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Bid Receiving - PWGSC / Réception des
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Core 0B2 / Noyau 0B2

Gatineau, Québec K1A 0S5

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INVITATION TO TENDER

APPEL D'OFFRES

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

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

Soumission aux: Travaux Publics et Services Gouvernementaux Canada

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

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

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11 Laurier St. / 11, rue Laurier

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Gatineau, Québec K1A 0S5

Title - Sujet CCGS Terry Fox VLE	
Solicitation No. - N° de l'invitation F7049-200041/B	Date 2021-11-01
Client Reference No. - N° de référence du client F7049-200041	GETS Ref. No. - N° de réf. de SEAG PW-\$\$MD-043-28394
File No. - N° de dossier 043md.F7049-200041	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM Eastern Daylight Saving Time EDT on - le 2022-04-14 Heure Avancée de l'Est HAE	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Pandini, Madeleine	Buyer Id - Id de l'acheteur 043md
Telephone No. - N° de téléphone (873) 353-9119 ()	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 – Voir ci-inclus	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

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PART 1 - GENERAL INFORMATION

1.1 Introduction

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

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

The Annexes include the Statement of Work, the Basis of Payment, the Federal Contractors Program for Employment Equity - Certification, the Insurance Requirements and other Annexes.

1.2 Summary

1. The Requirement is:
 - a) To carry out the Work required on the CCGS Terry Fox, as detailed in the Requirement and attached as Annex "A"– Statement of Work, which includes docking, inspection, repair, maintenance and alterations, and also includes engineering the purchase, supply and installation of various major components, including the Propulsion System (refer to (c) below).
 - b) To carry out unscheduled work authorized by the Contracting Authority during the course of the contract.
 - c) To provide a medium-speed Propulsion System (PS) replacement that meets the requirements identified in Annex "A"– Statement of Work, that is accomplished by customization of Commercial Off The Shelf (COTS) components or by design, integration, system test, training, integrated logistics support, and documentation. A PS consists of, but is not limited to, a total of four diesel engines, two gear boxes, four clutches, two shaft generators, associated skids, control system, all necessary piping/wiring/cable, silencers, Engineering Changes (EC), Integration and Installation packages, and five (5) years of recommended spare parts. The Contractor must provide training and Special Purpose Tool and Testing Equipment. The diesel engines must be at a minimum IMO Tier II engine certified, as per MARPOL Annex VI and the Vessel Pollution and Dangerous Chemicals Regulations. The Design and Manufacturing of related equipment and components, their integration into the vessel, the modifications on the vessel and the complete installations, Commissioning, and Tests and Trials must be in accordance with a Canada Approved Classification Society (CS) as per Section 2(1) of the Marine Machinery Regulations (Canada Shipping Act, 2001) and Transport Canada Marine Safety. The Approved Classification Societies under the Act are: American Bureau of Shipping, Bureau Veritas, Det

- norske Veritas, Lloyd's Register and Germanischer Lloyd. Therefore, all necessary surveys, inspections, assessments, calculations, designs, drawings, certification, approval and associated Deliverables required to develop the PS Engineering for the vessel's integration and installation specifications and drawings must be done by a certified Naval Architect or Engineer employed or subcontracted by the Contractor. The Contractor must retain Total System Responsibility of the new PS, including its related equipment and components during the design, manufacturing and through the different integration and installation packages delivered to Canada. During the implementation and installation phase, the Design and Manufacturing Representative of the related equipment and components must be present at the shipyard. The Contractor must verify and certify that the integration and installation are in accordance with the Engineering integration and installation packages. Should the particularized EC's specifications require modifications following the work done on the vessel, the Contractor must modify all particularized EC's specifications that were impacted.
2. This bid solicitation requires Bidders to use the epost Connect service provided by Canada Post Corporation to transmit their bid electronically. Bidders must refer to Part 2 entitled Bidder Instructions, and Part 3 entitled Bid Preparation Instructions, of the bid solicitation, for further information.
 3. 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.
 4. As per the Integrity Provisions under section 01 of Standard Instructions [2003](#), Bidders must provide a list of all owners and Directors and other associated information as required. Refer to section 4.21 of the Supply Manual for additional information on the Integrity Provisions.
 5. The requirement is exempt from the provisions of the World Trade Organization Agreement on Government Procurement (WTO-AGP), i.e. Shipbuilding and Repair is excluded from coverage at Annex 7, General Notes, 1. (a). The requirement is subject to the Canadian Free Trade Agreement (CFTA).
 6. The sourcing strategy relating to this procurement will be limited to Canadian suppliers, as permitted by the CFTA. In line with the *Shipbuilding, Repair, Refit, and Modernization Policy* (2010-08-16) and with the *Buy in Canada Policy*, the VLE work must be carried out at a docking facility located in Eastern Canada (ON, QC, NB, NS, NL, PEI).
 7. In line with the *Shipbuilding, Repair, Refit, and Modernization Policy*, the sourcing strategy allows the CCG to meet its operational requirements and to achieve its legitimate objectives of public security and safety, protection of human life and protection of the environment by optimizing the availability of the CCGS Terry Fox, in order to carry out critical mission services such as icebreaking and Arctic resupply.

Canada will be including the use of trade names or trademarks without allowing for equivalent products, on an exceptional basis as itemized in Annex U. These measures are necessary for CCG to meet its operational requirements and to achieve legitimate objectives of public security and safety, protection of the health, safety, and well-being of workers, and the protection of the environment by maximizing vessel availability of the CCGS Terry Fox for its extended life, in order to carry out critical mission services such as icebreaking and Arctic resupply.
 8. This procurement includes a mandatory Indigenous Participation Component (IPC) under the Procurement Strategy for Indigenous Business program.

1.3 Debriefings

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

1.4 Phased Bid Compliance Process

The Phased Bid Compliance Process applies to this requirement.

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 ([Standard Acquisition Clauses and Conditions \(SACC\) Manual - Buyandsell.gc.ca](#)) 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](#) (2020-05-28) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2.2 Submission of Bids

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

PWGSC Bid Receiving Unit

Only bids submitted using epost Connect service will be accepted. The Bidder must send an email requesting to open an epost Connect conversation to the following address:

tpsgc.dgareceptiondessoumissions-abbidreceiving.pwgsc@tpsgc-pwgsc.gc.ca

Note: Bids will not be accepted if emailed directly to this email address. This email address is to be used to open an epost Connect conversation, as detailed in Standard Instructions [2003](#), or to send bids through an epost Connect message if the Bidder is using its own licensing agreement for epost Connect.

It is the Bidder's responsibility to ensure the request for opening an epost Connect conversation is sent to the email address above at least six days before the solicitation closing date.

Bids transmitted by facsimile or in hard copy to PWGSC will not be accepted.

2.3 Enquiries - Bid Solicitation

All enquiries must be submitted in writing by email to the Contracting Authority (madeleine.pandini@tpsgc-pwgsc.gc.ca) no later than ten **(10) working days** before the bid closing date. Enquiries received after that time may not be answered.

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

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

2.4 Applicable Laws

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

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.

2.5 Bidders' Conference

A virtual Bidder's conference chaired by the Contracting Authority will be held on December 6, 2021 at 9:00 AM EST. The scope of the requirement outlined in the solicitation will be reviewed during the conferences and questions will be answered. It is recommended that Bidders who intend to submit a bid attend or have representation attend. It will be assumed that the Bidders attending the Bidders' Conferences have read the specification included in Annex A, and are prepared for the conferences.

Bidders are requested to communicate with the CA before the conferences to confirm attendance (i.e. virtual meeting details shall be sent to participants). Bidders should provide by email to Madeleine.Pandini@pwgsc-tpsgc.gc.ca, the names of the person(s) who will be attending and a list of issues they wish to table, no later than five (5) business days before the scheduled Site Visit referred to in section 2.6.

Any clarifications or changes to the solicitation resulting from the Bidders' Conference will be included as an amendment to the solicitation.

2.6 Site Visit – Vessel

Arrangements have been made for a three (3) day vessel viewing period on November 30th, December 1st, and December 2nd, 2021 to be held at 280 Southside Road, St John's, NL. Vessel viewings will be organized in scheduled time slots beginning at 9:00 AM Newfoundland and Labrador time, as required. Due to the ongoing changes regarding provincial travel restrictions and the unknown nature of the current Covid-19 pandemic, this will be an optional viewing. However, all interested parties may attend as long as all valid Covid-19 protocol and provincial travel regulations at the time of the viewing are closely followed. A virtual package of the vessel is being assembled and will be provided to all potential bidders.

Bidders must communicate with the Contracting Authority no later than five (5) working days before the scheduled visit to confirm attendance and provide the name(s) of the person(s) who will attend. Bidders must have valid identification, and present themselves at the gate to the commissionaire on the appointment date and time. Bidders will be required to sign an attendance sheet. Bidders should confirm in their bid that they have attended the site visit. Bidders who do not attend the mandatory site visit or do not send a representative will not be given an alternative appointment and their bid will be declared non-responsive. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

Visitors will be required to be fully vaccinated against Covid-19.

