector* by providing one reference contract entered into by the Bidder that is similar in scope, complexity and technical demands as the requirements specified in Annex A. The total value of the referenced contract must be at least \$100 M. At least five (5) consecutive years of the contract term must have been completed within the last fifteen (15) years.</p> <p>By providing examples from the referenced contract, the Bidder must clearly demonstrate the bidder's experience in each of the following:</p> <ol style="list-style-type: none"> Planning and scheduling maintenance; Managing or conducting Repair and Overhaul maintenance; Risk management; Intellectual property management; Subcontractor management; Configuration management; Technical problem management support; Obsolescence management; Technical data management; Engineering support; Materiel management. <p>The Referenced contract must include:</p> <ol style="list-style-type: none"> Contract Name; Contract Number; Contract Value; Description of the scope of the contract; Contract Period; Contract Customer References which must include contact name of the most senior officer directly responsible for this 		

	Contract, in addition to roles and responsibilities, phone number(s) and email address(s).		
M2	<p><u>Project Manager</u></p> <p>The Bidder must provide the name and resume of the proposed Project Manager. The resume must include the Name of the Individual, Academic Qualifications, Years of Experience and the Number and Description of Projects Completed including period of time (start and end dates - month and year) worked on each Project.</p> <p>The Bidder must demonstrate through specific references to the resume where, when and how the proposed Project Manager meets the following criteria (a and b) or (c):</p> <p>(a) eight (8) years' experience in the last ten (10) years prior to bid closing as a project manager of a defence contract in engineering or maintenance support at the equipment and system level of at least \$5M CAD in value per year for each of the eight (8) years of experience. For clarity, within a single year, the experience must come from a single contract of at least \$5M CAD in value. However, throughout the eight (8) years of documented experience, different contracts (of at least \$5M CAD each in value per year) can be used as proof of experience.</p> <p>(b) In addition, the Bidder must provide proof that the proposed Project Manager has a certification from the Project Management Institute as a Project Management Professional and must maintain that PMP certification current during tenure as Project Manager under the Contract.</p> <p>OR</p> <p>(c) Where a Bidder proposes a candidate who does not possess certification from the Project Management Institute as a Project Management Professional, the proposed Project Manager must have ten (10) years' experience in the last fifteen (15) years prior to bid closing as a project manager of a defence contract in engineering or maintenance support at the equipment and system level of at least \$5M CAD in value per year for each of the ten (10) years of experience. For clarity, within a single year, the experience must come from a single contract of at least \$5M CAD in value. However, throughout the ten (10) years of documented experience, different contracts (of at least \$5M CAD in value per year) can be used as proof of experience.</p>		
M3	<p><u>Senior Systems Engineer</u></p> <p>The Bidder must provide the name and resume of the proposed Senior Systems Engineer. The resume must include the Name of the Individual, Academic Qualifications, Years of Experience and the Number and Description of Projects Completed including period of time (start and end dates - month and year) worked on each Project.</p>		

	<p>The Bidder must demonstrate through specific references to the resume where, when and how the proposed Senior Systems Engineer meets the following criteria (a,b and c):</p> <p>(a) The Bidder must provide proof that the proposed Senior Systems Engineer is registered to practice as a Professional Engineer in Canada, or provide a commitment, within the Bidder's response, that the proposed Senior Systems Engineer will complete such registration no later than twelve (12) months after contract award (MACA), and must maintain that professional registration current during tenure as Senior Systems Engineer under the Contract.</p> <p>(b) eight (8) years' experience in the last ten (10) years prior to bid closing performing systems engineering* in the Defence sector.</p> <p>AND</p> <p>(c) The eight (8) years' experience must include a minimum of four (4) years' combined experience in 2 or more of the following areas:</p> <ul style="list-style-type: none"> • Naval radar systems integration • Naval radar systems design • Naval radar systems performance evaluation and testing • Naval radar systems requirements analysis • Development and/or Implementation of Engineering Changes for Naval radar systems • Naval radar post acquisition In service Support 		
M4	<p><u>East Coast Representative</u></p> <p>The Bidder must provide the name and resume of the proposed East Coast Representative. The resume must include the Name of the Individual, Academic Qualifications, Years of Experience and the Number and Description of Projects Completed including period of time (start and end dates - month and year) worked on each Project.</p> <p>The Bidder must demonstrate through specific references to the resume where, when and how the proposed East Coast Representative meets the following criteria (a):</p> <p>(a) Six (6) years' experience in the last ten (10) years prior to bid closing performing systems engineering or maintenance of Canadian Naval combat systems.*</p> <p>Performing maintenance may include the management of; the organizing of; or the actual conduct of maintenance work.</p>		
M5	<p><u>West Coast Representative</u></p> <p>The Bidder must provide the name and resume of the proposed West Coast Representative. The resume must include the Name of the Individual, Academic Qualifications, Years of Experience and the</p>		

	<p>Number and Description of Projects Completed including period of time (start and end dates - month and year) worked on each Project.</p> <p>The Bidder must demonstrate through specific references to the resume where, when and how the proposed West Coast Representative meets the following criteria (a):</p> <p>(a) Six (6) years' experience in the last ten (10) years prior to bid closing performing systems engineering or maintenance of Canadian Naval combat systems.*</p> <p>Performing maintenance may include the management of; the organizing of; or the actual conduct of maintenance work.</p>		
--	--	--	--

4.3.1.1 Definitions

***Defence Sector refers to:** businesses engaged in the manufacture and delivery of products and services for use in government defence and security applications including: i) ammunition and other munitions; ii) missiles and rockets; iii) firearms and other weapons; iv) military systems deployed in space, space launch vehicles, land-based systems for the operation, command and control of space launch vehicles or systems deployed in space and related components; v) primarily airborne electro-optical, radar and sonar and other sensor/information collection systems, and fire control, warning and countermeasures systems and related components; vi) primarily land-based or man-portable electro-optical, radar and sonar and other sensor/information collection systems, and fire control, warning and countermeasures systems and related components; vii) primarily airborne communications and navigation systems and other information systems including processing and dissemination, software, electronics and components; viii) primarily land based, man portable or non-platform specific communications and navigation systems and other information systems including processing and dissemination, software, electronics and components; ix) naval ship-borne systems (i.e. mission systems) and components; x) naval ship fabrication, structures and components; xi) naval ship maintenance, repair and overhaul; xii) combat vehicles and components; xiii) combat vehicles maintenance, repair and overhaul; xiv) aircraft fabrication, structures and components; xv) military aircraft maintenance, repair and overhaul services; xvi) unmanned aerial systems/vehicles and components; xvii) simulation systems for aircraft; xviii) simulation systems for naval vessels; xix) simulation systems for land vehicles or other applications; xx) live personnel and combat training services; xxi) troop support.

***Systems engineering work:** is defined as one or more of the following:

- systems integration
- systems design
- systems performance evaluation and testing
- systems requirements analysis
- Development and Implementation of Engineering Change

***Combat System:** is a complex electro-mechanical system such as sensors/radars and weapon systems.

4.3.2 Point-Rated Technical Evaluation Criteria

This solicitation contains point-rated requirements as outlined in Table 2 – Point-Rated Technical Evaluation Criteria below. Bidders must achieve a minimum Total Score of 270 out of 450 overall on their point-rated criteria proposals AND the sum of the 13 Strength of Proposed Solution scores (as explained below) must be greater than or equal to 78 out of 130. Proposals that do not pass the minimum scores will be given no further consideration and will be declared non-responsive.

The Bidder must respect the page limit specified for each criteria. Information submitted that exceeds the specified maximum page limit will be treated as though it was not provided and will not be considered in the evaluation.

Two (2) decimal places will be maintained throughout the calculations. Scores will be rounded up to two (2) decimals places.

Table 2 – Point Rated Technical Evaluation Criteria

No.	Technical Criteria	Weighting Factor	Max Points
1. Subcontractor Management	<p>The Bidder should describe its approach to obtain 3rd Level Maintenance Support from the HCCS OEMs</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects for the HCCS OEMs:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed fifteen (15) pages in total is required for both the proposed solution and relevant experience.</p>	5	50

No.	Technical Criteria	Weighting Factor	Max Points
2. Start-up phase	<p>The Bidder should describe its approach to the start-up phase and the activities to be undertaken in order to establish a full service delivery capability to reach the steady-state phase of the contract.</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed fifteen (15) pages in total is required for both the proposed solution and relevant experience.</p>	5	50

No.	Technical Criteria	Weighting Factor	Max Points
3. Performance Management Framework	<p>The Bidder should describe its approach to the implementation of the Performance Management Framework to enable Canada to assess, measure and monitor the Contractor's performance.</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
4. IP Rights	<p>The Bidder should describe its approach in managing Intellectual Property Rights to ensure that the work specified in the PWS is completed.</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none">a. a description of the solution;b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies;c. a description of each of the major activities required to achieve the solution;d. identification of critical dependencies between each major activity;e. the criteria for successful completion of each of the major activities;f. a description of how the solution relates to and influences the work;g. a proposed issues management and resolution methodology;h. the bidder's approach to managing ongoing change;i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	1	10

No.	Technical Criteria	Weighting Factor	Max Points
5. Canadian Configuration of the HCCS EG	<p>The Bidder should describe its approach to manage the Canadian configuration of the HCCS EG and to ensure that the work specified in the PWS is completed.</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed fifteen (15) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
6. Obsolescence Management	<p>The Bidder should describe its approach to manage the obsolescence of the HCCS EG to ensure that the HCCS EG remains supportable throughout its service life.</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
7. HCCS Technical Data	<p>The Bidder should describe its approach in managing and maintaining the HCCS technical data to ensure the availability of up-to-date and accurate technical data</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
8. Continuous Improvement and Value Engineering	<p>The Bidder should describe its approach to Continuous Improvement and Value Engineering to optimize life cycle costs while ensuring the HCCS EG complies with the Canadian configuration for the HCCS EG</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	5	50

No.	Technical Criteria	Weighting Factor	Max Points
9. Technical Problem Management	<p>The Bidder should describe its approach to Technical Problem Management to ensure there are no disruptions to the operation of the HCCS EG and identify any residual risk</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
10. HCCS EG Availability	<p>The Bidder should describe its approach in managing materiel to ensure that the HCCS EG availability is maintained</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
11. Annual Operating Plan (AOP)	<p>The Bidder should describe its approach to planning and scheduling the HCCS work in the AOP to ensure the HCCS EG complies with the Canadian configuration of the HCCS EG and that availability is achieved</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed fifteen (15) pages in total is required for both the proposed solution and relevant experience.</p>	5	50

No.	Technical Criteria	Weighting Factor	Max Points
12. Relationship Management	<p>The Bidder should describe its approach in establishing and managing collaborative and effective working relationships with Canada and stakeholders to achieve mutually successful outcomes</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30

No.	Technical Criteria	Weighting Factor	Max Points
13. Collaborative Environment	<p>The Bidder should describe its approach in establishing and managing a collaborative environment to share and exchange information with Canada and stakeholders to ensure optimum collaboration exists for planning, organizing and executing the work</p> <p><u>Proposed Solution:</u> The description should include each of the following Aspects:</p> <ul style="list-style-type: none"> a. a description of the solution; b. a description of the solution's assumptions, constraints, risks and risk mitigation strategies; c. a description of each of the major activities required to achieve the solution; d. identification of critical dependencies between each major activity; e. the criteria for successful completion of each of the major activities; f. a description of how the solution relates to and influences the work; g. a proposed issues management and resolution methodology; h. the bidder's approach to managing ongoing change; i. a description of the organizational structure of key roles and responsibilities that are accountable for the delivery of the solution. <p><u>Relevant Experience:</u> The bidder should demonstrate its experience and capability with specific examples of relevant past experience which proves all Aspects of the proposed solution. For additional information on relevant experience, please see sub-section 4.3.2.1 below.</p> <p>A written submission not to exceed ten (10) pages in total is required for both the proposed solution and relevant experience.</p>	3	30
		Maximum Points Possible	450

4.3.2.1 Bidder Guidelines for Relevant Past Experience

The Bidder must provide the following information for the reference contract(s) that are required in the Relevant Experience portion for each of the 13 Point-Rated Technical Evaluation Criteria:

- a. Contract Name;
- b. Contract Number;
- c. Contract Value;
- d. Description of the scope of the contract;
- e. In-Service Support Contract – Yes/No

-
- f. Contract Period;
 - g. Contract Customer References which must include contact name of the most senior officer directly responsible for this Contract, in addition to roles and responsibilities, phone number(s) and email address(s).

The specific examples of relevant past experience must be from the Bidder. These specific examples must be directly related to the Point Rated Technical Evaluation Criteria and originate from one or more In Service Support or Repair and Overhaul or Acquisitions Contracts in the defence sector* (as defined in section 4.3.1.1 - Definitions). At least three (3) consecutive years of the contract term must have been completed within the last fifteen (15) years and the value of each reference contract must be of at least \$50M.

For evaluation purposes, In Service Support refers to post acquisition support of any fleet of platform(s) or any major equipment(s) (e.g. a radar system) currently in use in an established fleet of platforms (e.g. frigates) and is the provision of support for the duration of the contract.

If the Bidder fails to provide the information required under the heading "Relevant Experience" for any point-rated technical evaluation criterion, then the Bidder will score zero (0) for that point-rated technical evaluation criterion under the evaluation described in Figure 2, "Point Rated Technical Evaluation Criteria Word Scale - Experience / Proven Solution."

4.3.2.2 Point-Rated Technical Evaluation Criteria Scoring Method

Word scales

Each of the Point-Rated Technical Evaluation Criteria will be scored using two Word Scales:

- a. Strength of the Proposed Solution (Figure 1 below); and
- b. Experience / Proven Solution (Figure 2 below).

Combined score

The Combined Score for each of the Point-Rated Technical Evaluation Criteria will be calculated as follows:

$$\text{Combined Score} = 0.4 * \text{Strength of the Proposed Solution Score} + 0.6 * \text{Experience / Proven Solution Score}$$

Bidder's score

The Bidder's Score for each of the Point-Rated Technical Evaluation Criteria will be calculated as follows:

$$\text{Bidder's Score} = \text{Combined Score} * \text{Criteria Weighting Factor}$$

Bidder's total score

The sum of the Bidder's Score for each of the 13 Point-Rated Technical Evaluation Criteria is the Bidder's Total Score for the 13 Point-Rated Technical Evaluation Criteria.

Figure 1 - Point Rated Technical Evaluation Criteria Word Scale - Strength of Proposed Solution

		Excellent	Very Good	Good	Weak	Inadequate	Non-Responsive
	Score	10	8	6	4	2	0
Strength of Proposed Solution	There are no apparent weaknesses in the solution that would affect the successful achievement of the work associated with this Criteria element.	X					
	There are weaknesses in the solution which should not affect the successful achievement of the work associated with this Criteria element. These weaknesses will not adversely affect the HCCS availability, project schedule, cost, or scope.		X				
	There are weaknesses in the solution which are correctable , and which may affect the successful achievement of the work associated with this Criteria element. These weaknesses may adversely affect the HCCS availability, project schedule, cost, or scope.			X			
	There are weaknesses in the solution which will be a challenge to overcome , and which will affect the successful achievement of the work associated with this Criteria element. These weaknesses will adversely affect the HCCS availability, project schedule, cost, or scope.				X		
	There are weaknesses in the solution which cannot be resolved and which will significantly affect the successful achievement of the work associated with this Criteria element. These weaknesses will adversely affect the HCCS availability,					X	

		Excellent	Very Good	Good	Weak	Inadequate	Non-Responsive
	Score	10	8	6	4	2	0
	project schedule, cost or scope.						
	No response provided						X

Some examples of weaknesses are, but are not limited to:

- If the proposed solution contains insufficient detail to allow the evaluators to understand the proposed solution;
- If proposed solution is not technically viable;
- If one or more of the Aspects are not addressed.

Figure 2 - Point Rated Technical Evaluation Criteria Word Scale - Experience / Proven Solution

		Excellent	Very Good	Good	Weak	Inadequate	Non-Responsive
	Score	10	8	6	4	2	0
Experience / Proven Solution	Multiple reference contracts where each contract proves all Aspects of the entire solution.	X					
	One reference contract which proves all Aspects of the entire solution.		X				
	All Aspects of the entire solution have been proven but with different Aspects having been proven in different reference contracts.			X			
	Some aspect of the entire solution have not been proven in a single reference contract.				X		
	None of the Aspects have been proven with a single reference contract.					X	
	No response provided						X

The following example in Figure 3 - Experience / Proven Solution Example clarifies how the Experience / Proven Solution scores will be assigned. The information cited in this example is for illustration purposes only.

Suppose the Bidder's proposed solution to a specific Point Rated Technical Evaluation Criteria has 4 key Aspects (labelled A, B, C, D for illustration purposes). The following table shows the Experience/Proven Solution score they would obtain depending upon the Aspects proven in the Reference Contracts that are provided.

Figure 3 Experience / Proven Solution Example

Reference Contracts Provided	Aspects Proven	Assigned Score	Score Explanation
Contract 1 Contract 2	A, B, C, D A, B, C, D	10	All Aspects proven entirely within 2 different reference contracts
Contract 1 Contract 2 Contract 3	A, C, D A, B, C, D B	8	All Aspects proven but there is only 1 reference contract which includes all the Aspects
Contract 1	A, B, C, D	8	All Aspects proven entirely within 1 reference contract
Contract 1 Contract 2	A B, C, D	6	All Aspects proven, but no single reference contract proves all the Aspects
Contract 1	A, B, C	4	One Aspect has not been proven
Contract 1 Contract 2	A, B D	4	One Aspect has not been proven
Contract 1	A, B, C, D	2	Reference contracts provided are not Relevant
None	None	0	No response provided

The following example in Figure 4 - Bidder's Score Determination Example illustrates how the Strength of the Proposed Solution and the Experience / Proven Solution scores will be combined for each of the 13 Point Rated Technical Criteria elements.

Figure 4 Bidder's Score Determination Example

Criteria	Strength of Proposed Solution Score	Experience / Proven Solution Score	Combined Score = Strength of Proposed Solution Score * 0.4 + Experience Proven Solution Score * 0.6	Criteria Weighting Factor	Bidder's Score = Combined Score * Criteria Weighting Factor
1	10	10	10.00	5	50.00
2	8	8	8.00	5	40.00
3	6	6	6.00	3	18.00
4	4	4	4.00	1	4.00
5	2	2	2.00	3	6.00
6	0	0	0.00	3	0.00
7	10	6	7.60	3	22.80
8	6	10	8.40	5	42.00
9	4	10	7.60	3	22.80
10	6	4	4.80	3	14.40
11	8	2	4.40	5	22.00
12	6	4	4.80	3	14.40
13	8	4	5.60	3	16.80

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

TOTAL	78.00 (Max 130)				273.20 (Max 450)
--------------	----------------------------------	--	--	--	-----------------------------------

In the above example in Figure 4, the Bidder's Technical Bid is Compliant because the Bidder's Total Score for the 13 Point-Rated Technical Evaluation Criteria of 273.20 is greater than or equal to 270.00 AND the sum of the 13 Strength of the Proposed Solution Score of 78.00 is greater than or equal to 78.00.

4.3.2.3 Comprehensive Experience Evaluation:

Bidders with comprehensive In Service Support Experience reduce the risk to Canada. Therefore In-Service Support experience could be awarded a maximum score of 50 points according to the Comprehensive Experience Evaluation table below. The maximum available points for a non-In-Service Support reference contract is 25 points. The Bidder will be awarded only one of the five scores in the table based on the reference contract(s) provided for the 13 Point Rated Technical Criteria in section 4.3.2.

Table 3 Comprehensive Experience Evaluation

Comprehensive Experience Evaluation Criteria	Points Awarded
Multiple ISSC references provided in which all 13 Point Rated Technical Criteria were demonstrated in each reference provided	50.00
A single ISSC reference was provided in which all 13 Point Rated Technical Criteria were demonstrated in the single reference provided	37.50
A single reference contract was provided in which 10 to 13 of the 13 Point Rated Technical Criteria were demonstrated in the single reference provided	25.00
A single reference contract was provided in which 6 to 9 of the 13 Point Rated Technical Criteria were demonstrated in the single reference provided	12.50
A single reference contract was provided in which fewer than 6 of the 13 Point Rated Technical Criteria were demonstrated in the single reference provided	0.0

4.3.2.4 Technical Merit Score

A Compliant Technical Bidder's final Technical Merit Score is calculated as follows:

$$\frac{(\text{Bidder's Total Score} + \text{Bidder's Comprehensive Experience Evaluation Points}) \times 55}{500}$$

Any Non-Compliant bidders receive a final Technical Merit Score of 0.00.

Consider the following example in Figure 5 - Technical Merit Score Example for our five Bidders: A, B, C, D, E.

Figure 5 Technical Merit Score Example

Item	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
13 Point Rated Technical Criteria Elements Total Score (out of 450.00)	295.60	382.50	242.75	302.50	325.00
Strength of Proposed Solution Score	100	120	79	68	115

Strength of Proposed Solution Score Less Than 78.00				NON-COMPLIANT	
13 Point Rated Technical Criteria Elements Total Score Less Than 270.00			NON-COMPLIANT		
Comprehensive Experience Evaluation Points (out of 50.00)	37.50	50.00	12.50	37.50	50.00
Final Technical Merit Score	36.64	47.58	0.00	0.00	41.25

4.3.3 Financial Evaluation

The price of the bid will be evaluated in Canadian dollars, Applicable Taxes excluded, Delivered Duty Paid (DDP), Canadian customs duties and excise taxes included.

The resulting contract will be awarded in Canadian currency.

Bidders are to provide their Financial Bid by completing the Attachment 1 to Part 4 – Financial Bid Presentation Sheet. The Financial Bid is to include each of the following four Financial Elements:

1. All-inclusive hourly labour rates including overhead, G&A, and profit for each category and level for the first six (6) years; (20 points)
2. The Management Fee including overhead, G&A, and profit for the first six (6) years; (30 points)
3. The Mark-up on Subcontractor Costs including overhead, G&A, and profit for the first six (6) years; (25 points) and
4. The Mark-up on Material Costs including overhead, G&A, and profit for the first six (6) years. (25 points)

The omission of an all-inclusive hourly labour rate for a personnel category or a management fee or a nil rate for any category on the Financial Bid Presentation Sheet, will be treated as a \$0.00 rate or a 0.00% mark-up. If the bid is successful, all subsequent work undertaken by that personnel category or management fee or subcontractor and material mark-up will be carried out by the Contractor at the quoted \$0.00 rate or 0.00% mark-up for the duration of the contract.

The submitted rates for the specific Financial Elements will be firm for the first six (6) years of the contract period and will be in effect at Contract Award.

4.3.3.1 Financial Element Evaluation Methodology

4.3.3.1.1 All-Inclusive Hourly Labour Rates

Bidders will submit All-Inclusive Hourly Labour Rates for each labour category to a maximum of two decimal places.

Canada will compute an All-Inclusive Hourly Labour Rate score out of 20.00 points for each Bidder. All calculations will be performed to 2 decimal places.

For financial bid evaluation purposes only, Canada will compute an Adjusted Average All-Inclusive Hourly Labour Rate for each bidder. Any submitted hourly labour rate that is more than 35.00% below the median of all submitted hourly labour rates for a specific labour rate category will be excluded from the calculation of that bidder's Adjusted Average All-Inclusive Hourly Labour Rate. The Adjusted Average All-Inclusive Hourly Labour Rate for a bidder is then simply calculated as the average of all non-excluded

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

hourly labour rates that were submitted by that bidder. The original quoted hourly labour rate will be in effect at Contract Award.

A bid that has an Adjusted Average All-Inclusive Hourly Labour Rate that is more than 25.00% greater than the median of the Adjusted Average All-Inclusive Hourly Labour Rate from all submissions will be assigned an All-Inclusive Hourly Labour Rate score of 0.00 points. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

A bid that has an Adjusted Average All-Inclusive Hourly Labour Rate that is more than 35.00% below the median of the Adjusted Average All-Inclusive Hourly Labour Rate from all submissions will be assigned an All-Inclusive Hourly Labour Rate score of 0.00 points. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Of the remaining bids, the Bidder with the lowest computed Adjusted Average All-Inclusive Hourly Labour Rate will receive the full 20.00 points and all other scores will be prorated against this lowest Adjusted Average All-Inclusive Hourly Labour Rate.

For example purposes only, consider the following example in Figure 6 for the All-Inclusive Hourly Labour Rate Submission.

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

Figure 6 All-Inclusive Hourly Labour Rate Example

Contract	Submitted All-Inclusive Hourly Labour Rates						Median	35% Min	Adjusted Hourly Rates Based on 35% Threshold				
Year	Labour Category	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	Rate	Threshold	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
1	Senior Engineer	\$250.00	\$150.00	\$210.00	\$ 90.00	\$105.00	\$150.00	\$ 97.50	\$ 250.00	\$150.00	\$210.00	Excluded	\$ 105.00
1	Senior Project Manager	\$225.00	\$150.00	\$195.00	\$ 90.00	\$100.00	\$150.00	\$ 97.50	\$ 225.00	\$150.00	\$195.00	Excluded	\$ 100.00
1	Senior Contract Administrator	\$140.00	\$120.00	\$160.00	\$ 80.00	\$ 80.00	\$120.00	\$ 78.00	\$ 140.00	\$120.00	\$160.00	\$ 80.00	\$ 80.00
1	Junior Procurement	\$ -	\$115.00	\$130.00	\$ 75.00	\$ 70.00	\$ 75.00	\$ 48.75	Excluded	\$115.00	\$130.00	\$ 75.00	\$ 70.00
1	Intermediate Technician	\$100.00	\$ 90.00	\$120.00	\$ 75.00	\$ 60.00	\$ 90.00	\$ 58.50	\$ 100.00	\$ 90.00	\$120.00	\$ 75.00	\$ 60.00
2	Senior Engineer	\$255.00	\$155.00	\$220.00	\$ 95.00	\$105.00	\$155.00	\$ 100.75	\$ 255.00	\$155.00	\$220.00	Excluded	\$ 105.00
2	Senior Project Manager	\$230.00	\$150.00	\$205.00	\$ 95.00	\$100.00	\$150.00	\$ 97.50	\$ 230.00	\$150.00	\$205.00	Excluded	\$ 100.00
2	Senior Contract Administrator	\$145.00	\$120.00	\$170.00	\$ 85.00	\$ 80.00	\$120.00	\$ 78.00	\$ 145.00	\$120.00	\$170.00	\$ 85.00	\$ 80.00
2	Junior Procurement	\$ -	\$120.00	\$140.00	\$ 80.00	\$ 70.00	\$ 80.00	\$ 52.00	Excluded	\$120.00	\$140.00	\$ 80.00	\$ 70.00
2	Intermediate Technician	\$100.00	\$ 95.00	\$130.00	\$ 80.00	\$ 60.00	\$ 95.00	\$ 61.75	\$ 100.00	\$ 95.00	\$130.00	\$ 80.00	Excluded
3	Senior Engineer	\$270.00	\$165.00	\$230.00	\$100.00	\$110.00	\$165.00	\$ 107.25	\$ 270.00	\$165.00	\$230.00	Excluded	\$ 110.00
3	Senior Project Manager	\$240.00	\$160.00	\$215.00	\$100.00	\$105.00	\$160.00	\$ 104.00	\$ 240.00	\$160.00	\$215.00	Excluded	\$ 105.00
3	Senior Contract Administrator	\$150.00	\$130.00	\$180.00	\$ 90.00	\$ 85.00	\$130.00	\$ 84.50	\$ 150.00	\$130.00	\$180.00	\$ 90.00	\$ 85.00
3	Junior Procurement	\$ -	\$125.00	\$150.00	\$ 85.00	\$ 75.00	\$ 85.00	\$ 55.25	Excluded	\$125.00	\$150.00	\$ 85.00	\$ 75.00
3	Intermediate Technician	\$110.00	\$ 95.00	\$140.00	\$ 85.00	\$ 65.00	\$ 95.00	\$ 61.75	\$ 110.00	\$ 95.00	\$140.00	\$ 85.00	\$ 65.00
4	Senior Engineer	\$280.00	\$170.00	\$240.00	\$105.00	\$120.00	\$170.00	\$ 110.50	\$ 280.00	\$170.00	\$240.00	Excluded	\$ 120.00
4	Senior Project Manager	\$245.00	\$170.00	\$225.00	\$105.00	\$115.00	\$170.00	\$ 110.50	\$ 245.00	\$170.00	\$225.00	Excluded	\$ 115.00
4	Senior Contract Administrator	\$155.00	\$150.00	\$190.00	\$ 95.00	\$ 95.00	\$150.00	\$ 97.50	\$ 155.00	\$150.00	\$190.00	Excluded	Excluded
4	Junior Procurement	\$ -	\$130.00	\$160.00	\$ 90.00	\$ 85.00	\$ 90.00	\$ 58.50	Excluded	\$130.00	\$160.00	\$ 90.00	\$ 85.00
4	Intermediate Technician	\$115.00	\$110.00	\$150.00	\$ 90.00	\$ 75.00	\$110.00	\$ 71.50	\$ 115.00	\$110.00	\$150.00	\$ 90.00	\$ 75.00
5	Senior Engineer	\$285.00	\$175.00	\$250.00	\$110.00	\$125.00	\$175.00	\$ 113.75	\$ 285.00	\$175.00	\$250.00	Excluded	\$ 125.00
5	Senior Project Manager	\$250.00	\$175.00	\$235.00	\$110.00	\$115.00	\$175.00	\$ 113.75	\$ 250.00	\$175.00	\$235.00	Excluded	\$ 115.00
5	Senior Contract Administrator	\$160.00	\$155.00	\$200.00	\$100.00	\$ 95.00	\$155.00	\$ 100.75	\$ 160.00	\$155.00	\$200.00	Excluded	Excluded
5	Junior Procurement	\$ -	\$135.00	\$170.00	\$ 95.00	\$ 90.00	\$ 95.00	\$ 61.75	Excluded	\$135.00	\$170.00	\$ 95.00	\$ 90.00
5	Intermediate Technician	\$120.00	\$115.00	\$160.00	\$ 95.00	\$ 75.00	\$115.00	\$ 74.75	\$ 120.00	\$115.00	\$160.00	\$ 95.00	\$ 75.00
6	Senior Engineer	\$290.00	\$180.00	\$260.00	\$115.00	\$130.00	\$180.00	\$ 117.00	\$ 290.00	\$180.00	\$260.00	Excluded	\$ 130.00
6	Senior Project Manager	\$255.00	\$180.00	\$245.00	\$115.00	\$120.00	\$180.00	\$ 117.00	\$ 255.00	\$180.00	\$245.00	Excluded	\$ 120.00
6	Senior Contract Administrator	\$165.00	\$160.00	\$210.00	\$105.00	\$100.00	\$160.00	\$ 104.00	\$ 165.00	\$160.00	\$210.00	\$ 105.00	Excluded
6	Junior Procurement	\$ -	\$140.00	\$180.00	\$100.00	\$ 95.00	\$100.00	\$ 65.00	Excluded	\$140.00	\$180.00	\$ 100.00	\$ 95.00
6	Intermediate Technician	\$125.00	\$120.00	\$170.00	\$100.00	\$ 85.00	\$120.00	\$ 78.00	\$ 125.00	\$120.00	\$170.00	\$ 100.00	\$ 85.00
Average All-Inclusive Hourly Labour Rate		\$155.33	\$140.17	\$188.00	\$ 94.50	\$ 93.00			\$ 194.17	\$140.17	\$188.00	\$ 88.13	\$ 93.85
Median of the Adjusted Average All-Inclusive Hourly Labour Rate from all Submissions									\$ 140.17				
Variance to Median of the Adjusted Average All-Inclusive Hourly Labour Rate from all Submissions									38.53%	0.00%	34.13%	-37.13%	-33.05%
More than 25% greater than the Median of the Adjusted Average All-Inclusive Hourly Labour Rate from all Submissions									X		X		
More than 35% below the Median of the Adjusted Average All-Inclusive Hourly Labour Rate from all Submissions												X	
Pro-Rated All-Inclusive Hourly Labour Rate Score (out of 20)									0.00	13.39	0.00	0.00	20.00

Bidders A and C have an Adjusted Average All-Inclusive Hourly Labour Rate that is more than 25% greater than the median of the Adjusted Average All-Inclusive Hourly Labour Rate from all bidders and therefore both receive 0.00 points for this section.

Bidder D has an Adjusted Average All-Inclusive Hourly Labour Rate that is more than 35% below the median of the Adjusted Average All-Inclusive Hourly Labour Rate from all bidders and therefore receives 0.00 points for this section.

All remaining bidders (B and E in our example) will receive a prorated score using the following formula:

Prorated Point Score = Lowest Adjusted Average All-Inclusive Hourly Labour Rate / Bidder's Adjusted Average All-Inclusive Hourly Labour Rate X 20 points

Bidder B - $93.85 / 140.17 \times 20 = 13.39$ points

Bidder E - $93.85 / 93.85 \times 20 = 20.00$ points

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

Bidder E has the lowest valid Adjusted Average All-Inclusive Hourly Labour Rate, and therefore, receives the full 20.00 points for this section.

4.3.3.1.2 Management Fee

While the bidders only submit a Management Fee for the first six (6) years of the Contract Period, for evaluation purposes only, Canada will apply a 2.00% escalation factor starting with the Year 6 submission for Contract years 7-12 to determine a 12 Year Total Management Fee from each bidder over the full 12 year anticipated term of the contract.

The Year 6 Management Fee must be within +/-10% of the average Management Fee submissions for years 1 to 5.

Canada will compute a Management Fee score out of 30.00 points for each Bidder. All calculations will be performed to 2 decimal places.

A bid that has a Year 6 Management Fee that is not within +/-10% of their average Management Fee submissions for years 1 to 5 will be assigned a Management Fee score of 0.00 points.

A bid that has a computed 12 Year Total Management Fee that is more than 25.00% greater than the median 12 Year Total Management Fee from all submissions will be assigned a Management Fee score of 0.00 points. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

A bid that has a computed 12 Year Total Management Fee that is more than 35.00% below the median 12 Year Total Management Fee from all submissions will be assigned a Management Fee score of 0.00 points. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Of the remaining bids, the Bidder with the lowest computed 12 Year Total Management Fee will receive a Management Fee score of 30.00 points and all other scores will be prorated against this lowest computed 12 Year Total Management Fee.

For example purposes only, consider the following example in Figure 7 for the Management Fee Submission.

Figure 7 Management Fee Example

Contract Year	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Year 1 - Bidder Submitted Annual Management Fee	\$ 500,000.00	\$ 100,000.00	\$ 600,000.00	\$ 325,000.00	\$ 750,000.00
Year 2 - Bidder Submitted Annual Management Fee	\$ 510,000.00	\$ 120,000.00	\$ 625,000.00	\$ 325,000.00	\$ 625,000.00
Year 3 - Bidder Submitted Annual Management Fee	\$ 520,200.00	\$ 130,000.00	\$ 650,000.00	\$ 300,000.00	\$ 650,000.00
Year 4 - Bidder Submitted Annual Management Fee	\$ 530,604.00	\$ 140,000.00	\$ 650,000.00	\$ 300,000.00	\$ 700,000.00
Year 5 - Bidder Submitted Annual Management Fee	\$ 541,216.08	\$ 150,000.00	\$ 700,000.00	\$ 350,000.00	\$ 725,000.00
Year 6 - Bidder Submitted Annual Management Fee	\$ 552,040.40	\$ 1,500,000.00	\$ 750,000.00	\$ 350,000.00	\$ 725,000.00
Year 7 - Annual Management Fee Escalated by 2% per Year	\$ 563,081.21	\$ 1,530,000.00	\$ 765,000.00	\$ 357,000.00	\$ 739,500.00
Year 8 - Annual Management Fee Escalated by 2% per Year	\$ 574,342.83	\$ 1,560,600.00	\$ 780,300.00	\$ 364,140.00	\$ 754,290.00
Year 9 - Annual Management Fee Escalated by 2% per Year	\$ 585,829.69	\$ 1,591,812.00	\$ 795,906.00	\$ 371,422.80	\$ 769,375.80
Year 10 - Annual Management Fee Escalated by 2% per Year	\$ 597,546.28	\$ 1,623,648.24	\$ 811,824.12	\$ 378,851.26	\$ 784,763.32
Year 11 - Annual Management Fee Escalated by 2% per Year	\$ 609,497.21	\$ 1,656,121.20	\$ 828,060.60	\$ 386,428.28	\$ 800,458.58
Year 12 - Annual Management Fee Escalated by 2% per Year	\$ 621,687.15	\$ 1,689,243.63	\$ 844,621.81	\$ 394,156.85	\$ 816,467.75
12 Year Total Management Fee	\$ 6,706,044.86	\$ 11,791,425.07	\$ 8,800,712.54	\$ 4,201,999.18	\$ 8,839,855.45
Median 12 Year Total Management Fee from all Submissions	\$ 8,800,712.54				
Average Management Fee for Years 1-5	\$ 520,404.02	\$ 128,000.00	\$ 645,000.00	\$ 320,000.00	\$ 690,000.00
	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Variance to Median 12 Year Total Management Fee from all Submissions	-23.80%	33.98%	0.00%	-52.25%	0.44%
More than 25% greater than the Median 12 Year Total Management Fee from all Submissions		X			
More than 35% below the Median 12 Year Total Management Fee from all Submissions				X	
Year 6 Bidder Submitted Annual Management Fee within +/- 10% of the Average for Years 1-5		X	X		
Pro-Rated Management Fee Score (out of 30)	30.00	0.00	0.00	0.00	22.76

Bidder B has a 12 Year Total Management Fee that is more than 25% greater than the median 12 Year Total Management Fee from all bidders and therefore receives 0.00 points for this section.

