



**RETURN BIDS TO:**

**RETOURNER LES SOUMISSIONS À:**

Bid Receiving - PWGSC / Réception des  
soumissions - TPSGC

11 Laurier St. / 11, rue Laurier

Place du Portage, Phase III

Core 0B2 / Noyau 0B2

Gatineau

Quebec

K1A 0S5

Bid Fax: (819) 997-9776

**LETTER OF INTEREST**

**LETTRE D'INTÉRÊT**

Comments - Commentaires

**Vendor/Firm Name and Address**

Raison sociale et adresse du  
fournisseur/de l'entrepreneur

**Issuing Office - Bureau de distribution**

In-Service Support Marine / Soutien en Service Maritime

11 Laurier St. / 11, rue Laurier

Place du Portage, Phase III

6C2

Gatineau

Quebec

K1A 0S5

<b>Title - Sujet</b> NETE 3 Naval Engineering Test Establishment 3	
<b>Solicitation No. - N° de l'invitation</b> W8482-217850/C	<b>Date</b> 2021-11-15
<b>Client Reference No. - N° de référence du client</b> W8482-217850	<b>GETS Ref. No. - N° de réf. de SEAG</b> PW-\$ISM-027-28412
<b>File No. - N° de dossier</b> 027ism.W8482-217850	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> Eastern Standard Time EST <b>on - le 2021-12-14</b> Heure Normale de l'Est HNE	
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Beaumier, Julie	<b>Buyer Id - Id de l'acheteur</b> 027ism
<b>Telephone No. - N° de téléphone</b> (613) 851-9981 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>  Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

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

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## Request for Information

This document follows the Request for Information (RFI) W8482-217850/B published on October 15, 2020 for the Naval Engineering Test Establishment (NETE 3) renewal contract and is issued:

1. to provide an update on the schedule, and;
2. to request feedback from Industry on draft documents and questions.

### 1. Updated Schedule:

In providing responses, the following schedule should be utilized as a baseline but is subject to change:

Milestone	Dates
Draft Request For Proposal (RFP) release	Winter 2021/2022
One-on-One Industry Meetings (Round 2)	Winter 2021/2022
Final RFP release	Summer 2022
Mandatory Site Visit	Summer/Fall 2022
Bid Evaluation	Winter 2022/2023
Contract Award	Winter 2023/2024

***\*Subject to change due to Covid-19 related Public Health restrictions.***

### 2. Industry Feedback

Public Works and Government Services Canada (PWGSC) is requesting Industry feedback regarding the following draft documents for NETE 3:

- Annex A – Clauses to be included in the RFP related to Independence, Conflict of Interest and Restrictions on Bidding
- Annex B – Draft Statement of Work for Management and Operation of NETE 3
  - Appendix 1 – Technical Authority - Duties and Responsibilities and Contractor Support to DND Personnel on-site
  - Appendix 2 - Reports – Summary of Reports
  - Appendix 3 – Labour Categories
  - Appendix 4 – Acronyms (Glossary)
- Annex C – List of Proposed Mandatories Criteria
- Annex D – Questions to Industry

These draft documents remain a work in progress and Respondents should not assume that new requirements will not be added to any bid solicitation that may ultimately be published by Canada, nor should the Respondents assume that none of the requirements will be deleted or revised.

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### **3. Important Notes to Respondents:**

Interested Respondents may submit their responses, only via email, to the PWGSC Contracting Authority (CA), identified below:

Name: Julie Beaumier  
Title: Supply Team Leader  
Public Works and Government Services Canada  
Acquisitions Branch  
Marine Services and Small Vessels Sector  
Telephone: 613-851-9981  
E-mail: [Julie.Beaumier@tpsgc-pwgsc.gc.ca](mailto:Julie.Beaumier@tpsgc-pwgsc.gc.ca)

- a) Respondents are requested to use the provided draft Feedback Form below to submit their responses. Respondents are requested to provide their responses in PDF format in an email not to exceed 4 MBs in size.
- b) Each Respondent is solely responsible for ensuring their response is delivered to the Contracting Authority via email to the correct location listed above. The Contracting Authority will confirm receipt.
- c) Changes to this RFI may occur and will be advertised on the Government Electronic Tendering System. Canada asks Respondents to visit [Buyandsell.gc.ca](http://Buyandsell.gc.ca) regularly to check for changes, if any.