Visitors shall also be required to respect the Covid Protocole held in place by Canadian Coast Guard and complete the Covid-19 Canadian Coast Guard Screening Questionnaire – Atlantic Region (SQ) prior to entering a CCG facility or vessel (refer to Annex W).

2.7 Work Period

By submitting a bid, the Bidder certifies that they have sufficient materiel and human resources allocated or available and that the Work Period comprised is adequate to, both, complete the known work and absorb a reasonable amount of unscheduled work. The Work Period includes, both, the Initial Work Period and the Vessel Work Period defined in the following sections.

2.7.1 Initial Work Period

The Initial Work Period of the Contract will start at Contract Award and will have a duration of at least eight (8) months. This period will end at the start of the Vessel Work Period, defined in the following section. During this Initial Work Period, Canada is procuring one PS, as well as other long lead components (as identified in Annex "A" - Statement of Work) to be fitted onboard the CCGS Terry Fox during the Vessel Work Period.

Additional preparation activities conducted during the Initial Work Period must include engineering work necessary to ensure the proper integration of new equipment on the vessel, as well as any preparation work required for the other VLE or refit maintenance described in Annex "A" – Statement of Work. Design Review Meetings must take place during this period.

2.7.2 Vessel Work Period

Work on the vessel must commence and be completed as follows:

Commencement: April 1, 2023
Completion: September 30, 2024

2.7.3 Additional Instructions to Work Period

The vessel will be unmanned from the Vessel Work Period commencement date up to approximately one month prior to sea trials (exact date to be confirmed) and will be considered to be out of commission. The vessel, during that period, will be in the care and custody of the Contractor and under its control.

The vessel must be made completely habitable for the vessel's crew to return to the vessel. The vessel will be unmanned from the Vessel Work Period commencement date up to approximately one month prior to sea trials (exact date to be confirmed) to prepare for the vessel's commissioning, and to assist during the commissioning activities, set to work test and trials. For the vessel to be habitable, the vessel's galley must be made operational, all crew lodgings must be cleaned and made ready for crew, washrooms and showers must be fully functional, potable water supplied, and sewage plant made functional.

From the time that the crew has returned to the vessel to the end of the Vessel Work period, the vessel will be manned, and will be considered in commission. The vessel during this period will be in the care and custody of Canada and under its control.

For details please refer to, Appendix 1 – Acceptance Certificate of Annex "I" – Vessel Custody

For details please refer to, Appendix 2 – Acceptance Certificate of Annex "I" – Vessel Custody

2.8 Indigenous Participation Component (IPC)

- a. The IPC is a mechanism designed to meet the Government of Canada's objectives of encouraging Indigenous socio-economic development through federal contracting opportunities. The IPC is also designed to encourage Industry Respondents to contribute to creating long-term sustainable and meaningful socio-economic benefits for Indigenous people, businesses and communities.

b. Example of acceptable IPCs:

- (i) The IPC's main goal consists of Indigenous Business Development and encourages prime contractors to contribute and invest in building and developing viable Indigenous business capacity by procuring goods and services from Indigenous firms qualified under the Procurement Strategy for Indigenous Business. Prime contractors or their subcontractor(s) are also encouraged to demonstrate how they intend to maximize the use of Indigenous firms such as identify the work intended to be carried out by Indigenous firms including contract and supply chain management. Bidders should refer to Annex "M", Form 1 and Form 2 for information that can help identify Indigenous business capacity, for contracting and subcontracting purposes.
- (ii) The IPC also encourages the use of Indigenous Employment; prime contractors are encouraged to demonstrate how Indigenous employment will be maximized and include details pertaining to Indigenous recruitment and retention strategies and related job activities such as the work to be carried out by each position. Bidders may wish to contact Employment and Social Development Canada (ESDC) to find out about Indigenous Labour Programs.
- (iii) The IPC also consists of Indigenous Training and Skills Development; prime contractors are encouraged to demonstrate how training opportunities and skills development will be maximized for Indigenous persons such as how they intend to provide on-the job training, in-house training as well as succession plans.
- (iv) When there is a lack of Indigenous business capacity, the prime contractor may consider other relevant measures (indirect benefits) such as, but not limited to specialized training, career development, scholarships and community outreach to help Indigenous communities in meeting their economic development needs. In support of the IPC, Bidders are encouraged to reach out to Indigenous businesses and communities.

2.9 Bid Challenge and Recourse Mechanisms

- a. Several mechanisms are available to potential suppliers to challenge aspects of the procurement process up to and including contract award.
- b. Canada encourages suppliers to first bring their concerns to the attention of the Contracting Authority. Canada's Buy and Sell website, under the heading "Bid Challenge and Recourse Mechanisms" contains information on potential complaint bodies such as:
 - 1. Office of the Procurement Ombudsman (OPO)
 - 2. Canadian International Trade Tribunal (CITT)
- c. Suppliers should note that there are strict deadlines for filing complaints, and the time periods vary depending on the complaint body in question. Suppliers should therefore act quickly when they want to challenge any aspect of the procurement process.

PART 3 - BID - PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

The Bidder must submit its bid electronically in accordance with section 08 of the 2003 standard instructions. The epost Connect system has a limit of 1GB per single message posted and a limit of 20GB per conversation.

The bid must be gathered per section and separated as follows:

- Section I: Technical Bid
- Section II: Financial Bid
- Section III: Certifications and Additional Information

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

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

Information Required in the Bids

The Bidder must provide all of the deliverables referenced in section O1 Deliverables Checklist of Annex "O" Deliverables/Certifications, to be gathered within the specified Sections (I, II, or III), as indicated.

Section I: Technical Bid

The Bidder must provide a completed Annex "P" – Mandatory Technical Criteria, and provide supporting evidence, where requested.

Section II: Financial Bid

Bidders must submit their financial bid in accordance with the Financial Bid Presentation Sheet in Annex "H", and the detailed Pricing Data Sheet, Appendix 1 to Annex "H". The total amount of Applicable Taxes must be shown separately.

Section III: Certifications and Additional Information

Bidders must submit the certifications required under Part 5, as well as any other additional information identified in Annex "O" Deliverables/Certifications and Annex "Q"-Additional Information of Selected Equipment.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical, management and financial evaluation criteria.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.
- (c) Canada will use the Phased Bid Compliance Process described below.

4.1.1 Phased Bid Compliance Process (PBCB)

4.1.1.1 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 (2020-05-28) 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.

4.1.1.2 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.

4.1.1.3 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 Criteria requested for the bid, including evaluation of equivalent products per section 4.1.2, if applicable. 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. For greater certainty, the evaluation of equivalent products per section 4.1.2 will be subject to the PBCP and any reference to Eligible Mandatory Criteria will be understood to include the evaluation of equivalent products. Mandatory technical criteria that are not identified in the solicitation as being subject to the PBCP, will not be evaluated until Phase III.
- (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.

4.1.1.4 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.

4.1.2 Evaluation Procedures for Proposed Equivalent Products

- a) Except for the products referenced in Annex "U"- No-Substitute List, if the Statement of Work requires equipment that is specified by brand name, model and/or part number in order to ensure compatibility, interoperability and/or interchangeability with existing equipment owned by Canada, this Section applies regarding the evaluation of those products.
- b) Products that are equivalent in form, fit, function and quality that are fully compatible, interchangeable, and interoperable with the existing equipment owned by Canada will be considered if the Bidder:
 - i) clearly designates in its bid the brand name, model and/or part number of the proposed equivalent product;
 - ii) demonstrates in the written bid that the proposed equivalent is fully compatible, interoperates with, and is interchangeable with the item(s) specified in the solicitation;
 - iii) provides complete specifications and descriptive technical documentation for each equivalent item proposed;
 - iv) substantiates the compliance of its proposed equivalent by demonstrating that it meets all mandatory performance criteria that are specified in the solicitation; and
 - v) clearly identifies those areas in the specifications and descriptive technical documentation that demonstrate the equivalence of the proposed equivalent product.
- c) If requested during evaluation, the Bidder must submit a sample of any proposed equivalent product to the Contracting Authority for testing.
- d) If requested during evaluation, the Bidder must provide a demonstration of its proposed equivalent product.
- e) Proposed equivalent products will be declared non-compliant if:
 - i) the bid fails to provide information of the proposed equivalent, including additional information requested by the Contracting Authority during the evaluation to supplement the information submitted in the bid (Note: it is the responsibility of the Bidder to include all information required to evaluate equivalency as described above; however, all Bidders acknowledge that Canada will have the right, but not the obligation, to request any additional information during the evaluation that it requires to make a determination regarding equivalency);

- ii) the Contracting Authority determines that the proposed equivalent fails to meet or exceed the mandatory requirements specified in the solicitation; or
 - iii) the Contracting Authority determines that the proposed equivalent is not equivalent in form, fit, function or quality to the item(s) specified in the solicitation or that the proposed equivalent is not fully compatible, interoperable and interchangeable with any existing equipment owned by Canada that is specified in the solicitation.
- f) The Phased Bid Compliance Process will apply to the evaluation of equivalent products proposed with the bid.

4.1.3 Technical Evaluation

- (a) The Technical bid will be assessed against the Mandatory Technical Criteria in Annex "P" - Mandatory Technical Criteria.