Bidder D has a 12 Year Total Management Fee that is more than 35% below the median 12 Year Total Management Fee from all bidders and therefore receives 0.00 points for this section.

Bidders B and C have a Year 6 Bidder Submitted Annual Management Fee that is not within +/- 10% of the Average for Years 1-5 and therefore receives 0.00 points for this section.

All remaining bidders (A and E in our example) will receive a prorated score using the following formula:

Prorated Point Score = Lowest 12 Year Total Management Fee / Bidder's 12 Year Total Management Fee X 30 points

Bidder A - $6,706,044.86 / 6,706,044.86 \times 30 = 30.00$ points

Bidder E - $6,706,044.86 / 8,839,855.45 \times 30 = 22.76$ points

Bidder A has the lowest valid 12 Year Total Management Fee, and therefore, receives the full 30.00 points for this section.

4.3.3.1.3 Mark-up on Subcontractor Costs

Canada will compute a score out of 25.00 points for the Mark-ups provided on Subcontractor costs. All calculations will be performed to 2 decimal places. The score will be calculated as follows:

Step 1: Canada will calculate a weighted average of the mark-up rates for each bidder in accordance with the weights in the table below:

Annual Expenditure Thresholds	\$0 to \$5M	>\$5M to \$10M	> \$10M
Weighting Factor	6	5	4

For example, if a bidder provides Mark-up rates of 12%, 10.70%, 9.20%, the weighted average Mark-up rate will be calculated as follows: $(12\% \times 6 + 10.70\% \times 5 + 9.20\% \times 4) / (6 + 5 + 4) = 10.82\%$.

Step 2: Calculate the median of the weighted average Mark-up rates from all submissions.

Step 3: Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the bidder's weighted average.

For example, if a bidder's weighted average Mark-up rate is 15.92% and the median is 10.82%, then the variance to the median is calculated as follows: $(15.92\% - 10.82\%) / 10.82\% = 47.13\%$.

Step 4: If the bidder's variance is more than 25.00% greater than the median, a score of 0.00 points will be assigned. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Step 5: If the bidder's variance is more than 35.00% below the median, a score of 0.00 points will be assigned. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Step 6: The Bidder with the lowest weighted average Mark-up Rate on Subcontractor Costs, that have not received a score of zero, will receive the full 25.00 points and all other scores will be prorated against this lowest weighted average mark-up rate.

For example purposes only, consider the following example in Figure 8 for the Mark-up on Subcontractor Costs Submission.

Figure 8 Mark-up on Subcontractor Costs Example

Annual Expenditure Thresholds	Submitted Mark-up Rate on Subcontractor Costs				
	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
\$0 - \$5M (weighting factor = 6)	17.30%	14.80%	12.00%	10.00%	8.50%
>\$5M - \$10M (weighting factor= 5)	15.80%	13.30%	10.70%	7.20%	6.50%
> \$10M (weighting factor = 4)	14.00%	10.00%	9.20%	5.00%	5.00%
Weighted Average Mark-Up Rate	15.92%	13.02%	10.82%	7.73%	6.90%
Median of the Weighted Average Mark-up Rate on Subcontractor Costs from all Submissions	10.82%				
Variance to Median of the Mark-up Rate on Subcontractor Costs from all Submissions	47.13%	20.33%	0.00%	-28.53%	-36.23%
More than 25% greater than the Median of the Mark-up Rate on Subcontractor Costs from all Submissions	X				
More than 35% below than the Median of the Mark-up Rate on Subcontractor Costs from all Submissions					X
Pro-Rated Mark-up on Subcontractor Costs Score (out of 25)	0.00	14.85	17.87	25.00	0.00

Bidder A has a weighted average Mark-up Rate on Subcontractor Costs that is more than 25.00% greater than the median of the weighted average Mark-up Rate on Subcontractor Costs from all bidders and therefore receives 0.00 points for this section.

Bidder E has a weighted average Mark-up Rate on Subcontractor Costs that is 35.00% less than the median of the weighted average Mark-up Rate on Subcontractor Costs from all bidders and therefore receives 0.00 points for this section.

All remaining bidders (B, C and D in our example) will receive a prorated score using the following formula:

Prorated Point Score = Lowest Weighted Average Mark-up Rate on Subcontractor Costs / Bidder's Weighted Average Mark-up Rate on Subcontractor Costs X 25 points

Bidder B - $7.73 / 13.02 \times 25 = 14.85$ points

Bidder C - $7.73 / 10.82 \times 25 = 17.87$ points

Bidder D - $7.73 / 7.73 \times 25 = 25.00$ points

Bidder D has the lowest valid weighted average Mark-up Rate on Subcontractor Costs and therefore, receives the full 25.00 points for this section.

4.3.3.1.4 Mark-up on Material Costs

Canada will compute a score out of 25.00 points for the Mark-ups provided on Material costs. All calculations will be performed to 2 decimal places. The score will be calculated as follows:

Step 1: Canada will calculate a weighted average of the Mark-up rates for each bidder in accordance with the weights in the table below:

Annual Expenditure Thresholds	\$0 to \$3M	>\$3M to \$6M	> \$6M
Weighting Factor	6	5	4

For example, if a bidder provides Mark-up rates of 9.50%, 8.19%, 6.50%, the weighted average Mark-up rate will be calculated as follows: $(9.50\% \times 6 + 8.19\% \times 5 + 6.50\% \times 4) / (6 + 5 + 4) = 8.26\%$.

Step 2: Calculate the median of the weighted average Mark-up rates from all submissions.

Step 3. Calculate the variance to the median by taking the bidder's weighted average minus the median score, and divided by the bidder's weighted average.

For example, if a bidder's weighted average Mark-up rate is 8.26% and the median is 6.61%, then the variance to the median is calculated as follows: $(8.26\% - 6.61\%) / 6.61\% = 24.95\%$.

Step 4: If the bidder's variance is more than 25.00% greater than the median, a score of 0.00 points will be assigned. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Step 5: If the bidder's variance is more than 35.00% below the median, a score of 0.00 points will be assigned. In the event that Canada only receives two or fewer bids, this paragraph will not apply.

Step 6: The Bidder with the lowest weighted average Mark-up Rate on Material Costs, that have not received a score of zero, will receive the full 25.00 points and all other scores will be prorated against this lowest weighted average Mark-up rate.

For example purposes only, consider the following example in Figure 8 for the Mark-up on Material Costs Submission.

Figure 9 Mark-up on Material Costs Example

Annual Expenditure Thresholds	Submitted Mark-up Rate on Material Costs				
	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
\$0 - \$3M (weighting factor = 6)	11.00%	9.50%	8.20%	7.00%	6.00%
>\$3M - \$6M (weighting factor= 5)	9.80%	8.19%	6.00%	5.60%	4.00%
> \$6M (weighting factor = 4)	7.80%	6.50%	5.00%	4.00%	2.00%
Weighted Average Mark-Up Rate	9.75%	8.26%	6.61%	5.73%	4.27%
Median of the Weighted Average Mark-up Rate on Subcontractor Costs from all Submissions	6.61%				
Variance to Median of the Mark-up Rate on Material Costs from all Submissions	47.38%	24.95%	0.00%	-13.31%	-35.48%
More than 25% greater than the Median of the Mark-up Rate on Material Costs from all Submissions	X				
More than 35% below than the Median of the Mark-up Rate on Material Costs from all Submissions					X
Pro-Rated Mark-up on Material Costs Score (out of 25)	0.00	17.35	21.67	25.00	0.00

Bidder A has a weighted average Mark-up Rate on Material Costs that is more than 25.00% greater than the median of the weighted average Mark-up Rate on Material Costs from all bidders and therefore receives 0.00 points for this section.

Bidder E has a weighted average Mark-up Rate on Material Costs that is 35.00% less than the median of the weighted average Mark-up Rate on Material Costs from all bidders and therefore receives 0.00 points for this section.

All remaining bidders (B, C and D in our example) will receive a prorated score using the following formula:

Prorated Point Score = Lowest Weighted Average Mark-up Rate on Material Costs / Bidder's Weighted Average Mark-up Rate on Material Costs X 25 points

Bidder B - $5.73 / 8.26 \times 25 = 17.35$ points
Bidder C - $5.73 / 6.61 \times 25 = 21.67$ points
Bidder D - $5.73 / 5.73 \times 25 = 25.00$ points

Bidder D has the lowest valid weighted average Mark-up Rate on Material Costs and therefore, receives the full 25.00 points for this section.

4.3.3.2 Financial Bid Scores

Canada will compute a Financial Bid Score out of 30.00 points for each Bidder. All calculations will be performed to 2 decimal places.

The sum of the prorated scores of each financial element for each Bidder is shown below in Figure 10.

Figure 10 – Financial Bid Score Example

Financial Element	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
All-Inclusive Hourly Labour Rate	0.00	13.39	0.00	0.00	20.00
Management Fee	30.00	0.00	0.00	0.00	22.76
Mark-up Rate on Subcontractor Costs	0.00	14.85	17.87	25.00	0.00
Mark-up Rate on Material Costs	0.00	17.35	21.67	25.00	0.00
Total Score	30.00	45.59	39.54	50.00	42.76

The Bidder with the highest Total Score will receive a Financial Bid Score of 30.00 points. All other bidders will receive a Financial Bid Score that is prorated against the highest total points using the following formula to determine the final Financial Bid Score:

Financial Bid Score = Bidder's Total Points / Highest Total Points X 30.00

Using our example the Financial Bid Scores would be calculated as:

Bidder A - $30.00 / 50.00 \times 30 = 18.00$ points
Bidder B - $45.59 / 50.00 \times 30 = 27.35$ points
Bidder C - $39.54 / 50.00 \times 30 = 23.72$ points
Bidder D - $50.00 / 50.00 \times 30 = 30.00$ points
Bidder E - $42.76 / 50.00 \times 30 = 25.67$ points

In this example, Bidder D would receive the full 30 points for the Financial Bid score.

4.3.4 Industrial and Technological Benefits (ITB)/ Value Proposition Evaluation

***Please refer to separate attachment titled: *Industrial and Technological Benefits - Evaluation Plan*.

4.4 Basis of Selection

A bid must comply with the requirements of the bid solicitation, meet all mandatory criteria and obtain the required minimum points for the point-rated evaluation criteria to be declared responsive. Neither the responsive bid obtaining the highest technical score nor the one with the lowest evaluated price will necessarily be accepted. The responsive bid with the highest combined rating of Technical Merit Score, Financial Bid Score and Value Proposition Score will be recommended for award of a contract.

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

Attachment 1 to Part 4 - Financial Bid Presentation Sheet

1.0 All-Inclusive Hourly Labour Rates (20 points)

Category	Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
		Rate	Rate	Rate	Rate	Rate	Rate
Engineer	Junior						
Engineer	Intermediate						
Engineer	Senior						
IT Specialist	Junior						
IT Specialist	Intermediate						
IT Specialist	Senior						
Engineering Specialist							
Life Cycle Management Specialist	Junior						
Life Cycle Management Specialist	Intermediate						
Life Cycle Management Specialist	Senior						
Technologist	Junior						
Technologist	Intermediate						
Technologist	Senior						
Technician	Junior						
Technician	Intermediate						
Technician	Senior						
Project Manager	Intermediate						
Project Manager	Senior						
Planners/Schedulers	Junior						
Planners/Schedulers	Intermediate						
Planners/Schedulers	Senior						
Cost Estimation Specialist	Junior						
Cost Estimation Specialist	Intermediate						
Cost Estimation Specialist	Senior						
Quality Assurance/Management Specialist							
Risk Management Specialist							
Contract Administrator							
Administrative Support	Junior						
Administrative Support	Intermediate						
Administrative Support	Senior						
Procurement Specialist	Junior						
Procurement Specialist	Intermediate						
Procurement Specialist	Senior						
Integrated Logistics Support Specialist	Junior						
Integrated Logistics Support Specialist	Intermediate						
Integrated Logistics Support Specialist	Senior						
Documents and Records Management Specialist	Junior						
Documents and Records Management Specialist	Intermediate						
Documents and Records Management Specialist	Senior						
Technical Writer							
Health, Safety, Security and Environmental Manager							
Average of labour rates per year							

2.0 Management Fee (30 points)

Contract Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Management Fee						

3.0 Mark-up on Subcontractor Costs (25 points)

	Annual Expenditure Thresholds		
	From \$0 to \$5M	Greater than \$5M up to \$10M	Greater than \$10M
Overhead (%)			
General & Administrative (%)			
Profit (%)			
Total Mark-up on Subcontractor Costs (%)			

4.0 Mark-up on Material Costs (25 points)

	Annual Expenditure Thresholds		
	From \$0 to \$3M	Greater than \$3M up to \$6M	Greater than \$6M
Overhead (%)			
General & Administrative (%)			
Profit (%)			
Total Mark-up on Material Costs (%)			

PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION

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

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

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

5.1 Certifications Required with the Bid

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

5.1.1 Integrity Provisions - Declaration of Convicted Offences

In accordance with the Integrity Provisions of the Standard Instructions, all bidders must provide with their bid, **if applicable**, the Integrity declaration form available on the [Forms for the Integrity Regime](http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html) website (<http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html>), to be given further consideration in the procurement process.

5.2 Certifications Precedent to Contract Award and Additional Information

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

5.2.1 Integrity Provisions – Required Documentation

In accordance with the section titled Information to be provided when bidding, contracting or entering into a real procurement agreement of the [Ineligibility and Suspension Policy](http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html) (<http://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html>), the Bidder must provide the required documentation, as applicable, to be given further consideration in the procurement process.

5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

By submitting a bid, the Bidder certifies that the Bidder, and any of the Bidder's members if the Bidder is a Joint Venture, is not named on the Federal Contractors Program (FCP) for employment equity "FCP Limited Eligibility to Bid" list available at the bottom of the page of the [Employment and Social Development Canada \(ESDC\) - Labour's](https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#) website (<https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#>).

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

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

The Bidder must provide the Contracting Authority with a completed annex [titled Federal Contractors Program for Employment Equity - Certification](#), before contract award. If the Bidder is a Joint Venture, the Bidder must provide the Contracting Authority with a completed annex H Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

5.2.3 Additional Certifications Precedent to Contract Award

5.2.3.1 Non-Exclusivity Certification

By submitting a bid, the Bidder certifies that it has not entered into and will not enter into any contractual arrangement or understanding that will have the effect of imposing any restriction that limits Canada's right to use, have used or dispose of the Work, or Canada's right to purchase from any third party any goods or services for the HCCS EG, or limits the right of any Subcontractor or supplier to sell to Canada or a contractor of Canada any such good and/or service.

5.3 Status and Availability of Resources

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

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

Name (please print)

Signature

Date

5.4 Education and Experience

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

Name (please print)

Signature

Date

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

6.1 Security Requirements

Before award of a contract, the following conditions must be met:

- a. the Bidder must hold a valid organization security clearance as indicated in Part 7 - Resulting Contract Clauses;
- b. the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work sites must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;
- c. the Bidder must provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites;
- d. the Bidder's proposed location of work performance and document safeguarding must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;

Bidders are reminded to obtain the required security clearance promptly. Any delay in the award of a contract to allow the successful Bidder to obtain the required clearance will be at the entire discretion of the Contracting Authority.

For additional information on security requirements, Bidders should refer to the Contract Security Program of Public Works and Government Services Canada (<http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html>) website.

6.2 Financial Capability

Financial Capability Requirement: The Bidder must have the financial capability to fulfill this requirement. To determine the Bidder's financial capability, the Contracting Authority may, by written notice to the Bidder, require the submission of some or all of the financial information detailed below during the evaluation of bids. The Bidder must provide the following information to the Contracting Authority within fifteen (15) working days of the request or as specified by the Contracting Authority in the notice:

- a. Audited financial statements, if available, or the unaudited financial statements (prepared by the Bidder's outside accounting firm, if available, or prepared in-house if no external statements have been prepared) for the Bidder's last three fiscal years, or for the years that the Bidder has been in business if this is less than three years (including, as a minimum, the Balance Sheet, the Statement of Retained Earnings, the Income Statement and any notes to the statements).
- b. If the date of the financial statements in (a) above is more than five months before the date of the request for information by the Contracting Authority, the Bidder must also provide, unless this is prohibited by legislation for public companies, the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement), as of two months before the date on which the Contracting Authority requests this information.
- c. If the Bidder has not been in business for at least one full fiscal year, the following must be provided:
 - i. the opening Balance Sheet on commencement of business (in the case of a corporation, the date of incorporation); and
 - ii. the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement) as of two months before the date on which the Contracting Authority requests this information.
- d. A certification from the Chief Financial Officer or an authorized signing officer of the Bidder that the financial information provided is complete and accurate.
- e. A confirmation letter from all of the financial institution(s) that have provided short-term financing to the Bidder outlining the total of lines of credit granted to the Bidder and the amount of credit

that remains available and not drawn upon as of one month prior to the date on which the Contracting Authority requests this information.

- f. A detailed monthly Cash Flow Statement covering all the Bidder's activities (including the requirement) for the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures on a monthly basis, for all the Bidder's activities. All assumptions made should be explained as well as details of how cash shortfalls will be financed.
- g. A detailed monthly Project Cash Flow Statement covering the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement must detail the Bidder's major sources and amounts of cash and the major items of cash expenditures, for the requirement, on a monthly basis. All assumptions made should be explained as well as details of how cash shortfalls will be financed.

If the Bidder is a joint venture, the financial information required by the Contracting Authority must be provided by each member of the joint venture.

If the Bidder is a subsidiary of another company, then any financial information in 1. (a) to (f) above required by the Contracting Authority must be provided by the ultimate parent company. Provision of parent company financial information does not by itself satisfy the requirement for the provision of the financial information of the Bidder, and the financial capability of a parent cannot be substituted for the financial capability of the Bidder itself unless an agreement by the parent company to sign a Parental Guarantee, as drawn up by Public Works and Government Services Canada (PWGSC), is provided with the required information.

Financial Information Already Provided to PWGSC: The Bidder is not required to resubmit any financial information requested by the Contracting Authority that is already on file at PWGSC with the Contract Cost Analysis, Audit and Policy Directorate of the Policy, Risk, Integrity and Strategic Management Sector, provided that within the above-noted time frame:

- a. the Bidder identifies to the Contracting Authority in writing the specific information that is on file and the requirement for which this information was provided; and
- b. the Bidder authorizes the use of the information for this requirement.

It is the Bidder's responsibility to confirm with the Contracting Authority that this information is still on file with PWGSC.

Other Information: Canada reserves the right to request from the Bidder any other information that Canada requires to conduct a complete financial capability assessment of the Bidder.

Confidentiality: If the Bidder provides the information required above to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as permitted by the [Access to Information Act](#), R.S., 1985, c. A-1, Section 20(1) (b) and (c).

Security: In determining the Bidder's financial capability to fulfill this requirement, Canada may consider any security the Bidder is capable of providing, at the Bidder's sole expense (for example, an irrevocable letter of credit from a registered financial institution drawn in favor of Canada, a performance guarantee from a third party or some other form of security, as determined by Canada).

6.3 Controlled Goods Requirement

SACC Manual clause [A9130T](#) (2014-11-27) Controlled Goods Program

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

6.4 Insurance Requirements

The Contractor must forward to the Contracting Authority within ten (10) days after the date of award of the Contract, a Certificate of Insurance evidencing the insurance coverage specified in the Contract and confirming that the insurance policy complying with the requirements is in force. Without limiting Canada's other remedies under the Contract, if the Contractor fails to meet this requirement within the time specified above, Canada may at any time thereafter serve notice to the Contractor terminating the Contract for default of the Contractor.

PART 7 - RESULTING CONTRACT CLAUSES

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

SECTION 1 – STATEMENT OF REQUIREMENTS

7.1 Requirement

This contract is issued on behalf of the Department of National Defence (DND) for the provision of In-Service Support (ISS) for the *Halifax*-class Combat Systems (HCCS) Equipment Group. The HCCS Equipment Group is described in the Performance Work Statement Annex A - Appendix 2. The services will include:

- a. In-Service Support Management
- b. Technical Schedule Management
- c. In-Service Support Activities: Configuration Management, Technical Problem Management, Obsolescence Management, Technical Data Management, Special Tools and Test Equipment, Engineering Support, Maintenance, Material Management.
- d. Training Support
- e. Information Exchange
- f. Performance Monitoring and Assessment

The Contractor must:

- a. Perform the Work in accordance with the Performance Work Statement at Annex A; and
- b. Provide Industrial and Technological Benefits (ITB) and Value Proposition (VP) benefits in accordance with the requirements set out in Annex J and the commitments set out in the ITB and VP portions of the Contractor's bid dated _____.
- c. The Contractor must conduct all Management Work in Canada.

The Industrial and Technological Benefits terms and conditions attached hereto as Annex J - ITB Terms and Conditions, which contains the Contractor's obligations for the ITB, forms part of this Contract and the Contractor hereby agrees to fulfill its ITB obligations as set out in the ITB terms and conditions.

The Contractor understands and agrees that, due to the potential for changes to DND's operational needs or changes to the Government of Canada's policies or fiscal priorities over the duration of this Contract, the requirements specified in Annex A of this contract could be amended. As a result of the potential for change, Canada reserves the right to add or remove portions of the Work from the Contract as it deems necessary. If this were to occur, Canada will revise the Basis of Payment in accordance with the principles of PWGSC 1031-2 Contract Cost Principles to reflect either an increase or decrease in the scope of the Work, and the Parties will amend the Contract accordingly.

7.2 Work Categories:

The Contractor acknowledges that ISS is comprised of two kinds of Work:

- a. **Management Work:** Management Work is the initiating, planning, organizing, influencing and controlling activities required to execute the Work, all as specified in Annex A - Performance Work Statement.
- b. **Emergent Work:** Emergent Work is all work other than Management Work specified in Annex A - Performance Work Statement.

7.3 Work Phases:

7.3.1 Start-up Phase

The purpose of the Start-Up Phase is for the Contractor to establish full service delivery capability and to demonstrate that implementable processes are in place to deliver the *Work* as specified in Annex A - Performance Work Statement. The Start-Up Phase starts at contract award, and ends when the Contractor has reached a steady-state ISS capability as verified by Canada and is accordingly capable to start the conduct of steady-state ISS of the HCCS EG, all as described in the PWS.

The Contractor must report the start-up phase progress and activities at the Progress Review Meetings or upon Canada's request. A senior representative of the Contractor must be available to meet with DND/PWGSC as many times as Canada considers necessary during the start-up phase.

7.3.2 Steady-State Phase

The purpose of the Steady-State Phase is to conduct In-Service Support (ISS) of the HCCS EG under the Performance Management Framework. The contractor should deliver affordable and sustainable support to ensure the HCCS EG complies with the Canadian configuration of the HCCS EG.

Canada and the Contractor will implement a performance incentive regime in accordance with the process defined in the Performance Work Statement - Annex A - Chapter 8.

7.3.3 Close-Out Phase

The Work of the Close-Out Phase is described in the PWS. The purpose of the Close-Out Phase is to ensure an orderly transition of information and materiel from the current Contractor to Canada.

7.4 Work Authorization – Emergent Work:

Emergent work will be conducted by the Contractor on an "as and when requested" basis, when authorized by Canada in accordance with Annex D - Emergent Work Request (EWR) - Task Authorization Process and DND 626 form. The Work described in the DND 626 must be in accordance with the scope of the Contract.

Whether or not to authorize any emergent work under the Contract is entirely within the discretion of Canada.

7.5 Annual Operating Plan

The Contractor must prepare an Annual Operating Plan (AOP) and submit an initial version in accordance with Contract Data Requirements List (CDRL) PM-005 of Annex A – Performance Work Statement (PWS) all as Management Work. The AOP must be fully substantiated with proper supporting documentation. The Contractor must submit the initial version of the AOP in October of each year. Canada and the Contractor will review and iterate on the AOP in November and December. Once the AOP forecast for the forthcoming year is agreed upon by the Contractor, DND and PSPC, the DMARP Procurement Authority will raise multiple DND 626 Task Authorizations to formally authorize the Contractor to proceed with the defined work for that year in accordance with the AOP.

7.6 Repair and Overhaul:

The Contractor must, as emergent work and subject to issuance of a task authorization, provide repair and overhaul services for those repairable items for which the Contractor has received authorization in accordance with ALM-184-001/JS-001 Special Instructions – Repair and Overhaul Contractors as specified in Annex L - Logistic Statement of Work (LOGSOW) for Free-Flow Repair and Overhaul.

The Contractor must also comply with the requirements contained in Annex L - Logistic Statement of Work (LOGSOW) for Free-Flow Repair and Overhaul and other supply procedures as may be advised

from time to time in the demanding, handling, packaging, storing, shipping and recording, etc., of the DND equipment in the Contractor's custody.

7.7 Meetings

7.7.1 Kick-off Meeting

A kick-off meeting will be scheduled in accordance with the PWS. The kick-off meeting will be chaired by the Contracting Authority (CA) and will take place at the Contractor's facility no later than 30 calendar days after Contract Award.

The Contractor must forward a list of meeting attendees and an agenda for this meeting to the CA no later than 5 working days prior to the meeting.

7.7.2 Progress Review Meetings

Progress Review Meetings (PRMs) will be scheduled in accordance with the Performance Work Statement at Annex A. All PRMs will be chaired by the CA. The Contractor must coordinate with the CA for all arrangements related to PRMs.

The Contractor must forward a list of meeting attendees and an agenda for this meeting to the CA no later than 5 working days prior to the meeting.

It is understood that from time to time, if practical to do so, the Contractor may wish to hold a meeting at a subcontractor facility.

Anything contained in minutes of meetings involving a change in the Work, must not be implemented until such change has been formally approved in accordance with the relevant provisions of the Contract.

7.7.3 Technical Review Meetings

Technical Review Meetings (TRMs) include all meetings of a technical nature. Such meetings are described in the PWS at Annex A. TRMs will be chaired by the Technical Authority (TA). The Contractor must coordinate with the TA for all arrangements related to TRMs.

The Contractor must forward a list of meeting attendees and an agenda for this meeting to the TA no later than 5 working days prior to the meeting.

It is understood that from time to time, if practical to do so, the Contractor may wish to hold a meeting at a subcontractor facility.

Anything contained in minutes of meetings involving a change in the Work, must not be implemented until such change has been formally approved in accordance with the relevant provisions of the Contract.

7.7.4 Performance Assessment Meetings

The Performance Assessment Meetings will be used to review and assess the performance measurement data and results from the following metrics: Strategic Performance Measures (SPMs), Key Performance Indicators (KPIs) and System Health Indicators (SHIs).

The Contractor must schedule, plan and organize the Performance Assessment Meetings in accordance with the PWS. All Performance Assessment Meetings will be chaired by the CA and must coincide with the PRMs.

7.7.5 Canada Industry Integrated Project Team (CI-IPT)

Canada is committed to an integrated and cooperative approach between all parties involved in the In-Service Support of the HCCS EG. Given that the HCCS Contractor is a key component of the Halifax-Class In-service support, the Contractor will be required to participate as a member of the CI-IPT. Core Membership at initiation of the CI-IPT will include the Contractor PM and HCCS PM. Full membership will be established by the core group to include representatives from the OEMs and authorized

representatives of the OEMs and Canadian entities that are working with Halifax-class ISS. The CI-IPT will be chaired by Canada.

7.7.6 Meetings are Management Work

All attendance, preparation and other obligations in respect of meetings that are required under this Contract are included in Management Work.

7.8 Reports

The Contractor must, as Management Work, provide all reports as per the CDRL and the Invoicing Instructions that are required by the Contract.

7.9 Optional Goods and/or Services

The Contractor grants to Canada the right and option to add or remove Halifax-class combat systems equipment from the contract.

Canada may require a renegotiation with the Contractor of the cost, basis and method of payment in the event of exercise of any such option, such changes to be based upon the principles of Contract Cost Principles 1031-2 and Chapter 10 of the Supply Manual – Cost and Profit. These options may only be exercised by the Contracting Authority and will be evidenced through a contract amendment. The Contracting Authority may exercise an option at any time before the expiry of the Contract by sending a written notice to the Contractor.

7.10 Delivery

Deliverables under this Contract must be received as specified in Annex E – CDRL.

Deliverables for the emergent work authorized pursuant to this Contract must be received at the place and time specified in each Task Authorization.

7.11 Delivery of work beyond contract period

1. The parties acknowledge that work under some Task Authorizations issued pursuant to this Contract during the Contract Period, will be completed after expiry of the Contract Period.
2. Six (6) months prior to the expiry date of the Contract, as Management Work, the Contractor must provide a listing of outstanding work under the Task Authorizations described in subsection 1, above, to the Contracting Authority and Procurement Authority. Canada may terminate any such Task Authorization at any time prior to expiry of the Contract, subject only to payment of work completed to date, at the rates specified in the Task Authorization and in accordance with the terms and conditions of the Contract.
3. For Task Authorizations described in subsection 1), above, that have not been terminated under subsection 2), Canada will negotiate with the Contractor amended prices for work that Canada requires to be completed after expiry of the Contract Period, provided that payment for subject task is not specified as a firm price or is not otherwise already included in the prices set out in the Task Authorization. Negotiated prices shall not be more than those calculated at the prices specified in the Basis of Payment, that would have been applicable to the work had the Contract Period been extended.
4. At the end of the Contract Period, the Contractor must provide a listing of outstanding work under Task Authorizations to the Contracting Authority and Procurement Authority with estimated times for completion.

SECTION 2 – TERMS AND CONDITIONS

7.12 Standard Clauses and Conditions

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

7.12.1 General Conditions

- a. 2035 (2018-06-21), General Conditions - Higher Complexity - Services, apply to and form part of the Contract.
- b. 1031-2 (2012-07-16), Contract Cost Principles apply to and form part of the contract.

7.12.2 Supplemental General Conditions

Supplemental General Condition:

- a. 1029 (2018-12-06), Ship Repairs
- b. 4007 (2010-08-16), Canada to Own Intellectual Property Rights in Foreground Information, as amended in Annex G.
- c. 4012 (2012-07-16), Goods - Higher Complexity
- d. 4001 (2015-04-01), Hardware Purchase, Lease and Maintenance
- e. 4002 (2010-08-16), Software Development of Modification Services
- f. 4003 (2010-08-16), Licensed Software

7.13 Security Requirements

7.13.1 SECURITY REQUIREMENT FOR CANADIAN SUPPLIER:

7.13.1.1 The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of SECRET, with approved Document Safeguarding and Production Capabilities at the level of SECRET, issued by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).

7.13.1.2 This contract includes access to Controlled Goods. Prior to access, the contractor must be registered in the Controlled Goods Program of Public Works and Government Services Canada (PWGSC).

7.13.1.3 The Contractor/Offeror personnel requiring access to CLASSIFIED UNRESTRICTED CANADIAN information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of SECRET, granted or approved by the CISD/PWGSC.

7.13.1.4 The Contractor/Offeror personnel requiring access to CLASSIFIED RESTRICTED CANADIAN/FOREIGN information, assets or sensitive work site(s) must be a citizen of CANADA or, the UNITED STATES and must EACH hold a valid personnel security screening at the level of SECRET, granted or approved by CISD/PWGSC.

- 7.13.1.5 The Contractor MUST NOT utilize its Information Technology systems to electronically process, produce or store any sensitive CLASSIFIED information until CISC/PWGSC has issued written approval. After approval has been granted, these tasks may be performed at the level of SECRET.**
- 7.13.1.6 The Contractor must complete and submit a Foreign Ownership, Control and Influence (FOCI) Questionnaire and associated documentation identified in the FOCI Guidelines for Organizations prior to contract award to identify whether a third party individual, firm or government can gain unauthorized access to CLASSIFIED FOREIGN information/assets. Public Works and Government Services Canada (PWGSC) will determine if the company is "Not Under FOCI" or "Under FOCI". When an organization is determined to be Under FOCI, PWGSC will ascertain if mitigation measures exist or must be put in place by the company so it can be deemed "Not Under FOCI through Mitigation".**
- 7.13.1.7 The contractor shall at all times during the performance of the contract possess a letter from PWGSC identifying the results of the FOCI assessment with a FOCI designation of Not Under FOCI or Not Under FOCI through Mitigation.**
- 7.13.1.8 All changes to Questionnaire and associated FOCI evaluation factors must immediately be submitted to the Industrial Security Sector (ISS) to determine if the changes impact the FOCI designation.**
- 7.13.1.9 Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CISC/PWGSC.**
- 7.13.1.10 The Contractor/Offeror must comply with the provisions of the:**
- a) Security Requirements Check List and security guide (if applicable), attached at Annex B;
 - b) *Industrial Security Manual* (Latest Edition).
- 7.13.2 SECURITY REQUIREMENT FOR FOREIGN SUPPLIER CONFIDENTIAL, SECRET, FOREIGN CONFIDENTIAL, FOREIGN SECRET**
- 7.13.2.1 The contractor and/or any and all subcontractors must be from a country with which Canada has an international bilateral industrial security instrument or will have such an instrument with Canada by the end of the bidding period. The Contract Security Program (CSP) has international bilateral industrial security instruments with the countries listed on the following PSPC website: <https://www.tpsgc-pwgsc.gc.ca/esc-src/international-eng.html?wbdisable=true#s1>**
- 7.13.2.2 All FOREIGN AND CANADA CLASSIFIED information/assets, furnished to the Foreign recipient Contractor / Offeror / Subcontractor or produced by the Foreign recipient Contractor / Offeror / Subcontractor, shall be safeguarded as follows:**
- 7.13.2.3 The Foreign recipient Contractor / Offeror / Subcontractor shall, at all times during the performance of the Contract / Standing Offer / Subcontract, hold a valid Facility Security Clearance (FSC), issued by the National Security Authority (NSA) or Designated Security Authority (DSA) of the supplier's country, at the equivalent level of SECRET, and hold an approved Document Safeguarding Capability Clearance at the level of SECRET and an authorization to produce (manufacture, and/or repair, and/or modify or otherwise work on) material or equipment at the Foreign recipient Contractor / Offeror / Subcontractor sites, at the level of SECRET, issued by the National Security Authority (NSA) or Designated Security Authority (DSA) for industrial security of the supplier's country in accordance with the national policies of the supplier's country.**

- 7.13.2.4 All FOREIGN AND CANADA CLASSIFIED information/assets provided or generated under this Contract / Standing Offer / Subcontract will continue to be safeguarded in the event of withdrawal by the recipient party or upon termination of the Contract / Standing Offer / Subcontract, in accordance with the national policies of the supplier's country.**
- 7.13.2.5 The Foreign recipient Contractor / Offeror / Subcontractor shall provide the FOREIGN AND CANADA CLASSIFIED information/assets a degree of safeguarding no less stringent than that provided by the Government of Canada in accordance with the national policies, National Security legislation and regulations and as prescribed by the National Security Authority (NSA) or Designated Security Authority (DSA) of the supplier's country.**
- 7.13.2.6 All FOREIGN AND CANADA CLASSIFIED information/assets provided to the Foreign recipient Contractor / Offeror / Subcontractor pursuant to this Contract / Standing Offer / Subcontract by the Government of Canada, shall be marked by the Foreign recipient Contractor / Offeror / Subcontractor with the equivalent security classification utilized by the supplier's country and in accordance with the national policies of the supplier's country.**
- 7.13.2.7 The Foreign recipient Contractor / Offeror / Subcontractor shall, at all times during the performance of this Contract / Standing Offer / Subcontract, ensure the transfer of FOREIGN AND CANADA CLASSIFIED information/assets be facilitated in accordance with the national policies of the supplier's country, and in compliance with the provisions of the Bilateral Industrial Security Instrument between the supplier's country and Canada.**
- 7.13.2.8 Upon completion of the work, the Foreign recipient Contractor / Offeror / Subcontractor shall return to the Government of Canada, via government-to-government channels, all FOREIGN AND CANADA CLASSIFIED information/assets furnished or produced pursuant to this Contract / Standing Offer / Subcontract, including all FOREIGN AND CANADA CLASSIFIED information/assets released to and/or produced by its subcontractors.**
- 7.13.2.9 Throughout the duration of this Contract / Standing Offer / Subcontract, the Foreign recipient Contractor / Offeror / Subcontractor shall adhere to its respective national policies pertaining to the examination, possession and / or transfer of Canadian Controlled Goods and shall immediately report to its responsible National Security Authority (NSA) all cases in which it is known or there is reason to suspect that Canadian Controlled Good, furnished or generated pursuant to this Contract / Standing Offer / Subcontract have been lost or disclosed to unauthorized persons, including but not limited to a third party government, person, firm, or representative thereof. Canadian Controlled Goods which are lost or compromised while handled outside of Canada, should be immediately reported to the Canadian Government Authority owner of the Canadian Controlled Goods, for example the Canadian Department that issued the Canadian Controlled Goods to the Foreign recipient Contractor / Offeror / Subcontractor, as part of this Contract / Standing Offer / Subcontract. The Defence Production Act defines Canadian Controlled Goods (S.35).**
- 7.13.2.10 The Contract / Standing Offer / Subcontract involves access to Unclassified military data, which is subject to the Provisions of the Technical Data Control Regulations. The UNITED STATES of AMERICA recipient Contractor / Offeror / Subcontractor is required to become a certified contractor in the US/Canada Joint Certification Program (JCP).**
- 7.13.2.11 Such FOREIGN AND CANADA CLASSIFIED information/assets shall be released only to foreign recipient Contractor / Offeror / Subcontractor personnel who have a need to know for the performance of the Contract / Standing Offer / Subcontract, must be a citizen of the UNITED STATES OF AMERICA and / or a Canadian citizen and/ or a**

Permanent Resident of Canada, and must each hold a valid personnel security screening at the level of SECRET, as required, granted or approved by their respective country National Security Authority (NSA) or Designated Security Authority (DSA), in accordance with the national policies of the supplier's country .