### **4. Closing date for the RFI:**

Responses to this RFI are to be submitted to the PWGSC CA identified above, on or before December 14, 2021.

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(Include this template with populated information into your email response)

**Company Information**

Name:

Address:

Postal Code:

Point of Contact:

Telephone:

E-mail:

Language of Choice (English or French):

**Feedback Table**

Draft Section	Observed Issue/Concern	Feedback / Recommended Solution

## **ANNEX A – Clauses to be included in the Request for Proposals (RFP) related to Independence, Conflict of Interest and Restrictions on Bidding**

*This Annex A provides provisions that will be included in the future RFP for NETE 3. These provisions are related to independence, conflict of interest and the restrictions on bidding that will be applied to the NETE 3 procurement process.*

*Clauses to be included in the RFP, which will be using the High Complexity Bid Solicitation and Resulting Contract Template (HC):*

### **PART 1 – GENERAL INFORMATION**

#### **1.2 Summary**

##### **1.2.1 Mandate**

The Naval Engineering Test Establishment (NETE) is the Department of National Defence's (DND) principal naval test and evaluation centre. NETE provides Independent Verification and Validation (IV&V), as well as expert test and evaluation services to the Royal Canadian Navy (RCN) and other DND organizations from coast to coast. This ensures the engineering safety and effectiveness of naval equipment.

NETE provides a broad range of multi-disciplinary engineering test and evaluation services, including evaluation of the ability of systems to meet requirements, assistance in the conduct of trials, problem investigation, and verification of Naval Materiel processes.

##### **1.2.2 Core Functions**

1. Evaluation of the ability of equipment, systems and software to meet RCN and DND requirements.
2. Assistance to the Design Authority in the development and conduct of trials.
3. Evaluation of Design Changes.
4. Equipment, systems and software Audits and IV&V.
5. Data Recording, Reduction, and Analysis.
6. Problem Investigation and Analysis.
7. Support of Ranges.
8. IV&V of Naval Material Acquisition and Support (NMA&S) Policy & Processes.

Each of these Core Functions is further defined in Annex \_\_\_\_ [to be inserted in the RFP]

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

### **4.1 Evaluation Procedures**

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation, including the technical and financial evaluation criteria.
- (b) The Bidder must fully disclose the names and roles of each of its Bidder Team Members. A "Bidder Team Member" means the Bidder and any subcontractors, affiliates, and other entities under the legal or actual control of the Bidder, who are not operating at arms length to the Bidder, whether or not the parties are named in its bid.
- (c) The Bidder must, if requested by the Contracting Authority, provide a written confirmation from each Bidder Team Member named in its bid, that such named Bidder Team Member has a written commitment with the Bidder to enter into a subcontract to perform work under the terms of the Bidder's bid and this RFP.
- (d) An evaluation team composed of representatives of Canada will evaluate the bids. A Fairness Monitor (FM) will be engaged to monitor the evaluation.