Notwithstanding deliverable requirements specified within the bid solicitation and the Statement of Work found at Annex "A" – Statement of Work, mandatory deliverables that must be submitted with the Bidder's bid to be evaluated as responsive are summarized in Annex "O" – Deliverables / Certifications – O1 Mandatory Tender Deliverables Checklist.

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

The Phased Bid Compliance Process will apply to all Mandatory Technical Criteria in Annex "P" - Mandatory Technical Criteria.

4.1.4 Joint Ventures Experience

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 2 members. Please note the following:

- a) 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.

- b) 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 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 2 years of experience integrating hardware with complex systems, the Bidder cannot indicate that each of members Y and Z has one year of experience, totalling 2 years. Such a response would be declared non-responsive.

- c) A joint venture member cannot pool its experience with the other joint venture member to satisfy a single technical criterion of this bid solicitation. However, a joint venture member can pool its individual experience with the experience of the joint venture itself.

4.1.5 Joint Venture Substantiation

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.

- a) Example: A bidder is a joint venture consisting of members A and B. If a bid solicitation requires that the bidder demonstrate experience providing resources for a minimum number of 100 billable days, the bidder may demonstrate that experience by submitting either:
- Contracts all signed by A;
 - Contracts all signed by B; or
 - Contracts all signed by A and B in joint venture, or
 - Contracts signed by A and contracts signed by A and B in joint venture, or
 - Contracts signed by B and contracts signed by A and B in joint venture.
 -
- b) That show in total 100 billable days.

4.1.6 Financial Evaluation

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

Bidders must include all costs in their bid associated with executing and administering the Contract in accordance with all measures that provincial, municipal and federal governments and public health authorities have instituted to protect against the threat of the severe acute respiratory syndrome coronavirus which causes the coronavirus disease ("Covid-19"), in addition to any other measures implemented by the shipyard/Bidder, that were in place or required as of the date of bid submission. This includes, but is not limited to: Covid-19 specific cleaning (labour & Material), Personal Protective Equipment (PPE), Covid-19 testing/monitoring, additional equipment, extra labour, shift differentials and any additional administration/planning/project management.

4.1.7 Unscheduled Work and Price for Evaluation

a) Unscheduled Engineering Work

The Contractor hereby acknowledges that Canada may require the Contractor to perform additional Unscheduled Engineering Work at any time and from time to time, during this Contract.

An anticipated cost for the unscheduled engineering work will be included in the Price for Evaluation (refer to Annex "H" - Financial Bid Presentation). The Price for Evaluation will be calculated by including an estimated amount of additional person-hours multiplied by a firm hourly charge-out engineering rate for unscheduled engineering work, and will be added to the firm price for the known work.

The Evaluation Price will be used for evaluating the bid. There is no minimum or maximum amount of unscheduled engineering work, nor is there a guarantee of such unscheduled engineering work.

b) Other Unscheduled Work:

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

An anticipated cost for the unscheduled work will be included in the Price for Evaluation (refer to Annex "H" - Financial Bid Presentation). The Price for Evaluation will be calculated by including an estimated amount of additional person-hours multiplied by a firm hourly charge-out labour rate for unscheduled work, which will be added to the firm price for the known work.

The Evaluation Price will be used for evaluating the bid. There is no minimum or maximum amount of unscheduled work, nor is there a guarantee of such unscheduled work.

Bidders are required to enter their own firm charge out rate for unscheduled work in Annex "H" - Financial Bid Presentation, Sheet H1 Price for Evaluation. However, any bids that include a firm hourly charge out rate lower than \$85/hr will be evaluated as non-compliant.

4.2 Basis of Selection – Lowest Evaluated Price

1. To be declared responsive, a bid must:
 - a. comply with all the requirements of the bid solicitation (refer to section O1 - Deliverable Check List of Annex "O" - Deliverables/Certifications); and
 - b. meet all mandatory criteria (refer to Annex "P" - Mandatory Technical Criteria).
2. Bids not meeting (a), or (b) will be declared non-responsive.
3. The responsive bid with the lowest evaluated price will be recommended for award of a contract.

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

PART 5 – CERTIFICATIONS

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

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

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

5.1 Certifications Required 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 website (<http://www.tpsgc-pwgsc.gc.ca/ci-if/declaration-eng.html>), to be given further consideration in the procurement process.

5.2 Indigenous Participation Component – Certification Form

By submitting a bid, the Bidder certifies that it will meet the Indigenous Participation Component (IPC) if the Bidder is awarded a contract. Therefore, at the time of bid closing, the Bidder must provide the Contracting Authority with the completed IPC Certification forms provided at Annex "K" – IPC Certification Forms Part 1 and Part 2. The Bidder should indicate where completed IPC Certification forms can be found in their proposal.

5.3 Certifications Precedent to Contract Award

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

5.3.1 Integrity Provisions – Required Documentation

In accordance with the section titled "Information to be provided when bidding, contracting or entering into a real property agreement" of the Ineligibility and Suspension Policy (<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.

5.3.2 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 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 "C" Federal Contractors Program for Employment Equity - Certification, before contract award. If the Bidder is a Joint Venture, the Bidder must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification, for each member of the Joint Venture.

5.3.3. 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.

PART 6 - FINANCIAL AND OTHER REQUIREMENTS

6.1 Financial Capability

SACC Manual Clause A9033T (2012-07-16) Financial Capability applies to and forms part of the bid solicitation.

6.2 Contract Financial Security

6.2.1 In its bid, the Bidder must indicate the following:

- (a) In Annex "H" Financial Bid Preparation, the type of Contract Financial Security the Bidder intends to provide if awarded the Contract in accordance with section 7.13 of the Contract; and
- (b) In Annex "H" Financial Bid Presentation, the cost to the Bidder of the Contract Financial Security, in accordance with section 7.13 of the Contract.

6.3 Vessel Transfer Cost

Vessel Transfer Costs will apply to the evaluation price of this solicitation (refer to H6 of Annex "H" Financial Bid Presentation).

6.4 Docking Facility

The VLE Work conducted during the Vessel Work Period must be carried out at a docking facility located in Eastern Canada (ON, QC, NB, NS, NL, PEI). The Bidder must provide the municipal address for the facility in their bid.

Before contract award, the successful Bidder may be required to demonstrate, to the satisfaction of Canada, that the certified capacity of the docking facility, including any means or conveyance to remove the vessel from the water, is adequate for the anticipated loading in accordance with the related dry docking plans and other documents detailed in the Contract. The successful Bidder will be notified in writing and will be allowed a reasonable period of time to prepare and provide detailed keel block load distribution sketches and blocking stability considerations, along with the supporting calculations to show the adequacy of the proposed docking arrangement and the ability to comply with the supplied Docking Plan. If requested, demonstration of this adequacy, i.e. verification of the arrangement must be conducted at the facility prior to Contract award.

6.5 Workers' Compensation - Letter of Good Standing

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

The Bidder must provide with its bid, a certificate or letter from the applicable Worker's Compensation Board confirming the Bidder's good standing account.

6.6 Valid Labour Agreement

If the Bidder has a labour agreement, or other suitable instrument, in place with all its unionized labour, it must be valid for the proposed period of any resulting contract. Documentary evidence of the agreement or suitable instrument must be provided in their bid. The Bidder must provide a letter stating that they are a non-unionized facility, if applicable.

6.7 Preliminary Schedules

6.7.1 Delivery Schedule

Milestone deliverables are listed in Annex "H" Financial Bid Presentation, Appendix 2 – Milestones (Price and Delivery). Dates, to be submitted by the Bidder at the time of bid closing, must fall within the defined total Work Period (as indicated in section 2.7). Canada requires that the deliverables be ready for acceptance; that is, complete in all respects, with all testing successfully completed, when applicable, in accordance with the Contract.

6.7.2 Preliminary Work Schedule

The Bidder must submit, with its bid, one (1) electronic copy of its Preliminary Work Schedule for the Vessel Work Period. The Preliminary Work Schedule submitted must be produced with a commercially available project management software, either MS Project, or equivalent approved by the TA.

The Bidder's Preliminary Work Schedule must include (as a minimum) target dates for each of the following significant events:

- a. Commencement date of Vessel Work as defined at Article 7.3.2;
- b. Period to be in Dry-Dock;
- c. Start and completion dates for each individual specification item (i.e. like 10.2 or 15.11) presented in Part B, Annex "A" – Statement of Work;
- d. Field Service Representative (FSR) Scheduling ;
- e. Completion date of Vessel Work as defined at Article 7.3.2;
- f. Period of Care & Custody by the shipyard;
- g. Resumption of custody by Canada;
- h. Dock and Sea Trials Period.

The Preliminary Work Schedule must include tasks, predecessors, critical path, milestone markers, and labour loading.

Each individual specification item (SOW item) included in Part B of Annex "A" Statement of Work must show:

1. the main work breakdown structure (WBS) to the system and component level (WBS 3).
2. the workforce deployment plan, or labour loading for the following disciplines:
 - a. Steelwork;
 - b. Piping;
 - c. Mechanical;
 - d. Electronics;
 - e. Controls/Instrumentation.
3. The Bidder must indicate the source for the labour resources required to support the labour loading (i.e. in-house, or subcontractor(s) name). If a resource is a subcontractor, Canada may request that the Bidder provide a letter of commitment from the subcontractor, after the bid closing date.