7.13.2.12 FOREIGN AND CANADA CLASSIFIED information/assets provided or generated pursuant to this Contract / Standing Offer / Subcontract shall not be further provided to a third party Foreign recipient Subcontractor unless:

- a. written assurance is obtained from the third-party Foreign recipient's National Security Authority (NSA) or Designated Security Authority (DSA) to the effect that the third-party Foreign recipient Subcontractor has been approved for access to FOREIGN AND CANADA CLASSIFIED information/assets by the third-party Foreign recipient's NSA/DSA; and
- b. written consent is obtained from the NSA/DSA of the supplier's country, if the third-party Foreign recipient Subcontractor is located in a third country.

7.13.2.13 Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of their respective National Security Authority (NSA) or Designated Security Authority (DSA), in accordance with the national policies of the supplier's country.

7.13.2.14 The Foreign recipient Contractor / Offeror / Subcontractor MUST NOT utilize its Information Technology systems to electronically process, produce, or store on a computer system FOREIGN AND CANADA CLASSIFIED information/assets until the National Security Authority (NSA) or Designated Security Authority (DSA) of the supplier's country has granted approval to do so. After approval has been granted in writing to the Foreign recipient Contractor / Offeror / Subcontractor, these tasks may be performed up to the level of SECRET.

7.13.2.15 The Foreign recipient Contractor / Offeror / Subcontractor shall not use the FOREIGN AND CANADA CLASSIFIED information/assets for any purpose other than for the performance of the Contract / Standing Offer / Subcontract without the prior written approval of the Government of Canada. This approval must be obtained from the Canadian DSA.

7.13.2.16 The Foreign recipient Contractor / Offeror / Subcontractor visiting Canadian Government or industrial facilities, under this contract, will submit a Request for Visit form to Canada's Designated Security Authority (DSA) through their respective National Security Authority (NSA) or Designated Security Authority (DSA).

7.13.2.17 The Foreign recipient Contractor / Offeror / Subcontractor shall immediately report to the Canadian DSA all cases in which it is known or there is reason to suspect that FOREIGN AND CANADA CLASSIFIED information/assets pursuant to this Contract / Standing Offer / Subcontract has been compromised.

7.13.2.18 The Foreign recipient Contractor / Offeror / Subcontractor shall immediately report to its respective National Security Authority (NSA) or Designated Security Authority (DSA) all cases in which it is known or there is reason to suspect that FOREIGN AND CANADA CLASSIFIED information/assets accessed by the Foreign recipient Contractor / Offeror / Subcontractor, pursuant this Contract / Standing Offer / Subcontract, have been lost or disclosed to unauthorized persons.

7.13.2.19 The Foreign recipient Contractor / Offeror / Subcontractor shall not disclose FOREIGN AND CANADA CLASSIFIED information/assets to a third party government, person, firm or representative thereof, without the prior written consent of the Government of Canada.

Such consent shall be sought through the recipient's National Security Authority/ Designated Security Authority (NSA/DSA).

7.13.2.20 The Foreign recipient Contractor / Offeror / Subcontractor shall comply with the provisions of the International bilateral industrial security instrument between the supplier's country and Canada, in relation to equivalencies.

7.13.2.21 The Foreign recipient Contractor / Offeror / Subcontractor must comply with the provisions of the Security Requirements Check List attached at Annex B.

7.13.2.22 In the event that a Foreign recipient Contractor / Offeror / Subcontractor is chosen as a supplier for this Contract, subsequent Country-Specific Foreign security requirement clauses shall be generated and promulgated by the Canadian DSA, and provided to the Government of Canada Contracting Authority, to ensure compliance with the security provisions, as defined by the Canadian DSA, in relation to equivalencies.

7.14 Term of Contract

7.14.1 Period of the Contract:

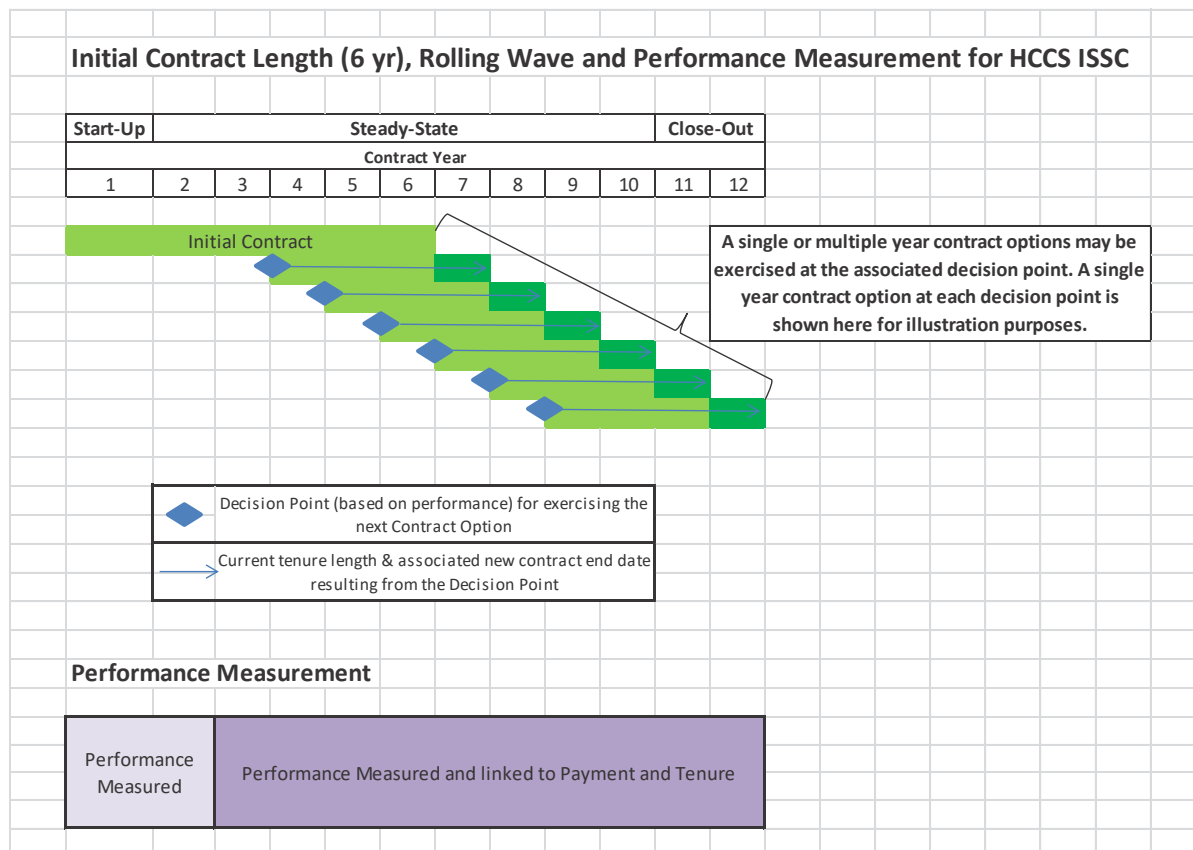
The period of the Contract is 6 years, beginning from date of contract award to _____ inclusive.

7.14.2 Option to Extend the Contract:

The Contractor grants to Canada the irrevocable options to extend the period of the Contract by up to six (6) additional one (1) year period(s) under the same terms and conditions, for a potential contract duration of twelve (12) years. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment.

Canada may exercise these options at any time by sending a written notice to the Contractor at least 90 calendar days before the expiry date of the Contract. The options may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

Without limiting Canada's discretion to exercise or not exercise any option, Canada expects to maintain a rolling 4-year contract period by exercising optional extensions. The exercise of an optional extension is at the discretion of Canada.



7.15 Task Authorization - Department of National Defence

Emergent Work to be performed under the contract will be on an “as and when requested basis” using a Task Authorization DND 626 process. The Work described in the DND 626 must be in accordance with the scope of the Contract. The Task Authorization process will be conducted in accordance with Annex D.

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

7.16 Authorities

7.16.1 Contracting Authority

The Contracting Authority for the Contract is:

Marie-Andrée Fortin
Supply Team Leader
Public Services and Procurement Canada
Defence and Marine Procurement Branch
Marine Sustainment Directorate
455 De la Carrière Blvd
Gatineau, Quebec
K1A 0S5
Telephone: 819-939-3234
E-mail address: marie-andree.fortin@tpsgc-pwgsc.gc.ca

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

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

7.16.2 Technical Authority

The Technical Authority for the Contract is: (to be inserted at contract award)

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____ - ____ - ____
Facsimile: ____ - ____ - ____
E-mail address: _____

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

7.16.3 Procurement Authority

The Procurement Authority for the Contract is: (*to be inserted at contract award*)

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____ - ____ - ____
Facsimile: ____ - ____ - ____
E-mail address: _____

The Procurement Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Procurement Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority however the Procurement Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

7.16.4 Industrial and Technological Benefits Authority

The Industrial and Technological Benefits Authority for the Contract is: (to be inserted at contract award)

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____ - ____ - ____
Facsimile: ____ - ____ - ____
E-mail address: _____

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

The Industrial and Technological Benefits (ITB) Authority is responsible for all matters relating to the ITB obligations, including Value Proposition under this contract.

7.16.5 Contractor's Representative

The Contractor's representative is: *(to be inserted at contract award)*

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____ - ____ - ____
Facsimile: ____ - ____ - ____
E-mail address: _____

7.17 Certifications and Additional Information

7.17.1 Compliance

Unless specified otherwise, the continuous compliance with the certifications provided by the Contractor in its bid or precedent to contract award, and the ongoing cooperation in providing additional information are conditions of the Contract and failure to comply will constitute the Contractor in default. Certifications are subject to verification by Canada during the entire period of the Contract.

7.17.2 Federal Contractors Program for Employment Equity - Default by the Contractor

The Contractor understands and agrees that, when an Agreement to Implement Employment Equity (AIEE) exists between the Contractor and Employment and Social Development Canada (ESDC)-Labour, the AIEE must remain valid during the entire period of the Contract. If the AIEE becomes invalid, the name of the Contractor will be added to the "FCP Limited Eligibility to Bid" list. The imposition of such a sanction by ESDC will constitute the Contractor in default as per the terms of the Contract.

7.18 Applicable Laws

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

7.19 Priority of Documents

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

- a. the Articles of Agreement;
- b. Annex G, the supplemental general conditions in the following order of precedence:
 - I. 1029 (2018-12-06), Ship Repairs;
 - II. 4007 (2010-08-16), Canada to Own Intellectual Property Rights in Foreground Information, as amended in Annex G.
 - III. 4012 (2012-07-16), Goods - Higher Complexity;
 - IV. 4001 (2015-04-01), Hardware Purchase, Lease and Maintenance;
 - V. 4002 (2010-08-16), Software Development of Modification Services;
 - VI. 4003 (2010-08-16), Licensed Software;
- c. Annex F, General Conditions in the following order of precedence:
 - I. 2035 (2018-06-21), General Conditions - Higher Complexity – Services;
 - II. 1031-2 (2012-07-16), Contract Cost Principles;
- d. Annex C, Basis of Payment;
- e. Annex A, Performance Work Statement;

- f. Annex E, Contract Deliverables;
- g. Annex J, ITB Terms and Conditions and Value Proposition;
- h. Annex B, Security Requirements;
- i. Annex H, Federal Contractors Program for Employment Equity – Certification;
- j. Annex I, Insurance Requirements;
- k. Annex D, Emergent Work Request – Task Authorization Process and DND 626 Form;
- l. the signed Task Authorizations (including all of its annexes, if any);
- m. Annex L – Logistics Statement of Work for Repair and Overhaul Contract;
- n. Annex K, Personnel Categories;
- o. Annex M, Non-Disclosure Agreement; and
- p. the Contractor's bid dated _____, (insert date of bid) (If the bid was clarified or amended, insert at the time of contract award:", as clarified on _____" or ",as amended on _____" and insert date(s) of clarification(s) or amendment(s)).

7.20 Defence Contract

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

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

7.21 Access to Facilities and Equipment

Canada's facilities, equipment, documentation and personnel are not automatically at the disposal of the Contractor. If access to government premises, computer systems (micro computer network), working space, telephones, terminals, documentation and personnel for consultation is required by the Contractor to perform the Work, the Contractor must advise the Contracting Authority of the need for such access in a timely fashion. If the Contractor's request for access is approved by Canada and arrangements are made to provide access to the Contractor, the Contractor, its subcontractors, agents and employees must comply with all the conditions applicable at the Work site. The Contractor must further ensure that the facilities and equipment are used solely for the performance of the Contract.

The Contractor will allow prompt access to the Contractor's facilities to Canada and Canada's consultants, at Canada's request.

7.22 Non-Disclosure Agreement

If and when required, the Contractor must obtain from its employee(s) or subcontractor(s) the completed and signed non-disclosure agreement, attached at Annex M, and provide it to the Contracting Authority before they are given access to information by or on behalf of Canada in connection with the Work.

7.23 Canadian Forces Site Regulations

The Contractor must comply with all standing orders or other regulations, instructions and directives in force on the site where the Work is performed.

7.24 Government Site Regulations

The Contractor must comply with all regulations, instructions and directives in force on the site where the Work is performed.

7.25 Foreign Nationals - Canadian Contractor

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

7.26 Mobile Repair Parties

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

All matters pertaining to the performance of the Work on the site must be referred to the appropriate Base Technical Services Officer (or to its appointed delegate), who must oversee the conduct of the Work and must when appropriate signify satisfactory completion and acceptance of the Work by signing a copy of Appendices "C" and "D" to the CFTO.

Mobile Repair Parties are emergent work to be authorized by task authorization. The form of task authorization in this case may not be the DND 626 and will be specified by Canada. If the work is urgent Canada may authorize the work by notice in writing to be followed up by task authorization. On completion of the Work, the Contractor must provide the Contracting Authority with a cost breakdown by category including person hours by trade, travel expenses, living expenses, etc.. Costs must be all inclusive, and must reflect the actual amount being claimed.

7.27 Insurance Requirements

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

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

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

Without limiting Canada's other remedies under the Contract, if the Contractor fails to meet this requirement within the time specified above, Canada may at any time thereafter serve notice to the Contractor terminating the Contract for default of the Contractor.

7.28 Controlled Goods

The Contract involves controlled goods as defined in the Schedule to the Defence Production Act. The Contractor must identify those controlled goods to the Department of National Defence.

7.29 Controlled Goods Program

1. As the Contract requires production of or access to controlled goods that are subject to the [Defence Production Act](#) R.S. 1985, c. D-1, the Contractor and any subcontractor are advised that, within Canada, only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: [Controlled Goods Program](#)

2. When the Contractor and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the Contractor and any subcontractor must, within seven (7) working days from receipt of written notification of the contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the Contractor has provided proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP.

Failure of the Contractor to provide proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP, within thirty (30) days from receipt of written notification of contract award, will be considered a default under the Contract except to the extent that Canada is responsible for the failure due to delay in processing the application.

3. The Contractor and any subcontractor must maintain registration, exemption or exclusion from the CGP for the duration of the Contract and in any event for so long as they will examine, possess or transfer controlled goods.

7.30 Limitation of Liability

This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.

Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$10 million per occurrence, \$20 million per Contract Year. There is no limitation for third party losses. This limitation of the Contractor's liability does not apply to nor include:

- a. Contractor's liability for infringement of intellectual property rights or royalties related to the Work;
- b. any breach by Contractor of its warranty obligations under the Contract;
- c. Contractor's liability for ITB Commitments and/or VP Commitments pursuant to Industrial and Technological Benefits Terms and Conditions;
- d. Contractor's liability arising from the deliberate or wilful breach of this Contract by Contractor;
- e. Contractor's liability arising from abandonment of the Contract (being a demonstrated intention not to continue performance of any of its material obligations under the Contract);
- f. any liability of Contractor to a third party caused by the acts or omissions of Contractor or those for whose acts or omissions Contractor is at law responsible; and
- g. the proceeds of the insurance described in Annex I.

Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim against Canada or the Contractor. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada for that amount.

7.31 Priority Rating - Canadian Contractors

The Contract concerns a Canadian defence requirement and therefore is eligible to be assigned a "United States Priority Rating" for any materials/services imported from the United States which may be required in the performance of the Work. Accordingly, the Contractor must:

- a. make an application to the Defence Priorities and Allocations Officer, Public Works and Government Services Canada (PWGSC), either by e-mail at:
DGAPrioritesdedefense.ACQBDefencePriorities@pwgsc-tpsgc.gc.ca ; or by facsimile: 819-956-1459;
- b. include this clause in subcontracts with Canadian-based contractors, and quote the PWGSC Contract Number indicated in the Contract.

Failure to comply with the above may impact on the Contractor's delivery commitments. Therefore, the Contractor is responsible for any breach of the Contract that arises from such a failure.

7.32 Disputes

The Parties will attempt to resolve disputes of any nature arising out of or in connection with the Contract by discussion between the Parties at the level where the dispute arises, and ultimately through the joint governance committee, if necessary and if both Parties agree.

SECTION 3 – FINANCIAL

7.33 Basis of Payment – Refer to Annex C – Basis and Method of Payment

7.34 Limitation of Expenditure

Canada's total liability to the Contractor under the Contract must not exceed \$ _____. Customs duties are included and Applicable Taxes are extra.

No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- a. when it is 75% committed, or
- b. four 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,
- d. whichever comes first.

If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

7.35 Method of Payment

7.35.1 Management Work:

For the satisfactory performance of the Management Work specified in Annex A, the Contractor will be paid firm Management Fees.

Canada will pay the Contractor on a monthly basis, in arrears, for work performed during the month covered by the invoice in accordance with the payment provisions of the Contract if:

- a) an accurate and complete claim for payment using form [PWGSC-TPSGC 1111](#), Claim for Progress Payment, and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b) all the certificates appearing on form [PWGSC-TPSGC 1111](#) have been signed by the respective authorized representatives;
- c) all such documents have been verified by Canada; and
- d) the Work performed has been accepted by Canada.

7.35.2 Emergent Work:

For the satisfactory performance of the Emergent Work specified in Annex A, the method(s) of payment will be stipulated by Canada on each individual Task Authorization (DND626) issued for Emergent Work. Each Basis and Method of Payment will be dependent on the nature of the work if the scope is known or unknown and may include:

- a. **Progress Payments:** If applicable, Canada will make progress payments in accordance with the Task Authorization for the specific emergent work and the payment provisions of the Contract, for cost incurred in the performance of the Work, up to 95 percent of the amount claimed and approved by Canada.
- b. **Milestone Payments:** If applicable, Canada will make milestone payments in accordance with the Schedule of Milestones detailed in the applicable Task Authorization and the payment provisions of the Contract, up to 95 percent of the amount claimed and approved by Canada.
- c. **Payment upon Completion:** If applicable, Canada will make one lump sum payment following completion and delivery or acceptance of the work in accordance with the Task Authorization and the payment provisions of the Contract.

Canada will pay the Contractor on a monthly basis for all work performed during the month covered by the invoice in accordance with the payment provisions of the Task Authorization and the payment provisions of the Contract if:

- a. An accurate and complete claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment, and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b. The total amount for all payments paid by Canada does not exceed the total amount to be paid under the Task Authorization, less any applicable Holdback;
- c. All the certificates appearing on form PWGSC-TPSGC 1111 Claim for Progress Payment, have been signed by the respective authorized representatives;
- d. All work associated with a milestone and as applicable any deliverables required have been completed and accepted by Canada.
- e. all such documents have been verified by Canada;
- f. the Work performed has been accepted by Canada.

With regards to progress payments and milestone payments which include Holdbacks, the balance of the amount payable will be paid in accordance with the applicable Task Authorization and the payment provisions of the Contract upon completion and delivery of all Work required under the Task Authorization if the Work has been accepted by Canada and a final claim for the payment is submitted.

Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time

during the performance of the Work. Any overpayment resulting from progress payments or milestone payments must be refunded promptly to Canada.

7.36 Travel And Living Expenses (T & L)

The Contractor will be reimbursed for the authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for overhead or profit, in accordance with the meal and private vehicle expense allowances specified in Appendices B, C and D of the Treasury Board Travel Directive, and with the other provisions of the directive referring to "travelers", rather than those referring to "employees".

All travel must have the prior authorization of the Technical Authority. All payments are subject to government audit.

7.37 Performance Incentive Fee:

Canada will pay the Contractor a Performance Incentive Fee in accordance with the payment provisions of the Contract if:

- a. an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b. all such documents have been verified by Canada;
- c. the Performance Assessment Report has been received and accepted by Canada.

7.38 Gain Sharing Incentive:

The Gain Sharing system is based on Cost Reduction Initiatives (CRI). In order to qualify as a CRI under this contract, the contractor must submit a proposed change to Canada and the proposed change must:

- a. be accepted by Canada;
- b. result in savings to Canada; and
- c. not degrade overall performance, quality, maintainability, reliability or interchangeability of the HCCS equipment.

Canada will pay the Contractor a Gain Sharing incentive in accordance with the payment provisions of the Contract if:

- a. an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract; and
- b. all such documents have been verified by Canada;

7.39 Invoicing Instructions for Progress Payments

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment. Each claim must show:
 - a. all information required on form PWGSC-TPSGC 1111;
 - b. all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;
 - c. a list of all expenses (Monthly Management Fee, Emergent Work with Task numbers, Travel and Living expenses...);

- d. financial codings;
- e. if applicable, the description and value of the milestone claimed as detailed in the Task Authorization.

Each claim must be supported by:

- a. a copy of the CDRL PM-008 Technical Progress Report;
 - b. a task closure report if applicable including: completed, closed or cancelled tasks for the current claim period, task number, task description, type, current value excluding taxes, final claimed authorized value excluding applicable tax, difference between current and final values, comments including any reasons for closure or cancellation as applicable;
 - c. Labour categories with number of hours worked, the labour rate, the extended amount as well as the total amount claimed for labour;
 - d. a copy of time sheets to support the time claimed;
 - e. subcontracts – the laid down cost paid, the mark-up percentage, the mark-up amount, number of hours and the total amount claimed;
 - f. Material – the laid down cost, the mark-up percentage, the mark-up amount and total amount claimed;
 - g. the foreign exchange rate used for all foreign transactions;
 - h. a copy of the invoices, receipts, vouchers for all direct expenses, travel and living expenses;
 - i. a copy of the monthly financial report in Microsoft Excel, including:
 - a cumulative report detailing authorized tasks by number, DRMIS document number, task description, type, percentage of completion to date, authorized amount excluding applicable tax, current claim value, previous claim value, total claim value to date and cumulative total.
2. Applicable Taxes must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is released, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.
3. The Contractor must prepare and certify one original and one copy of the claim on form PWGSC-TPSGC 1111, and forward it to the Procurement Authority identified under the section entitled "Authorities" of the Contract for appropriate certification by the technical authority after inspection and acceptance of the Work takes place. The Procurement Authority will then forward the original and one copy of the claim to the Contracting Authority for certification and onward submission to the Procurement Authority for the remaining certification and payment action.
4. The Contractor must not submit claims until all work identified in the claim is completed.

7.40 Contract Rates

7.40.1 Initial Contract Period:

The Annual Management Fees, the All-Inclusive Hourly Labour Rates, the Mark-up on Material Costs and the Mark-up on Subcontractor Costs will be firm for the first six (6) years of the contract initial period and will include direct labour, overhead, general administrative expenses, and profit.

7.40.2 Contract Year 7:

For Contract Year 7, if a contract extension is exercised, the Annual Management Fees, the All-Inclusive Hourly Labour Rates, the Mark-up on Material Costs and the Mark-up on Subcontractor Costs will be negotiated to apply for Contract year 7 in accordance with Contract Cost Principles 1031-2 and Chapter 10 of the Supply Manual – Cost and Profit.

7.40.3 Contract Year 8 to 12:

For Contract Years 8 to 12, if a contract extension(s) is exercised, the firm Annual Management Fees and the firm All-Inclusive Hourly Labour Rates will be established for each of Contract Years 8 to 12 using the Economic Price Adjustment, as described below.

For Contract Years 8 to 12, if a contract extension(s) is exercised, the negotiated Contract Year 7 Mark-up on Material Costs and Subcontractor Costs will apply.

7.40.4 Interim Rates:

Pending the negotiation of the Contract rates, as defined above, for Contract Year 7 in accordance with the Contract Cost Principles 1031-2 and PWGSC Profit Policy, the Contractor will use the latest available rates. Invoices will be subject to an adjustment to incorporate the applicable rates for the period of performance once available, and after the Contract has been amended to incorporate them.

7.40.5 Economic Price Adjustment

The Economic price adjustment of firm Annual Management Fees and firm All Inclusive Hourly Labour Rates for Contract years 8 through 12 inclusive (applicable if options to extend contract period are extended) will be calculated as follows:

- a. For any Contract Period beginning in Contract year 8, the Contractor shall be paid firm Annual Management Fees and firm All Inclusive Hourly Labour Rates, escalated for each Contract year beginning with the 8th, as described herein.
- b. The Annual Management Fees and the All Inclusive Hourly Labour Rates of Contract Year 7 will be used as a base to calculate the firm Annual Management Fees and the firm All Inclusive Hourly Labour Rates for Year 8. For the remaining years within the Contract Period, the Annual Management Fees and the All Inclusive Hourly Labour Rates of the then current Contract year specified will be used as a base to calculate the firm Annual Management Fees and firm All Inclusive Hourly Labour Rates for the follow-on year. The same process will apply should any of the additional option periods be exercised.
- c. The firm Annual Management Fees and the firm All-Inclusive Hourly Labour rates in Annex C "Basis and Method of Payment" will be adjusted annually, in a Contract Year (In this case Contract Year is defined with the anniversary dates of contract award).
- d. The adjustment amount will be established based on the percentage increase or decrease in the annual average index of the *Fixed weighted index of average hourly earnings for all employees, by industry, monthly* - classified using the North American Industry Classification System (NAICS) = Professional, scientific & technical services, (index, 2002=100) (54) in Canada, part of Table 14-10-0213-01- (formerly CANSIM 281-0039) published by Statistics Canada (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410021301>).

$$\text{Economic Price Adjustment} = (A/B - 1) \times 100$$

Where:

A = Average of the above monthly index in Canada, for the 12 months ending three months prior to the current Contract Year (i.e. not Fiscal Year), rounded to 2 decimal places.

B = Average of the above monthly index for Canada for the 12 months ending three months prior to the end of one year prior to current Contract Year, rounded to 2 decimal places.

Example:

In Year 8 of the contract commencing June 1, 20XX, the Year 7 Annual Management Fees and the All-Inclusive Hourly Labour Rates in Annex C "Basis and Method of Payment" would be increased by 2.40% based on the following assumptions:

A = Annual Average Index for the 12 months ending February 20XX (three months prior to the current contract year = 145.3)

B = Annual Average Index for the 12 months ending February 20XX, (three months and 1 year prior to the current contract year = 141.9)

Economic Price Adjustment = $(A/B - 1) \times 100$

Economic Price Adjustment = $((145.3/141.9) - 1) \times 100$

Economic Price Adjustment = 2.40%

7.40.6 Annual Adjustments:

The Contractor must notify the Contracting Authority in writing of the applicable Economic Price Adjustment (EPA), no later than 30 days prior to the commencement of the new Contract Year, who will in turn verify the information and amend the Contract accordingly to reflect the revised firm Annual Management Fee and firm All-Inclusive Hourly Labour Rates. Until such time as the adjustments to the firm Annual Management Fee and firm All-Inclusive Hourly Labour Rates are made through a Contract amendment, the firm Annual Management Fee and firm All-Inclusive Hourly Labour Rates valid for the last twelve-month period will be used with the necessary adjustment to be paid by Canada or credited by the Contractor promptly after execution of the amendment. The same process will apply for option years if exercised.

7.40.7 Discontinuation of Economic Price Adjustment Index:

If an index set out in this Contract is discontinued or should be re-baselined by Canada, the parties agree to immediately negotiate in good faith a replacement index.

7.41 Cost Submission

If requested by the Contracting Authority or auditor designated by the Contracting Authority, the Contractor must submit to the Contracting Authority or the auditor as applicable, a cost submission, upon completion of the Contract or annually for multi-year contracts spanning more than one contractor fiscal year.

The cost submission must contain a breakdown of all applicable cost elements as detailed in the Contract and must be signed and certified accurate by the Contractor's Senior Financial Officer, unless stated otherwise in writing.

Supporting information for each cost element must be available in sufficient detail to allow for an in-depth audit.

7.42 Discretionary Audit

The following are subject to government audit before or after payment is made:

- a. The amount claimed under the Contract, as computed in accordance with the Basis of Payment, including time charged.
- b. The accuracy of the Contractor's time recording system.
- c. The estimated amount of profit in any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier, for which the Contractor has provided the appropriate certification. The

purpose of the audit is to determine whether the actual profit earned on a single contract if only one exists, or the aggregate of actual profit earned by the Contractor on a series of negotiated contracts containing one or more of the prices, time rates or multipliers mentioned above, during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in earlier price or rate certification(s).

- d. Any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier for which the Contractor has provided a "most favoured customer" certification. The purpose of such audit is to determine whether the Contractor has charged anyone else, including the Contractor's most favoured customer, lower prices, rates or multipliers, for like quality and quantity of goods or services.
- e. Where there is a negotiated arrangement (non-competitive), or amendment, the estimated amount of profit in any element. The purpose of the audit is to determine whether the actual profit earned on the contract during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in the price or rate certification(s), as required.
- f. The Contractor's performance against the ITB and VP obligations under this contract; and
- g. Any amounts owed by or owed to Canada as a result of a termination of the Contract under the provisions of the Contract.

Any payments made pending completion of the audit must be regarded as interim payments only and must be adjusted to the extent necessary to reflect the results of the said audit. If there has been any overpayment, the Contractor must repay Canada the amount found to be in excess.

7.43 Time and Contract Price Verification

Time charged and the contract price of incidental materials used are subject to verification by Canada, before or after payment is made to the Contractor. If verification is done after payment, the Contractor must repay any overpayment, at Canada's request.

7.44 Competitive Bidding Process

While the Contract for the delivery of in-service support for HCCS is between Canada and the Contractor, it is recognized that the Contractor will deliver some of the services called for in Annex A through the Original Equipment Manufacturer's or their authorized representatives using instructions in section 7.45 – Price Support. However, in all other cases, the Contractor will select its subcontractors for Emergent Work, by means of a competitive selection process that is fair, open and transparent and that qualified subcontractors have the opportunity to be considered for the Work.

In the selection of subcontractors for the Work, the Contractor must:

- a. Choose subcontractors by competitive tendering processes that are open and fair, the details of which will be disclosed to Canada upon Canada's request;
- b. Not subcontract to affiliates (as defined in the Canada Business Corporations Act) except pursuant to a competitive tendering process that includes bidders other than the Contractor's affiliate and is conducted to Canada's satisfaction, or otherwise with Canada's prior consent;
- c. Make reasonable efforts to apply material management and procurement processes that ensure best value and fair and reasonable prices in the provision of required materiel and services in support of HCCS, and, when choosing to subcontract employ subcontracting practices that:
 - i. are seen by potential subcontractors to be accessible, open, fair and transparent and reflect good industry practices;
 - ii. provide ongoing opportunities for participation by industry, including by small and medium enterprises, and
 - iii. result in competitive bidding for subcontracts, whenever possible.
- d. Justify deviations from the above subcontracting requirements, and make related documentation available on request;

- e. Apply industry-accepted standards and best practices in material management and procurement;
- f. Respond diligently to industry or Canada's inquiries concerning the awarding of subcontracts, and inform Canada of unresolved issues or inquiries from suppliers regarding the bid or subcontract award in a timely manner;
- g. Provide the name of the successful supplier and, upon request, the value of the subcontract to unsuccessful bidders;
- h. Ensure bid disputes are resolved effectively and do not negatively affect Canada; and
- i. Define the security requirements for contracts and ensure subcontractors meet the appropriate security requirements set out in the Security Requirements Checklist (SRCL).
- j. Have emergency contracting measures in place to be able to respond appropriately when time is of the essence.

7.45 Price Support

Upon the request of Canada, the Contractor must provide price support, to the satisfaction of Canada, for work that is sole-sourced or subcontracted to an affiliate.

The price support must consist of a price breakdown, paid invoices for like items/services (like quality and quantity) sold to other customers or other governments, a published price list, or a commercial price certification that the price proposed:

- a. is not in excess of the lowest price charged anyone else, including the Contractor or the subcontractor's most favoured customer, for the like quality and quantity of the goods, services or both;
- b. does not include an element of profit on the sale in excess of that normally obtained by the Contractor on the sale of goods, services or both of like quality and quantity;
- c. does not include any provision for discounts to selling agents;
- d. is based on Cost computed in accordance with Contract Cost Principles 1031-2; and
- e. includes profit to the Contractor only as specified in this Contract, and no element of profit to any affiliate unless the price of such work is the result of procurement competition participated in by arm's length bidders and won by the Contractor's affiliate as substantiated to Canada's satisfaction, or alternatively the Contractor has demonstrated to the reasonable satisfaction of Canada that the affiliate's pricing, including any profit charged by the affiliate, is commercially reasonable and provides best value for Canada.

If the Contractor is not able to provide the requested price support or establish the reasonableness of the price to Canada for the work that is sole-sourced, Canada reserves the right to negotiate the price in accordance with the principles of 1031-2 with the subcontractor, or, if the Contractor is not willing to allow Canada to do so, Canada has the right to reject the sub-contract and require the Contractor compete the work.

7.46 T1204 – Direct Request by Customer Department

Pursuant to paragraph 221 (1)(d) of the Income Tax Act, R.S. 1985, c. 1 (5th Supp.), payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip.

To enable departments and agencies to comply with this requirement, the Contractor must provide Canada, upon request, its business number or Social Insurance Number, as applicable. (These requests may take the form of a general call-letter to contractors, in writing or by telephone).

7.47 Lien – Section 427 of the Bank Act

If any lien under section 427 of the Bank Act, S.C.. 1991, c. 46, exists in respect to any materials, parts, work-in-process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless instructed otherwise by the Contracting Authority, either:

- a. to cause the bank to remove such lien and to provide the Contracting Authority with written confirmation from the bank; or,
- b. to provide to the Contracting Authority an undertaking from the bank that the bank will not make any claim under section 427 of the Bank Act on materials, parts, work-in-process, or finished work in respect of which payment is made to the Contractor under the Contract.

Failure to inform the Contracting Authority of such lien or failure to implement paragraph 1(a) or (b) above will constitute default under the default section of the general conditions and will entitle Canada to terminate the Contract.

SECTION 4 – DELIVERY, INSPECTION AND ACCEPTANCE

7.48 Shipping Instructions (Department of National Defence) - Canadian-based Contractor (D0037C) – Free Flow R&O

1. Delivery will be FCA Free Carrier at _____ (Insert the named place, e.g. Contractor's facility) Incoterms 2000. The Contractor must load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
2. Before shipping the goods, the Contractor must contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

a. Insert the following for all sole source contracts, except repair and overhaul, where the Contractor is located in Canada:

Inbound Logistics Co-ordination Center (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

b. Insert the following for all repair and overhaul contracts where the Contractor is located between Kingston inclusive and westward to the Ontario/Manitoba border:

Inbound Logistics Central Area (ILCA)
Telephone: 1-866-371-5420 (toll free)
Facsimile: 1-866-419-1627 (toll free)
E-mail: ILCA@forces.gc.ca

c. Insert the following for all repair and overhaul contracts where the Contractor is located in Manitoba, Saskatchewan, Alberta, British Columbia, and the National Capital Region inclusive to east of Kingston:

Inbound Logistics Coordination Center (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

d. Insert the following for all repair and overhaul contracts where the Contractor is located in Quebec:

Inbound Logistics Quebec Area (ILQA)
Telephone: 1-866-935-8673 (toll free), or
1-514-252-2777, ext. 4673, 2852
Facsimile: 1-866-939-8673 (toll free), or
1-514-252-2911
E-mail: 25DAFCTrafficQM@forces.gc.ca

e. Insert the following for all repair and overhaul contracts where the Contractor is located in Atlantic (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador):

Inbound Logistics Atlantic Area (ILAA)
Telephone: 1-902-427-1438
Facsimile: 1-902-427-6237
E-mail: BlogILAA@forces.gc.ca

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

7.49 Shipping Instructions - Delivery at Destination (D6009C) - Overhauls and Spare Parts

1. The Contractor must ship the goods prepaid DDP - Delivered Duty Paid to one or both of the consignees listed below. Unless otherwise directed, delivery must be made by the most economical means. Shipping charges must be shown as a separate item on the Contractor's invoice. The Contractor is responsible for all delivery charges, administration, costs and risks of transport and customs clearance, including the payment of customs duties and Applicable Taxes.

2. The Contractor must deliver the goods to Canadian Forces (CF) Supply Depots by appointment only. The Contractor or its carrier must arrange delivery appointments by contacting the Depot Traffic Section at the appropriate location shown below. The consignee may refuse shipments when prior arrangements have not been made.