### **4.2 Scope of Work and Restrictions on Bidding**

#### **4.2.1 Conflicts of Interest**

- i. The Bidder must ensure that, if it is awarded a Contract under this RFP, the Bidder and its Bidder Team Members will be and remain available to perform Work during the period of the Contract in accordance with the Mandate and Core Functions specified in Sections 1.2.1 and 1.2.2 above.
- ii. The Bidder must ensure that, if it is awarded a Contract under this RFP, the Bidder and its Bidder Team Members conducting and reviewing Work as part of this Contract do not perform work under other Royal Canadian Navy projects related to the Mandate and Core Functions specified in Sections 1.2.1 and 1.2.2. above during the performance of this Contract and for a period of XX after the expiry or termination of the Contract. For example, those projects include, but are not limited to, the following:
  - National Shipbuilding Strategy (NSS);
  - Canadian Surface Combatant (CSC);
  - Arctic and Offshore Patrol Vessel (AOPV);
  - Joint Support Ship (JSS);
  - Multi-Role Boat (MRB);
  - Naval Large Tug (NLT);
  - Engineering Logistics and Management Support (ELMS);
  - Victoria Class Modernization (VCM)
  - In-Service Support (ISS) of defence/military systems and equipment.
- iii. Any entity or person performing work for any of the above projects will be considered to be in conflict of interest and ineligible to be a Bidder or a Bidder Team Member under this RFP.

- iv. The Bidder selected in accordance with the RFP to sign and perform this Contract must ensure and satisfy Canada that no conflict of interest, real or perceived, could arise through the performance of the Work.

## Part 5: CERTIFICATIONS

### 5.1 Certifications Required with the Bid

#### 5.1.1 Independence, Restrictions on Bidding, and Confidentiality

The Bidder (hereinafter "Contractor") acknowledges and agrees that if it enters into a contract resulting from this bid solicitation (the "Contract"), the Contractor may have access to proprietary or confidential information or to information related to future bid solicitations or future contracts (collectively "future contracts") for work related to the Work that will be performed under the Contract. The Contractor accordingly agrees to the following restrictions to avoid any unfair advantage or conflict of interest:

- 1) The Contractor agrees that, both during and for a period of XX after the period of performance of the Contract, neither it nor any of its Bidder Team Members performing the Work may bid or participate as a joint venture, a subcontractor, a consultant or in any other role in the preparation of any bidder's bid for any future contract for other work that would create an unfair advantage or conflict of interest. The Contractor must bind its Bidder Team Members accordingly in order that they comply with these restrictions.
- 2) Any bid prohibited by paragraph 1) may be declared non-responsive and may not be considered. If a violation is discovered after award of a future contract, the violation may be grounds for termination under the default provisions of this Contract or the future contract(s).
- 3) The Contractor agrees that Contractor personnel working on a task may be restricted for the period of time specified in the task authorization from working on any future contracts that would result from Work performed under any such task, and the Contractor will ensure that its personnel are advised of this restriction and will have its personnel sign an acknowledgement of the restriction before they begin Work under the task.
- 4) Canada may, in its discretion, in any bid solicitation for future contracts, decide to not disqualify a bid of any person or participated in by any person who is restricted under paragraph 1) from bidding or otherwise participating, if Canada has been provided evidence satisfactory to Canada, in Canada's absolute discretion, that no advantage or other conflict of interest would arise as a result.
- 5) The Contractor must indemnify and save harmless Canada, the Minister and their servants and agents from and against any damages, costs and expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur and suffer as a result or arising out of any loss or damage which may be or alleged to be caused to or suffered by any person subject to any of the above restrictions, and for all loss or damage suffered by Canada as a result of any breach by the Contractor of these restrictions.
- 6) The Contractor agrees that all Work performed by it or its Bidder Team Members under the Contract must be independent and impartial. The Contractor agrees it and its Bidder Team Members must conduct themselves in a manner to ensure that test and evaluation results of the Work are not biased, or perceived to be biased, as a result of a conflict of interest with other work undertaken by the Contractor or its Bidder Team Members.
- 7) The Contractor must safeguard all third party proprietary or confidential information, which may be provided to the Contractor during the performance of the Contract, to the same degree as the Contractor safeguards its own similar information, and sign the applicable Non-Disclosure Agreement provided at Annex \_\_\_\_ [*to be inserted in the RFP*]. The Contractor should disclose

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same only to those Contractor personnel who have a need-to-know for the purposes of the Contractor's performance of the Contract, unless the Contractor obtains the prior written authorization of the Contracting Authority for any further disclosure, and at a minimum the Contractor must have each entity and person to whom any proprietary or confidential information is to be disclosed sign the applicable Non-Disclosure Agreement provided at Annex \_\_\_\_ [to be inserted in the RFP] before starting Work on any task under the Contract.