6.8 Safety Measures for Fueling and Disembarking Fuel

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

At bid closing date, the Bidder must provide with its bid details of its safety measures for fueling and disembarking fuel together with the name and qualifications of the person in charge of this activity.

6.9 ISO 9001:2015 - Quality Management Systems

The Bidder must have in place a Quality Management System registered to ISO 9001:2015 and must provide with its bid, at bid closing, the following:

- Valid ISO 9001-2015 certification.

6.10 Health and Safety

The Bidder must submit with its bid objective evidence that it has a documented Health and Safety system fully compliant with all current Federal, Provincial and Municipal regulations.

6.11 Fire Protection, Fire Fighting and Training Procedures

The Bidder must submit with its bid objective evidence that it has documented fire protection, firefighting and training procedures compliant with current regulations and their insurance requirements. The fire protection, firefighting and training procedures will, once accepted by Canada, form part of the Contract. Please refer to clause 7.27.

6.12 Hazardous Waste

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

6.13 Insurance Requirements

The Bidder must provide with its bid a letter from an insurance broker or an insurance company licensed to operate in Canada stating that the Bidder, if awarded a contract as a result of the bid solicitation, can be insured in accordance with the Insurance Requirements specified in Annex "D".

6.14 Welding Certification

1. Welding performed in Canada must be performed by a welder certified by the Canadian Welding Bureau (CWB) and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a. CSA W47.1- latest edition, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2), including the implementation of the Marine Annex in the Company's scope of Operations (for example, Marine Operations);
 - b. CSA W47.2 – latest edition, Certification for Companies for Fusion Welding of Aluminum (Division Level 1 or 2).

The Bidder must submit with its bid, evidence demonstrating its certification by CWB (Letter of Validation) in accordance with the CSA standards. The certification must remain valid for the duration of the contract.

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

A list of qualified welders to work on the Contract may be requested after the bid closing date.

6.15 Project Management Services

The Bidder is required to provide a Project Management Team experienced and capable of successfully managing this vessel refit Contract. Project Management Team personnel, services and deliverables must comply with the requirements detailed in Annex "P" - Mandatory Technical Criteria and in the Contract. Each identified individual's resume, (job titles identified in subsections 2 to 11) must be included with the bid and must demonstrate the requirements specified in Annex "P" – Mandatory Technical Criteria).

1. Intent

- a) Job titles used in this section are for clarity within the RFP only. The Bidder is free to choose job titles that suit its organization.
- b) The Bidder, through its Project Management Team, is responsible to discharge the duties and supply the deliverables required in the Contract and in Annex "A" – Statement of Work.
- c) Project Management encompasses the direction and control of such functions as engineering, planning, purchasing, manufacturing, assembly, overhauls, installations and test and trials.

2. Project Manager

3. Single System Supplier Integrator (SSSI)

4. Quality Assurance, Inspection and Testing Manager

5. Schedule Planner

6. Vessel Supervisor/ Superintendent

7. Safety Officer/Occupational Health and Safety Specialist (OHSS)

8. Document Control Specialist

9. Shipyard Cost Estimation Specialist

10. Engineering Team

- 1) Senior Naval Architect Engineer
- 2) Senior Marine Systems Engineer
- 3) Senior Marine Engineer
- 4) Senior Electrical Engineer
- 5) Senior Controls and Instrumentation Engineer
- 6) Senior Draftsperson (mechanical)
- 7) Senior Draftsperson (electrical/electronics/instrumentation)
- 8) Cost Estimation Specialist

11. Procurement Team - two Procurement Specialists

6.16 List of Proposed Subcontractors

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

6.17 Quality Control Plan

The Bidder must submit in its bid an example of its Quality Control Plan (QCP) as applied on previous projects of the same nature.

6.18 Inspection and Test Plan

The Bidder must submit in its bid an example of an Inspection and Test Plan (ITP) completed with requirement and inspection reports as developed on previous projects of the same nature (refer to Annex "P"- Mandatory Technical Criteria).

6.19 Environmental Protection

The Bidder must submit in its bid details of its environmental emergency response plans, waste management procedures and formal environmental training undertaken by its employees.

PART 7 - RESULTING CONTRACT CLAUSES

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

7.1 Requirement

The Contractor must:

- (a) carry out the Work required on the CCGS Terry Fox, as detailed in the Requirement and attached as Annex "A"– Statement of Work, which includes docking, inspection, repair, maintenance and alterations, and also includes the engineering, purchase, supply and installation of various major components, including the Propulsion System (refer to (c) below).
- (b) carry out any unscheduled Work authorized by the Contracting Authority during the course of the Contract.
- (c) provide a medium-speed Propulsion System (PS) replacement that meets the requirements identified in Annex "A"– Statement of Work, that is accomplished by customization of Commercial Off The Shelf (COTS) components or by design, integration, system test, training, integrated logistics support, and documentation. A PS consists of, but is not limited to, a total of four diesel engines, two gear boxes, four clutches, two shaft generators, associated skids, control system, all necessary piping/wiring/cable, silencers, Engineering Changes (EC), Integration and Installation packages, and 5 years of recommended spare parts. The Contractor must provide training and Special Purpose Tool and Testing Equipment. The diesel engines must be at a minimum IMO Tier II engine certified, as per MARPOL Annex VI and the Vessel Pollution and Dangerous Chemicals Regulations. The Design and Manufacturing of related equipment and components, their integration into the vessel, the modifications on the vessel and the complete installations, Commissioning, and Tests and Trials must be in accordance with a Canada Approved Classification Society (CS) as per Section 2(1) of the Marine Machinery Regulations (Canada Shipping Act, 2001) and Transport Canada Marine Safety. The Approved Classification Societies under the Act are: American Bureau of Shipping, Bureau Veritas, Det norske Veritas, Lloyd's Register and Germanischer Lloyd. Therefore, all necessary surveys, inspections, assessments, calculations, designs, drawings, certification, approval and associated Deliverables required to develop the PS Engineering for the vessel's integration and installation specifications and drawings must be done by a certified Naval Architect and/or Engineer employed or subcontracted by the Contractor. The Contractor must retain Total System Responsibility of the new PS, including its related equipment and components during the design, manufacturing and through the different integration and installation packages delivered to Canada. During the implementation and installation phase, the Design and Manufacturing Representative of the related equipment and components must be present at the shipyard. The Contractor must verify and certify that the integration and installation are in accordance with the Engineering integration and installation packages. Should the particularized EC's specifications require modifications following the work done on the vessel, the Contractor must modify all particularized EC's specifications that were impacted.

7.2 Standard Clauses and Conditions

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

7.2.1 General Conditions

2030 (2020-05-28), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract and is amended as follows: .

Delete Section 22 (2014-09-25) Warranty, in its entirety and replace with the following:

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 12 months except if stated otherwise 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.

1. For the purpose of the Warranty, acceptance will take place in accordance with Section 7.34.
2. The Contractor, if requested by Canada, must replace or repair at its own expense any finished work, excluding Government Issue incorporated in the Work, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship.
3. 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.
4. Despite acceptance of the finished work, and without restricting any other term of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that the following will be free from all defects and will conform with the requirements of the Contract:
 - (a) The painting of the underwater portion of the hull for a period of 365 days commencing from the date of undocking, except that the Contractor will only be liable to repair and/or replace to a value to be determined as follows:

Original cost to Canada of the underwater painting work, divided by 365 days and multiplied by the number of days remaining in the warranty period. The resultant sum would represent the "Dollar Credit" due to Canada from the Contractor.
 - (b) All other painting work for a period of 365 days commencing from the date of acceptance of the Work;
 - (c) The listed items purchased in Table B1.1 Milestones (Price and Delivery) of Annex "B" – Basis of Payment, for a period of 365 days commencing from the date of acceptance of the Work;
 - (d) All other items of work for a period of ninety (90) days commencing from the date of acceptance of the Work, except that:
 - i. the warranty on the work related to any system or equipment not immediately placed in continuous use or service will be for a period of ninety (90) days from the date of acceptance of the vessel;
 - ii. for all outstanding defects, deviations, and work items listed on the Acceptance Document at Delivery, the warranty will be ninety (90) days from the subsequent date of acceptance for each item.
5. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the materials supplied or held by the Contractor which exceed the periods indicated above.
6. 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.

7. 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.
8. 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.
9. 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.
10. 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:
 - a. the warranty period remaining, including the extension, or
 - b. 90 days or such other period as may be specified for that purpose by agreement between the Parties.

Refer to Annex "E" – Warranty and its Appendix "1" for Warranty Defect Claim Procedures.

7.2.2 Contract Cost Principles, Refer to Annex "T" - General Conditions 1031-2, (2012-07-16), Contract Cost Principles

7.2.3 Supplemental General Conditions

1029 (2018-12-06) Ship Repairs, apply to and form part of the Contract.

4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information, apply to and form part of the Contract.