2B1 CF Esquimalt
Esquimalt, B.C.
Telephone: 250-363-4963

Or

7H1 CF Halifax
Halifax, N.S.
Email: P-HFX.BLog.CargoOps@intern.mil.ca

7.50 Inspection and acceptance

The Technical Authority is the Inspection Authority. All reports, deliverable items, documents, goods and all services rendered under the Contract are subject to inspection by the Inspection Authority or representative. Should any report, document, good or service not be in accordance with the requirements of the Performance Work Statement and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority will have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment.

7.51 Release documents (Department of National Defence): Canadian-based contractor

Unless otherwise directed by the Department of National Defence (DND) Quality Assurance Authority, the signature of the DND Quality Assurance Representative on the release document is not required.

Material must be released for shipment using either DND form CF 1280, Certificate of Release, Inspection and Acceptance, or a release document containing the same information. The Contractor must prepare the release document(s).

For return of repair and overhaul material to the Defence Supply Chain, use forms DND 2227/DND 2228 in lieu of DND form CF 1280.

7.52 Release Documents – Distribution

The Contractor must prepare the release documents in a current electronic format and distribute them as follows:

- a. One (1) copy mailed to consignee marked: "Attention: Receipts Officer";
- b. Two (2) copies with shipment (in a waterproof envelope) to the consignee;
- c. One (1) copy to the Contracting Authority;
- d. One (1) copy to:

National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
Attention: _____

- e. One (1) copy to the Quality Assurance Representative;
- f. One (1) copy to the Contractor; and

g. For all non-Canadian contractors, one (1) copy to:

DQA/Contract Administration
National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
E-mail: ContractAdmin.DQA@forces.gc.ca.

NOTE: For into-plane refuelling contracts b, c and d above are not required.

7.53 Environmental Protection

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

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

All waste disposal certificates are to be available upon request. Furthermore, additional evidence of compliance with municipal, provincial and federal environmental laws and regulations is to be furnished by the Contractor to the Contracting Authority when so requested.

The Contractor must have environmental emergency response plans and/or procedures in place as further amplified in the PWS. Contractor employees must have received the appropriate training in emergency preparedness and response. Contractor personnel and subcontractors engaging in activities which may cause environmental impacts or potential non-compliance situations must be competent to do so on the basis of appropriate education, training, or experience.

7.54 Customs Duties - Contractor Importer

As the goods to be supplied under the Contract are defence supplies, customs duties on importation to Canada may be remitted under the Tariff Item Number 9982.00.00 of the Schedule to the Customs Tariff.

Remission of customs duties payable may be granted under the Tariff Item Number 9982.00.00 when the total contract value of the defence supplies is C\$250,000 or more. This reflects the import value of the goods plus the duty that would be applicable in the absence of the Customs Tariff.

The Contractor will be responsible for pre-arranging remission on importation or for paying customs duties on importation and applying to Canada Border Services Agency for a refund. The Contractor is also responsible for applying to Public Works and Governments Services Canada in good time for the certification required by the Customs Tariff.

7.55 Packaging Requirement:

7.55.1 Preparation for Delivery - Canadian Forces Packaging Specifications (D3016C – 2014-09-25)

The Contractor must use the following packaging specification for the procurement of items covered by a commodity packaging specification:

- a. For packaging of all gaskets, o-rings, seals, stock classes 5330 & 5331 (preformed packings, gaskets & seals), use D-LM-008-026/SF-001;
- b. For packaging of all electronics / circuit cards / electrostatic discharge sensitive devices, Stock Class Handling Characteristic = Y (electrostatic sensitive items), use D-LM-008-035/SF-001;

- c. For packaging of all hoses, tubings, fittings, nozzles, and hose attachments, stock class 4720 & 4730 (hose assemblies & accessories), use D-LM-008-030/SF-001;
- d. For packaging of all anti-friction bearings and assemblies, stock class 3110 (antifriction bearings), use D-LM-008-037/SF-000.

For packaging of items that do not fall into the above categories:

For non-repairable, relatively low dollar value, no sensitivities, commercial off the shelf items, use:

7.55.2 Packaging Requirement using Specification D-LM-008-036/SF-000 (D3018C - 2014-09-25)

The Contractor must prepare all deliveries in accordance with the latest issue of the Canadian Forces Packaging Specification D-LM-008-036/SF-000, DND Minimum Requirements for Manufacturer's Standard Pack.

For packaging of items that do not fall into the above categories:

But may be repairable, large, expensive, sensitive (impact – preservative application), use:

7.55.3 Preparation for Delivery - Canadian-based Contractor (D3013C – 2007-11-30)

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

7.56 Marking

The Contractor must ensure that the manufacturer's name and part number are clearly stamped or etched on each item for positive identification purposes.

7.57 Wood Packaging Materials

All wood packaging materials used in shipping must conform to the International Standards for Phytosanitary Measures No. 15: Regulation of Wood Packaging Material in International Trade (ISPM 15).

Pertinent additional information on Canada's import and export programs is provided in the following Canadian Food Inspection Agency policy directives:

- a. D-98-08 - [Entry Requirements for Wood Packaging Materials Produced in All Areas Other Than the Continental United States](#)
- b. D-13-01 – [Canadian Heat Treated Wood Products Certification Program \(HT Program\)](#)

7.58 Palletization

For all shipments exceeding 0.566 m³ or 15.88 kg (20 ft³ or 35 lbs), except for those shipped by courier, the following applies:

- a. The Contractor must strap, and if necessary wrap, shipments on standard 1.22 m x 1.02 m (48 in. x 40 in.) wood pallets. The four-way forklift entry pallet must be supplied at no charge to

Department of National Defence. Total height, including pallet, must not exceed 1.19 m (47 in.). The pallet load must not extend further than 2.54 cm (1 in.) from any edge of the pallet.

- b. The Contractor must group items by stock number (on the same pallet) within consolidated shipments. Pallet loads composed of more than one stock number must be marked as "Mixed Items".
- c. Individual items exceeding 1.22 m (48 in.) in length or 453.6 kg (1000 lbs) must be secured to larger pallets or must have 10.16 cm x 10.16 cm (4 in. x 4 in.) skids securely fastened to the bottom of the item. Skids must be separated by a minimum of 71.12 cm (28 in.).

Any exception requires the prior approval of the Contracting Authority.

7.59 Incomplete Assemblies

The Contractor must not ship incomplete assemblies unless the authorization for such shipment has been obtained before from the Contracting Authority.

7.60 Delivery of Dangerous Goods / Hazardous Products

The Contractor must mark dangerous goods/hazardous products which are classed as dangerous/hazardous as follows:

- a. shipping container - in accordance with the [Transportation of Dangerous Goods Act](#), 1992, c. 34; and
- b. immediate product container - in accordance with the [Hazardous Products Act](#), R.S., 1985, c. H-3.

The Contractor must provide bilingual Safety Data Sheets, indicating the NATO Stock Number as follows:

- a. two hard copies:
 - i. one copy to be enclosed with the shipment, and
 - ii. one copy to be mailed to:
National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, Ontario K1A 0K2
Attention: DSCO 5-4-2
- b. one copy sent in any electronic format to the following address: MSDS-FS@FORCES.GC.CA.

The Contractor will be responsible for any damages caused by improper packaging, labelling or carriage of dangerous goods/hazardous products.

The Contractor must ensure they adhere to all levels of regulations regarding dangerous goods/hazardous products as set forth by federal, provincial and municipal laws and by-laws.

The Contractor must contact the consignee (i.e. Supply Depot Traffic Section) at least 48 hours before shipping dangerous goods/hazardous products in order to schedule a receiving time.

7.61 Labelling

The Contractor must ensure that the manufacturer's and specification numbers appear on each item, either printed on the container or on an adhesive label of highest commercial standard affixed to the container.

7.62 Dangerous Goods / Hazardous Products – Labelling and Packaging Compliance

The Contractor must ensure proper labelling and packaging in the supply and shipping of dangerous goods/hazardous products to the Government of Canada.

The Contractor will be held liable for any damages caused by improper packaging, labelling or carriage of dangerous goods/hazardous products.

The Contractor must clearly mark all merchandise labels with the percentage of volume that is a hazardous item. Failure to do so will result in the Contractor being held responsible for damages caused in the movement of goods/products by government vehicles or government personnel.

The Contractor must adhere to all applicable laws regarding dangerous goods/hazardous products.

7.63 ISO 9001:2015 Quality Management Systems - Requirements (Quality Assurance Code Q)

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

ISO 9001:2015 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid.

It is not intended that the Contractor be registered to ISO 9001; however, the Contractor's quality management system must address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause A.5 and 4.3 of ISO 9001 are acceptable.

Assistance for Government Quality Assurance (GQA)

The Contractor must provide the Quality Assurance Representative (QAR) with the accommodation and facilities required for the proper accomplishment of GQA and must provide any assistance required by the QAR for evaluation, verification, validation, documentation or release of product.

The QAR must have the right of access to any site of the Contractor's, sub-contractors or any sub-tier external providers of goods and/or services where any part of the Work is being carried out. The QAR must be afforded unrestricted opportunity to evaluate and verify Contractor conformity with quality system procedures and to validate product or service conformity with the requirements of the Contract. The Contractor must make available for reasonable use by the QAR the equipment necessary for all validation purposes. Contractor personnel must be made available for operation of such equipment as required.

When the QAR determines that GQA is required at a subcontractors or external provider's facilities, the Contractor must provide for this in the purchasing document or other documented means and forward copies to the QAR, together with relevant technical data as the QAR may request.

The Contractor must notify the QAR of non-conforming product or service received from a subcontractor or external provider when the product or service has been subject to GQA.

For the design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2015 "Quality management systems - Requirements", according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2014 "Software engineering - Guidelines for the application of ISO 9001:2008 to computer software".

7.64 Quality assurance authority (Department of National Defence): Canadian-based contractor

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

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

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

Atlantic - Halifax 902-427-7224 or 902-427-7150
Quebec - Montreal 514-732-4401 or 514-732-4477
Quebec - Quebec City 418-694-5996
National Capital Region - Ottawa 819-939-8605 or 819-939-8608
Ontario - Toronto 416-635-4404, ext. 6081 or 2754
Ontario - London 519-964-5757
Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
Alberta - Calgary 403-410-2320, ext. 3830
Alberta - Edmonton 780-973-4011, ext. 2276
British Columbia - Vancouver 604-225-2520, ext. 2460
British Columbia - Victoria 250-363-5662

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

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

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

7.65 Quality Plan

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

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

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

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

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

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

If the Contract includes the option for software design, development or maintenance of software, the Contractor must interpret the requirements of ISO 9001:2008 "Quality management systems - Requirements", according to the guidelines of the latest issue (at contract date) of ISO/IEC 90003:2004 "Software engineering - Guidelines for the application of ISO 9001:2000 to computer software".

SECTION 5 – GOVERNMENT OWNED MATERIAL

7.66 Government Furnished Information (GFI)

Government Furnished Information means information and any data provided by Canada to the Contractor during the course of this Contract. The GFI is identified in Appendix 5 to Annex A. GFI is "government issue" within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1.

The Contractor must safeguard all GFI as a minimum Commercial in Confidence and in specific cases, to the level of security marked on it. All Canada's right, title and interest to GFI will remain vested always in Canada and the Contractor must maintain it free and clear of all claims, liens, charges and encumbrances.

If, during the course of this Contract, the Contractor identifies additional requirements for information available to Canada, the Contractor may submit requests for such information to the CA. The CA will determine and advise the Contractor whether, and the terms upon which, such information can be provided. Canada will endeavour to provide to the Contractor such information at the times and places and upon the other terms agreed.

7.67 Government Supplied Material (GSM)/Contractor Issued Spares (CIS)

Government Supplied Material means any material which Canada has undertaken to deliver to the Contractor for incorporation by the Contractor in the deliverables. The GSM is identified in Appendix 5 to Annex A. GSM is "government issue" within the meaning of the *Defence Production Act*.

The Contractor must use the GSM solely for the purposes of the Contract. Any unused GSM remains the property of Canada and must be disposed of only as directed by Canada.

Canada warrants that each item of GSM conforms to the Contract requirements. In the event the GSM does not so conform, then Canada will repair or replace such GSM and redeliver the same to the Contractor in a timely manner. If, when received by the Contractor, the GSM does not conform to the Contract requirements, the Contractor must forthwith notify the Contracting Authority, and must as directed by the Contracting Authority, at Canada's expense and at Contractor's Cost:

- a. return such GSM; or
- b. make or have made repairs or modifications thereto; or
- c. dispose of such GSM.

7.68 Government Furnished Equipment (GFE)

Government Furnished Equipment means any material and equipment, other than GSM, which Canada will deliver to the Contractor for the Contractor's use in performing the Work. The GFE is identified in Appendix 5 to Annex A. GFE is "government issue" within the meaning of the *Defence Production Act*.

The GFE identified in Appendix 5 to Annex A may be provided to the Contractor as required during the performance of the Work and upon request from the Contractor to the CA. Canada will provide GFE under a DND loan agreement.

The Contractor must use the GFE solely for the purposes of the Contract. Title to the GFE will at all times remain with Canada. The Contractor must prevent all unauthorised access, modification, tampering, theft, or loss to GFE. The Contractor is accountable for any repairs to GFE resulting from misuse.

The Contractor must maintain complete and accurate accounting records of all GFE and, except for consumable items, must return all GFE to Canada in the same condition as when supplied, with the exception of normal wear and tear.

7.69 Catalogue of Material on CD-ROM

The Department of National Defence will provide a copy of the Canadian Government Catalogue of Material (CGCM) on CD-ROM, Publication A-LM-137-COM/LX-001 to the Contractor, upon written request to the National Defence Quality Assurance Representative (NDQAR) specified in the Contract. The CGCM includes limited rights data of certain NATO countries or manufacturers that are proprietary. Therefore, as required by NATO Standardization Agreement (STANAG) 4438, to have access to the CGCM, the Contractor must sign a non-disclosure agreement and protect the data in accordance with the conditions of the agreement.

The provision of the CGCM will be coordinated through the NDQAR.

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX A - PERFORMANCE WORK STATEMENT

(Refer to Separate Attachment)

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX B – SECURITY REQUIREMENT

(Refer to the following Separate Attachments)

1. Security Requirement Check List
2. DIM Secur - Information Technology Security Requirements - Data Transfer
3. DIM Secur IT Security Requirements
4. Supplemental Security Guide

ANNEX C - BASIS AND METHOD OF PAYMENT

1. Management Work:

1.1 For the satisfactory performance of the Management Work specified in Annex A – Performance Work Statement (PWS), the Contractor will be paid firm Management Fees reimbursable monthly in arrears.

1.2 The Management Fees must include all costs related to Management Work, as described or identified in the PWS, and all Contract Administration costs, and all other Costs except for Work that is specified to be Emergent Work under the Contract. Notwithstanding anything to the contrary herein, Management Work includes all work whether identified as either Management or Emergent under Annex “A” that will be carried out by the Project Manager, Senior Systems Engineer, East Coast Representative and West Coast Representative.

1.3 The cost related to warehousing such as rent or leasing of facilities for the HCCS Materials must not be included in the Management Fee. These costs will be reimbursed at cost to the Contractor without mark-up as Emergent Work and subject to prior task authorization.

1.4 Management fees may be amended in Canada’s discretion if any given contract period if the scope of the services are changed by Canada through the addition or removal of work.

Table 1 – Management Fee

Contract Year	Firm Price	Monthly Management Fee (MMF)
Year 1	\$_(insert Bid Price)____/ 12 months	
Year 2	\$_(insert Bid Price)____/ 12 months	
Year 3	\$_(insert Bid Price)____/ 12 months	
Year 4	\$_(insert Bid Price)____/ 12 months	
Year 5	\$_(insert Bid Price)____/ 12 months	
Year 6	\$_(insert Bid Price)____/ 12 months	

For the satisfactory performance of Management work, from date of contract award to _____, the Contractor will be paid a Monthly Management Fee as indicated in Table 1 above. Customs duties are included and Applicable Taxes are extra.

2. Emergent Work:

2.1 The Basis of Payment for Emergent Work is specified below. Emergent Work will be described in the Annual Operating Plan (AOP), and will be performed subject to issuance of a task authorization.

2.2 The scope and cost of Emergent Work will be authorized and issued in accordance with the requirements specified in Annex D – Task Authorization Process. Payment will be made in accordance with the Basis and Method of Payment specified in each Task Authorization (DND 626) issued for each category of Work identified in the AOP.

2.3 The pricing approach may be either fixed price or cost reimbursable with or without a ceiling.

2.4 Emergent work that is procured on a non-competitive basis will require price certification by both the Contractor and the applicable subcontractor that labour rates and costs are computed respecting the principles of Contract Cost Principles 1031-2 and Chapter 10 of the Supply Manual – Cost and Profit.

2.5 **Labour:**

The Contractor will be paid for the costs reasonably and properly incurred in the performance of the Work, up to the amount calculated as follows:

- a. For direct work: actual hours worked at the firm hourly rates as detailed in Table 2 using the personnel categories listed in Annex K, for the period in which the work is performed;
- b. Overtime: No overtime rates shall be paid under the Contract for any Labour Category. If time worked is more or less than an hour, the all-inclusive annual hourly rate shall be prorated to reflect the actual time worked. Payment shall be made for hours actually worked, with no provision for annual leave, statutory holidays and sick leave. Notwithstanding the foregoing restriction as to overtime rates, Canada will consider the application of the Contractor for a premium in addition to the all-inclusive annual hourly rates to compensate the Contractor in circumstances where the Contractor performs emergent work in an emergency which requires deployment of Contractor resources working for a substantial period beyond standard working hours, all with the prior consent of Canada, and subject to the agreement of Canada on the rate. The Contractor will not delay work pending such application or agreement.

Table 2 – Firm All-Inclusive Hourly Labour Rates

Personnel Category	Level	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6
Engineer	Junior						
Engineer	Intermediate						
Engineer	Senior						
IT Specialist	Junior						
IT Specialist	Intermediate						
IT Specialist	Senior						
Engineering Specialist							
Life Cycle Management Specialist	Junior						
Life Cycle Management Specialist	Intermediate						
Life Cycle Management Specialist	Senior						
Technologist	Junior						
Technologist	Intermediate						
Technologist	Senior						
Technician	Junior						
Technician	Intermediate						
Technician	Senior						

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

Personnel Category	Level	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6
Project Manager	Intermediate						
Project Manager	Senior						
Planners/Schedulers	Junior						
Planners/Schedulers	Intermediate						
Planners/Schedulers	Senior						
Cost Estimation Specialist	Junior						
Cost Estimation Specialist	Intermediate						
Cost Estimation Specialist	Senior						
Quality Assurance/Management Specialist							
Risk Management Specialist							
Contract Administrator							
Administrative Support	Junior						
Administrative Support	Intermediate						
Administrative Support	Senior						
Procurement Specialist	Junior						
Procurement Specialist	Intermediate						
Procurement Specialist	Senior						
Integrated Logistics Support Specialist	Junior						
Integrated Logistics Support Specialist	Intermediate						
Integrated Logistics Support Specialist	Senior						
Documents and Records Management Specialist	Junior						
Documents and Records Management Specialist	Intermediate						
Documents and Records Management Specialist	Senior						
Technical Writer							
Health, Safety, Security and Environmental Manager							

2.6 Material and Subcontracts:

Material and subcontracts entered into pursuant to a task authorization shall be priced and paid as follows:

- a. For material and subcontracts: actual laid down costs, plus mark-up rate as detailed in Table 3, for the period in which the work is performed;
- b. Annual Expenditures: The mark-up rates that will be applied will be dependent on the annual expenditure thresholds as per table 3 below. The annual expenditure will be based on the progressive total amount invoiced by the contractor and will be reset at the start of each contract year. The annual expenditures for subcontractor costs and material costs will be calculated separately.
- c. Definitions:

Laid-down Cost: The cost incurred by the Contractor to acquire a specific product or service for resale to the government. This includes the Contractor's invoice price (less trade discounts), plus any applicable charges for incoming transportation, foreign exchange, customs duty and brokerage, but excludes the Goods and Services Tax and Harmonized Sales Tax.

Mark-up: The mark-up includes applicable purchasing expenses, internal handling, General and Administrative expenses and profit.

Subcontractor mark-up: The subcontractor mark-up will apply when a subcontractor performs a portion of the work, pursuant to a contract between the contractor and Canada, which includes all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the contractor under the contract.

Material mark-up: The material mark-up will apply when the subcontractor supplies only goods to the prime contractor.

Table 3 - Mark-up on Subcontractor and material Costs

Contract Year 1 to Year 6	
Subcontractor Costs	
Annual Expenditure Thresholds	Mark-up
\$0 to \$5M	__(insert bid mark-up)___%
Greater than \$5M up to \$10M	__(insert bid mark-up)___%
Greater than \$10M	__(insert bid mark-up)___%
Material Costs	
Annual Expenditure Thresholds	Mark-up
\$0 to \$3M	__(insert bid mark-up)___%
Greater than \$3M up to \$6M	__(insert bid mark-up)___%
Greater than \$6M	__(insert bid mark-up)___%

2.7 Transportation and Freight:

Where the Contractor is required to ship parts, rental tools and test equipment in order to complete the Work, the Contractor shall be reimbursed for all transportation or freight charges at cost without mark-up.

2.8 Travel and Living Expenses:

The Contractor will be reimbursed for the authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for overhead or profit, in accordance with the meal and private vehicle allowances specified in Appendices B, C and D of the Treasury Board Travel Directive, and with the other provisions of the directive referring to "travelers", rather than those referring to "employees". All travel must have the prior authorization of the Technical Authority. All payments are subject to government audit.

2.9 Warehousing:

Overhead is not to include any cost associated with warehousing facilities such as rent or lease expense, property taxes, and insurance. These costs will be reimbursed at cost to the Contractor without mark-up. Where a Contractor provides a general purpose warehousing facility, and that facility is used to warehouse items other than HCCS material, the portion of warehouse facility costs chargeable to this contract will be based on the percentage of square feet attributable to HCCS material, or any other method acceptable based on Contract Cost Principles 1031-2. Warehousing costs will be subject to Canada's review and pre-approval prior to issuance of a Task Authorization.

2.10 Insurance:

Overhead is not to include any cost associated with insurance premiums. These costs will be reimbursed at cost to the Contractor without mark-up.

2.11 DND Mandated Training:

For any DND Dockyard or DRMIS training that DND requires the Contractor to take to conduct the Work, Canada will use the Emergent Work Request Task Authorization Process to reimburse course fee and reasonable travel and living expenses paid by the Contractor and labour costs for the Contractor's personnel that attend the courses, calculated in accordance with the all-inclusive hourly labour rates specified in the Contract. Note that labour costs for the Project Manager, Senior Systems Engineer, East Coast Representative and West Coast Representative will not be reimbursed as those four individuals are already being paid via the Annual Management Fee.

2.12 Gain Share Incentive:

Gain Sharing will be portioned 50/50 between Canada and the Contractor. Other portioning ratios may be approved on a case-by-case basis during the Cost Reduction Initiatives (CRI) approval process. CRIs may have long term benefits that can result in residual payments. The term of residual payments, if applicable, will be determined by Canada, taking into account the Contractor's proposal, when the approved CRI has been assessed by Canada as successful. Payment of any Gain Share is entirely at the discretion of Canada.

All payments are subject to invoice by the Contractor, such invoice not to be rendered until all applicable work has been complete, and the Contractor has met all the applicable provisions of the Contract, including all applicable payment and invoicing provisions of the Contract.

2.13 Limitation of Expenditure for Emergent Work

For Emergent Work described in Annex A Performance Work Statement, Canada's total liability to the Contractor under the Contract for all authorized Task Authorizations (TAs), inclusive of any revisions, must not exceed the sum of \$ (*to be inserted at contract award*) . Customs duties are included and Applicable Taxes are extra.

No increase in the total liability of Canada will be authorized or paid to the Contractor unless an increase has been approved, in writing, by the Contracting Authority.

The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- a. when it is 75 percent committed, or
- b. four (4) months before the contract expiry date, or
- c. as soon as the Contractor considers that the sum is inadequate for the completion of the Work required in all authorized TAs, inclusive of any revisions, whichever comes first.

If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

2.14 Canada's Obligation – Portion of the Work – Task Authorizations

Canada's obligation with respect to the portion of the Work under the Contract that is performed through task authorizations is limited to the total amount of the actual tasks performed by the Contractor.

3. Performance Incentive Fee (PIF)

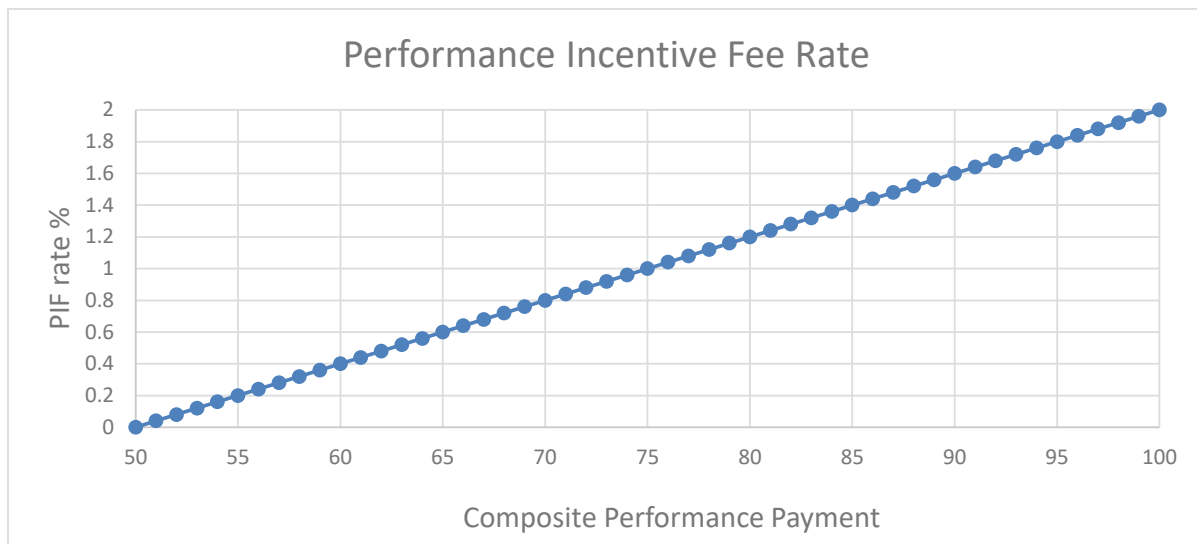
3.1 For successful performance outcomes against Key Performance Indicators (KPI) as determined annually, starting in the first Government of Canada fiscal year (April 1- March 31) after the Contractor has reached the Steady-State Phase, in accordance with Annex A, Appendix 1 - Performance Requirements Specification, the Contractor will be paid an amount by way of a Performance Incentive Fee (PIF), if applicable. The total PIF payable to the Contractor is calculated as:

$$\text{PIF} = \text{Composite Performance Payment} / 100 \times (\text{MMF} \times 12 + \text{Emergent Work Actual Cost}) \times \text{Performance Incentive Fee Rate}$$

The Composite Performance Payment (CPP) score is defined in Annex A, Appendix 1 - Performance Requirements Specification, section 3.9.

3.2 The Performance Incentive Fee Rate will be based on Graph 1 below:

Graph 1 – Performance Incentive Fee Rate



3.3 The formula to calculate the PIF rate is as follows: $y = 0.04 * (x) - 2$

y = PIF Rate
x = CPP score

3.4 To be eligible to receive an annual PIF payment for the delivery of the Management and Emergent Work, the Contractor must, at a minimum have:

- a. Reached the Steady-State Phase (for clarity the Contractor has reached the Steady-State Phase once Canada has accepted the Steady-State Achievement Report);
- b. completed all the Management and Emergent Work to the satisfaction of Canada, specified in the Annual Operating Plan, in the period in which the incentive will be awarded; and
- c. CPP must exceed 50 points

3.5 Canada will authorize a PIF payment commensurate with the Contractor's measured achievement as computed in 3.1. Payment of PIF is entirely at the discretion of Canada.

3.6 The total Performance Incentive Fee payable to the Contractor will not exceed a maximum of \$1,500,000 per Government of Canada fiscal year.

3.7 Emergent Work Actual Cost = the actual cost billed by the Contractor to perform the Emergent Work determined by audit, exclusive of cost of material, material and subcontractor mark-ups, travel and living expenses and all applicable taxes.

3.8 Emergent work authorized after April 1 and completed before 31 March is factored into the PIF calculation.

3.9 The Performance Incentive Fee payable for Management and Emergent work will be applied in the Steady State phase of the Contract.

3.10 The Method of Payment for Performance Incentive payments will be a lump sum payment, subject to invoice, such invoice not to be rendered before Canada has notified the Contractor in writing of the amount of the applicable PIF.

ANNEX D – EMERGENT WORK REQUEST – TASK AUTHORIZATION PROCESS

1. Tasking Procedures

- 1.1 Each task will only be performed by the Contractor when a duly authorized Task Authorization has been issued by the Procurement Authority (PA) or the Contracting Authority, in accordance with the sub-article entitled "Task Approval Limitations" using a form DND 626, entitled "Task Authorization".
- 1.2 The following administrative process applies:
- a) Prior to issuing a Task Authorization, the TA will prepare a draft Task SOW fully describing the Scope of Work required for the Task and specifying the details listed in sub article b) below;
 - b) The TA will submit this draft Task SOW (without the DND 626 form) through the PA to the Contractor specifying the Work requirement, the acceptance criteria for the Work, the types of reports required, and the scheduled date of completion. The PA must ensure that the Task is within the Scope of Work for this Contract;
 - c) The PA will request that the Contractor review the draft Task SOW and provide an accurate quote within a specified time limit, using the rates established in the Contract and based on the Contractor's Level of Effort needed to complete the Task. The Level of Effort quote must provide an accurate cost estimate and schedule for producing the requested deliverables. The Level of Effort quote must clearly identify all the applicable charges.
 - d) The Contractor must, within the time limit specified by the TA or its designated representatives, provide the Level of Effort quote and/or notify the TA of the status of the proposed Task SOW response. Should the time limit specified by the TA not be sufficient, the Contractor must submit the Level of Effort quote within a time period that is mutually acceptable to the TA and the Contractor.
 - e) The Contractor must ensure that the requested Task does not exceed the Scope of Work for this Contract and that the Contractor is fully capable of producing the requested deliverables by achieving the essential functions at the lowest cost consistent with the required performance, reliability, quality and safety. Should the Contractor have any doubt with respect to the Work requested in the Task SOW, the Contractor must submit Task SOW change recommendations to the PA prior to acceptance of the Task Authorization (DND 626).
 - f) The Contractor must submit to the TA through the PA, the following written details:
 - i. The estimated labour hours, the total estimated cost, calculated in accordance with the terms and conditions of the Contract;
 - ii. A list of personnel (including their associated Labour Category and Labour Rate) assigned to perform the Task;
 - iii. The schedule for completion of the Work;
 - iv. An activity resource listing; and
 - v. The Contractor's acceptance or rejection of the proposed Task SOW, subject to receipt of a certified Task Authorization (DND 626).

-
- g) The Contractor must include, in the cost estimate referred to above, all applicable charges, including direct labour charges, material, subcontracting, travel and living expenses, applicable mark-up/fees, and applicable taxes - all in accordance with Annex C, Basis of Payment and the Contract.
- h) Once the TA, PA and Contractor have understood and agreed with the Task details, the TA will review the Level of Effort quote with the PA and in accordance with the Contract sub-article entitled "Approval Limitations", seek approval to proceed as follows:
- i. If the Level of Effort quote is within the DND Task approval ceiling listed in the Contract subarticle entitled "Task Approval Limitations", the PA will sign the DND 626 form (with the Contractor approved Task SOW and Level of Effort attached) and forward a signed copy to both the Contractor and the CA; or
 - ii. If the quote exceeds the DND Task approval ceiling, the CA must also review and sign the DND 626 (with the Contractor approved Task SOW and Level of Effort attached) prior to DND releasing the Task Authorization to the Contractor.
- i) Work on any Task may not commence prior to the date that the DND 626 is signed by the applicable Canadian Government Authorities. DND must ensure that the CA is forwarded a copy of all authorized DND 626 Task Authorizations regardless of the dollar value.
- j) If at any time it becomes evident to the Contractor that the following conditions are exceeded:
- i. The authorized level of expenditure for a Task;
 - ii. The total value of all the Task Work;
 - iii. The approved schedule deadline; or
 - iv. The scope of Work.
- The Contractor must immediately request an amendment to the Task Authorization. The request must refer to the original Task Authorization serial number (DND 626#) and include a revised proposal with the appropriate justification for Canada's consideration. Under no circumstance is the authorized level of expenditure to be exceeded. Canada must have no obligation to pay for any Work that exceeds the authorized funding limitation.
- k) Amendments to the Work, cost or scope of the original DND 626 will require that a formal DND 626 amendment be created. Tasks originally approved by DND and within the amendment ceiling established in the Contract, will be approved by the PA. All other amendments will be approved by DND and sent to the CA for review and signature prior to releasing to the Contractor. DND must ensure that the CA is forwarded a copy of all authorized DND 626 amendments regardless of the dollar value. The Contractor must complete any Tasks at the original price/scope if the approval authority rejects an amendment request. Additional Work on any Task may not commence prior to the date that the DND 626 Amendment is signed by the applicable Canadian Government Authorities.

2. Task Pricing Approach

- 2.1 The Level of Effort quote for each Task must clearly identify one of the following pricing approaches that the Contractor has selected for the Task:

-
- a) The Contractor may submit a "Firm Price" quote to the TA when the Scope of Work for a DND 626, referred to herein as "Task", is clearly understood by both parties and no changes are anticipated in the Scope of the Work;
 - b) The Contractor may submit a "Ceiling Price" quote to the TA. The term "Ceiling Price" is the maximum price that is to be paid to the Contractor and beyond which the Contractor will not receive additional compensation for the defined Work. In such a case, both parties agree prior to the Work authorization that the price may be subject to downward revision, based on the actual price on completion of the Task.
 - c) When it is not possible for the Contractor to submit a "Firm Price" or a "Ceiling Price" as described above, the Contractor may submit a "Limitation of Expenditure" quote to the TA. The Contractor must be paid at the rates and mark-ups in this Contract subject to the financial limitation specified in the Task authorization documentation.
- 2.2 The "Firm Price", "Ceiling Price" and/or the "Limitation of Expenditure" quote must be based on the rates identified in the Basis of Payment (Annex C). All proposed prices and cost estimates must be supported by a detailed cost breakdown.
- 2.3 For a Task which is subject to a "Limitation of Expenditure" as described in sub-article 2.1 (c) above, the Contractor must notify the proper authority in writing as to the inadequacy of its "Limitation of Expenditure" when:
- a) The resources required for its timely completion reaches 75% of the authorized Task funding, or
 - b) If during the execution of the authorized Tasking it appears to the Contractor that the Scope of Work is greater than had been anticipated and that the funds provided for a Task are inadequate, whichever comes first.
- 2.4 When providing the notification described in sub-article 2.3 above, the Contractor must, as a minimum, identify:
- a) Estimated person-days and schedule forecast to complete;
 - b) Resources available and impact on other Tasks versus overall person-days available;
 - c) Work around plan; and
 - d) Risk assessment.
- A revised proposal and proper justification for the requested amendment must be submitted to the proper approval Authority for consideration. The Contractor must complete any Tasks at the original price and scope if the approval Authority rejects an amendment request.
- 2.5 All amounts charged on a "Ceiling Price" or "Limitation of Expenditure" basis must be subject to Government audit before or after payment of an invoice.

3. Task Approval Limitations

- 3.1 Work on any Task may not commence prior to the date that the DND 626 is signed by the applicable Canadian Government Authorities.
- 3.2 The Approval Limitations for each Task Authorization are as follows:

-
- a) Procurement Authority: For Work, up to \$1,000,000.00 (Goods and Services Tax [GST] or Harmonized Sales Tax [HST] included) for a signed DND 626 including all applicable amendment(s).
- b) Contracting Authority: Unlimited for any Task DND 626 costing more than \$1,000,000.00 (GST or HST included);
- 3.3 In the event that the estimated price to complete a Task is anticipated to exceed \$1,000,000.00, the Task must be authorized in writing by both the PA and CA. The Contractor must verify that both signatures are present prior to commencing Work.
- 3.4 For a Task which is subject to a "Limitation of Expenditure" the Contractor must:
- a) Monitor the cost of Work and advise the PA (one copy to the CA) when 75% of the funds authorized for each Task have been expended, and provide an estimate with backup support indicating if the remaining 25% will be sufficient to cover the balance of the Work forecasted for the Task;
- b) If at any time during the Work it becomes evident to the Contractor that the authorized level of expenditure will be exceeded, the Contractor must immediately submit a written request for a Task Authorization Amendment in accordance with the Contract sub-article entitled "Tasking Procedure"; and
- c) When expenditures reach the authorized level of the DND 626, the Contractor must stop Work, notify the PA and await further written instructions from the PA and/or CA. Under no circumstances must the authorized level of the DND 626 be exceeded without prior written approval by the PA and/or CA.
- 3.5 The Contractor must not be obliged to perform any Work or provide any service that would cause the total liability of Canada to be exceeded without the prior written approval of the PA and/or CA in accordance with the Contract Article entitled "Limitation of Expenditure".

4. Task Completion/Closure Procedures

- 4.1 The Contractor must monitor all Tasks issued under this Contract.
- 4.2 If at any time the Contractor believes that a specific Task has been completed or has been inactive for a period of at least six (6) months, the Contractor must proceed as follows to request closure:
- a) The Contractor must determine the final costs to Canada, itemized as necessary for each individual Task being considered for closure;
- b) The Contractor must submit a letter to the TA (one copy each to PA and CA) requesting closure of the Task with reference to reports or letters and complete a Certificate of Compliance concerning the Task as applicable;
- c) Closure will be subject to TA written acceptance of final results of the Tasking. If acceptable, the TA will authorize closure at the detailed funding levels; and
- d) In cases where authorized funds were not all expended to complete specific Tasks, these funds are considered returned to the Contract funding baseline for re-issuance/ redistribution as necessary.

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

TASK AUTHORIZATION
AUTORISATION DES TÂCHES

All invoices/progress claims must show the reference Contract and Task numbers. Toutes les factures doivent indiquer les numéros du contrat et de la tâche.		Contract no. — N° du contrat
		Task no. — N° de la tâche
Amendment no. — N° de la modification	Increase/Decrease — Augmentation/Réduction	Previous value — Valeur précédente
To — A	TO THE CONTRACTOR You are requested to supply the following services in accordance with the terms of the above reference contract. Only services included in the contract shall be supplied against this task. Please advise the undersigned if the completion date cannot be met. Invoices/progress claims shall be prepared in accordance with the instructions set out in the contract. À L'ENTREPRENEUR Vous êtes prié de fournir les services suivants en conformité des termes du contrat mentionné ci-dessus. Seuls les services mentionnés dans le contrat doivent être fournis à l'appui de cette demande. Prière d'aviser le signataire si la livraison ne peut se faire dans les délais prescrits. Les factures doivent être établies selon les instructions énoncées dans le contrat.	
Delivery location — Expédié à		
Delivery/Completion date — Date de livraison/d'achèvement	Date _____	_____ for the Department of National Defence pour le ministère de la Défense nationale
Contract item no. N° d'article du contrat	Services	Cost Prix
		GST/HST TPS/TVA
		Total
APPLICABLE ONLY TO PWGSC CONTRACTS: The Contract Authority signature is required when the total value of the DND 626 exceeds the threshold specified in the contract. NE S'APPLIQUE QU'AUX CONTRATS DE TP&GC : La signature de l'autorité contractante est requise lorsque la valeur totale du formulaire DND 626 est supérieure au seuil précisé dans le contrat.		
for the Department of Public Works and Government Services pour le ministère des Travaux publics et services gouvernementaux		
DND 626 (01-05)		
Design: Form Management 903-4050 Conception : Gestion des formulaires 903-4050		

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX E – CONTRACT DELIVERABLES

(Refer to Separate CDRL and DID Attachments)

ANNEX F – GENERAL CONDITIONS

2035 (2018-06-21) - General Conditions - Higher Complexity - Services

2035 01 (2016-04-04) Interpretation

In the Contract, unless the context otherwise requires:

"Applicable Taxes"

means the Goods and Services Tax (GST), the Harmonized Sales Tax (HST), and any provincial tax, by law, payable by Canada such as, the Quebec Sales Tax (QST) as of April 1, 2013;

"Articles of Agreement"

means the clauses and conditions incorporated in full text or incorporated by reference from the *Standard Acquisition Clauses and Conditions Manual* to form the body of the Contract; it does not include these general conditions, any supplemental general conditions, annexes, the Contractor's bid or any other document;

"Canada", "Crown", "Her Majesty" or "the Government"

means Her Majesty the Queen in right of Canada as represented by the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that minister or, if applicable, an appropriate minister to whom the Minister of Public Works and Government Services has delegated his or her powers, duties or functions and any other person duly authorized to act on behalf of that minister;

"Contract"

means the Articles of Agreement, these general conditions, any supplemental general conditions, annexes and any other document specified or referred to as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contracting Authority"

means the person designated by that title in the Contract, or by notice to the Contractor, to act as Canada's representative to manage the Contract;

"Contractor"

means the person, entity or entities named in the Contract to supply goods, services or both to Canada;

"Contract Price"

means the amount stated in the Contract to be payable to the Contractor for the Work, exclusive of Applicable Taxes;

"Cost"

means cost determined according to Contract Cost Principles 1031-2 as revised to the date of the bid solicitation or, if there was no bid solicitation, the date of the Contract;

"Government Property"

means anything supplied to the Contractor by or on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work, the cost of which is paid by Canada under the Contract;

"Party"

means Canada, the Contractor, or any other signatory to the Contract and "Parties" means all of them;

"Specifications"

means the description of the essential, functional or technical requirements of the Work in the Contract, including the procedures for determining whether the requirements have been met;

"Total Estimated Cost", "Revised Estimated Cost", "Increase (Decrease)"

on page 1 of the Contract or Contract Amendment means an amount used for internal administrative purposes only that comprises the Contract Price, or the revised Contract Price, or the amount that would increase or decrease the Contract Price and the Applicable Taxes as evaluated by the Contracting Authority, and does not constitute tax advice on the part of Canada;

"Work"

means all the activities, services, goods, equipment, matters and things required to be done, delivered or performed by the Contractor under the Contract.

2035 02 (2008-05-12) Standard clauses and conditions

Pursuant to the [*Department of Public Works and Government Services Act*](#), S.C. 1996, c. 16, the clauses and conditions identified by number, date and title in the Contract are incorporated by reference and form part of the Contract as though expressly set out in the Contract.

2035 03 (2008-05-12) Powers of Canada

All rights, remedies, powers and discretions granted or acquired by Canada under the Contract or by law are cumulative, not exclusive.

2035 04 (2008-05-12) Status of the Contractor

The Contractor is an independent contractor engaged by Canada to perform the Work. Nothing in the Contract is intended to create a partnership, a joint venture or an agency between Canada and the other Party or Parties. The Contractor must not represent itself as an agent or representative of Canada to anyone. Neither the Contractor nor any of its personnel is engaged as an employee or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees.

2035 05 (2012-03-02) Conduct of the Work

1. The Contractor represents and warrants that:
 - a. it is competent to perform the Work;
 - b. it has everything necessary to perform the Work, including the resources, facilities, labour, technology, equipment, and materials; and
 - c. it has the necessary qualifications, including knowledge, skill, know-how and experience, and the ability to use them effectively to perform the Work.
2. The Contractor must:
 - a. perform the Work diligently and efficiently;
 - b. except for Government Property, supply everything necessary to perform the Work;
 - c. use, as a minimum, quality assurance procedures, inspections and controls generally used and recognized by the industry to ensure the degree of quality required by the Contract;
 - d. select and employ a sufficient number of qualified people;
 - e. perform the Work in accordance with standards of quality acceptable to Canada and in full conformity with the Specifications and all the requirements of the Contract;
 - f. provide effective and efficient supervision to ensure that the quality of workmanship meets the requirements of the Contract.
3. The Work must not be performed by any person who, in the opinion of Canada, is incompetent, unsuitable or has conducted himself/herself improperly.
4. All services rendered under the Contract must, at the time of acceptance, be free from defects in workmanship and conform to the requirements of the Contract. If the Contractor is required to correct or replace the Work or any part of the Work, it will be at no cost to Canada.
5. Canada's facilities, equipment and personnel are not available to the Contractor to perform the Work unless the Contract specifically provides for it. The Contractor is responsible for advising the Contracting Authority in advance if it requires access to Canada's facilities, equipment or personnel to perform the Work. The Contractor must comply and ensure that its employees and subcontractors comply with all security measures, standing orders, policies or other rules in force at the site where the Work is performed.
6. Unless the Contracting Authority orders the Contractor to suspend the Work or part of the Work pursuant to section 28, the Contractor must not stop or suspend the Work or part of the Work pending the settlement of any dispute between the Parties about the Contract.

7. The Contractor must provide all reports that are required by the Contract and any other information that Canada may reasonably require from time to time.
8. The Contractor is fully responsible for performing the Work. Canada will not be responsible for any negative consequences or extra costs if the Contractor follows any advice given by Canada unless the Contracting Authority provides the advice to the Contractor in writing and includes a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might result from following the advice.

2035 06 (2013-06-27) Subcontracts

1. Except as provided in subsection 2, the Contractor must obtain the Contracting Authority's written consent before subcontracting or permitting the subcontracting of any part of the Work. A subcontract includes a contract entered into by any subcontractor at any tier to perform any part of the Work.
2. The Contractor is not required to obtain consent for subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:
 - a. purchase "off-the-shelf" items and any standard articles and materials that are ordinarily produced by manufacturers in the normal course of business;
 - b. subcontract any portion of the Work as is customary in the carrying out of similar contracts; and;
 - c. permit its subcontractors at any tier to make purchases or subcontract as permitted in paragraphs (a) and (b).
3. In any subcontract other than a subcontract referred to in paragraph 2.(a), the Contractor must, unless the Contracting Authority agrees in writing, ensure that the subcontractor is bound by conditions compatible with and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract, with the exception of requirements under the Federal Contractors Program for employment equity which only apply to the Contractor.
4. Even if Canada consents to a subcontract, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any subcontractors for any part of the Work they perform.

2035 07 (2008-05-12) Specifications

1. All Specifications provided by Canada or on behalf of Canada to the Contractor in connection with the Contract belong to Canada and must be used by the Contractor only for the purpose of performing the Work.
2. If the Contract provides that Specifications furnished by the Contractor must be approved by Canada, that approval will not relieve the Contractor of its responsibility to meet all requirements of the Contract.

2035 08 (2008-05-12) Replacement of specific individuals

1. If specific individuals are identified in the Contract to perform the Work, the Contractor must provide the services of those individuals unless the Contractor is unable to do so for reasons beyond its control.
2. If the Contractor is unable to provide the services of any specific individual identified in the Contract, it must provide a replacement with similar qualifications and experience. The replacement must meet the criteria used in the selection of the Contractor and be acceptable to Canada. The Contractor must, as soon as possible, give notice to the Contracting Authority of the reason for replacing the individual and provide:
 - a. the name, qualifications and experience of the proposed replacement; and
 - b. proof that the proposed replacement has the required security clearance granted by Canada, if applicable.

3. The Contractor must not, in any event, allow performance of the Work by unauthorized replacement persons. The Contracting Authority may order that a replacement stop performing the Work. In such a case, the Contractor must immediately comply with the order and secure a further replacement in accordance with subsection 2. The fact that the Contracting Authority does not order that a replacement stop performing the Work does not relieve the Contractor from its responsibility to meet the requirements of the Contract.

2035 09 (2008-05-12) Time of the essence

It is essential that the Work be performed within or at the time stated in the Contract.

2035 10 (2014-09-25) Excusable delay

1. A delay in the performance by the Contractor of any obligation under the Contract that is caused by an event that
 - a. is beyond the reasonable control of the Contractor,
 - b. could not reasonably have been foreseen,
 - c. could not reasonably have been prevented by means reasonably available to the Contractor, and
 - d. occurred without the fault or neglect of the Contractor,will be considered an "Excusable Delay" if the Contractor advises the Contracting Authority of the occurrence of the delay or of the likelihood of the delay as soon as the Contractor becomes aware of it. The Contractor must also advise the Contracting Authority, within 15 working days, of all the circumstances relating to the delay and provide to the Contracting Authority for approval a clear work around plan explaining in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay.
2. Any delivery date or other date that is directly affected by an Excusable Delay will be postponed for a reasonable time that will not exceed the duration of the Excusable Delay.
3. However, if an Excusable Delay has continued for 30 days or more, the Contracting Authority may, by giving notice in writing to the Contractor, terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Unless Canada has caused the delay by failing to meet an obligation under the Contract, Canada will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.
5. If the Contract is terminated under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work not delivered and accepted before the termination and anything that the Contractor has acquired or produced specifically to perform the Contract. Canada will pay the Contractor:
 - a. the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
 - b. the Cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

The total amount paid by Canada under the Contract to the date of termination and any amounts payable under this subsection must not exceed the Contract Price.

2035 11 (2014-09-25) Inspection and acceptance of the Work

1. All the Work is subject to inspection and acceptance by Canada. Inspection and acceptance of the Work by Canada do not relieve the Contractor of its responsibility for defects or other failures to meet the requirements of the Contract. Canada will have the right to reject any Work that is not in

accordance with the requirements of the Contract and require its correction or replacement at the Contractor's expense.

2. The Contractor must provide representatives of Canada access to all locations where any part of the Work is being performed at any time during working hours. Representatives of Canada may make examinations and such tests of the Work as they may think fit. The Contractor must provide all assistance and facilities, test pieces, samples and documentation that the representatives of Canada may reasonably require for the carrying out of the inspection. The Contractor must forward such test pieces and samples to such person or location as Canada specifies.
3. The Contractor must inspect and approve any part of the Work before submitting it for acceptance or delivering it to Canada. The Contractor must keep accurate and complete inspection records that must be made available to Canada on request. Representatives of Canada may make copies and take extracts of the records during the performance of the Contract and for up to three years after the end of the Contract.

2035 12 (2013-03-21) Invoice submission

1. Invoices must be submitted in the Contractor's name. The Contractor must submit invoices for each delivery or shipment; invoices must only apply to the Contract. Each invoice must indicate whether it covers partial or final delivery.
2. Invoices must show:
 - a. the date, the name and address of the client department, item or reference numbers, deliverable/description of the Work, contract number, Client Reference Number (CRN), Procurement Business Number (PBN), and financial code(s);
 - b. details of expenditures (such as item, quantity, unit of issue, unit price, fixed time labour rates and level of effort, subcontracts, as applicable) in accordance with the Basis of Payment, exclusive of Applicable Taxes;
 - c. deduction for holdback, if applicable;
 - d. the extension of the totals, if applicable; and
 - e. if applicable, the method of shipment together with date, case numbers and part or reference numbers, shipment charges and any other additional charges.
3. Applicable Taxes must be specified on all invoices as a separate item along with corresponding registration numbers from the tax authorities. All items that are zero-rated, exempt or to which Applicable Taxes do not apply, must be identified as such on all invoices.
4. By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.

2035 13 (2013-03-21) Taxes

1. Federal government departments and agencies are required to pay Applicable Taxes.
2. Applicable Taxes will be paid by Canada as provided in the Invoice Submission section. It is the sole responsibility of the Contractor to charge Applicable Taxes at the correct rate in accordance with applicable legislation. The Contractor agrees to remit to appropriate tax authorities any amounts of Applicable Taxes paid or due.
3. The Contractor is not entitled to use Canada's exemptions from any tax, such as provincial sales taxes, unless otherwise specified by law. The Contractor must pay applicable provincial sales tax, ancillary taxes, and any commodity tax, on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable legislation), including for material incorporated into real property.
4. In those cases where Applicable Taxes, customs duties, and excise taxes are included in the Contract Price, the Contract Price will be adjusted to reflect any increase, or decrease, of Applicable Taxes, customs duties, and excise taxes that will have occurred between bid submission and contract award. However, there will be no adjustment for any change to increase the Contract Price if public notice of the change was given before bid submission date in sufficient detail to have permitted the Contractor to calculate the effect of the change.

5. Tax Withholding of 15 Percent – Canada Revenue Agency

Pursuant to the [Income Tax Act](#), 1985, c. 1 (5th Supp.) and the [Income Tax Regulations](#), Canada must withhold 15 percent of the amount to be paid to the Contractor in respect of services provided in Canada if the Contractor is not a resident of Canada, unless the Contractor obtains a valid waiver from the [Canada Revenue Agency](#). The amount withheld will be held on account for the Contractor in respect to any tax liability which may be owed to Canada.

2035 14 (2010-01-11) Transportation costs

If transportation costs are payable by Canada under the Contract and the Contractor makes the transportation arrangements, shipments must be made by the most direct and economical means consistent with normal shipping practice. The costs must be shown as a separate item on the invoice.

2035 15 (2010-01-11) Transportation carriers' liability

The federal government's policy of underwriting its own risks precludes payment of insurance or valuation charges for transportation beyond the point at which ownership of goods passes to the federal government (determined by the FOB point or Incoterms). Where increased carrier liability is available without charge, the Contractor must obtain the increased liability for shipment.

2035 16 (2014-09-25) Payment period

1. Canada's standard payment period is 30 days. The payment period is measured from the date an invoice in acceptable form and content is received in accordance with the Contract or the date the Work is delivered in acceptable condition as required in the Contract, whichever is later. A payment is considered overdue on the 31st day following that date and interest will be paid automatically in accordance with the section 17.
2. If the content of the invoice and its substantiating documentation are not in accordance with the Contract or the Work is not in acceptable condition, Canada will notify the Contractor within 15 days of receipt. The 30-day payment period begins upon receipt of the revised invoice or the replacement or corrected Work. Failure by Canada to notify the Contractor within 15 days will only result in the date specified in subsection 1 to apply for the sole purpose of calculating interest on overdue accounts.

2035 17 (2008-12-12) Interest on overdue accounts

1. For the purpose of this section:

"Average Rate"

means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Time each day during the calendar month immediately before the calendar month in which payment is made;

"Bank Rate"

means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association;

"date of payment"

means the date of the negotiable instrument drawn by the Receiver General for Canada to pay any amount under the Contract;

an amount becomes "overdue"

when it is unpaid on the first day following the day on which it is due and payable according to the Contract.

2. Canada will pay to the Contractor simple interest at the Average Rate plus 3 percent per year on any amount that is overdue, from the date that amount becomes overdue until the day before the date of payment, inclusive. The Contractor is not required to provide notice to Canada for interest to be payable.
3. Canada will pay interest in accordance with this section only if Canada is responsible for the delay in paying the Contractor. Canada will not pay interest on overdue advance payments.

2035 18 (2008-05-12) Compliance with applicable laws

1. The Contractor must comply with all laws applicable to the performance of the Contract. The Contractor must provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.
2. The Contractor must obtain and maintain at its own cost all permits, licenses, regulatory approvals and certificates required to perform the Work. If requested by the Contracting Authority, the Contractor must provide a copy of any required permit, license, regulatory approvals or certificate to Canada.

2035 19 (2008-05-12) Ownership

1. Unless provided otherwise in the Contract, the Work or any part of the Work belongs to Canada after delivery and acceptance by or on behalf of Canada.
2. However if any payment is made to the Contractor for or on account of any Work, either by way of progress or milestone payments, that work paid for by Canada belongs to Canada upon such payment being made. This transfer of ownership does not constitute acceptance by Canada of the Work or any part of the Work and does not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
3. Despite any transfer of ownership, the Contractor is responsible for any loss or damage to the Work or any part of the Work until it is delivered to Canada in accordance with the Contract. Even after delivery, the Contractor remains responsible for any loss or damage to any part of the Work caused by the Contractor or any subcontractor.
4. Upon transfer of ownership to the Work or any part of the Work to Canada, the Contractor must, if requested by Canada, establish to Canada's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances. The Contractor must execute any conveyances and other instruments necessary to perfect the title that Canada may require.

2035 20 (2008-05-12) Copyright

In this section, "Material" means anything that is created by the Contractor as part of the Work under the Contract, that is required by the Contract to be delivered to Canada and in which copyright subsists. "Material" does not include anything created by the Contractor before the date of the Contract.

Copyright in the Material belongs to Canada and the Contractor must include the copyright symbol and either of the following notice on the Material: © Her Majesty the Queen in right of Canada (year) or © Sa Majesté la Reine du chef du Canada (année).

The Contractor must not use, copy, divulge or publish any Material except as is necessary to perform the Contract. The Contractor must execute any conveyance and other documents relating to copyright in the Material as Canada may require.

The Contractor must provide at the request of Canada a written permanent waiver of moral rights, in a form acceptable to Canada, from every author that contributed to the Material. If the Contractor is the author of the Material, the Contractor permanently waives its moral rights in the Material.

2035 21 (2008-05-12) Translation of documentation

The Contractor agrees that Canada may translate in the other official language any documentation delivered to Canada by the Contractor that does not belong to Canada under section 20. The Contractor acknowledges that Canada owns the translation and that it is under no obligation to provide any translation to the Contractor. Canada agrees that any translation must include any copyright notice and any proprietary right notice that was part of the original. Canada acknowledges that the Contractor is not responsible for any technical errors or other problems that may arise as a result of the translation.

2035 22 (2008-05-12) Confidentiality

1. The Contractor must keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work when copyright or any other intellectual property rights in such information belongs to Canada under the Contract. The Contractor must not disclose any such information without the written permission of Canada. The Contractor may disclose to a subcontractor any information necessary to perform the subcontract as long as the subcontractor agrees to keep the information confidential and that it will be used only to perform the subcontract.
2. The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be. Unless provided otherwise in the Contract, the Contractor must deliver to Canada all such information, together with every copy, draft, working paper and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.
3. Subject to the [Access to Information Act](#), R.S., 1985, c. A-1, and to any right of Canada under the Contract to release or disclose, Canada must not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a subcontractor.
4. The obligations of the Parties set out in this section do not apply to any information if the information:
 - a. is publicly available from a source other than the other Party; or
 - b. is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information; or
 - c. is developed by a Party without use of the information of the other Party.
5. Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Public Works and Government Services (PWGSC) Contract No. (fill in Contract Number)". Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.
6. If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor must at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the *PWGSC Industrial Security Manual* and its supplements and any other instructions issued by Canada.
7. If the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED, by Canada, representatives of Canada are entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the Contract. The Contractor must comply with, and ensure that any subcontractor complies with, all written instructions issued by Canada dealing with the material so identified, including any requirement that employees of the Contractor or of any subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

2035 23 (2008-05-12) Government Property

1. All Government Property must be used by the Contractor solely for the purpose of the Contract and remains the property of Canada. The Contractor must maintain adequate accounting records of all Government Property and, whenever feasible, mark it as being the property of Canada.
2. The Contractor must take reasonable and proper care of all Government Property while it is in its possession or subject to its control. The Contractor is responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, unless it is installed or incorporated in the Work, must be returned to Canada on demand. All scrap and all waste materials, articles or things that are Government Property must, unless provided otherwise in the Contract, remain the property of Canada and must be disposed of only as directed by Canada.
4. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor must provide to Canada an inventory of all Government Property relating to the Contract.

2035 24 (2008-05-12) Liability

The Contractor is liable for any damage caused by the Contractor, its employees, subcontractors, or agents to Canada or any third party. Canada is liable for any damage caused by Canada, its employees or agents to the Contractor or any third party. The Parties agree that no limitation of liability or indemnity provision applies to the Contract unless it is specifically incorporated in full text in the Articles of Agreement. Damage includes any injury to persons (including injury resulting in death) or loss of or damage to property (including real property) caused as a result of or during the performance of the Contract.

2035 25 (2008-05-12) Intellectual property infringement and royalties

1. The Contractor represents and warrants that, to the best of its knowledge, neither it nor Canada will infringe any third party's intellectual property rights in performing or using the Work, and that Canada will have no obligation to pay royalties of any kind to anyone in connection with the Work.
2. If anyone makes a claim against Canada or the Contractor concerning intellectual property infringement or royalties related to the Work, that Party agrees to notify the other Party in writing immediately. If anyone brings a claim against Canada, according to [Department of Justice Act](#), R.S., 1985, c. J-2, the Attorney General of Canada must have the regulation and conduct of all litigation for or against Canada, but the Attorney General may request that the Contractor defend Canada against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable as a result of the claim, including the amount of any settlement. Both Parties agree not to settle any claim unless the other Party first approves the settlement in writing.
3. The Contractor has no obligation regarding claims that were only made because:
 - a. Canada modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract; or
 - b. Canada used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications); or
 - c. the Contractor used equipment, drawings, specifications or other information supplied to the Contractor by Canada (or by someone authorized by Canada); or
 - d. the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Authority; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software: "[Supplier name] acknowledges that the purchased items will be used by the Government of Canada. If a third party claims that equipment or software supplied under this contract infringes any intellectual property right, [supplier name], if requested to do so by either [Contractor name] or Canada, will defend both [Contractor name] and Canada against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement." Obtaining this protection from the supplier is the Contractor's

responsibility and, if the Contractor does not do so, it will be responsible to Canada for the claim.

4. If anyone claims that, as a result of the Work, the Contractor or Canada is infringing its intellectual property rights, the Contractor must immediately do one of the following:
 - a. take whatever steps are necessary to allow Canada to continue to use the allegedly infringing part of the Work; or
 - b. modify or replace the Work to avoid intellectual property infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
 - c. take back the Work and refund any part of the Contract Price that Canada has already paid.

If the Contractor determines that none of these alternatives can reasonably be achieved, or if the Contractor fails to take any of these steps within a reasonable amount of time, Canada may choose either to require the Contractor to do (c), or to take whatever steps are necessary to acquire the rights to use the allegedly infringing part(s) of the Work itself, in which case the Contractor must reimburse Canada for all the costs it incurs to do so.

2035 26 (2008-05-12) Amendment and waivers

1. To be effective, any amendment to the Contract must be done in writing by the Contracting Authority and the authorized representative of the Contractor.
2. While the Contractor may discuss any proposed modifications to the Work with other representatives of Canada, Canada will not be responsible for the cost of any modification unless it has been incorporated into the Contract in accordance with subsection 1.
3. A waiver will only be valid, binding or affect the rights of the Parties if it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.
4. The waiver by a Party of a breach of any condition of the Contract will not be treated or interpreted as a waiver of any subsequent breach and therefore will not prevent that Party from enforcing of that term or condition in the case of a subsequent breach.

2035 27 (2008-05-12) Assignment

1. The Contractor must not assign the Contract without first obtaining the written consent of the Contracting Authority. Any assignment made without that consent is void and will have no effect. The assignment will be effective upon execution of an assignment agreement signed by the Parties and the assignee.
2. Assignment of the Contract does not relieve the Contractor from any obligation under the Contract and it does not impose any liability upon Canada.

2035 28 (2014-09-25) Suspension of the Work

1. The Contracting Authority may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract for a period of up to 180 days. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so. While such an order is in effect, the Contractor must not remove any part of the Work from any premises without first obtaining the written consent of the Contracting Authority. Within these 180 days, the Contracting Authority must either cancel the order or terminate the Contract, in whole or in part, under section 29 or section 30.
2. When an order is made under subsection 1, unless the Contracting Authority terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor will be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit.

3. When an order made under subsection 1 is cancelled, the Contractor must resume work in accordance with the Contract as soon as practicable. If the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for performing the part of the Work affected by the suspension will be extended for a period equal to the period of suspension plus a period, if any, that in the opinion of the Contracting Authority, following consultation with the Contractor, is necessary for the Contractor to resume the Work. Any equitable adjustments will be made as necessary to any affected conditions of the Contract.

2035 29 (2014-09-25) Default by the Contractor

1. If the Contractor is in default in carrying out any of its obligations under the Contract, the Contracting Authority may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.
2. If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding-up of the Contractor, the Contracting Authority may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.
3. If Canada gives notice under subsection 1 or 2, the Contractor will have no claim for further payment except as provided in this section. The Contractor will be liable to Canada for all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
4. Upon termination of the Contract under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work, not delivered and accepted before the termination and anything the Contractor has acquired or produced specifically to perform the Contract. In such a case, subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada will pay or credit to the Contractor:
 - a. the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
 - b. the cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.

The total amount paid by Canada under the Contract to the date of the termination and any amount payable under this subsection must not exceed the Contract Price.

5. Title to everything for which payment is made to the Contractor will, once payment is made, pass to Canada unless it already belongs to Canada under any other provision of the Contract.
6. If the Contract is terminated for default under subsection 1, but it is later determined that grounds did not exist for a termination for default, the notice will be considered a notice of termination for convenience issued under subsection 1 of section 30.

2035 30 (2018-06-21) Termination for convenience

1. At any time before the completion of the Work, the Contracting Authority may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of

the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.

2. If a termination notice is given pursuant to subsection 1, the Contractor will be entitled to be paid, for costs that have been reasonably and properly incurred to perform the Contract to the extent that the Contractor has not already been paid or reimbursed by Canada. The Contractor agrees that it will only be paid the following amounts:
 - a. on the basis of the Contract Price, for any part of the Work completed that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
 - b. the Cost incurred by the Contractor plus a fair and reasonable profit thereon as determined by Canada in accordance with the profit provisions found in PWGSC Supply Manual section [10.65 Calculation of profit on negotiated contracts](#), for any part of the Work commenced, but not completed, prior to the date of the termination notice. The Contractor agrees that it is not entitled to any anticipated profit on any part of the Contract terminated; and
 - c. all costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.
3. Canada may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract.
4. The total of the amounts, to which the Contractor is entitled to be paid under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Contract Price. The Contractor will have no claim for damages, compensation, loss of profit, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

2035 31 (2014-09-25) Accounts and audit

1. The Contractor must keep proper accounts and records of the cost of performing the Work and of all expenditures or commitments made by the Contractor in connection with the Work, including all invoices, receipts and vouchers. The Contractor must retain records, including bills of lading and other evidence of transportation or delivery, for all deliveries made under the Contract.
2. If the Contract includes payment for time spent by the Contractor, its employees, representatives, agents or subcontractors performing the Work, the Contractor must keep a record of the actual time spent each day by each individual performing any part of the Work.
3. Unless Canada has consented in writing to its disposal, the Contractor must retain all the information described in this section for six years after it receives the final payment under the Contract, or until the settlement of all outstanding claims and disputes, whichever is later. During this time, the Contractor must make this information available for audit, inspection and examination by the representatives of Canada, who may make copies and take extracts. The Contractor must provide all reasonably required facilities for any audit and inspection and must furnish all the information as the representatives of Canada may from time to time require to perform a complete audit of the Contract.
4. The amount claimed under the contract, calculated in accordance with the Basis of Payment provision in the Articles of Agreement, is subject to government audit both before and after payment is made. If an audit is performed after payment, the Contractor agrees to repay any overpayment immediately on demand by Canada. Canada may hold back, deduct and set off any credits owing and unpaid under this section from any money that Canada owes to the Contractor at any time (including under other contracts). If Canada does not choose to exercise this right at any given time, Canada does not lose this right.

2035 32 (2008-05-12) Right of set-off

Without restricting any right of set-off given by law, Canada may set-off against any amount payable to the Contractor under the Contract, any amount payable to Canada by the Contractor under the Contract or under any other current contract. Canada may, when making a payment pursuant to the Contract, deduct from the amount payable to the Contractor any such amount payable to Canada by the Contractor which, by virtue of the right of set-off, may be retained by Canada.

2035 33 (2008-05-12) Notice

Any notice under the Contract must be in writing and may be delivered by hand, courier, mail, facsimile or other electronic method that provides a paper record of the text of the notice. It must be sent to the Party for whom it is intended at the address stated in the Contract. Any notice will be effective on the day it is received at that address. Any notice to Canada must be delivered to the Contracting Authority.

2035 34 (2008-05-12) Conflict of interest and Values and Ethics Codes for the Public Service

The Contractor acknowledges that individuals who are subject to the provisions of the [Conflict of interest Act](#), 2006, c. 9, s. 2, the *Conflict of interest Code for Members of the House of Commons*, the *Values and Ethics Code for the Public Service* or all other codes of values and ethics applicable within specific organizations cannot derive any direct benefit resulting from the Contract.

2035 35 (2008-05-12) No bribe or conflict

1. The Contractor declares that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.
2. The Contractor must not influence, seek to influence or otherwise take part in a decision of Canada knowing that the decision might further its private interest. The Contractor must have no financial interest in the business of a third party that causes or would appear to cause a conflict of interest in connection with the performance of its obligations under the Contract. If such a financial interest is acquired during the period of the Contract, the Contractor must immediately declare it to the Contracting Authority.
3. The Contractor warrants that, to the best of its knowledge after making diligent inquiry, no conflict exists or is likely to arise in the performance of the Contract. In the event the Contractor becomes aware of any matter that causes or is likely to cause a conflict in relation to the Contractor's performance under the Contract, the Contractor must immediately disclose such matter to the Contracting Authority in writing.
4. If the Contracting Authority is of the opinion that a conflict exists as a result of the Contractor's disclosure or as a result of any other information brought to the Contracting Authority's attention, the Contracting Authority may require the Contractor to take steps to resolve or otherwise deal with the conflict or, at its entire discretion, terminate the Contract for default. Conflict means any matter, circumstance, interest, or activity affecting the Contractor, its personnel or subcontractors, which may or may appear to impair the ability of the Contractor to perform the Work diligently and independently.

2035 36 (2008-05-12) Survival

All the Parties' obligations of confidentiality, representations and warranties set out in the Contract as well as the provisions, which by the nature of the rights or obligations might reasonably be expected to survive, will survive the expiry or termination of the Contract.

2035 37 (2008-05-12) Severability

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision will be removed from the Contract without affecting any other provision of the Contract.

2035 38 (2008-05-12) Successors and assigns

The Contract is to the benefit of and binds the successors and permitted assignees of Canada and of the Contractor.

2035 39 (2008-12-12) Contingency fees

The Contractor certifies that it has not directly or indirectly, paid or agreed to pay and agrees that it will not, directly or indirectly, pay a contingency fee for the solicitation, negotiation or obtaining of the Contract to any person, other than an employee of the Contractor acting in the normal course of the employee's duties. In this section, "contingency fee" means any payment or other compensation that depends or is calculated based on a degree of success in soliciting, negotiating or obtaining the Contract and "person" includes any individual who is required to file a return with the registrar pursuant to section 5 of the [Lobbying Act](#), 1985, c. 44 (4th Supplement).

2035 40 (2012-07-16) International sanctions

1. Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to [economic sanctions](#).
2. The Contractor must not supply to the Government of Canada any goods or services which are subject to economic sanctions.
3. The Contractor must comply with changes to the regulations imposed during the period of the Contract. The Contractor must immediately advise Canada if it is unable to perform the Work as a result of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services. If the Parties cannot agree on a work around plan, the Contract will be terminated for the convenience of Canada in accordance with section 30.

2035 41 (2016-04-04) Integrity provisions—contract

The *Ineligibility and Suspension Policy* (the "Policy") and all related Directives incorporated by reference into the bid solicitation on its closing date are incorporated into, and form a binding part of the Contract. The Contractor must comply with the provisions of the Policy and Directives, which can be found on Public Works and Government Services Canada's website at [Ineligibility and Suspension Policy](#).

2035 42 (2008-05-12) Harassment in the workplace

1. The Contractor acknowledges the responsibility of Canada to ensure, for its employees, a healthy work environment, free of harassment. A copy of the [Policy on Harassment Prevention and Resolution](#), which is also applicable to the Contractor, is available on the Treasury Board Web site.
2. The Contractor must not, either as an individual, or as a corporate or unincorporated entity, through its employees or subcontractors, harass, abuse, threaten, discriminate against or intimidate any employee, contractor or other individual employed by, or under contract with Canada. The Contractor will be advised in writing of any complaint and will have the right to respond in writing. Upon receipt of the Contractor's response, the Contracting Authority will, at its entire discretion, determine if the complaint is founded and decide on any action to be taken.

2035 43 (2008-05-12) Entire agreement

The Contract constitutes the entire and only agreement between the Parties and supersedes all previous negotiations, communications and other agreements, whether written or oral, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the Parties other than those contained in the Contract.

2035 44 (2012-07-16) Access to information

Records created by the Contractor, and under the control of Canada, are subject to the [Access to Information Act](#). The Contractor acknowledges the responsibilities of Canada under the [Access to](#)

[Information Act](#) and must, to the extent possible, assist Canada in discharging these responsibilities. Furthermore, the Contractor acknowledges that section 67.1 of the [Access to Information Act](#) provides that any person, who destroys, alters, falsifies or conceals a record, or directs anyone to do so, with the intent of obstructing the right of access that is provided by the [Access to Information Act](#) is guilty of an offence and is liable to imprisonment or a fine, or both.

2035 45 (2016-04-04) Code of Conduct for Procurement—Contract

The Contractor agrees to comply with the [Code of Conduct for Procurement](#) and to be bound by its terms for the period of the Contract.

1031-2 (2012-07-16) - Contract Cost Principles

1031-2 01 (2008-05-12) General Principle

The total cost of the Contract must be the sum of the applicable direct and indirect costs which are, or must be reasonably and properly incurred and/or allocated, in the performance of the Contract, less any applicable credits. These costs must be determined in accordance with the Contractor's cost accounting practices as accepted by Canada and applied consistently over time.

1031-2 02 (2008-05-12) Definition of a Reasonable Cost

1. A cost is reasonable if the nature and amount do not exceed what would be incurred by an ordinary prudent person in the conduct of a competitive business.
2. In determining the reasonableness of a particular cost, consideration will be given to:
 - a. whether the cost is of a type generally recognized as normal and necessary for the conduct of a contractor's business or performance of the Contract;
 - b. the restraints and requirements by such factors as generally accepted sound business practices, arm's length bargaining, federal, provincial and local laws and regulations, and contract conditions;
 - c. the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, the Government and public at large;
 - d. significant deviations from the established practices of the Contractor which may unjustifiably increase the contract costs; and
 - e. the specifications, delivery schedule and quality requirements of the particular contract as they affect costs.

1031-2 03 (2008-05-12) Direct Costs

There are three categories of direct costs:

- a. "Direct Material Costs" meaning the cost of materials which can be specifically identified and measured as having been used or to be used in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.
 - i. These materials may include, in addition to materials purchased solely for the performance of the Contract and processed by the Contractor, or obtained from subcontractors, any other materials issued from the Contractor's general stocks.
 - ii. Materials purchased solely for the performance of the Contract or subcontracts must be charged to the Contract at the net laid-down cost to the Contractor before cash discounts for prompt payment.

-
- iii. Materials issued from the Contractor's general stocks must be charged to the Contract in accordance with the method as used consistently by the Contractor in pricing material inventories.
 - b. "Direct Labour Costs" meaning the costs of the portion of gross wages or salaries incurred for the Work, which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.
 - c. "Other Direct Costs" meaning those applicable costs, not falling within the categories of direct material or direct labour, but which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost practices as accepted by Canada.