7.3 Term of Contract

The Contractor agrees that the total Work Period (consisting of the "Initial Work Period" and the "Vessel Work Period") provides an adequate period to perform the subject work and absorb a reasonable amount of unscheduled work.

The Contractor certifies that it has sufficient material and human resources allocated or available to complete the subject work and a reasonable amount of unscheduled work within the total Work Period.

7.3.1 Initial Work Period

1. The Contract Initial Work Period will start at Contract award.
2. During this Initial Work Period, Canada is procuring one (1) PS, as well as, other long lead components (as identified in Annex "A" - Statement of Work) to be fitted onboard the **CCGS Terry Fox** during the Vessel Work Period.
3. Additional preparation activities conducted during the Initial Work Period shall include engineering work necessary to ensure the proper integration of new equipment on the vessel, as well as any preparation work required for the other VLE or refit maintenance described in Annex "A" – Statement of Work.

4. Design Review Meetings must take place during this period (refer to Section 7.33).

5. This period will end at the start of the Vessel Work Period.

7.3.2 Vessel Work Period

1. Vessel Work must commence and be completed as follows, during the Vessel Work Period:

Commence: April 1, 2023
Complete: September 30, 2024

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

- a) If Canada gives 10 calendar days advance notice of a 15 day maximum delay, the Contractor cannot claim any additional costs when arrival of the vessel at the Contractor's facility is delayed up to a maximum of 15 calendar days beyond the commencement date, above. The Completion Date will be extended by a period equal to the length of the delay.
- b) If Canada does not provide 10 calendar days advance notice of a delay, the Completion Date will be reasonably adjusted to reflect the impact of the delay on the arrival of the Vessel and Canada will pay only the Daily Services Fee referred to in the Basis of Payment for the period of the delay.

7.3.3 Milestones Delivery Schedule

All milestone deliverables must be received in accordance to the schedule indicated in Annex "B" – Basis of Payment, Table B1.1 – Milestones (Price and Delivery).

7.4 Authorities

7.4.1 Contracting Authority

The Contracting Authority for the Contract is:

Madeleine Pandini
Department of Public Works and Government Services Canada (PWGSC)
Marine Sector
Tel: (873) 353-9119
E-Mail: Madeleine.pandini@pwgsc.gc.ca

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

7.4.2 Technical Authority

The Technical Authority for the Contract is:

Name will be determined at Contract Award

Solicitation No. - N° de l'invitation
F7049-200041/B
Client Ref. No. - N° de réf. du client
F7049-200041

Amd. No. - N° de la modif.
File No. - N° du dossier
043mdF7049-200041

Buyer ID - Id de l'acheteur
043md
CCC No./N° CCC - FMS No./N° VME

Name: _____
Telephone: _____
Cell: _____
E-mail: _____

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

7.4.3 Inspection Authority

The Inspection Authority for the Contract is the Canadian Coast Guard.

Name will be determined at Contract Award

Name: _____
Telephone: _____
Cell: _____
E-mail: _____

The Inspection Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for the inspection of the Work and acceptance of the finished work. The Inspection Authority may be represented on-site by a designated inspector and any other Government of Canada Inspector who may from time to time be assigned in support of the designated inspector.

7.4.4 Indigenous Participation Component Authority

The Indigenous Participation Component (IPC) Authority for the Contract is:

Dolores Coelho
Sr. Program Officer
Department of Indigenous Services Canada (DISC)
10 Wellington Street, 11th Floor. Room 1105
Gatineau, Quebec K1A 0H4
819-918-0580
Dolores.coelho@canada.ca

The IPC Authority (or their delegated representative), as designated Department of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)/Department of Indigenous Services Canada (DISC) is the person who is responsible for issues relating to the IPC requirements under this Contract.

7.4.4 Contractor's Representative

Name will be determined at Contract Award

Name: _____
Telephone: _____
Cell: _____
E-mail: _____

7.5 Payment

7.5.1 Basis of Payment - Firm Price

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a Firm Price indicated in Annex "B"- Basis of Payment Table B1 for the sum of the A) Known Work and C) Total Milestone Payments. Applicable Taxes are extra, if applicable. Payment for unscheduled work shall be in accordance with Annex "B" Basis of Payment Table B2.

Canada will not pay the Contractor for any design changes, modifications or interpretations of the Work, unless they have been approved, in writing, by the Contracting Authority before their incorporation into the Work.

7.5.2 Terms of Payment - Milestone Payments for purchase of components

1. Canada will make milestone payments in accordance with Milestone (Price and Delivery) at Annex "B"- Basis of Payment, Table B1.1, detailed in the Contract and the payment provisions of the Contract, up to ninety (90) percent of the amount claimed and approved by Canada if:
 - (a) an accurate and complete claim for payment using form PWGSC-TPSGC 1111, 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; and
 - (c) all work associated with the milestone and as applicable any deliverable required have been completed and accepted by Canada.
2. The ten percent (10%) Holdback minus the Warranty Holdback (see section 7.6.4) will be released in accordance with the payment provisions of the Contract upon the following:
 - a) The Final Work Acceptance in accordance with section 7.34 occurred; and
 - b) A claim for the payment has been submitted.

7.5.3 Terms of Payment - Progress Payments

1. Canada will make progress payments in accordance with the payment provisions of the Contract towards the amount indicated for A) Known Work in Table B1 of Annex "B"- Basis of Payment, no more than once a month, for costs incurred in the performance of the Work, up to ninety (90) percent of the amount claimed and approved by Canada if:
 - (a) an accurate and complete claim for payment using form PWGSC-TPSGC 1111 <http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1111.pdf>, Claim for Progress Payment, and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
 - (b) the amount claimed is in accordance with the basis of payment;
 - (c) the total amount for all progress payments paid by Canada does not exceed 90 percent of the total amount to be paid under the Contract;

- (d) all certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives.
2. The ten percent (10%) Holdback minus the Warranty Holdback (see section 7.6.4) will be released in accordance with the payment provisions of the Contract upon the following:
- a) The Final Work Acceptance in accordance with the section 7.34 occurred; and
 - b) A claim for the payment has been submitted.
3. Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time during the performance of the Work. Any overpayment resulting from progress payments or otherwise must be refunded promptly to Canada.

7.5.4 Liens - Section 427 of the Bank Act

SACC Manual Clause H4500C (2010-01-11) Liens - Section 427 of the Bank Act applies to and forms part of the Contract.

7.5.5 Limitation of Price

SACC Manual Clause C6000C (2017-08-17) Limitation of Price applies to and forms part of the Contract.

7.5.6 Time Verification

SACC Manual Clause C0711C (2008-05-12) Time Verification applies to and forms part of the Contract.

7.6 Invoicing Instructions

7.6.1 Invoices

1. Invoices are to be made out to:

Canadian Coast Guard Marine Engineering
DFO.invoicing-facturation@DFO-MPO.GC.CA
Attention of: To be determined

And;

The original invoice to be forwarded for verification to:

Public Works and Government Services Canada
Marine Systems Directorate
Ship Refit Division
Contract Authority
Attention: Madeleine Pandini
Email: madeleine.pandini@tpsgc-pwgsc.gc.ca

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

7.6.2 Invoicing Instructions - Progress Claim

1. The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111 <http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1111.pdf>, Claim for Progress Payment.

Each claim must show:

- (a) all information required on form PWGSC-TPSGC 1111;
 - (b) all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;
 - (c) when applicable, the description and value of the milestone claimed as detailed in the Contract.
2. Applicable Taxes must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.
 3. The Contractor must prepare and certify one claim on form PWGSC-TPSGC 1111, and forward it to the Contracting Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work take place.
 4. The Contracting Authority will then forward the claim to the Technical Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.
 5. The Contractor must not submit claims until all work identified in the claim is completed.

7.6.3 Electronic Payment of Invoices – Contract

The Contractor accepts to be paid using Direct Deposit (Domestic and International) as the payment instrument.

7.6.4 Warranty Holdback

7.6.4.1 For Milestones listed in Table B1.1 Milestones (Price and Delivery) of Annex “B” - Basis of Payment

1. A Warranty Holdback of five percent (5%) of the amount indicated for C) Total Milestone Payments in Table B1 of Annex “B” Basis of Payment, as last amended (Applicable Taxes excluded) will be applied to the final claim for payment.
2. The Warranty Holdback will be released in accordance with the payment provisions of the Contract upon the following:
 - (a) The Contractor has fulfilled all of its obligations under the Warranty; and
 - (b) A claim for the payment has been submitted.

7.6.4.2 For all other Contract items

A Warranty Holdback of five percent (5%) of the amount indicated for A) Known Work indicated in Table B1 of Annex “B” Basis of Payment, as last amended, (Applicable Taxes excluded) will be applied to the final claim for payment.. This holdback will be payable by Canada upon the expiry of the 90 day warranty period(s). Applicable Taxes, as appropriate, are to be calculated and paid on the total amount of the claim before the five percent (5%) holdback is applied. At the time that the holdback is released, there will be no Applicable Taxes payable, as it was included in previous payments.

7.7 Certifications

7.7.1 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.