1031-2 04 (2012-07-16) Indirect Costs

- 1. "Indirect Costs (overhead)" meaning those costs which, though necessarily having been incurred during the performance of the Contract for the conduct of the Contractor's business in general, cannot be identified and measured as directly applicable to the performance of the Contract.
- 2. These Indirect Costs may include, but are not necessarily restricted to, such items as:
 - a. indirect materials and supplies (*);
 - b. indirect labour;
 - c. fringe benefits (the Contractor's contribution only);
 - d. public services expenses: expenses of a general nature such as power, heat, light, operation and maintenance of general assets and facilities;
 - e. fixed/period charges: recurring charges such as property taxes, rentals and reasonable depreciation costs;
 - f. general and administrative expenses: including remuneration of executive and corporate officers, office wages and salaries and expenses such as stationery, office supplies, postage and other necessary administration and management expenses;
 - g. selling and marketing expenses associated with the goods, services or both being acquired under the Contract;
 - h. general research or development expenses as considered applicable by Canada.

(*) For supplies of similar low-value, high-usage items the costs of which meet the above definition of Direct Material Costs but for which it is economically expensive to account for these costs in the manner prescribed for direct costs, then they may be considered to be indirect costs for the purposes of the Contract.

1031-2 05 (2008-05-12) Allocation of Indirect Costs

Indirect Costs must be accumulated in appropriate indirect cost pools, reflecting a contractor's organizational or operational lines and these pools subsequently allocated to contracts in accordance with the following two principles:

- a. the costs included in a particular indirect cost pool should have a similarity of relationship with each contract to which that indirect cost pool is subsequently distributed; further, the costs included in an indirect cost pool should be similar enough in their relationship to each other that the allocation of the total costs in the pool provides a result which would be similar to that achieved if each cost within that pool were separately distributed;
- b. the allocation basis for each indirect cost pool should reflect, as far as possible, the causal relationship of the pooled costs to the contracts to which these costs are distributed.

1031-2 6 (2008-05-12) Credits

The applicable portion of any income, rebate, allowance, or any other credit relating to any applicable direct or indirect cost, received by or accruing to the Contractor, must be credited to the Contract.

1031-2 07 (2012-07-16) Non-applicable Costs

Despite that the following costs may have been or may be reasonably and properly incurred by the Contractor in the performance of the Contract, they are considered non-applicable costs to the Contract:

- a. allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges;
- b. legal, accounting and consulting fees in connection with financial reorganization, security issues, capital stock issues, obtaining of patents and licenses and prosecution of claims against Canada;
- c. losses on investments, bad debts and collection charges;
- d. losses on other contracts;
- e. federal and provincial income taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes;
- f. provisions for contingencies;
- g. premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the Contractor;
- h. amortization of unrealized appreciation of assets;
- i. depreciation of assets paid for by Canada;
- j. fines and penalties;
- k. expenses and depreciation of excess facilities;
- l. unreasonable compensation for officers and employees;
- m. specific product development or improvement expenses not associated with the product being acquired under the Contract;
- n. advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;
- o. entertainment expenses;
- p. donations except those to charities registered under the [Income Tax Act](#);
- q. dues and other memberships other than regular trade and professional associations;
- r. fees, extraordinary or abnormal for professional advice in regard to technical, administrative or accounting matters, unless approval from the Contracting Authority is obtained.
- s. compensation in the form of dividend payments or calculated based on dividend payments;
- t. compensation calculated, or valued, based on changes in the price of corporate securities, such as stock options, stock appreciation rights, phantom stock plans or junior stock conversions; or, any compensation in the form of a payment made to an employee in lieu of an employee receiving or exercising a right, option, or benefit.

ANNEX G - SUPPLEMENTAL GENERAL CONDITIONS

1029 (2018-12-06) – Ship Repairs

1029 01 (2010-08-16) Interpretation

1. In the Contract, unless the context otherwise requires,
"General Conditions"
means the general conditions forming part of the Contract;

"Inspector"
means the inspection authority or any other person designated in the Contract to carry out the inspection duties;

"vessel"
means the ship or vessel to be repaired, fitted, converted or otherwise dealt with by the Contractor under the Contract and includes the whole of its hull, engines, boilers, machinery, auxiliaries, stores, equipment, fittings and appurtenances.
2. These supplemental general conditions must be read with the General Conditions, provided that, in the event of any inconsistencies between the provisions of the General Conditions and of these supplemental general conditions, the latter must prevail.

1029 02 (2010-08-16) Contractor to Provide Plant, etc.

Unless otherwise provided in the Contract, the Contractor must provide and make available, at its own expense, all labour, superintendence services, machinery, equipment, apparatus, tools, implements, materials, articles and things which may be requisite for the efficient carrying out and completion of the Work.

1029 03 (2010-08-16) Quality and Workmanship

All materials and parts used for the Work must be of the quality required by the Specifications and must be suitable for their particular purposes. They must be employed in the most substantial and workmanlike manner and only as approved by the Inspector.

1029 04 (2010-08-16) Inspector Final Judge of Work, Materials, etc.

1. If any part of the Specifications provides for a method of construction or for the supply and/or use of materials, equipment or parts which are not specified with particularity, the Contractor has the right of selection, provided that,
 - a. the construction so performed and the materials, equipment and parts so supplied and/or used are in accordance with good marine building practice for the type and class of vessels covered by the Contract; and
 - b. the Specifications and all other contract requirements are fully complied with.
2. Subject to the foregoing, the Inspector will be the final judge of the quality, quantity and suitability of the workmanship, parts, materials, plant, machinery, apparatus, tools and equipment used in or for the purposes of the Work and as to the meaning or interpretation of the Specifications. Its decision with regard to the foregoing matters, or any of them, will be final and binding upon the Contractor.
3. The Contractor must promptly and fully comply with all orders, directions or instructions at any time given by the Inspector with respect to the Work or the conduct or progress of the Work or with

respect to the parts, materials, plant, apparatus, machinery, tools or equipment used in or for the purposes of the Work.

1029 05 (2010-08-16) Re-execution of Inferior Work

If, in the opinion of the Inspector, any part of the Work is not in accordance with the Contract, the Inspector may notify the Contractor to properly re-execute the same, which must be done by the Contractor at its own expense. If the Contractor fails to do so within such reasonable time as may be fixed by the said or any subsequent notice, then the Inspector may cause such work to be re-executed and replaced at the expense of the Contractor by any means which the Inspector considers advisable.

1029 06 (2010-08-16) Removed Parts, etc., Remain Canada Property

Any parts, equipment, materials or accessories of any vessel permanently removed in the carrying out of the Work, remain the property of Canada, and must be disposed of as Canada may direct.

1029 07 (2010-08-16) Wharfage and Dockage Fees and Charges

1. Until the completion of the Work, the Contractor will be responsible for and must pay all charges, fees, expenses and disbursements of or incidental to the carrying out of the Work, including wharfage, towage, dockage, running lines, electric light and water for testing and refilling the tanks.
2. In the event of any assessments, taxes or duties, or other levies and charges whatsoever, being unpaid after the Work has been formally accepted by Canada, and Canada has complied with all the provisions imposed upon it by the Contract, the Contractor must reimburse Canada within thirty (30) days thereafter for any such assessments, taxes, duties, levies or charges as may have been paid by Canada.

1029 08 (2010-08-16) Where Vessel Remains in Commission

If the Vessel is to remain in commission while the Work is being carried out, then

- a. the Work must be carried out on the Vessel at such place as the Vessel is from time to time berthed, provided that every endeavour must be made consistent with the necessity for speedy execution of the Work to have the Vessel berthed at such place as will facilitate the Work required to be performed by the Contractor;
- b. the Contractor will not be in charge of or responsible for the care and protection of the Vessel but will be liable for all loss or damage or personal injury (to persons other than those in the employ of the Contractor) resulting from any negligent or wrongful act or omission on the part of the Contractor, its officers, servants, agents or employees during the carrying out of the Work. If any such loss or damage should occur to the Vessel or to the Work, the Contractor must immediately, unless otherwise directed by the Contracting Authority or the Inspector and subject to such conditions as the Contracting Authority or the Inspector may impose, at its own expense, repair, restore and/or replace the Vessel and/or the Work so lost or destroyed;
- c. the Contractor must indemnify and save harmless Canada against and from all loss, damages, costs and expenses arising from or in any way connected with any and all claims for or in respect of such loss, damages or personal injuries occasioned as aforesaid.

1029 09 (2010-08-16) Where Vessel out of Commission

If the Vessel be out of commission while the Work is being carried out, then

- a. unless the prior approval of Canada has been obtained to ground the Vessel, it must be berthed where it will not touch the ground at either high or low water;

-
- b. the Contractor will be in charge of and be entirely responsible for the care and efficient protection of the Vessel from the time of delivery to the Contractor until redelivered to and accepted by the person or persons appointed by Canada to receive and accept the same;
 - c. a copy of all lists of fixtures and spare gear will be furnished to the Contractor who must check the same in conjunction with the Inspector and thereafter acknowledge receipt of the items. Upon completion of the Work, if such items are accounted for to the satisfaction of the Inspector, Canada will give a clearance to the Contractor;
 - d. the Contractor must provide the necessary warehouse or storage accommodation for and maintain in good conditions, lubricated, painted and protected from the weather, all equipment, fittings, articles or things temporarily removed from the Vessel during the Work or which may be supplied to the Contractor by Canada for stowing or fitting in place on board the Vessel prior to delivery to Canada. The Contractor must redeliver the same to Canada in as good condition as when so removed by or supplied to the Contractor. The Contractor must also provide safe storage accommodation for any part or parts of the Vessel permanently removed until the same are disposed of as provided in the Contract;
 - e. the Contractor must take the usual and proper precautions to maintain in a proper state of preservation any machinery, equipment, fittings, stores or things left in the Vessel which might become damaged by exposure;
 - f. if the Work necessitates the removal of stores and no secure place of stowage is available on board the Vessel, the Contractor must provide the necessary labour for removal and a secure place for storage. The Contractor must furnish receipts for such stores. The Contractor undertakes that such stores must be well and carefully stored and not mingled with property of a similar nature;
 - g. the Contractor will be liable for all loss or damage of or to the Vessel or the Work and for personal injury (to persons other than those in the employ of the Contractor) resulting from any negligent or wrongful act or omission on the part of the Contractor, its officers, servants, agents or employees from the time of the taking over of the Vessel until delivery of the Vessel and final acceptance of the Work pursuant to the provisions of the Contract. If any such loss or damage should occur before such delivery and final acceptance, the Contractor must immediately (unless otherwise directed by the Contracting Authority or the Inspector and subject to such conditions as the Contracting Authority or the Inspector may impose), at its own expense, repair, restore and/or replace the Vessel and/or the Work so lost or damaged. Canada will not be in any manner responsible or liable for any loss or damage which may happen to the Vessel and/or the Work, or any part or parts of the Work before delivery, or for any injury including injuries resulting in death, to any person or persons, or for any other damages or injuries whatsoever, caused by or in connection with the Vessel, or caused by or resulting from or in any way arising out of the Work. The Contractor must indemnify and save harmless Canada against and from all loss, costs, damages and expenses arising from or in any way connected with any and all claims for or in respect of such loss, damages or injuries.

1029 10 (2010-08-16) Insurance

The Contractor warrants that it is carrying Shipbuilders' and/or Ship Repairers' Liability insurance in the amount stated in the Contract and agrees to maintain the said insurance in force during the carrying out of the Contract. The Contractor further agrees that, in the event of any loss or liability covered by the said insurance being suffered or incurred by or in relation to the Vessel or to the Work, the said insurance will be available for the benefit of Canada as Canada's interest may appear.

1029 11 (2010-08-16) Public Ceremony

The Contractor must not allow any public ceremony in connection with the Work without having previously obtained the written permission of Canada.

1029 12 (2010-08-16) Security Deposit

1. The security (if any) referred to in the Contract will be held and retained by Canada as security for the due and complete performance, observance and fulfilment by the Contractor of all the conditions of the Contract. Unless and until the security is forfeited to Canada as provided in the Contract, Canada will remit any revenues and income (provided that Canada must in no event be obligated to invest moneys as interest or otherwise) to the Contractor. In the case of interest coupons, or dividend coupons payable to bearer, Canada will deliver the same to the Contractor as and when they mature. In the event of any default by the Contractor in fulfilment of any of the conditions of the Contract, the security must (without prejudice to any and all other rights and recourses accruing to Canada) be forfeited to and retained by Canada as liquidated damages and not as a penalty. If the Contractor has duly performed, observed and fulfilled all the conditions of the Contract, the security will be returned to the Contractor.
2. Despite the foregoing, Canada may, at its discretion, authorize a return of the security to the Contractor at any time before the Contractor has fulfilled all its obligations under the Contract. In such event, the return of the security must not prejudice any rights or recourse accruing to Canada under the Contract.

4007 (2010-08-16) - Canada to Own Intellectual Property Rights in Foreground Information

4007 01 (2008-05-12) Interpretation

1. In the Contract, unless the context otherwise requires:

"Background Information" means all Intellectual Property that is not Foreground Information that is incorporated into the Work or necessary for the performance of the Work, regardless of whether it is owned by the Contractor or a third party;

"Firmware" means computer programs that are stored in integrated circuits, read-only memory or other similar devices within the hardware or other equipment;

"Foreground Information" means all Intellectual Property first conceived, developed, produced or reduced to practice as part of the Work under the Contract;

"General Conditions" means the general conditions that form part of the Contract;

"Intellectual Property" means any information or knowledge of an industrial, scientific, technical, commercial, literary, dramatic, artistic or otherwise creative nature relating to the Work, whether oral or recorded in any form or medium and whether or not subject to copyright; this includes but is not limited to any inventions, designs, methods, processes, techniques, know-how, show-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, manuals and any other documents, Software, and Firmware;

"Intellectual Property Right" means any intellectual property right recognized by law, including any intellectual property right protected by legislation such as patents, copyright, industrial design, integrated circuit topography, and plant breeders' rights, or subject to protection under the law as trade secrets and confidential information.

"Software" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, including any modification.

2. Words and expressions defined in the General Conditions and used in these supplemental general conditions have the meanings given to them in the General Conditions. In the event of any inconsistency between the General Conditions and these supplemental general conditions, the applicable provisions of these supplemental general conditions will prevail.
3. If supplemental general conditions 4001 and 4003 are also incorporated in the Contract, the provisions of those supplemental general conditions concerning the ownership of Intellectual Property will prevail in relation to the subject matter of those supplemental general conditions.

4007 02 (2008-05-12) Record and Disclosure of Foreground Information

1. During and after the performance of the Contract, the Contractor must keep detailed records of the Foreground Information, including details of its creation. The Contractor must report and fully disclose to Canada all Foreground Information as required by the Contract. If the Contract does not specifically state when and how the Contractor must do so, the Contractor must provide this information if requested by the Contracting Authority, whether before or after the completion of the Contract.
2. Before and after final payment to the Contractor, the Contractor must provide Canada with access to all records and supporting data that Canada considers pertinent to the identification of Foreground Information.
3. For any Intellectual Property that was developed or created in relation to the Work, Canada will be entitled to assume that it was developed or created by Canada, if the Contractor's records do not list that Intellectual Property or do not indicate that it was created by the Contractor, or by someone on behalf of the Contractor, other than Canada.

4007 03 (2008-05-12) Ownership of Intellectual Property Rights in Foreground Information

1. All Intellectual Property Rights in the Foreground Information belong to Canada as soon as they come into existence. The Contractor has no right in or to any such Intellectual Property Rights in the Foreground Information, except any right that may be granted in writing by Canada.
2. The Contractor must incorporate the copyright symbol and one of the following notices, as appropriate into all Foreground Information that is subject to copyright regardless of the form or medium upon which it is recorded: © Her Majesty the Queen in Right of Canada (year), or © Sa Majesté la Reine du chef du Canada (année).
3. The Contractor must execute any documents relating to the Intellectual Property Rights in the Foreground Information as Canada may require. The Contractor must, at Canada's expense, provide Canada all reasonable assistance in the preparation of applications and in the prosecution of any applications for registration of any Intellectual Property Rights in any jurisdiction, including the assistance of the inventor in the case on inventions.

4007 04 (2008-05-12) License to Intellectual Property Rights in Background Information

1. The Contractor grants to Canada a license to use the Background Information to the extent that it is reasonably necessary for Canada to exercise fully all its rights in the deliverables and in the Foreground Information. This license is non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free. The license cannot be restricted in any way by the Contractor providing any form of

notice to the contrary, including the wording on any shrink-wrapped license attached to any deliverable.

2. For greater certainty, Canada's license in the Background Information includes, but is not limited to:
- a. the right to disclose the Background Information to third parties bidding on or negotiating contracts with Canada and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such contracts. Canada will require these third parties and contractors not to use or disclose that information except as may be necessary to bid, negotiate or carry out those contracts;
 - b. the right to disclose the Background Information to other governments for information purposes;
 - c. the right to reproduce, modify, improve, develop or translate the Background Information or have it done by a person hired by Canada. Canada, or a person designated by Canada, will own the Intellectual Property Rights associated with reproduction, modification, improvement, development or translation.
 - d. without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold in relation to any part of the Work, the right to use and disclose to a contractor engaged by Canada the Background Information for the following purposes:
 - i. For Canada's activities related to the Work, including for the management, use, installation, integration, operation, maintenance, repair or overhaul of the Work or any part, or of any deliverable supplied under the Contract;
 - ii. In the manufacturing of spare parts for the maintenance, repair or overhaul of any part of the Work, if those parts are not available on reasonable commercial terms to enable timely maintenance, repair or overhaul.
3. The Contractor agrees to make the Background Information, including in the case of Software, the source code, promptly available to Canada for any purpose mentioned above. The license does not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada applies only to source code that is within the control of or can be obtained by the Contractor or any subcontractor.

4007 05 (2008-05-12) Contractor's Right to Grant Licence

The Contractor represents and warrants that it has the right to grant to Canada the license and any other rights to use the Background Information. If the Intellectual Property Rights in any Background Information are owned by a subcontractor or any other third party, the Contractor must have a license from that subcontractor or third party that permits compliance with section 4 or arrange, without delay, for the subcontractor or third party to grant promptly the required license directly to Canada.

4007 06 (2008-05-12) Waiver of Moral Rights

If requested by Canada, during and after the Contract, the Contractor must provide a written permanent waiver of moral rights, as defined in the [Copyright Act](#), R.S., 1985, c. C-42, from every author that contributes to any Foreground Information subject to copyright protection that is a deliverable to Canada under the Contract. If the Contractor is an author of the Foreground Information, the Contractor permanently waives the Contractor's moral rights in that Foreground Information.

4012 (2012-07-16) - Goods – Higher Complexity

4012 01 (2012-07-16) Condition of Material

Unless provided otherwise in the Contract, material supplied must be new and conform to the latest issue of the applicable drawing, specifications and part number that is in effect on the bid closing date or, if there was no bid solicitation, the date of the Contract.

4012 02 (2012-07-16) Shipment Documentation

For the shipment of goods, the transportation bill of lading must accompany the original invoice, except for "collect" shipments (if and when stipulated), in which event it must accompany the shipment. In addition, a packing slip must accompany each shipment, showing item, quantity, part or reference numbers, description of the goods and contract number, including the CRN and PBN. If the goods have been inspected at the Contractor's plant, the signed inspection voucher must be attached to the packing slip normally enclosed in the packing note envelope.

4012 03 (2012-07-16) Warranty

1. Despite inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that, for twelve (12) months (or any other period stated in the Contract), the Work will be free from all defects in design, material or workmanship, and will conform to the requirements of the Contract. The warranty period begins on the date of delivery, or if acceptance takes place at a later date, the date of acceptance. With respect to Government Property not supplied by the Contractor, the Contractor's warranty will extend only to its proper incorporation into the Work.
2. In the event of a defect or non-conformance in any part of the Work during the warranty period, the Contractor, at the request of Canada to do so, must as soon as possible repair, replace or otherwise make good at its own option and expense the part of the Work found to be defective or not in conformance with the requirements of the Contract.
3. The Work or any part of the Work found to be defective or non-conforming will be returned to the Contractor's plant for replacement, repair or making good. However, when in the opinion of Canada it is not expedient to remove the Work from its location, the Contractor must carry out any necessary repair or making good of the Work at that location. In such cases, the Contractor will be paid the fair and reasonable Cost (including reasonable travel and living expenses) incurred in so doing, with no allowance for profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.
4. Canada must pay the transportation cost associated with returning the Work or any part of the Work to the Contractor's plant pursuant to subsection 3. The Contractor must pay the transportation cost associated with forwarding the replacement or returning the Work or part of the Work when rectified to the delivery point specified in the Contract or to another location directed by Canada.
5. The Contractor must remedy all data and reports pertaining to any correction or replacement under this section, including revisions and updating of all affected data, manuals, publications, software and drawings called for under the Contract, at no cost to Canada.
6. If the Contractor fails to fulfill any obligation described in this section within a reasonable time of receiving a notice, Canada will have the right to remedy or to have remedied the defective or non-conforming work at the Contractor's expense. If Canada does not wish to correct or replace the defective or non-conforming work, an equitable reduction will be made in the Contract Price.

7. The warranty period is automatically extended by the duration of any period or periods where the Work is unavailable for use or cannot be used because of a defect or non-conformance during the original warranty period. The warranty applies to any part of the Work repaired, replaced or otherwise made good pursuant to subsection 2, for the greater of:
- the warranty period remaining, including the extension, or
 - ninety (90) days or such other period as may be specified for that purpose by agreement between the Parties.

4001 (2015-04-01) - Hardware Purchase, Lease and Maintenance

Part I - Conditions Common to Hardware Transactions

The following information consists of conditions common to hardware transactions.

4001 01 (2010-01-11) Interpretation

1. In the Contract, unless the context requires otherwise,

"Delivery Date"

means the date specified in the Contract for the delivery of the Hardware. If no date is specified elsewhere in the Contract, the Delivery Date is for any initial delivery, thirty (30) days from the date of the Contract; for any Hardware purchased or leased under an option, thirty (30) days from the date the option is exercised; and if the Contract provides for multiple orders, thirty (30) days from the date of each order;

"Downtime"

means the time, measured in hours and whole minutes, during which the Hardware is not available for Fully Functional Operation during User Time because of a malfunction of the Hardware. Downtime starts when Canada notifies the Contractor that the Hardware is not available for Fully Functional Operation and ends when the malfunction has been corrected and the Contractor notifies Canada that the Hardware has been restored to Fully Functional Operation, unless Canada then notifies the Contractor that the Hardware is still not available for Fully Functional Operation;

"Firmware"

means any computer programs stored in integrated circuits, read-only memory, or other similar devices within the Hardware;

"Fully Functional Operation"

means that the Hardware is working according to all the Specifications, so that all of the functionalities of the Hardware can be used;

"General Conditions"

means the general conditions that form part of the Contract;

"Hardware"

means all the equipment, materials, matters and things to be provided, maintained, and supported, as applicable, by the Contractor under the Contract (including cables and other ancillary items). The term "Hardware" includes Firmware, if any, but does not include software or services. Unless the context requires otherwise, the term "Hardware" includes any Leased Hardware. Also, unless the context requires otherwise, each time the term "Hardware" is used, it will be read as also applying to each System delivered under the Contract;

"Hardware Documentation"

means all of the manuals, handbooks, user guides and other human-readable material to be provided by the Contractor to Canada for use with the Hardware, whether it is to be supplied in printed form or on an electronic storage medium, such as a CD-ROM;

"Leased Hardware"

means the Hardware leased under the Contract;

"Hardware Maintenance Service"

has the meaning given in Part V;

"Operational Use Time"

means the time, measured in hours and whole minutes, during which the Hardware performs its functions or activities in accordance with the Specifications during User Time, and includes all intervals between the stop and start times of the Hardware during User Time that do not constitute Downtime, such as maintenance scheduled in advance with Canada;

"Ready for Use"

describes the Hardware once the Contractor has delivered it and, if applicable, has installed, integrated and configured it so that it is available for Fully Functional Operation;

"Specifications",

despite the definition in the General Conditions, for the Hardware, means the functional or technical description of the Work set out or referred to in the Contract, including drawings, samples and models, and also includes, except to the extent inconsistent with anything in the Contract, any such description set out or referred to in any brochure, product literature or other documentation provided by the Contractor under the Contract, as well as any technical documentation published or made generally available by the manufacturer of any of the Hardware. For any System to be provided, if there is any inconsistency between the Specifications for an individual System component and the Specifications for the System as a whole, the Specifications for the System will prevail over the Specifications for any System component;

"System"

means the integrated combination of any of the Hardware delivered under the Contract and any other equipment, materials or software described in the Contract that are interconnected with or that otherwise interoperate with the Hardware together as a unit. There may be multiple "Systems" including different items of Hardware delivered under the Contract. A System may include Custom Software, if supplemental general conditions 4002 are part of the Contract and/or a System may include Licensed Software, if supplemental general conditions 4003 are part of the Contract;

"User Time"

means 7:00 a.m. to 7:00 p.m., Eastern Time, Mondays through Fridays, excluding statutory holidays observed by Canada at the site where the Hardware is being used.

2. Words and expressions defined in the General Conditions and used in these supplemental general conditions have the meanings given to them in the General Conditions, unless provided otherwise. If the General Conditions contain sections entitled "Ownership" or "Warranty", those sections do not apply to the Hardware. Instead, the ownership and warranty provisions in these supplemental general conditions apply to the Hardware.
3. If there is any inconsistency between the General Conditions and these supplemental general conditions, the applicable provisions of these supplemental general conditions prevail.
4. Part I of these supplemental general conditions applies to the relationship between the Parties with respect to hardware transactions generally.
5. Part II of these supplemental general conditions applies if any Hardware is being purchased or leased under the Contract.
6. Part III of these supplemental general conditions applies if any Hardware is being purchased under the Contract, including Leased Hardware that is purchased because Canada exercises an option to purchase.
7. Part IV of these supplemental general conditions applies if any Hardware is being leased under the Contract.
8. Part V of these supplemental general conditions applies if either or both of Part III or Part IV applies, or if the Contract is for maintenance of Hardware already owned by Canada.

4001 02 (2010-01-11) Hardware Must be New

1. All Hardware supplied by the Contractor, including parts used to provide the Hardware Maintenance Service under Part V, must be new and unused. The Hardware must also:
 - a. be off-the-shelf, meaning it must be composed of standard equipment requiring no further research or development;
 - b. be a model that is still in production by the manufacturer at the time of delivery; and
 - c. conform to the version of the applicable specification or part number of the manufacturer in effect at the time of delivery.
2. Unless the Contract provides otherwise, hardware or parts that have been refurbished or are certified as "equal to new quality" are not acceptable, including for the Hardware Maintenance Service.
3. By supplying the Hardware, the Contractor is guaranteeing that the Hardware is not counterfeit, meaning it is not an unauthorized copy, replica, or substitute for the product manufactured by the original equipment manufacturer identified by name on the Hardware.

Part II - Conditions Common to Lease and Purchase

The following information consists of conditions common to lease and purchase.

4001 03 (2010-01-11) Delivery

The Contractor must deliver the Hardware to the location(s) designated by Canada by the Delivery Date. The Contractor must pay all costs associated with replacing any item damaged in transit to the final destination. The Contractor acknowledges that no item will be considered delivered on the Delivery Date if it is damaged or otherwise not ready for Canada to begin its acceptance procedures. The Contractor must, at a minimum, package the Hardware according to industry standards and include a packing slip with each shipment. The Contractor must also arrange for any rigging and drayage necessary to deliver the Hardware. All costs associated with packaging, shipping, transportation and delivery are included in the price of the Hardware.

4001 04 (2008-05-12) Special Site Delivery or Installation Preparation Requirements

1. If the Contract describes special site preparation requirements, the Contractor must prepare the site for delivery or installation at its own expense according to those requirements, sufficiently in advance to meet the Delivery Date. All the costs associated with the special site preparation are included in the price of the Hardware.
2. If the Contract provides that Canada is responsible for special site preparation requirements, then the following applies instead of subsection 1:
 - a. Canada must prepare the site at its own expense in accordance with the site preparation requirements described in the Contract.
 - b. If the Contract provides that there are special site preparation requirements, but does not describe them, the Contractor must deliver a complete written description of them to Canada immediately following the date of the Contract or, if the Delivery Date is more than thirty (30) days after the date of the Contract, at any time at least thirty (30) days before the Delivery Date. If the Contractor delivers the special site preparation requirements to Canada by this time, and Canada does not object to any of the Contractor's requirements within ten (10) days, Canada must prepare the site according to these requirements. If Canada is required to make any alterations or modifications because the Contractor's special site preparation requirements were incomplete or incorrect, the Contractor must reimburse Canada for any additional expenses it incurs. The Contractor guarantees that, if the site is prepared and

maintained by Canada according to the special site preparation requirements, the resulting environment will permit the Hardware to operate according to the Specifications.

- c. Canada must complete the special site preparations and notify the Contractor that the site is ready at least five (5) working days before the Delivery Date, after which the Contractor may inspect the site at a time agreed to by Canada. Inspection by the Contractor does not relieve Canada of its obligation to prepare the site according to the special site preparation requirements described in the Contract.
 - d. If Canada does not prepare the site according to the special site preparation specifications on time, unless the delay is due to an event reasonably beyond Canada's control, the Contractor will be entitled to be reimbursed for any additional costs that it can demonstrate that it reasonably and properly incurred as a direct result of the delay.
3. If the Contract does not describe any special site preparation requirements, subsections 1 and 2 do not apply, and instead the Contractor guarantees that none are required for the Hardware to operate according to the Specifications.

4001 05 (2008-05-12) Installation, Integration and Configuration

1. Unless provided otherwise in the Contract, the Contractor must unpack, assemble, install, integrate, interconnect, and configure all the Hardware at the location(s) specified in the Contract. Where necessary to complete this part of the Work, the Contractor must provide all required moving and installation resources, including but not limited to personnel, packing material, vehicles, cranes, and floor protection panels. After completing this part of the Work, the Contractor must provide Canada's on-site representative with written notification that the Hardware is Ready for Use. If either or both of *Supplemental General Conditions* 4002 and/or 4003 apply to the Contract, and the Contract provides that the System consists of the Hardware together with Licensed Software and/or Custom Software, the Work described in this article also applies to the entire System.
2. The Contractor must supply all materials required to complete the assembly, installation, integration, interconnection, and configuration of the Hardware at the location(s) specified in the Contract so that it is Ready for Use and acceptance, including providing and setting up all the required connections to the power supply and any other necessary utilities, cables, and any other accessories or supplies.
3. The Contractor must leave all work areas clean and tidy at the end of each workday and once the Work is complete, which includes removing and disposing of all packing materials.
4. All costs associated with the Work described in this section are included in the price of the Hardware.

4001 06 (2008-05-12) Certification of Electrical Equipment

The Contractor guarantees that all electrical equipment delivered under the Contract is either:

- a. certified by an organization accredited by the Standards Council of Canada in accordance with Part I of the *Canadian Electrical Code*; or
- b. has been inspected by an organization acceptable to the Chief Electrical Inspector in the province, territory or city in Canada where the electrical equipment will be delivered, in which case the Contractor must present evidence of this inspection if requested by Canada.

4001 07 (2008-05-12) Hardware Documentation

1. The Contractor must provide to Canada the same Hardware Documentation that it provides to other purchasers of similar hardware, and must include all supplements and revisions to the Hardware Documentation effective up to the Delivery Date. The Hardware Documentation must at least

include all the documentation available to consumers from the manufacturer of the Hardware about the technical specifications of the Hardware and the Firmware, installation requirements, and operating instructions, as well as details about the software programs with which the Hardware functions, regardless of whether licenses to those software programs are provided under the Contract.

2. The Contractor guarantees that the Hardware Documentation it provides is sufficiently detailed to allow Canada to use and test all the Hardware's functions.
3. If the Contract states that the Contractor must provide maintenance documentation, the Contractor guarantees that the Hardware Documentation it provides is sufficiently detailed to permit Canada, or someone authorized by Canada, to maintain and repair the Hardware properly, and to test it for that purpose.
4. The Contractor must deliver the Hardware Documentation to Canada with the Hardware. If multiple units are delivered, unless the Contract specifically provides otherwise, the Contractor must provide one complete set of Hardware Documentation with each item of Hardware.
5. If there are changes to the Hardware during the contract period, the Contractor must update the Hardware Documentation, at no additional cost to Canada. The Contractor must provide these updates within ten (10) days of the updates being made available by the manufacturer. If available from the manufacturer, the updates must include supporting documentation that identifies any problem resolved or enhancement made to the Hardware, any new feature(s) added, and any necessary installation instructions.
6. Despite anything in the General Conditions concerning copyright, the copyright in the Hardware Documentation will not be owned or transferred to Canada. However, Canada has the right to use the Hardware Documentation and may, for its own internal purposes, copy it for use by individuals using or supporting the Hardware, as long as Canada includes any copyright and proprietary right notices that are part of the original document.
7. Unless provided otherwise in the Contract, the Hardware Documentation must be delivered in both English and French. If the Contract provides that the Hardware Documentation is only required to be provided in one of Canada's official languages, Canada has the right to translate it or have it translated for its own use. Canada owns any translation and is not required to provide it to the Contractor. Canada must include any copyright and proprietary right notices that are part of the original document in any translation. The Contractor is not responsible for technical errors that arise as a result of any translation made by Canada.

4001 08 (2010-01-11) Minimum Availability Level Requirement

1. Each item of Hardware must achieve the minimum availability level specified in the Contract during each month of the contract period. If no minimum availability level is specified, this section does not apply to the Contract.
2. The availability level achieved each month must be calculated as follows:
$$\text{Operational Use Time} / [\text{Operational Use Time} + \text{Downtime}] \times 100\%$$
3. The Contractor must monitor the performance of the Hardware and submit written monthly reports regarding the availability level during each calendar month of the contract period. The report must be submitted to the Contracting Authority and the Technical or Project Authority within thirty (30) days of the end of the month covered by the report.
4. If the Contract states that no availability level reports are required, the Contractor acknowledges that Canada may monitor the availability level or perform testing at any time during the contract period.

5. If any Hardware does not meet the minimum availability level in any given month, in addition to any other remedy provided for in the Contract, the Contractor must immediately perform Hardware Maintenance Service to restore the Hardware to Fully Functional Operation at the minimum availability level.

4001 09 (2010-01-11) Availability-Level Testing Before Acceptance

1. Availability-level testing may be required by Canada before acceptance if the Contract specifies a Minimum Availability Level. If no Minimum Availability Level is specified, this section does not apply to the Contract.
2. The Contractor must notify the Technical or Project Authority in writing once the work under section 5 is complete and the Hardware is Ready for Use. Canada must start any availability-level testing within five (5) working days after receiving this notice or by the Ready-for-Use date specified in the Contract, whichever is later.
3. If the Contract provides that section 5 does not apply to the Contract, and Canada intends to conduct availability-level testing on the Hardware, Canada agrees to install the Hardware within ten (10) working days after receiving the Hardware or ten (10) working days after the Delivery Date, whichever is later. Canada agrees to start any availability-level testing within two (2) working days of completing the installation.
4. Without affecting any of Canada's other rights or remedies under the Contract, Canada must have full access to the Hardware and may make unrestricted operational use of it after the Contractor has given notice that it is Ready for Use or, where installation is Canada's responsibility, after it is delivered to and installed by Canada. However, Canada must provide the Contractor, at all times before the Hardware is accepted, priority access to the Hardware to maintain it and to perform the Contract.
5. To pass the availability-level test, the Hardware must achieve the Minimum Availability Level for thirty (30) consecutive days within ninety (90) days of the testing beginning. During availability-level testing, the Contractor must provide weekly written reports to Canada showing the Hardware performance in relation to the Minimum Availability Level.
6. If the Hardware does not pass the availability-level tests in the time described in subsection 5, Canada may, without affecting any other rights or remedies described in the Contract, choose to do one or more of the following:
 - a. require the Contractor to replace some or all of the Hardware with new Hardware, which would again be subject to availability-level testing and acceptance;
 - b. extend the availability-level testing period; and
 - c. terminate the Contract for default, at no cost to Canada.
7. If Canada does not carry out any availability-level testing within the time described in this section, when the availability level of the Hardware is calculated, the time during which Canada otherwise would have conducted that testing will be considered uninterrupted Operational Use Time. However, this will not apply if Canada is unable to start or continue the availability-level testing because of an event reasonably beyond Canada's control. In that case, Canada may temporarily suspend the availability-level testing and the time limits for testing referred to in this section or elsewhere in the Contract will be extended by the number of days that testing is suspended, up to a maximum extension of sixty (60) days.
8. If Canada determines that the Hardware successfully passes the availability-level testing, which in addition to the above may include tests of any function of the Hardware to determine whether it meets the Specifications, the first day of the 30-day period in which the Hardware achieves the Minimum Availability Level will be considered the acceptance date.