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

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

7.9 Applicable Laws

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

7.10 Priority of Documents

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

- (a) the Articles of Agreement;
- (b) the Supplemental General Conditions 4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information;
- (c) the Supplemental General Conditions 1029, (2018-12-06), Ship Repairs;
- (d) the General Conditions 2030, (2020-05-28), General Conditions - Higher Complexity – Goods;
- (e) the General Conditions 1031-2, (2012-07-16), Contract Cost Principles (refer to Annex;
- (f) Annex "A", Statement of Work (SOW);
- (g) Annex "B", Basis of Payment;
- (h) Annex "D", Insurance Requirements;
- (i) Annex "E", Warranty;
- (j) Annex "F", Procedure for Unscheduled Work;
- (k) Annex "G", Quality Control/Inspection;
- (l) Annex "I", Vessel Custody;
- (m) Annex "J", General Information on Indigenous Participation Component;
- (n) Annex "K", Indigenous Participation Component Certification Forms;
- (o) Annex "L", The Indigenous Participation Component (IPC) Plan;
- (p) Annex "M", Indigenous Certification Requirements;
- (q) Annex "N", Indigenous Participation Component Reports;
- (r) Annex "V", PDR-CDR
- (s) Annex "R", Templates; and
- (t) the Contractor's bid dated _____ (insert date of bid), as amended _____ (insert date(s) of amendment(s) if applicable).

7.11 Insurance Requirements

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

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

The Contractor must forward to the Contracting Authority within ten (10) working days after the date of award of the Contract, a Certificate of Insurance evidencing the insurance coverage and confirming that the insurance policy complying with the requirements is in force. Coverage must be placed with an Insurer licensed to carry out business in Canada. The Contractor must, if requested by the Contracting Authority, forward to Canada a certified true copy of all applicable insurance policies.

7.12 Limitation of Contractor's Liability for Damages to Canada

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

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

6. The date of termination pursuant to this Article, shall be the date specified by Canada in its notice to terminate, or, if the Contractor exercises the right to terminate, in a notice to the Contractor from Canada in response to the Contractor's notice to terminate. The date of termination shall be in Canada's discretion to a maximum of 12 months after service of the original notice to terminate served by either Party pursuant to sub-article 5, above.
7. Nothing limits Canada's other remedies, including Canada's right to terminate the Contract for default for breach by the Contractor of any of its obligations under this Contract, notwithstanding that the Contractor may have reached any limitation of its liability hereunder.

7.13 Financial Security

7.13.1 Term of Financial Security

Any bond, bill of exchange, letter of credit or other security provided by the Contractor to Canada in accordance with the terms of the Contract must not expire before 90 days after the completion date indicated in the Contract. The Contracting Authority may, at its sole discretion, require an extension to the period of the security, for which the Contractor may apply for financial compensation.

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

7.13.2 Contract Financial Security

1. The Contractor must provide one of the following contract financial securities within five (5) Working Days after the date of contract award:
 - a) a performance bond (form PWGSC-TPSGC 505) and a labour and material payment bond (form PWGSC-TPSGC 506), each in the amount of 20 percent of the Contract Price;

OR

 - b) a security deposit as defined below in the amount of ten percent (10%) of the Contract Price.

Any bond must be accepted as security by one of the bonding companies listed in the Treasury Board's Contracting Policy, Appendix L, Acceptable Bonding Companies (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12027>). The bond forms mentioned in a) above are available at:

<http://www.tpsgc-pwgsc.gc.ca/app-acq/forms/formulaires-forms-eng.html>.

2. If, for any reason, Canada does not receive the financial security in the amount set out above within the specified period, the Contractor will be in default. Canada may, at its discretion, terminate the Contract for default pursuant to the Default by the Contractor provision, accept another bid, reject all bids or issue a new bid solicitation.
3. Security deposits in the form of government guaranteed bonds with coupons attached will be accepted only if all coupons that are unmatured, at the time the security deposit is provided, are attached to the bonds. The Contractor must provide written instructions concerning the action to be taken with respect to coupons that will mature while the bonds are pledged as security, when such coupons are in excess of the security deposit requirement.
4. If the security deposit is in the form of a bill of exchange, Canada will deposit the bill of exchange in an open account in the Consolidated Revenue Fund. Bills of exchange that are deposited to the credit of the Consolidated

Revenue Fund will bear simple interest, calculated on the basis of the rates which are in effect during the period the deposit is held.

These rates are published monthly by the Department of Finance and are set to be equal to the average yield on 90-day Treasury Bills, less 1/8 of 1 percent. Interest will be paid annually or, when the security deposit is returned to the Contractor, if earlier. The Contractor may, however, request Canada to hold and not cash the bill of exchange, in which case no interest will become payable.

5. Canada may convert the security deposit to the use of Canada if any circumstance exists which would entitle Canada to terminate the Contract for default, but any such conversion will not constitute termination of the Contract.
6. When Canada so converts the security deposit:
 - a) the proceeds will be used by Canada to complete the Work according to the conditions of the Contract, to the nearest extent that it is feasible to do so and any balance left will be returned to the Contractor on completion of the warranty period; and
 - b) if Canada enters into a contract to have the Work completed, the Contractor will:
 - (i) be considered to have irrevocably abandoned the Work; and
 - (ii) remain liable for the excess cost of completing the Work if the amount of the security deposit is not sufficient for such purpose. "Excess cost" means any amount over and above the amount of the Contract Price remaining unpaid together with the amount of the security deposit.
7. If Canada does not convert the security deposit to the use of Canada before completion of the contract period, Canada will return the security deposit to the Contractor within a reasonable time after such date.
8. If Canada converts the security deposit for reasons other than bankruptcy, the financial security must be reestablished to the level of the amount stated above so that this amount is continued and available until completion of the contract period.
9. In this Article,
"security deposit" means

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

"approved financial institution" means

- a) any corporation or institution that is a member of the Canadian Payments Association;
- b) a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the Régie de l'assurance-dépôts du Québec to the maximum permitted by law;
- c) a credit union as defined in paragraph 137(6) of the Income Tax Act;

- d) a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by a Canadian province or territory;
- e) the Canada Post Corporation.

"government guaranteed bond" means a bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:

- a) payable to bearer;
- b) accompanied by a duly executed instrument of transfer of the bond to the Receiver General for Canada in accordance with the Domestic Bonds of Canada Regulations;
- c) registered in the name of the Receiver General for Canada.

"irrevocable standby letter of credit"

- a) means any arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its behalf,
 - (i) will make a payment to or to the order of Canada, as the beneficiary;
 - (ii) will accept and pay bills of exchange drawn by Canada;
 - (iii) authorizes another financial institution to effect such payment, or accept and pay such bills of exchange; or
 - (iv) authorizes another financial institution to negotiate, against written demand(s) for payment, provided that the conditions of the letter of credit are complied with.
- b) must state the face amount which may be drawn against it;
- c) must state its expiry date;
- d) must provide for sight payment to the Receiver General for Canada by way of the financial institution's draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his/her office;
- e) must provide that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the letter of credit;
- f) must provide that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice (UCP) for Documentary Credits, 2007 Revision, ICC Publication No. 600. Pursuant to the ICC UCP, a credit is irrevocable even if there is no indication to that effect; and
- g) must be issued (Issuer) or confirmed (Confirmer), in either official language, by a financial institution that is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.

7.14 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.

7.15 Subcontracts and Subcontractor List

The Contractor must notify the Contracting Authority, in writing, of any changes to the list of subcontractors before commencing the Work.

When the Contractor subcontracts work, a copy of the subcontract purchase order must be provided to the Contracting Authority. In addition, the Contractor must monitor progress of subcontracted work and inform the Inspection Authority on pertinent stages of work to permit inspection when considered necessary by the Inspection Authority.

7.16 Work Schedule and Reports

The Preliminary Work Schedule provided with the bid must be revised, detailed and submitted prior to the Critical Design Review referred in section 7.33.1.

The Work schedule(s) must be produced from a commercially available project management software, either MS Project or equivalent approved by the TA.

The Work schedule submitted must comply with Annex "A" - Statement of Work. During the refit Work period, the Work schedule is to be reviewed on an ongoing basis by Canada and the Contractor.

The detailed Work schedule, showing the commencement and completion dates for the Work items in the available Work period, must include:

- Realistic target dates for significant events;
- Delivery targets;
- Trackable tasks;
- Predecessors (dependencies and linkages to other items/purchases/etc. must be implemented within the software);
- Critical path;
- Milestone markers;
- Anticipated work break down to the system and component level (Work Breakdown Structure (WBS), level 3); and
- Labour curve/loading, including a breakdown of the resources required for the following disciplines:
 - Steelwork;
 - Piping;
 - Mechanical;
 - Electronics;
 - Controls/Instrumentation.

A Bi-Monthly Progress Report template is provided in Annex "R" - Templates. Each section of the report must be completed by the Contractor. The Appendices noted in the Bi-Monthly Progress Report Template are to be updated at the frequency noted on the template.

The Bi-Monthly Progress Report must be emailed to the Contracting Authority, and Technical Authority along with the applicable latest Appendices, as individual attachments. The Bi-Monthly Progress Report and its latest Appendices, must be submitted by noon (EST), two (2) working days prior to the scheduled Bi-monthly Progress Review Meeting (refer to section 7.33 for details).