4001 10 (2008-05-12) Acceptance

1. The Hardware, including all the Work related to it, is subject to acceptance by Canada. As part of its acceptance process, Canada may test any function of the Hardware to determine whether it meets the Specifications. If any of the Work does not meet the requirements of the Contract, Canada may reject it or require that it be corrected at the Contractor's expense before accepting it. No payments for the Hardware are due under the Contract unless the Hardware is accepted.
2. Acceptance by Canada does not relieve the Contractor of its responsibility for defects in the Hardware or other failures to meet the requirements of the Contract or of its warranty or maintenance obligations under the Contract.
3. Except where section 9 applies, the procedure for acceptance will be as follows:
 - a. the Contractor must notify the Contracting Authority in writing once the Hardware is Ready for Use by referring to this provision of the Contract and requesting acceptance of the Work;
 - b. Canada will have thirty (30) days to perform its acceptance procedures (the "Acceptance Period"); and
 - c. if Canada provides notice of any deficiency during the Acceptance Period, the Contractor must address the deficiency at no cost to Canada as soon as possible and notify Canada in writing once the Work is complete, at which time Canada will be entitled to re-inspect the Work and the Acceptance Period will start again.
4. Despite *Supplemental General Conditions* 4002 and 4003, if either or both apply to the Contract, if the Contract states that the System consists of the Hardware together with Licensed Software and/or Custom Software, the period for conducting any acceptance tests for the System, including any Licensed Software and any Custom Software components of the System, will be the acceptance period for the Hardware specified in these supplemental general conditions.

4001 11 (2008-05-12) Firmware

1. The Contractor must deliver the Hardware equipped with all the Firmware required to use all the Hardware's functions.
2. Canada will not own any of the Firmware, but the Contractor grants to Canada a perpetual, non-exclusive, irrevocable, royalty-free license to use the Firmware with the Hardware. Canada may transfer this license if Canada transfers ownership of the Hardware to a third party. Any reference in the Contract to the Firmware being a deliverable is a reference to the license to use that Firmware, not ownership of the Firmware.
3. The Contractor guarantees that it has the right to license the Firmware and full power and authority to grant to Canada the rights to use the Firmware described in this section. The Contractor also guarantees that all necessary consents to that grant have been obtained.

4001 12 (2008-05-12) Total System Responsibility

1. If the Contract provides that the Hardware is part of one or more Systems, the Contractor must supply the System(s) as a whole and ensure that each System is available for Fully Functional Operation at all times.
2. If the Contract provides that the Contractor must incorporate Government Property into the System, the obligations under subsection 1 include the Government Property and the Contractor must make any adjustments to the Government Property required to ensure compatibility with the rest of the System. If requested by Canada during the Hardware Warranty Period (defined below), the Contractor must as soon as possible correct any failure of the System to conform to the Specifications that is caused by the improper interconnection or integration of any Government

Property into the System. This provision survives acceptance of the Work and does not limit any of the Contractor's warranty or maintenance obligations under the Contract.

3. Despite subsections 1 and 2, the Contractor is not responsible for a failure of the System to meet the Specifications, if that failure is directly caused by a defect in any Government Property, or by any failure of Government Property to meet its specifications. This subsection does not apply to any Government Property that was originally supplied to Canada by the Contractor, but is then made available by Canada to the Contractor for use under the Contract.

Part III - Additional Conditions: Purchase

The following information consists of additional conditions regarding purchases.

4001 13 (2008-05-12) Ownership of the Purchased Hardware and Risk of Loss or Damage

1. Unless provided otherwise in the Contract, including subsection 2, Canada becomes the owner of the Hardware once the Hardware has been delivered to and accepted by Canada according to the conditions of the Contract.
2. If Canada pays the Contractor for any materials, parts, work-in-process, or finished work, either by way of progress payments or otherwise, then Canada will own them once the payment is made, unless ownership has already passed to Canada under another provision of the Contract. The fact that ownership has transferred to Canada does not mean that Canada has accepted the materials, parts, work-in-process or finished work, and does not relieve the Contractor of its obligation to perform the Work in accordance with the Contract. Also, the risk of loss or damage to the materials, parts, work-in-process or finished work remains with the Contractor until they are delivered to Canada in accordance with the Contract, even if ownership has transferred to Canada.
3. After delivery, the Contractor remains responsible for loss or damage to any part of the Work caused by the Contractor or any subcontractor or any person for whom either is responsible.
4. The Contractor guarantees that it has the right to transfer ownership of the Hardware to Canada and that there are no liens, attachments, charges, encumbrances, or claims affecting the Hardware. Once ownership passes to Canada, the Contractor must, if Canada requests, establish to the Contracting Authority's satisfaction that the title is free and clear of all liens, attachments, charges, encumbrances, or claims. If requested by the Contracting Authority, the Contractor must execute any transfer documentation and take any other steps that are necessary to perfect Canada's title.

4001 14 (2010-01-11) Warranty for Purchased Hardware

1. Even if Canada has accepted the Work, the Contractor guarantees that, for twelve (12) months after the Hardware is accepted (the "Hardware Warranty Period"), it will be free from all defects in materials or workmanship, be free from all design defects, and conform in all ways with the requirements of the Contract, including the Specifications and any Minimum Availability Level requirements. Because items of Hardware may be accepted on different days, the Hardware Warranty Period for different items of Hardware delivered under the Contract may begin and end on different days. If the Contract provides that the System consists of the Hardware together with Licensed Software and/or Custom Software, the Hardware Warranty Period will also apply to the Licensed Software and/or Custom Software components of the System and this longer period will apply to all the warranty, maintenance and support obligations described in *Supplemental General Conditions* 4002 and 4003.
2. This warranty does not apply to a specific item of Hardware if the only reason that item fails to conform to the requirements of the Contract is because:
 - a. Canada is negligent or does not use the Hardware in accordance with the Specifications;

- b. electric power or air conditioning or humidity control at the site does not perform according to any special site preparation requirements described in the Contract;
 - c. a person other than the Contractor, a subcontractor, or a person approved by either of them modifies the Hardware or attaches equipment to the Hardware that was not designed or approved for use with the Hardware by the Contractor, a subcontractor, or the manufacturer of the Hardware; or
 - d. Canada uses consumable supplies or materials in or on the Hardware that are supplied by a person other than the Contractor or a subcontractor or a person for whom either of them is responsible, if those consumables or materials do not conform to the Specifications or to the Hardware manufacturer's instructions to consumers.
3. The Contractor must provide Hardware Maintenance Service for the Hardware throughout the Hardware Warranty Period. All charges and costs associated with providing the Hardware Maintenance Service during the Hardware Warranty Period are included in the price of the Hardware. The Contractor must continue to provide Hardware Maintenance Service for any part of the Hardware that is repaired, replaced or otherwise made good as part of the Hardware Maintenance Service for the remainder of the Hardware Warranty Period that applied to the original item of Hardware.

Part IV - Additional Conditions: Lease

The following information consists of additional conditions regarding leases.

4001 15 (2008-05-12) Ownership of Leased Hardware

1. The Contractor will remain the owner of all the Leased Hardware, unless Canada either exercises any option to purchase the Hardware included in the Contract, or purchases the Hardware under a separate agreement.
2. If the Contract contains an option to purchase the Hardware or any part of it, Canada will become the owner of that Hardware on the date it exercises that option, or the date Canada specifies when it exercises the option, if any. At the time of that purchase, the provisions of Part III automatically apply to the purchased Hardware. Once Canada becomes the owner, Canada bears the risk of loss or damage to the purchased Hardware, but the Contractor must honour the warranty in section 14. Once Canada becomes the owner, no more lease payments are due under the Contract for the purchased Hardware.

4001 16 (2008-05-12) Lease Period

1. The period of the lease starts on the day the Hardware is accepted and ends when it expires in accordance with the Contract (Lease Period), unless the lease is terminated earlier in accordance with the Contract. If it is not specified elsewhere in the Contract, the Lease Period is twelve (12) months.
2. Unless provided otherwise in the Contract, if the Contract allows for additional items to be leased during the contract period, regardless of when those items become part of the Leased Hardware, the Lease Period for all the Leased Hardware will end on the day that the Lease Period for the first item of Hardware leased under the Contract expires.
3. If the first day of the Lease Period is not on the first day of a calendar month, then the charge for the first and last months of the lease will be the portion of the specified monthly charge determined by multiplying the number of days in the month during which the lease is in effect by 1/30 of the monthly lease charge in effect under the Contract at the time.

4001 17 (2010-01-11) Warranty for Leased Hardware

1. Even if Canada has accepted the Leased Hardware, the Contractor warrants that, throughout the Lease Period (which is also the "Hardware Warranty Period"), it will be free from all defects in materials or workmanship, be free from all design defects, and conform in all ways with the requirements of the Contract, including the Specifications and any Minimum Availability Level requirements. If the Contract provides that the System consists of the Hardware together with Licensed Software and/or Custom Software, the Hardware Warranty Period will also apply to the Licensed Software and/or Custom Software components of the System and this longer period will apply to all the warranty, maintenance and support obligations described in *Supplemental General Conditions* 4002 and 4003.
2. This warranty does not apply to a specific item of Leased Hardware if the only reason that item fails to conform to the requirements of the Contract is because:
 - a. Canada is negligent or does not use the Hardware in accordance with the Specifications;
 - b. electric power or air conditioning or humidity control at the site does not perform according to any special site preparation requirements described in the Contract;
 - c. a person other than the Contractor, a subcontractor, or a person approved by either of them modifies the Hardware or attaches equipment to the Hardware that was not designed or approved for use with the Hardware by the Contractor, a subcontractor, or the manufacturer of the Hardware; or
 - d. Canada uses consumable supplies or materials in or on the Hardware that are supplied by a person other than the Contractor or a subcontractor or a person for whom either of them is responsible, if those consumables or materials do not conform to the Specifications or to the Hardware manufacturer's instructions to consumers.
3. The Contractor must provide Hardware Maintenance Service for the Leased Hardware throughout the Hardware Warranty Period. All charges and costs associated with providing the Hardware Maintenance Service during the Hardware Warranty Period are included in the lease rates. The Contractor must continue to provide Hardware Maintenance Service for any part of the Leased Hardware that is repaired, replaced or otherwise made good as part of the Hardware Maintenance Service for the remainder of the Hardware Warranty Period that applied to the original item of Leased Hardware.

4001 18 (2008-05-12) Termination of Lease for Convenience

1. Instead of the section of the General Conditions entitled "Termination for Convenience", this section applies to the Leased Hardware.
2. Despite anything contained in the Contract, Canada may terminate the lease for all or any part of the Leased Hardware at any time during the Lease Period by giving notice to the Contractor sixty (60) days in advance.
3. If the Contracting Authority issues a termination notice under subsection 2, the only amounts that the Contractor will be entitled to be paid in connection with the termination are:
 - a. the monthly lease charges for the Leased Hardware, or the part of the Leased Hardware for which the lease is terminated, up to the date of termination, prorated as necessary if the termination date does not coincide with the end of the month; and
 - b. the lease termination charge, if one is specifically set out in the Contract.
4. Despite subsection 3, the total amount that the Contractor will be entitled to be paid in connection with the termination under subsection 3, together with any amounts already paid to the Contractor for the lease of the Hardware, must not exceed the total Contract Price for the lease of the

Hardware, or, in the case of a partial termination, the portion of the Contract Price that applies to the portion of the lease that is terminated.

4001 19 (2008-05-12) Risk of Loss or Damage to Leased Hardware

1. The Contractor agrees to bear the risk of loss of or damage to the Hardware while it is being transported or installed and during the entire time the Hardware is in Canada's possession, except losses or damages caused by the negligence of Canada or someone acting on Canada's behalf.
2. If the Hardware is lost or damaged during the Lease Period, unless the loss or damage is caused by Canada or by someone acting on Canada's behalf, Canada is not required to make lease payments while the Contractor repairs or replaces the Hardware and, at Canada's option, the Lease Period will be extended by the amount of time the Contractor takes to repair or replace the Hardware. This subsection does not prevent Canada from terminating the Contract for default, if the Hardware is unavailable for Fully Functional Operation for more than thirty (30) days.

4001 20 (2008-05-12) Modifications to Leased Hardware

Canada agrees not to modify the Leased Hardware unless it obtains the Contractor's written approval, which the Contractor must not unreasonably withhold.

4001 21 (2008-05-12) Relocation of Leased Hardware

Canada may, at its option and cost, relocate the Leased Hardware within the facility where the Leased Hardware is in use or to another facility, using the moving resources of its choice. Any relocation in no way affects the Contractor's warranty or its obligation to provide Hardware Maintenance Service for the Leased Hardware, unless the Contractor can demonstrate that the relocation is directly responsible for the failure or malfunction of the Leased Hardware. In that case, Canada will be responsible for repairing any damage caused by the relocation, or for paying the Contractor to repair that damage, and the remainder of the Contractor's warranty and maintenance obligations will remain in effect.

4001 22 (2008-05-12) De-installation and Removal of Leased Hardware

1. The Contractor must de-install and remove the Hardware promptly after the expiration or termination of the lease. If the Lease Period is different for different items of Hardware, this obligation applies to each item of Hardware when the lease ends. The Contractor must provide all necessary removal resources, including cranes, and must arrange for any necessary transportation, rigging and drayage in connection with the removal of the Hardware from Canada's premises. All costs associated with the de-installation, removal and transportation to the Contractor's premises are included in the lease rates.
2. If the Contractor does not de-install and remove the Hardware within thirty (30) days of the end or termination of the lease, at Canada's option, ownership of the Leased Hardware will automatically transfer to Canada or Canada may arrange for the de-installation and removal of the Leased Hardware, at the Contractor's cost. Canada may deduct this amount from any amount owing by Canada to the Contractor from time to time, under the Contract or otherwise.

4001 23 (2008-05-12) Quiet Enjoyment

The Contractor guarantees that it has full power and authority to lease the Hardware to Canada. The Contractor also guarantees that, during the Lease Period, if Canada is performing its obligations under the Contract, Canada will have unlimited use of the Hardware without disturbance by the Contractor, or any person acting on behalf of the Contractor or who has rights granted by the Contractor, except when the Contractor is performing Hardware Maintenance Service under the Contract.

4001 24 (2008-05-12) Right to Withhold Lease Payments

If the Contractor is not carrying out all of its obligations under the Contract, Canada may, without affecting any other right that Canada may have, including the right to terminate for default, withhold the lease payments from the Contractor until the default is cured. The Contracting Authority may exercise this right by sending a notice to the Contractor that describes the default.

Part V - Additional Conditions: Maintenance

The following information consists of additional conditions regarding maintenance.

4001 25 (2010-01-11) Hardware Maintenance Service

1. In this Part, the "Hardware Maintenance Period" means:
 - a. for Hardware purchased under the Contract, the Hardware Warranty Period described in section 14, plus any time by which the Hardware Maintenance Period is extended if the Contract includes an option for extending the Hardware Maintenance Service or the Contract is otherwise amended to extend the Hardware Maintenance Period;
 - b. for the Leased Hardware, the entire Lease Period;
 - c. for Leased Hardware that is later purchased under the Contract, both the Lease Period and, beginning on the date of purchase, the period described in (a); and
 - d. for Hardware that is neither purchased nor leased under the Contract, but for which the Contractor is providing Hardware Maintenance Service under the Contract, the complete contract period, unless the Contract provides for a shorter period.
2. The Contractor agrees to maintain the Hardware according to this Part to ensure that it remains capable of Fully Functional Operation throughout the Hardware Maintenance Period (the "Hardware Maintenance Service"). As part of the Hardware Maintenance Service, the Contractor agrees to diagnose and resolve all problems that occur in the Hardware by repairing, replacing or otherwise making good the part or parts of the Hardware that are defective or do not meet the Specifications as soon as possible. The Contractor agrees that a problem is not resolved until the Hardware is restored to Fully Functional Operation.
3. The cost of providing all labour, parts and other materials or travel required to restore the Hardware to Fully Functional Operation or perform any other part of the Hardware Maintenance Service described in this section is included in the Hardware Maintenance Service. No additional charges for time, material or other costs related to maintaining the Hardware can be made during the Hardware Maintenance Period, other than the charges contemplated by subsections 26(3)(e) and (f).
4. The Contractor must accept and respond to Hardware Maintenance Service calls during the "Principal Period of Maintenance" (PPM). If the PPM is not defined elsewhere in the Contract, the PPM is twelve (12) hours each day, from 7 a.m. to 7 p.m., Eastern Time, Monday to Friday, not including statutory holidays observed by Canada.
5. As part of the Hardware Maintenance Service, the Contractor must provide Canada with technical support through a single toll-free hotline with service available in English and French, based on the caller's language preference, in accordance with the following:
 - a. The Contractor's hotline must be staffed by qualified personnel who are able to respond to user questions and, to the extent possible, resolve user problems and provide advice about problems relating to all the Hardware and the Hardware Documentation, as well as installation, configuration, integration and interconnection issues relating to the Hardware. For all user problems that cannot be resolved over the telephone, the Contractor must issue a trouble ticket for Hardware Maintenance Service, either for Return-to-Depot Maintenance Service or On-Site Maintenance Service described in section 26, as applicable.

-
- b. The Contractor's hotline must be available, at a minimum, throughout the PPM.
 - c. The Contractor must provide its hotline telephone number to the Contracting Authority immediately after the Contract is awarded.
 - d. The Contractor must pick up all hotline calls within 5 rings 95 percent of the time. The Contractor must answer all calls, with a live service agent, within 2 minutes 95 percent of the time.
 6. As part of the Hardware Maintenance Service, the Contractor must also provide Canada with technical support through a Web site support service, which must include, as a minimum, frequently asked questions and, if applicable, on-line software diagnostic routines, support tools, and services. The Contractor's Web site must provide support in English and in French. The Contractor's Web site must be available to Canada's users twenty-four (24) hours a day, 365 days a year, and must be available 99 percent of the time. The Contractor must provide its Web site address to the Contracting Authority immediately after the Contract is awarded.
 7. Each time the Contractor provides Hardware Maintenance Service, except Hardware Maintenance Service under sections 5 or 6, the Contractor's service technician must prepare a Hardware Maintenance Service report. For any Hardware Maintenance Service provided on site, the Contractor must provide one copy of this report to the representative of Canada at the site when the work is completed. For any Hardware Maintenance Service performed off site, the Contractor must include a copy of this report with the Hardware when it is returned to Canada. The Contractor must keep copies of the reports for six (6) years from the date the Contract expires or is terminated and provide a copy of any Hardware Maintenance Service reports to the Contracting Authority on request. Each Hardware Maintenance Service report must include the following:
 - a. the date and time the Contractor received the maintenance call;
 - b. the service location that received or responded to the maintenance call;
 - c. the serial number for the item of Hardware;
 - d. the name of person who performed the maintenance;
 - e. if the maintenance is performed on site, the time the service technician arrived at the site, and all the time spent working at the site, including the number of hours and date for each day worked at the site;
 - f. a description of symptom;
 - g. the diagnosis of problem;
 - h. a list of all parts replaced or installed;
 - i. the identification number of each major assembly removed or exchanged, if any; and
 - j. if the maintenance was performed on site, both the name of the Contractor's service technician and the service location from which the representative works, as well as the name and signature of Canada's representative at the site who accepts that the Hardware appears to have been restored to Fully Functional Operation.
 8. The Contractor guarantees that the parts required to perform the Hardware Maintenance Service will be available throughout the Hardware Maintenance Period.
 9. Canada becomes the owner of any parts used to repair or maintain the Hardware (which themselves become part of the Hardware), except for Leased Hardware.
 10. Canada acknowledges that, in performing the Hardware Maintenance Service, the Contractor and its employees, agents, and subcontractors may develop and share with Canada ideas, know-how,

teaching techniques, and other intellectual property. Except as otherwise provided in the Contract, ownership of that intellectual property will belong to the Contractor. As long as the Contractor at all times observes the confidentiality provisions of the Contract, the Contractor will be entitled to use that intellectual property for whatever purposes it sees fit, including in the services it provides to its other customers, on the condition that Canada also has the right, without cost, to use that intellectual property for its own purposes.

4001 26 (2010-01-11) Classes of Hardware Maintenance Service

1. This section describes two classes of Hardware Maintenance Service: "Return-to-Depot Maintenance Service" and "On-Site Maintenance Service". If the Contract specifies that more than one class of service applies, Canada may specify the class of service required for each item of Hardware, either in the Articles of Agreement or, if the Contract contemplates multiple orders for the purchase or lease of Hardware, in the individual order at the time the Hardware is purchased or leased. If the Contract does not specify the required class of service, the Contractor must provide Return-to-Depot Maintenance Service only.
2. For Return-to-Depot Maintenance Service, during the PPM throughout the Hardware Maintenance Period, the Contractor must pick up and return the Hardware to and from the location in Canada where the Hardware was in use at the time the problem occurred. The Contractor must pick up the Hardware requiring maintenance within forty-eight (48) hours of Canada requesting maintenance. Within six (6) working days of Canada requesting maintenance, the Contractor must restore the Hardware to Fully Functional Operation and return it to Canada at the location where it was in use at the time the problem occurred, or must deliver a replacement that meets the requirements of the Contract.
3. For On-Site Maintenance Service, during the PPM throughout the Hardware Maintenance Period, the Contractor must perform on-site maintenance on any Hardware for which a problem is reported at the location in Canada where the Hardware was in use at the time the problem occurred, in accordance with the following:
 - a. The Contractor must arrive on site within the following timeframes:
 - i. If the equipment is located within a radius of 100 km from any population center of at least 100,000 people, a service technician must respond by telephone within 1 hour of the telephone call for service and a service technician must arrive at the site within twenty-four (24) hours of the initial call requesting service;
 - ii. If the equipment is located within a radius of 100 km from any population center of 30,000 to 99,999 people, a service technician must respond by telephone within 1 hour of the telephone call for service and a service technician must arrive at the site within forty-eight (48) hours of the initial call requesting service; and
 - iii. For all other locations within Canada, a service technician must respond by telephone within 1 hour of the telephone call for service and a service technician must arrive at the site within seventy-two (72) hours of the initial call requesting service.
 - b. After starting the maintenance, the Contractor must work continuously throughout the PPM until it returns the Hardware to Fully Functional Operation or until Canada suspends the work.
 - c. The period from the time that Canada notifies the Contractor to suspend the Work until Canada notifies the Contractor to resume work will not be considered Downtime in the availability level calculation, if applicable. If the Hardware requires maintenance at a time when the required response time would result in the Contractor's service technician arriving at the site outside of the PPM, and Canada does not request service outside of the PPM at

- the applicable rate, if available under the Contract, then the period until the next PPM will not be considered Downtime in any availability level calculation.
- d. Within 4 working days of Canada requesting maintenance, the Contractor must restore the Hardware to Fully Functional Operation or must deliver a replacement that meets the requirements of the Contract.
 - e. If the Contract includes a separate hourly rate for On-Site Maintenance Service performed outside the PPM, and the user placing the call for Hardware Maintenance Service specifically requests that the service be performed outside the PPM at an additional charge, the Contractor must arrive at the site within the timeframes specified in subsection 3(a) as though the service were being performed within the PPM. In this case, the Contractor is entitled to include a charge on the next invoice, at the On-Site Maintenance Service hourly rate for work outside the PPM specified in the Contract, for the hours worked outside the PPM. The Contractor is entitled to charge for the actual time worked outside of the PPM or two (2) hours, whichever is more, but is not entitled to charge for travel time. Where the Contractor performs the Hardware Maintenance Service outside the PPM, the time outside the PPM until the Hardware is restored to Fully Functional Operation will be considered Downtime.
 - f. The Contractor may also submit a charge on its next invoice, at the On-Site Maintenance Service hourly rate for work outside the PPM specified in the Contract, for hours worked outside the PPM where the Contractor arrives at the site during the PPM and begins the Work, but is unable to complete the Work during the PPM, if Canada's on-site representative specifically requests that the service technician remain after the PPM ends to complete the Work at an additional charge. To submit this charge, the Contractor must obtain the signature of Canada's on-site representative agreeing to the additional charge. Because the Contractor's service technician is already at the site, the Contractor must only charge for the actual time worked outside the PPM, and no minimum charge applies. Where the Contractor performs the Hardware Maintenance Service outside the PPM, the time outside the PPM until the Hardware is restored to Fully Functional Operation will be considered Downtime.
 - g. If no On-Site Maintenance Service hourly rate for work outside the PPM is specified in the Contract, the Contractor is not required to perform the Hardware Maintenance Service outside the PPM and must not submit a charge if it chooses to complete the Work outside the PPM.

4002 (2010-08-16) - Software Development or Modification Services

4002 01 (2008-05-12) Software Interpretation

1. In the Contract, unless the context requires otherwise,

"Custom Software"

means the computer programs, data bases and documentation that Canada wishes to develop, or to have developed, either as new software or by modification of existing software, all as described in the Contract;

"Detailed Design Specifications"

means the specifications for the detailed technical design of the Custom Software;

"Functional Specifications"

means the functional description of the Custom Software set out or referred to in the Contract specifying the functions the Custom Software must perform and the features and capacities the Custom Software must have;

"General Conditions"

means the general conditions that form part of the Contract;

2. Words and expressions defined in the General Conditions and used in these supplemental general conditions have the meanings given to them in the General Conditions unless provided otherwise. If the general conditions contain sections entitled "Ownership" or "Warranty", those sections do not apply to the Custom Software. Instead the ownership and warranty provisions in these supplemental general conditions apply to the Custom Software.
3. In the event of any inconsistency between the General Conditions and these supplemental general conditions, the applicable provisions of these supplemental general conditions will prevail.

Part I - Development of Functional Specifications and Detailed Design Specifications

4002 02 (2008-05-12) Application of Part I

This Part only applies if the Contract requires the Contractor either to design the Custom Software or to further develop an existing technical design for the Custom Software.

4002 03 (2008-05-12) Functional Specifications

The Functional Specifications developed by the Contractor under the Contract and accepted by Canada are incorporated in the Contract by reference and supersede any functional specifications that were originally incorporated in the Contract.

4002 04 (2008-05-12) Detailed Design Specifications

The Contractor must develop the Detailed Design Specifications for the Custom Software in accordance with the Functional Specifications and all other requirements of the Contract.

4002 05 (2008-05-12) Inspection Procedures for Detailed Design Specifications

1. The inspection procedures set out below will only apply in the absence of any other inspection procedures in the Contract.
2. In this section, "Review Period" means a period of five (5) working days from the date on which the Detailed Design Specifications must be submitted to Canada or from the actual date of submission of those specifications by the Contractor, whichever is later.
3. Canada may extend the Review Period by an additional five (5) working days by giving notice to the Contractor within the Review Period.
4. During the Review Period, Canada will inspect the Detailed Design Specifications submitted by the Contractor and, within two (2) working days following the end of the Review Period, will advise the Contractor whether or not the Detailed Design Specifications have passed inspection.
5. If the Detailed Design Specifications submitted by the Contractor are inconsistent with the Functional Specifications or fail in any other way to meet the requirements of the Contract, Canada will send a written description of the deficiencies to the Contractor within two (2) working days following the end of the Review Period.
6. Upon receipt of Canada's description of the deficiencies mentioned in subsection 5, the Contractor must immediately modify the Detailed Design Specifications to correct the deficiencies and promptly submit the corrected work to Canada for inspection.

7. During a second Review Period, Canada will inspect the corrected work submitted to Canada pursuant to subsections 4 and 5.
8. Despite anything else contained in this section, the Contractor must ensure that the Detailed Design Specifications developed by the Contractor pass inspection by Canada within thirty (30) days of their original delivery date set out in the Contract.

Part II - Implementation of Custom Software

4002 06 (2008-05-12) Coding and Pre-Installation Tests

1. The Contractor must develop the Custom Software based on the Detailed Design Specifications and the Functional Specifications. In the development of the Custom Software, the Contractor must carry out all detailed programming and coding required under the Detailed Design Specifications, and, if necessary, must revise the Detailed Design Specifications in order to ensure that they are derived from and are consistent with the Functional Specifications and all other requirements of the Contract.
2. The Contractor must conduct pre-installation testing to ensure that the Custom Software will operate in accordance with the Functional Specifications and all other requirements of the Contract. The Contractor must notify Canada of all such tests. Upon request from Canada, the Contractor must give Canada an opportunity to witness those tests and provide Canada with a copy of all intermediate and final test records and results.

4002 07 (2008-05-12) New Source Code

1. In this section, "New Source Code" means all of the source code for the Custom Software that is written by the Contractor or any subcontractor as part of the Work performed under the Contract.
2. The Contractor must deliver the New Source Code to Canada at such time or times as the Contract may require, and if no time is specified in the Contract, within thirty (30) days following acceptance of the Custom Software by Canada.
3. The New Source Code provided by the Contractor must contain a complete description of the operation of the developed software in sufficient detail to enable a programmer, experienced in the programming language or languages in which the source code is written, to modify all aspects of that software without assistance from the Contractor.

4002 08 (2008-05-12) Pre-existing Software

1. In this section, "Pre-existing Software" means software that is not developed as part of the Work performed under the Contract and that is proprietary to the Contractor or any of its subcontractors or to a third party.
2. The Contractor must not develop the Custom Software by modifying Pre-existing Software or incorporate any Pre-existing Software into the Custom Software without first obtaining the written consent of Canada. However, the consent of Canada is not required if the use of Pre-existing Software is specifically authorized in the Contract.
3. If Pre-existing Software forms part of the Custom Software, unless provided otherwise in the Contract, the Contractor must, within thirty (30) days following acceptance of the Custom Software by Canada, at its option and expense, either:
 - a. deliver the source code for that software to Canada; or
 - b. deliver the source code to an escrow agent approved by Canada, to be held in trust by that agent, for release to Canada upon the occurrence of any of the following events:

-
- i. Canada terminates either the Contract or any subsequent support or development arrangement relating to the Custom Software for default;
 - ii. the Contractor or its supplier ceases to do business or ceases to make support or development services in relation to the Custom Software reasonably available to Canada;
 - iii. the Contractor or its supplier becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors;
 - iv. a receiver is appointed for the Contractor or its supplier under a debt instrument, or a receiving order is made against the Contractor or its supplier; or
 - v. an order is made or a resolution passed for the winding up of the Contractor or its supplier.
 4. The source code delivered by the Contractor to Canada or to any escrow agent, in relation to any Pre-existing Software that forms part of the Custom Software, must contain a complete description of the operation of that Pre-existing Software in sufficient detail to enable a programmer, experienced in the programming language or languages in which the source code is written, to modify all aspects of that software without assistance from the Contractor. If the source code for the Pre-existing Software is delivered to an escrow agent, the Contractor must ensure that the source code in the possession of the escrow agent is updated from time to time to correspond with the most current version of the object code in the possession of Canada.
 5. Unless provided otherwise in the Contract or in any escrow agreement signed by Canada, Canada's rights to use, copy, modify and disclose any Pre-existing Software supplied under the Contract and any source code for that software must be identical to those set out in *Supplemental General Conditions* 4003.

4002 09 (2008-05-12) Object Code and User Documentation

1. Without limiting any of the Contractor's other obligations under the Contract, including its obligation with respect to the supply of source code, the Contractor must provide the Pre-existing Software and Custom Software to Canada in executable object code.
2. The operating manuals, technical manuals and other user documentation provided by the Contractor to Canada for use with the Custom Software must describe the operation of the Custom Software in sufficient detail to enable appropriately trained employees of Canada to use all functions and features of the Custom Software without assistance from the Contractor.

4002 10 (2008-05-12) Conversion of Data Files

The Contractor must convert, as required in the Contract, Canada's machine-readable data files, as they exist on any existing computer system used to fulfill all or part of the then-current functional requirements of Canada, to data files designed for use with the Custom Software. Canada is responsible for the accuracy and the completeness of data files delivered to the Contractor. The Contractor is responsible for the accuracy and completeness of the data files after conversion and for the compatibility of such data files with the Custom Software.

4002 11 (2008-05-12) Acceptance Procedures for Custom Software

1. The acceptance procedures set out in subsections 2 to 5 inclusive only apply in the absence of any other detailed acceptance procedures for the Custom Software in the Contract.
2. Canada must prepare and provide to the Contractor acceptance test data before the date specified in the Contract for the start of pre-installation testing of the Custom Software. Canada will consult

with the Contractor in connection with the preparation of such data and the Contractor must assist in such preparation to the extent indicated in the Contract. Canada and the Contractor will use such data to determine whether the Custom Software, when executed on the hardware and its operating system, performs in accordance with the Functional Specifications and all other requirements of the Contract. Unless otherwise agreed, the test data must be in the format and media required for direct input to the computer system, as provided in the Detailed Design Specifications.

3. Following receipt of the acceptance test data referred to in subsection 2, and before the date specified in the Contract for the start of acceptance testing of the Custom Software (the "Test Start Date"), the Contractor must provide an "Acceptance Test Plan" to Canada for Canada's review and approval. The Acceptance Test Plan must consist of a description of a series of tasks and verifications, based on the acceptance test data, in sufficient detail to enable Canada and the Contractor to determine whether the Custom Software performs in accordance with the Functional Specifications and all other requirements of the Contract.
4. On the Test Start Date, Canada must commence the acceptance tests in relation to the Custom Software using the pre-approved Acceptance Test Plan referred to in subsection 3. The acceptance tests must be conducted during the period of time specified in the Contract. If no other acceptance testing period is specified in the Contract, the acceptance tests must be conducted over a 40-day period from the Test Start Date. If the Custom Software passes the acceptance tests and if the Contractor has completed all other work under the Contract in accordance with the conditions of the Contract, Canada will promptly give notice to the Contractor that the Custom Software is accepted.
5. If the Custom Software fails to pass the acceptance tests referred to in subsection 4, Canada will send a written description of the deficiencies to the Contractor within ten (10) days following the end of the acceptance testing period referred to in that subsection. Upon receipt of Canada's description of the deficiencies, the Contractor must modify the Custom Software to correct the deficiencies within ten (10) days of receipt of such description. All acceptance tests in relation to the Custom Software must then be repeated, at no additional cost to Canada, and the Contractor must ensure that the Custom Software passes the second set of acceptance tests within the acceptance testing period specified in subsection 4.
6. Despite anything else contained in this section, if Canada is unable to commence or continue the acceptance tests in relation to the Custom Software because of an event reasonably beyond its control, the acceptance tests may be temporarily suspended for a period of time not to exceed sixty (60) days. The time limits for testing referred to in this section or elsewhere in the Contract will in such cases be extended by the number of days of the suspension. If the delay exceeds sixty (60) days, the Parties must use reasonable efforts to negotiate a mutually acceptable amendment to the Contract.

4002 12 (2008-05-12) Warranty

1. In this section, unless provided otherwise in the Contract, "Warranty Period" means a period of ninety (90) days commencing on the date of acceptance of the whole of the Work by Canada, with the exception only of warranty work.
2. Despite inspection and acceptance of the Custom Software by Canada and without restricting any condition of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that, during the Warranty Period, the Custom Software will perform in accordance with the Functional Specifications and all other requirements of the Contract on the computer system on which the Custom Software is installed under the Contract.
3. During the Warranty Period, if Canada notifies the Contractor in writing of any failure of the Custom Software to perform in accordance with the Functional Specifications or any other requirement of the Contract, the Contractor must, as soon as possible, provide, at no additional charge to Canada, corrections to the Custom Software. If Canada reports a failure to the Contractor, Canada must give the Contractor reasonable access to the computer system on which the Custom Software resides

and provide such information as the Contractor may reasonably request, including sample output and other information, in order to permit the Contractor to expeditiously correct the error which caused that failure.

4. Although the Contractor must use all reasonable efforts to provide permanent corrections for all software errors, Canada acknowledges that certain errors may not be permanently corrected by the Contractor under this section. The Contractor must provide a software patch or by-pass around the error in all cases where the error will not be permanently corrected. As a minimum, any such software patch or by-pass must cause the Custom Software to meet the functional and performance criteria set out in the Functional Specifications.
5. The Contractor is not obligated to correct errors in the Custom Software which result from modifications to the Custom Software or any part of it unless those modifications were made by the Contractor or by someone authorized by the Contractor to perform those modifications.

Part III - Ownership and Risk

4002 13 (2008-05-12) Ownership of Media

1. For the purposes of this section, the term "media" does not include the information stored on the media.
2. All media containing the Custom Software or any part of it, as well as any specification, design, prototype or any other information provided as part of the Work, becomes the property of Canada upon either delivery to Canada of the Work or upon any payment being made to the Contractor for or on account of the media or the information stored on it, whichever comes first. It is agreed however that the transfer of ownership of the media to Canada does not constitute acceptance by Canada of the media or of the information stored on it and it does not relieve the Contractor of its obligation to perform the Work in accordance with the requirements of the Contract.
3. The intellectual property rights in the information stored on the media become the property of either Canada or the Contractor, as indicated in the intellectual property provisions of the Contract.

4002 14 (2008-05-12) Risk of Loss

1. Risk of loss of or damage to the media or to the information stored on it pass to Canada upon delivery of the media to Canada. However, if the Contractor has retained a copy of the information that was stored on the media, the Contractor must, upon request by Canada, replace the lost or damaged media and information at no additional charge to Canada except for costs reasonably and properly incurred in the carrying out of such replacement.
2. Despite subsection 1, the Contractor will be liable for loss of or damage to the media and the information stored on it that is caused by the Contractor or any of its subcontractors after delivery.

4002 15 (2008-05-12) Ownership of Developed Custom Software

1. For the purposes of this section, "Developed Custom Software" includes object code, source code, documentation, data bases, specifications, designs, prototypes and other related information conceived, developed or produced as part of the Work performed under the Contract.
2. The Developed Custom Software belongs either to Canada or to the Contractor, whichever is indicated in the intellectual property provisions of the Contract. If the Developed Software belongs to the Contractor, the Contractor grants to Canada the license with respect to the Developed Software set out or referred to in those provisions.

4003 (2010-08-16) - Licensed Software

4003 01 (2008-05-12) Interpretation

1. In the Contract, unless the context otherwise requires,

"Client"

means the department or agency for which the Work is performed, or, in the event of a transfer under section 08 below, the department, agency or Crown corporation to whom the Licensed Software is transferred.