7.17 Insulation Materials - Asbestos Free

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

7.18 Trade Qualifications

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

7.19 ISO 9001:2015 - Quality Management Systems

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.

The Contractor's quality management system must address each requirement contained in the standard.

7.20 Project Management Services

The Contractor is required to provide its own Project Management Team experienced and capable of successfully managing this Contract. Project Management Team personnel, services and deliverables must comply with the requirements detailed in the Contract.

1. Intent

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

2. Project Manager (PM)

- a) The Contractor must supply an experienced Project Manager, who is a different and unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis.

PM Name: _____

3. Single System Supplier Integrator (SSSI), per Statement of Work, Part A, section GR 12

- a) The Contractor must supply an experienced Single System Supplier Integrator (SSSI - reports to the PM). The identified individual must be a different and a unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis.

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File No. - N° du dossier
043mdF7049-200041

Buyer ID - Id de l'acheteur
043md
CCC No./N° CCC - FMS No./N° VME

SSSI Name: _____

4. Quality Assurance/Inspection and Testing Manager

- a) The Contractor must supply an experienced Quality Assurance, Inspection and Testing Manager, who is a different and a unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis.

Quality Assurance/Inspection and Testing Manager position Name: _____

5. Schedule Planner

- a) The Contractor must supply an experienced Schedule Planner to oversee the management of the work schedule, who is a different and a unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis.

Schedule Planner Name: _____

6. Vessel Supervision

- a) The Contractor must supply an experienced Vessel Supervisor (oversees all supervision), who is a different and a unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis. Supervision must be present at all times that there is Work underway on the vessel (in the event that there are 2 shifts).

Vessel Supervisor/superintendent Name: _____

7. Safety Officer/Occupational Health and Safety Specialist

The Contractor must supply an experienced Safety Officer, who is a different and a unique individual from any other individual identified in articles 3 to 11.

Safety Officer/Occupational Health & Safety Specialist Name: _____

8. Documentation Control

The Contractor must supply an experienced Document Control specialist, who is a different and a unique individual from any other individual identified in articles 3 to 11. This person must be assigned to the Contract on a full-time basis.

Documentation Control/Clerical - Name: _____

9. Cost Estimator (Shipyard)

The Contractor must supply an experienced Cost Estimator, who is a different and unique individual from any other individual identified in articles 3 to 11.

Cost Estimator (Shipyard) - Name: _____

10. Engineering Team

The Contractor must have an in-house engineering capability or a contractual agreement in place with an established

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Canadian marine design engineering firm, that includes a variety of staff engineers belonging to the provincial professional engineering association,. These individuals who will devote time to the project, and are expected to have their names on submissions such as drawings, specifications, manuals, reports, and instructions.

Senior Naval Architect Engineer Name: _____

Senior Marine Systems Engineer Name: _____

Senior Marine Engineer Name: _____

Senior Electrical Engineer Name: _____

Senior Controls and Instrumentation Name: _____

Senior Draftsperson Name: _____

Senior Draftsperson Name: _____

Cost Estimation Specialist Name: _____

11. Procurement Team

The Contractor must have in-House or contracted Procurement capability, i.e. a dedicated department or contracted department with set procedures.

Procurement Specialist Name: _____

Procurement Specialist Name: _____

12. Project Management Team

The Contractor's Project Management Team must provide for the effective control of the Contract elements including, but not limited to:

- i. Project Management;
- ii. Quality Assurance;
- iii. Engineering;
- iv. Planning and Scheduling;
- v. Vessel Supervision.

13. Reports

The following management Reports and documentation are to be prepared and maintained by the Contractor and submitted to Canada in accordance with the Contract or upon request by the Contracting Authority:

- i. Production Work Schedule (as described in Annex "A" - Statement of Work, and clause 7.16) with adjusted labour curve;
- ii. Inspection Test Plan Summary (per Annex "G" – Quality Control/Inspection, 7.22, and per the template in Annex "R" - Templates);
- iii. Defect Management Log and Growth Work Summary (refer to template in Annex "R" - Templates, to utilize);
- iv. Risk Management Register (refer to template in Annex "R" - Templates, to utilize);

- v. Project Management documents/reports – Project Action Plan (as described in Annex “A” - Statement of Work);
- vi. Drawing/Document Register/Index (as described in Annex “A” - Statement of Work, and per the template in Annex “R” - Templates);
- vii. Bi-Monthly Progress Reports (as described in Annex “A” - Statement of Work, 7.16, and per the template in Annex “R- Templates”).

7.21 Quality Control Plan

The Contractor must implement and follow the Quality Control Plan (QCP) prepared according to the latest issue (at contract date) of ISO 10005:2005 Quality management - Guidelines for quality plans, approved by the Inspection and the Technical Authority. The QCP must describe how the Contractor will conform to the specified quality requirements of the Contract and specify how the required quality activities are to be carried out, including quality assurance of subcontractors. The Contractor must include a traceability matrix from the elements of the specified quality requirements to the corresponding paragraphs in the QCP. The QCP must be made available to the Inspection and Technical Authority for review and approval within five (5) working days after contract award.

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

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

7.22 Inspection and Test Plan

The Contractor must, in support of its Quality Control Plan (QCP), implement an approved Inspection and Test Plan (ITP). The ITP must be made available to the Inspection and Technical Authority for review and approval prior to the Preliminary Design Review referred in section 7.33.1.

The Contractor must provide, at no additional cost to Canada, all applicable test data, all Contractor technical data, test pieces and samples as may reasonably be required by the Inspection Authority to verify conformance to contract requirements. The Contractor must forward at its expense such technical data, test data, test pieces and samples to such location as the Inspection Authority may direct.

Refer to Annex "G" – Quality Control/Inspection for details and Annex “R” - Templates to complete for ITP.

7.23 Equipment/Systems: Inspection/Test

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

Refer to Annex "G" – Quality Control/Inspection for details.

7.24 Environmental Protection

The Contractor and its subcontractors engaged in the Work on a Canada's vessel must carry out the Work in compliance with applicable municipal, provincial and federal environmental laws, regulations and industry standards.

The Contractor must have detailed procedures and processes for identifying, removing, tracking, storing, transporting and disposing of all potential pollutants and hazardous material encountered, to ensure compliance as required above. The Contractor must maintain in force its Environmental Protection procedures through the course of the Contract.

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

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

7.25 Hazardous Waste

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

7.26 Supervision of Fueling and Disembarking Fuel

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

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

7.27 Fire Protection, Fire Fighting and Training

The Contractor must maintain in force its fire protection, fire fighting and training procedures through the duration of the Contract.

7.28 Loan of Equipment - Marine

The Contractor may apply for the loan of the Government special tools and test equipment particular to the subject vessel as identified in Annex "A" – Statement of Work. The provision of other equipment required for the execution of Work in Annex "A" – Statement of Work is the sole responsibility of the Contractor.

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

A list of Government equipment that the Contractor intends to request must be submitted to the Contracting Authority within ten (10) days of Contract Award to permit timely supply or for alternate arrangements to be made. The request must state the time frame for which the equipment is required.

7.29 Welding Certification

1. The Contractor must ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:

(a) CSA W47.1 - Latest Edition, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2) including the implementation of the Marine Annex in the Company's scope of Operations (for example, Marine Operations); and

(b) CSA W47.2 - Latest Edition, Certification for Companies for Fusion Welding of Aluminum (Division Level 1 or 2).

2. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.

3. Before the commencement of any fabrication work, and upon request from the Technical Authority, the Contractor must provide approved welding procedures and a list of welding personnel intended to be used in the completion of the work. The list must identify the CWB welding procedure qualifications attained by each of the personnel listed and must be accompanied by a copy of each person's current CWB welding certification.

7.30 Procedures for Design Change or Additional Work

SACC Manual Clause B5007C (2010-01-11) Procedures for Design Change or Additional Work applies to and forms part of the Contract.

In addition, refer to Annex "F" - Procedure for Unscheduled Work.

7.31 Vessel Unmanned Refits

SACC Manual Clause A0024C (2014-11-27) Vessel Unmanned Refits

The vessel will be unmanned from the Vessel Work Period commencement date up to approximately one month prior to sea trials (exact date to be confirmed) and will be considered to be out of commission. The vessel, during that period, will be in the care and custody of the Contractor and under its control.

The vessel must be made completely habitable for the vessel's crew to return to the vessel approximately one month prior to sea trials (exact date to be confirmed) to prepare for the vessel's commissioning, and to assist during the commissioning activities, set to work test and trials. For the vessel to be habitable, the vessel's galley must be made operational, all crew lodgings must be cleaned and made ready for the crew, washrooms and showers must be fully functional, potable water supplied, and sewage plant made functional.

From the point that the crew has returned to the vessel to the end of the Vessel Work Period, the vessel will be manned, and will be considered in commission. The vessel during this period will be in the care and custody of Canada and under its control.

Refer to Annex "I" - Vessel Custody for details.

7.32 Initial Work Period Kickoff, Purchase Order Review Meeting and Refit Kickoff Meetings

An Initial Work Period Kickoff technical meeting will be convened and chaired by the Contracting Authority and Technical Authority at the Vessel's home port, at a time to be determined soon after the Contract award, within five working days after Contract award. During this meeting, details of the ship's specifications and equipment purchases will be discussed. The Contractor must submit the following items to the Contracting Authority, at least three working days prior to the scheduled meeting:

- Team Organizational Charts (engineering & shipyard);
- Government equipment list request (clause 7.28); and
- List of Critical Purchase Requisitions (i.e. long lead items).

This shall be an opportunity for all parties to share information on the project at an early stage, in order to facilitate planning. Additional subsequent meetings may be required.

A Purchase Order Review Meeting of critical Purchase Orders (i.e. for long lead items) must be held within twelve (12) working days of the Initial Work Period Kickoff. The Contractor must submit the following materials for review to the Contracting Authority, at least three working days prior to the scheduled meeting:

- Purchase Orders including part numbers, for verification of adherence to Annex A – Statement of Work

Critical Purchase Orders must be placed within twenty-five (25) working days of award.

A Refit Kickoff meeting will be convened and chaired by the Contractor at the Contractor's facility at a time near the arrival of the vessel at the shipyard. During this meeting, details of the ship's arrival and work commencement will be discussed.

7.33 Review Meetings

7.33.1 Design Review Meetings

1. The Contractor must conduct Design Review Meetings, Preliminary and Critical, and provide the required design package deliverables listed in Annex "V" – PDR-CDR.
2. The Contractor must schedule the PDR between Oct 2 to 22, 2022 or 90 to 100 days after award. The PDR review shall include review of the PDR deliverables listed in the PDR-CDR Table in Annex "V" – PDR-CDR. The Contractor must submit the PDR deliverables to the Contracting Authority and the Technical Authority, for review, at least ten (10) working days prior to the scheduled meeting.
3. The Contractor must schedule the CDR between Jan 20 to Feb 9, 2023 or 200 to 220 days after award. The CDR review shall include review of the CDR deliverables listed in the PDR-CDR Table in Annex "V" – PDR-CDR. The Contractor must submit the CDR deliverables to the Contracting Authority and the Technical Authority, for review, at least ten (10) working days prior to the scheduled meeting.
4. The PDR and CDR listed deliverables are often identical. If the deliverable is finalized at the PDR stage, then it may not require reviewing at CDR.
5. Where Canada alleges and the Contractor agrees that the design is defective or deficient, the Contractor must correct the design.
6. Where the Contracting Authority and the Contractor's representative are unable to resolve the design defect or deficiency, they agree to follow the prescriptions of the Contract Dispute Resolution clause.

7.33.2 Technical Review Meetings

During the VLE Work Period, the Contractor must coordinate, convene and conduct bi-weekly Technical Review Meetings at the Contractor's facility on a selected weekday and time, to be mutually agreed upon by the Parties. The objective of the Technical Review Meetings is to discuss and resolve technical issues that may affect the progress of the Work.

A Drawing Register and Documents Register template is provided in Annex "R" – Templates (i.e. Drawing and Documents Register as described in Annex "A" – Statement of Work). The Contractor is expected to list and itemize each drawing and document deliverable into these registers for the duration of the Contract. Only one deliverable must be listed on each line, or row. Each Register is only partially populated but must be reviewed and populated in accordance with the content of Annex "A" – Statement of Work.

7.33.3 Bi-monthly Progress Review Meetings

Progress Review Meetings (PRM), chaired by the Contractor, will take place at the Contractor's facility, as required, but at a minimum, twice a month (the first meeting must take place during the first week of each month, and the second must take place two weeks later) after the start of the Vessel Work Period, within two business days of the Bi-Monthly Progress Report submission (refer to 7.16). Interim meetings may also be scheduled. Contractor attendees at these meetings will, at a minimum, be the Contract (Project) Manager, SSSI, Vessel Supervisor/Superintendent and the Quality Assurance, Inspection and Testing facilitator/manager.

During each PRM, the Contractor must provide a status of the overall Work, including programmatic, production, test, Integrated Logistics Support, subcontract(s), risk issues, parts/material management, and progress as it relates to the work schedule, and the associated Work Breakdown Structure. For each PRM, the Contractor must:

- a) Ensure that Contractor data, personnel and facilities are available in order that the meetings may be conducted in an efficient manner; and
- b) Prepare for the following items for discussion and resolution:
 - i. Project Action Plan (PAP) concerns;
 - ii. Contractual Issues;
 - iii. Financial Issues;
 - iv. Technical Issues (high level – as affecting schedule and budget);
 - v. Environmental, Health and Safety Issues; and
 - vi. Previous action items.

7.34 Outstanding Work and Acceptance

1. The Inspection Authority or the Technical Authority, in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the Vessel Work Period. This list will form the annexes to the formal acceptance document for the vessel. A contract completion meeting will be convened by the Inspection Authority on the work completion date to review and sign off the form PWGSC-TPSGC 1205, Acceptance. In addition to any amount held under the Warranty Holdback Clause (section 7.6.4), a holdback of twice the estimated value of outstanding work will be held until that work is completed.
2. The Contractor must complete the above form, which will be distributed (by e-mail) by the Inspection Authority as follows:
 - a) one copy to the Contracting Authority;
 - b) one copy to the Technical Authority;
 - c) one copy to the Contractor.

Refer to Annex "I" for details of Acceptance Procedures and Reports.

7.35 Scrap and Waste Material

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

7.36 Stability

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

7.37 Vessel Access by Canada

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

7.38 Title to Property - Vessel

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

Defence Contract - SACC Manual clause A9006C (2012-07-16)

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.

7.39 Workers Compensation

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

7.40 Dispute Resolution

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

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

- d) Notwithstanding the above procedure, either party may seek a decision through the courts at any time during the dispute.

7.41 Drawings during Design, Manufacturing, Integration and Installation Phase

1. All drawings must be submitted to the Technical Authority for examination.
2. The review of the Contractor's drawings by Canada shall not relieve the Contractor of its contractual responsibility and the same applies to the subcontracts issued by the Contractor to its subcontractor(s). In particular, examination or approval of drawings shall not:
 - a) Relieve the Contractor of its obligation to ensure that all details are correct;
 - b) Obligate Canada to accept an item that does not meet the Contract requirements;
 - c) Confirm that an item complies with the Contract requirements; nor
 - d) Relieve the Contractor of its responsibility for any omissions and the consequences resulting thereof.
3. Any drawings which are supplied to the Contractor by or on behalf of Canada are for such purpose as the Contractor may wish to use them but are not evidence of any interpretation to be given to the Contract requirements. Any such use by the Contractor shall not relieve the Contractor of any responsibility under this Contract. The Contractor shall indemnify and save harmless Canada from any claims, actions, suits or proceedings based upon the use by the Contractor of such drawings.

7.42 Care, Custody and Control

Refer to Annex "I" – Vessel Custody and Supplemental General Conditions 1029 (2018-12-06) Ship Repairs Article 09 Where Vessel Out of Commission.

7.43 Government Supplied Material

For the purpose of this clause, "Government Supplied Material" is defined as any item of materiel acquired by the government of Canada and provided on a "free issue" basis to contractors for embodiment in materiel under production or for incorporation into Crown-owned equipment undergoing modification, repair or overhaul.

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

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

Any GSM must be received by the Contractor and stored in a secure warehouse or storeroom having a controlled environment appropriate for the equipment as per manufacturer's instructions. The Contractor must repair or replace at its own expense GSM that is damaged or lost while in the Contractor's care.

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

The Contractor must refer to Annex "A" – Statement of Work, for GSM.

7.44 Export Licenses

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

7.45 Equivalency of Equipment

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

Note to Bidders: This article will only be included in a resulting contract if equivalent products have been proposed.

7.46 Travel and Living Expenses - National Joint Council Travel Directive

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the National Joint Council

Travel Directive and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".

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

All payments are subject to government audit.

7.46 Indigenous Participation Component

- a) The Contractor must comply with the Indigenous Participation Component (IPC) as detailed in Annex "J", "K" (Part 1 & Part 2), "L", "M" (Forms 1 and 2) and "N".
- b) The Contractor warrants that the certification of compliance with the definition of an Indigenous business set out in the Requirements for the Set-aside Program for Indigenous Business submitted by the Contractor is accurate and complete, as detailed in Annex "M", Form 1 and Form 2.
- c) The Contractor must keep proper records and documentation relating to the accuracy of the certification provided to Canada. The Contractor must not, without obtaining prior written consent of the Contracting Authority, dispose of any such records or documentation supporting the accuracy of the certification until the expiration of six years after final payment under the Contract, or until settlement of all outstanding claims and disputes, resulting from a dispute under the Contract, whichever is later. All such records and documentation must at all times during the retention period be open to audit, inspection and examination by representatives of Canada, who may make copies and take extracts. The Contractor must provide all facilities for such audits, inspections and examinations, and must furnish all such information as the representatives of Canada may from time to time require with respect to such records and documentation.
- d) Nothing in this clause must be interpreted as limiting the rights and remedies which Canada may otherwise have pursuant to the Contract.