"Device"

means equipment having a physical central processor unit (CPU), mass storage and input output devices such as keyboard and monitor and includes servers, desktops, workstations, notebooks, laptops, personal digital assistants and mobile computing equipment.

"General Conditions"

means the general conditions that form part of the Contract;

"Licensed Programs"

means all of the computer programs, in object-code form, which must be provided by the Contractor to Canada under the Contract, and include all patches, fixes and other code that may be delivered to Canada under the Contract, including any code provided as part of the warranty, maintenance, or support;

"Licensed Software"

means the Licensed Programs and the Software Documentation collectively;

"Media"

means the material or medium on which the Licensed Programs are stored for delivery to Canada, including electronic media such as magnetic disks or electronic downloads. Media does not include the Licensed Software stored on the Media;

"Software Documentation"

means all of the manuals, handbooks, user guides and other human-readable material to be provided by the Contractor to Canada under the Contract for use with the Licensed Programs, whether that material is to be provided in printed form or on Media;

"User"

means an individual authorized by the Client to use the Licensed Software under the Contract and for the purposes of these supplemental general conditions, includes any employee, agent or contractor authorized to use the Licensed Software.

2. Words and expressions defined in the General Conditions and used in these supplemental general conditions have the meanings given to them in the General Conditions unless provided otherwise. If the General Conditions contain sections entitled "Ownership" and "Warranty", those sections do not apply to the Licensed Software and the Media. Instead, the ownership and warranty provisions in these supplemental general conditions apply to the Licensed Software and the Media.
3. If there is any inconsistency between the General Conditions and these supplemental general Conditions, the applicable provisions of these supplemental general conditions will prevail.

4003 02 (2008-05-12) License Grant

1. The Contractor grants to Canada a non-exclusive license to use and reproduce the Licensed Software in accordance with the conditions of the Contract.
2. Subject to the transfer rights described in section 08, the Client is the only entity authorized to use and reproduce the Licensed Software on behalf of Canada. If the Client is reconfigured, absorbed by another government department or agency, or is disbanded entirely, the Contracting Authority may, by giving notice to the Contractor, designate another department, agency or Crown corporation as the "Client" for the purposes of the Contract.
3. Unless provided otherwise in the Contract, the license granted under the Contract is unaffected by changes in the Client's environment, such as changes to the operating system, types of Devices, or other software products used by the Client from time to time in addition to the Licensed Software.
4. Unless provided otherwise in the Contract, the license granted under the Contract is a User License as described in section 04 below.
5. The Contractor must provide the English language version of the Licensed Software and, if available, the French version of the Licensed Software.

4003 03 (2008-05-12) Ownership

1. Canada acknowledges that ownership of the Licensed Software belongs to the Contractor or its licensor and is not transferred to Canada. As a result, any reference in the Contract to any part of Licensed Software as a deliverable must be interpreted as a reference to the license to use that Licensed Software, not to own the Licensed Software.
2. Canada acknowledges that, in performing any warranty, maintenance, support and professional services related to the Licensed Software (if required under the Contract), the Contractor and its employees, agents, and subcontractors may develop and share with Canada ideas, know-how, teaching techniques and other intellectual property. Unless otherwise provided in the Contract, ownership to that intellectual property will remain with the Contractor. As long as the Contractor at all times observes the confidentiality provisions of the Contract, the Contractor will be entitled to use that intellectual property for whatever purposes it sees fit, including in the services it provides to its other customers, on the condition that Canada also has the right to use that intellectual property for its own business purposes at no additional cost. The Contractor agrees that all data, know-how or other intellectual property created or owned by Canada will remain the property of Canada, regardless of whether that data is created, processed, or stored using the Licensed Software.

4003 04 (2008-05-12) User License

Unless provided otherwise in the Contract, a "User License" entitles the designated number of Users specified in the Contract to access, install, copy, deploy, test and use the Licensed Software for government purposes unrestricted by the number or type of installations, locations, servers, processors, data, documents, transactions, platforms, devices, networks, operating systems, application program interfaces or operating environments that a User may be using or processing at any time including any equipment required to allow Users to work remotely; all without requiring the purchase of any further licenses or rights.

4003 05 (2008-05-12) Device License

Unless provided otherwise in the Contract, a "Device License" entitles Users to access, install, copy, deploy, test and use the Licensed Software for government purposes on the designated number of

Devices specified in the Contract without requiring Canada to purchase any additional licenses to software or components; all without any restriction on the use of associated peripheral equipment. The Device License allows the Client to use the Licensed Software unrestricted by the number or type of Users, data, documents and/or transactions a Client or a User may be using or processing at any time, or the location of a Device.

4003 06 (2008-05-12) Entity License

Unless provided otherwise in the Contract, an "Entity License" entitles the Client to use the Licensed Software for government purposes throughout the entity in association with any number of Devices or by any number of Users. The Entity License allows the Client to use the Licensed Software in whole or in part, unrestricted by the number or type of Users, data, documents and/or transactions a Client or a User may be using or processing at any time, or the location of the Device.

4003 07 (2008-05-12) Disabling Codes

1. If the Licensed Software contains any features, functions or characteristics ("Disabling Codes") that might cause the Licensed Software to be unusable by Canada without passwords, authorization codes or similar information, the Contractor must provide to Canada, in advance and on an ongoing basis, provided Canada is not in default of its obligations regarding the use of the Licensed Software, all the information required by Canada to continue to use the Licensed Software.
2. If the license is perpetual, the Contractor must deliver this information regardless of whether the Contract has otherwise expired and regardless of whether Canada is currently receiving maintenance or support for the Licensed Software.
3. If the existence or characteristics of any Disabling Code are not known to the Contractor, but the Contractor later becomes aware of them, the Contractor must correct or remove the Disabling Code from the Licensed Software or take whatever other steps are necessary to ensure that Canada is able to continue using the Licensed Software.

4003 08 (2008-05-12) Licensed Software - Transfer

The license to use the Licensed Software under the Contract is transferable by Canada under the same conditions of the Contract, to any Device or Client, as applicable, or to any Canadian government department, corporation or agency, as defined in the Financial Administration Act, R.S.C. 1985, c. F-11, as amended from time to time, or to any other party for which the Department of Public Works and Government Services Canada has been authorized to act under section 16 of the Department of Public Works and Government Services Act, S.C. 1996, c. 16, as long as Canada informs the Contractor of the transfer within thirty (30) days of the transfer occurring. For the purposes of this section, in the circumstances where an Entity License is transferred, such license will be capped at the number of users in the transferring department, corporation, agency or other party before the transfer.

4003 09 (2008-05-12) Software Documentation

1. Copyright in the Software Documentation will not be owned by or transferred to Canada. However, Canada has the right to use the Software Documentation and may, for its own internal purposes, copy it for use by individuals using or supporting the Licensed Software, as long as Canada includes any copyright and/or proprietary right notice that was part of the original document in any copy. Unless provided otherwise in the Contract, Canada must not otherwise reproduce the Software Documentation without first obtaining the written consent of the Contractor.

2. The Contractor guarantees that the Software Documentation contains enough detail to permit a User to access, install, copy, deploy, test and use all features of the Licensed Programs. If the source code for the Licensed Programs must be provided to Canada under the Contract, the Contractor guarantees that the code provided will contain enough detail to permit a programmer, experienced in the use of the programming language or languages in which the source code is written, to modify the Licensed Programs.
3. If the Software Documentation is available in both of the two official languages of Canada, the Contractor must deliver it in both French and English. If the Software Documentation is only available in either English or French, it may be delivered in that language; however, Canada then has the right to translate it. Canada owns any translation and is under no obligation to provide it to the Contractor. Canada will include any copyright and/or proprietary right notice that was part of the original document in any translation. The Contractor is not responsible for technical errors that arise as a result of any translation made by Canada.
4. Unless provided otherwise in the Contract, at no additional cost to Canada, the Contractor must update the Software Documentation throughout the period of the Contract to the most current release level consistent with the Licensed Software delivered under the Contract. The Contractor must provide these updates to Canada within ten (10) days of the update being available. These updates must include supporting documentation for all modifications to the Licensed Software, including new versions and new releases that Canada is entitled to receive under the Contract and must identify any problems resolved, enhancements made, or features added to the Licensed Software, together with installation instructions.

4003 10 (2008-05-12) Media

1. The Contractor must deliver the Licensed Programs to Canada on the medium of Canada's choice from among those the Contractor makes available to its other customers (for example, CD-ROM or Internet download). The Contractor agrees that Canada may distribute the Licensed Software to Users on Canada's choice of Media.
2. The Contractor guarantees that the Media will be compatible with the computer systems, as detailed in the Contract, on which the Licensed Programs will be installed. The Contractor also guarantees that the Media, as supplied by the Contractor, will be free from computer viruses.
3. Canada will own the Media once it has been delivered to and accepted by or on behalf of Canada.

4003 11 (2008-05-12) Term of License

1. Unless provided otherwise in the Contract, Canada's license to use the Licensed Software is perpetual, regardless of any termination of the Contract by mutual consent, for the convenience of Canada or for default of the Contractor, as long as Canada has paid for the license to the Licensed Software. Any perpetual license granted under the Contract can only be terminated by the Contractor in accordance with subsection 2 below.
2. The Contractor may terminate Canada's license with respect to the Licensed Software by giving the Contracting Authority written notice to that effect if Canada is in breach of its license with respect to the Licensed Software, or fails to pay for the license in accordance with the Contract, and if that breach continues for a period of thirty (30) days after the Contracting Authority receives written notice from the Contractor giving particulars of the breach.

4003 12 (2010-01-11) Acceptance

1. Work Subject to Acceptance: All Licensed Programs delivered and all services provided under the Contract are subject to inspection by Canada. If any of the Licensed Programs does not meet all the requirements of the Contract, Canada may reject it or require that it be corrected, at the sole expense of the Contractor, before recommending payment.
2. Effect of Acceptance: Acceptance by Canada does not relieve the Contractor of any responsibility for defects or other failures to meet the requirements of the Contract or the Contractor's responsibilities with respect to warranty, maintenance or support under the Contract.
3. Period of Acceptance: Unless provided otherwise in the Contract, the acceptance procedures are as follows:
 - a. when the Work is complete, the Contractor must notify the Technical or Project Authority in writing, with a copy to the Contracting Authority, by referring to this provision of the Contract and requesting acceptance of the Work;
 - b. Canada will have thirty (30) days from receipt of the notice to perform its inspection (the "Acceptance Period").
4. If Canada provides notice of a deficiency during the Acceptance Period, the Contractor must address the deficiency as soon as possible and notify Canada in writing once the Work is complete, at which time Canada will be entitled to re-inspect the Work before acceptance and the Acceptance Period will begin again.

4003 13 (2008-05-12) Right to License

1. The Contractor guarantees that it has the right to license the Licensed Software and full power and authority to grant to Canada all the rights granted under the Contract. The Contractor also guarantees that all necessary consents to that grant have been obtained. Canada agrees that its only remedy and the Contractor's entire obligations in relation to a breach of this guarantee are the remedies and obligations set out in the section entitled "Intellectual Property Infringement and Royalties" contained in the General Conditions or in the Articles of Agreement, as the case may be.
2. The Parties agree that only the conditions that expressly form part of the Contract by being written out in full in the Articles of Agreement or an annex to the Contract listed in the Priority of Documents section in the Articles of Agreement form part of the Contract. Any conditions accompanying or enclosed with the Licensed Software, if any, do not form part of the Contract and, therefore, are not part of Canada's license and do not affect the rights of the Parties in any way. The Contractor agrees that in no event will Canada or any Client or User be required to enter into any additional license agreement with respect to the Licensed Software or any portion of it. The Contractor acknowledges that any additional license agreement relating to the Licensed Software signed by anyone other than the Contracting Authority is void and of no effect.
3. Canada is not bound by and does not accept any "shrink-wrap" or "click-wrap" conditions or any other conditions, express or implied, that are contained in or on the software packaging or conditions that may accompany the software in any manner, regardless of any notification to the contrary.

4003 14 (2008-05-12) Enhancements and Improvements

The Contractor agrees to provide Canada with all improvements, updates, upgrades and enhancements to the Licensed Software for ninety (90) days following the acceptance of the Licensed Software.

4003 15 (2008-05-12) Warranty

1. In this section, unless provided otherwise in the Contract, "Software Warranty Period" means a period of ninety (90) days from the date on which the Licensed Software is accepted in accordance with the conditions of the Contract, except for warranty work and any other work that is scheduled under the Contract to be performed after the start of the Software Warranty Period.
2. The Contractor warrants that, during the Software Warranty Period, the Licensed Programs will operate on the computer system or systems on which the Licensed Programs are installed in accordance with the Software Documentation that is associated with the Licensed Programs, as well as the Specifications set out in the Contract, if any. If the Licensed Programs fail to meet this warranty at any time during the Software Warranty Period, the Contractor, if requested by Canada, must, as soon as possible, correct, at the Contractor's expense, any programming errors and defects and make any additions, modifications or adjustments to the Licensed Software that are necessary to keep the Licensed Programs in operating order, in accordance with the Software Documentation that is associated with the Licensed Programs and the Specifications.
3. Although the Contractor must use all reasonable efforts to provide permanent corrections for all software errors, Canada acknowledges that certain errors may not be permanently corrected by the Contractor under the warranty. The Contractor must provide a software patch or by-pass around the error in all cases where the error will not be permanently corrected. As a minimum, any such software patch or by-pass must cause the Licensed Programs to meet the functional and performance criteria set out in the Software Documentation associated with the Licensed Programs and the Specifications.
4. The Contractor warrants that, throughout the Software Warranty Period, the Software Documentation will be free from all defects in materials and will conform with the requirements of the Contract. If Canada discovers a defect or non-conformance in any part of the Software Documentation during the Software Warranty Period, the Contractor must, if requested by Canada, as soon as possible, correct, at the Contractor's expense, the part of the Software Documentation found to be defective or not in conformance with the requirements of the Contract.
5. The Contractor warrants that, throughout the Software Warranty Period, the Media will be free from all defects in materials or workmanship, and will conform with the requirements of the Contract. Canada may return non-conforming or defective Media to the Contractor within the Software Warranty Period, with notice of the non-conformance or the defect, and the Contractor must promptly replace that Media with corrected Media at no additional cost to Canada.
6. If the Contractor must perform support services with respect to the Licensed Software during the Software Warranty Period, it is agreed that the provisions concerning support will not be interpreted so as to derogate from the warranty provisions set out in this section.
7. The warranties set out in this section will survive inspection and acceptance of the Work by or on behalf of Canada, and do not restrict any other provision of the Contract or any condition, warranty or provision imposed by law.

4003 16 (2008-05-12) Source Code Escrow

If requested by Canada, the Contractor must put in place for Canada, at no additional charge, whatever escrow arrangements, if any, it usually puts in place for its customers, and must give Canada, within thirty (30) days from the date of the Contract, a copy of the agreement with its escrow agent which sets out the conditions under which the escrow agent is authorized to release the source code to Canada.

4003 17 (2008-05-12) Right to Modify and no Reverse Engineer

1. If the source code for the Licensed Programs is provided to Canada under the Contract, that code forms part of the "Licensed Software" for the purposes of the Contract. Canada will have the right, at Canada's discretion, to copy and modify the Licensed Software for Canada's own purposes and use, through the services of Canada's own employees or of independent contractors, as long as those contractors agree not to disclose or distribute any part of the Licensed Software to any other person or entity or otherwise violate the proprietary rights of the owner of the Licensed Software.
2. Canada will be the owner of any modifications contemplated in this clause, but will obtain no ownership interest in the Licensed Software, and any portion of the Licensed Software contained in those modifications will remain subject to the conditions of Canada's license. The Contractor must not incorporate any such modifications into its software for distribution to third parties unless Canada has granted the necessary distribution rights to the Contractor under a written license agreement. The provisions of this section do not prevent the Contractor or its third-party licensors from independently developing modifications. Unless provided otherwise in the Contract, Canada agrees not to reverse engineer the Licensed Software.

4003 18 (2008-05-12) Risk of Loss

1. Risk of loss of or damage to the Licensed Software or the Media, or to any part of them, will pass to Canada upon delivery of the Licensed Software or the Media, or that part, to Canada.
2. Despite subsection 1, the Contractor will be liable for loss or damage to the Licensed Software or Media that is caused by the Contractor or any of its subcontractors after delivery.

4003 19 (2008-05-12) Destruction on Termination or Expiration

In the event of termination or expiration of Canada's license, Canada will, if requested by the Contractor, either return all copies of the Licensed Software to the Contractor or, at Canada's option, will confirm in writing to the Contractor that all copies of the Licensed Software have been destroyed except for one copy, which Canada may retain for archival purposes only.

ANNEX H - FEDERAL CONTRACTOR'S PROGRAM FOR EMPLOYMENT EQUITY – CERTIFICATION

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

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

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

Complete both A and B.

A. Check only one of the following:

- ☐ A1. The Bidder certifies having no work force in Canada.
- ☐ A2. The Bidder certifies being a public sector employer.
- ☐ A3. The Bidder certifies being a [federally regulated employer](#) being subject to the [Employment Equity Act](#).
- ☐ A4. The Bidder certifies having a combined work force in Canada of less than 100 permanent full-time and/or permanent part-time employees.
- A5. The Bidder has a combined workforce in Canada of 100 or more employees; and
- ☐ A5.1. The Bidder certifies already having a valid and current [Agreement to Implement Employment Equity](#) (AIEE) in place with ESDC-Labour.
- OR
- ☐ A5.2. The Bidder certifies having submitted the [Agreement to Implement Employment Equity \(LAB1168\)](#) to ESDC-Labour. As this is a condition to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to ESDC-Labour.

B. Check only one of the following:

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

OR

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

ANNEX I - INSURANCE REQUIREMENTS

G5001C (2018-06-21) – Ship Repairers' Liability Insurance

1. The Contractor must obtain Ship Repairer's Liability Insurance and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$10,000,000 per accident or occurrence and in the annual aggregate.
2. The Ship Repairer's Liability insurance must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by Public Works and Government Services Canada.
 - b. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by the Department of National Defence and Public Works and Government Services Canada for any and all loss of or damage to the vessel, however caused.
 - c. Notice of Cancellation: The Contractor will provide the Contracting Authority thirty (30) days prior written notice of policy cancellation or any changes to the insurance policy.
 - d. Contractual Liability: The policy must, on a blanket basis or by specific reference to the contract, extend to assumed liabilities with respect to contractual provisions.
 - e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
 - f. Litigation Rights: Pursuant to subsection 5(d) of the [Department of Justice Act](#), S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:

*Director Business Law Directorate,
Quebec Regional Office (Ottawa),
Department of Justice,
284 Wellington Street, Room SAT-6042,
Ottawa, Ontario, K1A 0H8*

For other provinces and territories, send to:

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

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

G2001C (2018-06-21) – Commercial General Liability Insurance

1. The Contractor must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$5,000,000 per accident or occurrence and in the annual aggregate.
2. The Commercial General Liability policy must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada should read as follows: Canada, as represented by Public Works and Government Services Canada.
 - b. Bodily Injury and Property Damage to third parties arising out of the operations of the Contractor.
 - c. Products and Completed Operations: Coverage for bodily injury or property damage arising out of goods or products manufactured, sold, handled, or distributed by the Contractor and/or arising out of operations that have been completed by the Contractor.
 - d. Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.
 - e. Cross Liability/Separation of Insureds: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
 - f. Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
 - g. Employees and, if applicable, Volunteers must be included as Additional Insured.
 - h. Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
 - i. Broad Form Property Damage including Completed Operations: Expands the Property Damage coverage to include certain losses that would otherwise be excluded by the standard care, custody or control exclusion found in a standard policy.

-
- j. Notice of Cancellation: The Contractor will provide the Contracting Authority thirty (30) days prior written notice of policy cancellation or any changes to the insurance policy.
 - k. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
 - l. Owners' or Contractors' Protective Liability: Covers the damages that the Contractor becomes legally obligated to pay arising out of the operations of a subcontractor.
 - m. Non-Owned Automobile Liability - Coverage for suits against the Contractor resulting from the use of hired or non-owned vehicles.
 - n. All Risks Tenants Legal Liability - to protect the Contractor for liabilities arising out of its occupancy of leased premises.
 - o. Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
 - p. Litigation Rights: Pursuant to subsection 5(d) of the [Department of Justice Act](#), S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:

*Director Business Law Directorate,
Quebec Regional Office (Ottawa),
Department of Justice,
284 Wellington Street, Room SAT-6042,
Ottawa, Ontario, K1A 0H8*

For other provinces and territories, send to:

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

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

amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

G3001C (2008-05-12) – All Risk Property Insurance

1. The Contractor must obtain All Risks Property insurance to cover Government Property while it is under the Contractor's care, custody or control. The Government Property covered under the All Risk Property insurance must be insured on a Replacement Cost basis and maintained in force throughout the duration of the Contract. Notwithstanding the requirement for the Contractor to insure Government Property on a Replacement Cost basis, Canada may, in certain circumstances, require the Contractor to insure Government Property based on an Agreed or Appraised Valuation. In such cases, Canada will provide reasonable advance notification to the Contractor where such Agreed or Appraised Value Insurance Coverage is required.
2. Administration of Claims: The Contractor must notify Canada promptly about any losses or damages to Government Property and monitor, investigate and document losses of or damage to ensure that claims are properly made and paid.
3. The All Risks Property insurance policy must include the following:
 - a. Notice of Cancellation: The Contractor will provide the Contracting Authority at least thirty (30) days prior written notice of policy cancellation or any changes to the insurance policy;
 - b. Loss Payee: Canada as its interest may appear or as it may direct;
 - c. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by the Department of National Defence and Public Works and Government Services Canada for any and all loss of or damage to the property however caused.

All Risk Property In Transit and Marine Cargo Insurance

1. The Contractor must obtain and maintain in force throughout the duration of the Contract, All Risk Property in Transit and Marine Cargo Insurance coverage, on a Replacement Cost basis and in such amounts as deemed advisable for the protection of all applicable conveyances of Government Property, while in the care, custody or control of the Contractor.
2. Administration of Claims: The Contractor must notify Canada promptly about any losses or damages to Government Property and monitor, investigate and document losses of or damage to ensure that claims are properly made and paid.
3. The All Risk Property in Transit and Marine Cargo insurance must include the following:
 - a. Marine Cargo endorsement;
 - b. Notice of Cancellation: The Contractor will provide the Contracting Authority at least thirty (30) days prior written notice of any policy cancellation or any changes to the insurance policy;
 - c. Loss Payee: Canada as its interest appears or as it may direct;
 - d. Waiver of Subrogation Rights: Contractor's Insurer to waive all rights of subrogation against Canada as represented by the Department of National Defence and Public Works and

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

Government Services Canada for any and all loss of or damage to the property however caused.

G2020C (2018-06-21) – Automobile Liability Insurance

1. The Contractor must obtain Automobile Liability Insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$2,000,000 per accident or occurrence.
2. The policy must include the following:
 - a. Third Party Liability - \$2,000,000 Minimum Limit per Accident or Occurrence;
 - b. Accident Benefits - all jurisdictional statutes;
 - c. Uninsured Motorist Protection.
 - d. Notice of Cancellation: The Contractor will provide the Contracting Authority thirty (30) days prior written notice of policy cancellation or any changes to the insurance policy.

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX J – INDUSTRIAL AND TECHNOLOGICAL BENEFITS (ITB)

Terms and Conditions

(See separate attachment)

ANNEX K - PERSONNEL CATEGORIES

Qualifications for the Personnel Categories

Personnel Category	Requirements
Engineer (Junior)	The candidate must meet all the following criteria: a) possess a university degree in a related engineering field.
Engineer (Intermediate)	The candidate must meet all the following criteria: a) possess a university degree in the related engineering field; b) be a Professional Engineer registered to practice in the province where the engineering office is located; and c) possess a minimum of 5 years of demonstrated marine work experience in engineering of which 5 years of experience have been within the last 10 years.
Engineer (Senior)	The candidate must meet all the following criteria: a) possess a university degree in the related engineering field; b) be a Professional Engineer registered to practice in the province where the engineering office is located; and c) possess a minimum of 10 years of demonstrated professional marine work experience in engineering within the last 15 years.
Information Technology (IT) Specialist (Junior)	The candidate must meet all the following criteria: a) possess a university degree or college diploma in a related field;
Information Technology (IT) Specialist (Intermediate)	The candidate must meet all the following criteria: a) possess a university degree or college diploma in a related field; and b) possess a minimum of 2 years demonstrated experience in the field of IT.

Information Technology (IT) Specialist (Senior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a university degree or college diploma in a related field; and b) possess a minimum of 5 years demonstrated experience in the field of IT.
Engineering Specialist	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none"> a) possess a university degree in engineering or applied science, or must hold a provincial, state, or federal (national) license to practice as a professional engineer; and b) possess a minimum of 5 years of demonstrated experience specializing in the engineering field in question within the last 10 years; - OR - c) possess a graduate university degree in engineering or applied science specialized in the engineering field in question, and 2 years of demonstrated experience specializing in the engineering field in question within the last 5 years.
Life Cycle Management Specialist (Junior)	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a minimum 2-year technical program diploma offered by a recognized technical institute or eligibility for registration as a technician by a recognized provincial, state, or federal (national) licensing body or qualification to the QL6 trade level in a related technical field in the Canadian Armed Forces;

Life Cycle Management Specialist (Intermediate)	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none">a) possess a minimum 2-year technical program diploma offered by a recognized technical institute or eligibility for registration as a technician by a recognized provincial, state, or federal (national) licensing body or qualification to the QL6 trade level in a related technical field in the Canadian Armed Forces; andb) possess a working knowledge* of evaluation, preparation and implementation of technical documentation; andc) possess a working knowledge* of the preparation and distribution of Integrated Logistics Support (ILS) documentation; andd) possess a working knowledge of any DND environment (Army, Navy, Air Force) Engineering and Maintenance Management System; ande) possess a working knowledge* of maintenance system interfaces with the Canadian Forces Supply System (CFSS) and a DND financial/managerial accounting system; andf) possess a minimum of 2 years of demonstrated experience in a maintenance management related activity. <p>* For the criteria listed above, "working knowledge" is defined as theoretical and practical knowledge of the subject matter required to successfully perform related duties and work efficiently and effectively.</p>
---	---

<p>Life Cycle Management Specialist (Senior)</p>	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none"> g) possess a minimum 2-year technical program diploma offered by a recognized technical institute or eligibility for registration as a technician by a recognized provincial, state, or federal (national) licensing body or qualification to the QL6 trade level in a related technical field in the Canadian Armed Forces; and h) possess a working knowledge* of evaluation, preparation and implementation of technical documentation; and i) possess a working knowledge* of the preparation and distribution of Integrated Logistics Support (ILS) documentation; and j) possess a working knowledge of any DND environment (Army, Navy, Air Force) Engineering and Maintenance Management System; and k) possess a working knowledge* of maintenance system interfaces with the Canadian Forces Supply System (CFSS) and a DND financial/managerial accounting system; and l) possess a minimum of 5 years of demonstrated experience in a maintenance management related activity. <p>* For the criteria listed above, "working knowledge" is defined as theoretical and practical knowledge of the subject matter required to successfully perform related duties and work efficiently and effectively.</p>
<p>Technologist (Junior)</p>	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training.

Technologist (Intermediate)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training; and b) possess a minimum of 3 years of demonstrated technical experience within the last 10 years.
Technologist (Senior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma in a marine technical field offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training; and b) possess a minimum of 5 years of demonstrated technical professional work experience in the marine sector within the last 10 years.
Technician (Junior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 2 year technical program diploma offered by a recognized technical institute or certified as a technician or technologist by a recognized provincial licensing body in a relevant field; or b) certified to the QL-3 level of military technical training.
Technician (Intermediate)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 2 year technical program diploma offered by a recognized technical institute or certified as a technician or technologist by a recognized provincial licensing body in a relevant field; or b) certified to the QL-5 level of military technical training.

Technician (Senior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 2 year technical program diploma offered by a recognized technical institute or certified as a technician or technologist by a recognized provincial licensing body in a relevant field; or b) certified to the QL-5 level of military technical training; and c) possess a minimum of 5 years of demonstrated experience leading marine sector repair teams of 5 to 10 members.
Project Manager (Intermediate)	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none"> a) possess demonstrated experience as an engineering professional or project manager in the engineering sector for at least 12 years; and b) possess a minimum of 3 years of demonstrated experience within the last 10 years in direct management of an engineering design project with direct supervision of no less than 5 individuals.
Project Manager (Senior)	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none"> a) possess demonstrated experience as an engineering professional or project manager in the engineering sector for at least 12 years; and b) possess a minimum of 5 years of demonstrated experience within the last 10 years in direct management of an engineering design project with direct supervision of no less than 5 individuals.
Planners/Schedulers (Junior)	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a high school diploma.

Planners/Schedulers (Intermediate)	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none"> a) possess a high school diploma; and b) possess a minimum of 3 years of demonstrated experience within the last 5 years performing planning, scheduling, production and maintenance of integrated master schedules for multi-disciplined projects, including resource loading and schedule interpretation.
Planners/Schedulers (Senior)	<p>The candidate must meet each of the following criteria:</p> <ul style="list-style-type: none"> a) possess a high school diploma; and b) possess a minimum of 5 years of demonstrated experience within the last 10 years performing planning, scheduling, production and maintenance of integrated master schedules for multi-disciplined projects, including resource loading and schedule interpretation.
Cost Estimation Specialist (Junior)	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training; and
Cost Estimation Specialist (Intermediate)	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training; and b) possess a minimum of 3 years of demonstrated experience performing engineering cost estimates for marine related equipment and/or platforms within the last 5 years.

Cost Estimation Specialist (Senior)	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum 3-year technical program diploma offered by a recognized technical institute or certified as a technologist by a recognized provincial, state, or federal (national) licensing body in a relevant field or certified to the QL-6B level of military technical training; and b) possess a minimum of 5 years of demonstrated experience performing engineering cost estimates for marine related equipment and/or platforms within the last 10 years.
Quality Assurance / Management Specialist	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a minimum of 5 years of demonstrated experience in a quality assurance field associated with vessel construction, refits or maintenance within the last 10 years.
Risk Management Specialist	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a post-secondary Certificate, diploma, or degree from a recognized post-secondary institution b) possess a minimum of 5 years of demonstrated experience in a risk management field associated with vessel construction, refits or maintenance within the last 10 years.
Contract Administrator	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none"> a) possess a high school diploma; and b) possess a minimum of 2 years of demonstrated experience in contract administration.
Administrative Support (Junior)	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a high school diploma

Administrative Support (Intermediate)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a high school diploma; and b) possess a minimum of 2 years of demonstrated experience in the field of administration.
Administrative Support (Senior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a high school diploma; and b) possess a minimum of 5 years of demonstrated experience in the field of administration
Procurement Specialist (Junior)	<p>The candidate must meet the following criterion:</p> <ul style="list-style-type: none"> a) possess a university degree in any field and possess a minimum of 6 months of demonstrated experience in a procurement and finance related activity within the last 5 years; or possess a diploma from a recognized college program in procurement, finance, economics, commerce, accounting or materiel management and possess a minimum of 6 months of demonstrated experience in a procurement and finance related activity within the last 6 years.
Procurement Specialist (Intermediate)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none"> a) possess a university degree in any field and possess a minimum of 1 year of demonstrated experience in a procurement and finance related activity within the last 5 years; or possess a diploma from a recognized college program in procurement, finance, economics, commerce, accounting or materiel management and possess a minimum of 18 months of demonstrated experience in a procurement and finance related activity within the last 6 years; and b) possess a minimum of 1 year of demonstrated experience in a procurement and finance related activity in the federal government, either as a civilian or military Crown employee or as a contractor personnel through extensive experience dealing with the federal government.

Procurement Specialist (Senior)	<p>The candidate must meet all the following criteria:</p> <ul style="list-style-type: none">a) possess a university degree in any field and possess a minimum of 2 years of demonstrated experience in a procurement and finance related activity within the last 5 years or possess a diploma from a recognized college program in procurement, finance, economics, commerce, accounting or materiel management and possess a minimum of 3 years of demonstrated experience in a procurement and finance related activity within the last 6 years; andb) possess a minimum of 2 years of demonstrated experience in a procurement and finance related activity in the federal government, either as a civilian or military Crown employee or as a contractor personnel through extensive experience dealing with the federal government.
Integrated Logistics Support Specialist (Junior)	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none">a) possess a university degree in a related field and a minimum of 1 year of demonstrated experience in Integrated Logistics Support activities; orb) possess a diploma from a recognized college program in a related field and a minimum of 1 year of demonstrated experience in Integrated Logistics Support activities; orc) certified to the QL-6 level of military technical training and possess a minimum of 3 years of demonstrated experience in Integrated Logistics Support activities.

Integrated Logistics Support Specialist (Intermediate)	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none"> a) possess a university degree in a related field and a minimum of 3 years of demonstrated experience in Integrated Logistics Support activities; or b) possess a diploma from a recognized college program in a related field and a minimum of 5 years of demonstrated experience in Integrated Logistics Support activities; or c) certified to the QL-6 level of military technical training and possess a minimum of 5 years of demonstrated experience in Integrated Logistics Support activities.
Integrated Logistics Support Specialist	<p>The candidate must meet either of the following criteria:</p> <ul style="list-style-type: none"> a) possess a university degree in a related field and a minimum of 5 years of demonstrated experience in Integrated Logistics Support activities; or b) certified to the QL-6 level of military technical training and possess a minimum of 5 years of demonstrated experience in Integrated Logistics Support activities; or c) possess a secondary school diploma and a minimum of 10 years of demonstrated experience in Integrated Logistics Support activities.
Documents and Records Management Specialist (Junior)	<p>The candidate must meet either of the following criteria:</p> <ul style="list-style-type: none"> a) possess a minimum of 1 year post-secondary diploma in administration or information management offered by a recognized technical institute and possess a minimum of 1 year of demonstrated experience within the last 3 years; <p style="text-align: center;">- OR -</p> <ul style="list-style-type: none"> b) possess a high school diploma or equivalent and possess a minimum of 3 years of demonstrated experience within the last 7 years.

Documents and Records Management Specialist (Intermediate)	<p>The candidate must meet either of the following criteria:</p> <p>a) possess a minimum of 1 year post-secondary diploma in administration or information management offered by a recognized technical institute and possess a minimum of 3 year of demonstrated experience within the last 5 years;</p> <p>- OR -</p> <p>b) possess a high school diploma or equivalent and possess a minimum of 5 years of demonstrated experience within the last 8 years.</p>
Documents and Records Management Specialist (Senior)	<p>The candidate must meet either of the following criteria:</p> <p>a) possess a minimum of 1 year post-secondary diploma in administration or information management offered by a recognized technical institute and possess a minimum of 5 year of demonstrated experience within the last 8 years;</p> <p>- OR -</p> <p>b) possess a high school diploma or equivalent and possess a minimum of 8 years of demonstrated experience within the last 10 years.</p>
Technical Writer	<p>The candidate must meet all the following criteria:</p> <p>a) possess a minimum of a 2-year technical program diploma offered by a recognized technical institute or eligibility for registration as a technician by a recognized provincial, state, or federal (national) licensing body; and</p> <p>b) possess a minimum of 5 years of demonstrated experience in writing specifications and/or requirements for technical systems with 3 years of the experience having been within the last 5 years.</p>

Health, Safety, Security and Environmental Manager	<p>The candidate must meet the following criteria:</p> <ul style="list-style-type: none">a) possess a university degree from an accredited university or a college diploma from an accredited college in occupational health, safety or a related technical field; andb) possess a minimum of 3 years of demonstrated experience in the field of occupational health and safety, including significant involvement in at least one formal Safety Analysis related to a complex project. <p>- OR -</p> <ul style="list-style-type: none">c) possess a minimum of 1 year of demonstrated experience in the field of occupational health and safety, including significant involvement in at least one formal Safety Analysis related to a complex project within the last 3 years, and has obtained professional accreditation in the field.
--	---

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX L – LOG SOW

(Refer to Separate Attachment)

Solicitation No. - N° de l'invitation
W8482-168150/D
Client Ref. No. - N° de réf. du client
W8482-168150/D

Amd. No. - N° de la modif.
File No. - N° du dossier
008fx.W8482-168150/D

Buyer ID - Id de l'acheteur
008FX
CCC No./N° CCC - FMS No./N° VME

ANNEX M – NON-DISCLOSURE AGREEMENT

I, _____, recognize that in the course of my work as an employee or subcontractor of _____, I may be given access to information by or on behalf of Canada in connection with the Work, pursuant to Contract Serial No. _____ between Her Majesty the Queen in right of Canada, represented by the Minister of Public Works and Government Services and the Minister of the Department of National Defence, including any information that is confidential or proprietary to third parties, and information conceived, developed or produced by the Contractor as part of the Work. For the purposes of this agreement, information includes but is not limited to: any documents, instructions, guidelines, data, material, advice or any other information whether received orally, in printed form, recorded electronically, or otherwise and whether or not labeled as proprietary or sensitive, that is disclosed to a person or that a person becomes aware of during the performance of the Contract.

I agree that I will not reproduce, copy, use, divulge, release or disclose, in whole or in part, in whatever way or form any information described above to any person other than a person employed by Canada on a need to know basis. I undertake to safeguard the same and take all necessary and appropriate measures, including those set out in any written or oral instructions issued by Canada, to prevent the disclosure of or access to such information in contravention of this agreement.

I also acknowledge that any information provided to the Contractor by or on behalf of Canada must be used solely for the purpose of the Contract and must remain the property of Canada or a third party, as the case may be.

I agree that the obligation of this agreement will survive the completion of the Contract Serial No.:

Signature

Date