The Bidder must sign and submit this provision with its bid.

\_\_\_\_\_  
Full (legal) name of Bidder

\_\_\_\_\_  
Name of person who can bind the Bidder

\_\_\_\_\_  
Signature of person who can bind the Bidder

\_\_\_\_\_  
Date

## **Non-Disclosure and Confidentiality of Information Agreement ('Agreement') with XX for the Naval Engineering Test Establishment ('NETE') Contract:**

[Use this NDA for the winning Bidder only.]

To: Her Majesty the Queen in Right of Canada as represented by the Minister of Public Works and Government Services Canada representing the Canadian Government as the Contracting Authority; and to Her Majesty the Queen in Right of Canada as represented by the Minister of the Department of National Defence of Canada representing the Canadian Government as the Technical Authority (hereinafter both are referred to as Canada)

1. [Legal Name of winning bidder] (the 'Company') recognizes that the Company may be given access to Confidential Technical Information belonging to Canada or to other identified third parties in the course of or as a result of its Work as a contractor of Canada for services in relation to NETE under Contract No. [*to be inserted at contract award*] (the 'Contract').

2. In this Agreement, 'Confidential Technical Information' means any information in relation to the NETE Contract No. [*to be inserted at contract award*], in any form whether oral, hard copy or electronic, that is known to have or by its nature is likely to have financial value to the party disclosing it or to a third party, or any information that is known to be or by its nature is likely to be treated by the disclosing party as confidential information of itself or a third party that is disclosed to the Company during the performance of the Contract or subcontract or as a result of it, and includes but is not limited to: any information of a medical, technical or scientific nature, including experimental, clinical, and test data, techniques, methods, processes, know-how, show-how, inventions whether patentable or not, magnetic tape, computer software in any form, printouts from or data retained in computer memory, and in any form presented, whether or not susceptible to copyright, prototypes, samples, or specimens, and all the information and data inherent therein or obtainable therefrom upon any form of analysis, and all information related to the business affairs of Canada or any third party, whether or not labeled as proprietary or sensitive.

3. The Company hereby agrees and must so instruct its employees that the Company must not reproduce, duplicate, use, divulge, release or disclose, in whole or in part, in whatever way or form, any Confidential Technical Information to any person (other than to a person employed by Canada or to a person expressly consented to by Canada), except on a need to know basis to employees within the Company and to subcontractors of the Company as permitted in the Contract for the purpose of the Contract, and hereby undertakes to safeguard the same and take all necessary and appropriate measures, including those set out in any written instructions issued by Canada, to prevent the disclosure of or access to such information in contravention of this Agreement.

4. Without limiting the generality of the foregoing, the Company understands and agrees that Confidential Technical Information disclosed to the Company while performing Work under the Contract is not to be used for any purpose except to carry out the Contract. For the purpose of this Agreement, embedded consultants who have been approved in writing by Canada and perform work for the Company under contracts of service are considered to be employees of the Company, and the Company is responsible for them hereunder as if they were employees.

5. If requested by Canada or at the expiry or termination of the Contract, the Company must immediately deliver to the Contracting Authority all hard copies of all Confidential Technical Information that have come into its possession or have been made in the performance of the Contract, as well as every draft, working paper and note that contains any of the Confidential Technical Information, and the Company must immediately delete all electronic records of any of those, except that the Company is under no obligation to delete back-up computer records, provided that the Company makes no attempt to retrieve such records.

6. Nothing in this Agreement shall be construed as preventing the disclosure or use of any Confidential Technical Information to the extent that such information:

- (a) is or becomes in the public domain through no fault of the Company;
- (b) is or becomes known to the Company from a source other than Canada or the party who disclosed it to the Company for purposes of the Contract, except any source that is known to the Company to be under an obligation not to disclose the information; or
- (c) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.

7. The Company acknowledges that the Confidential Technical Information is proprietary and confidential and that Canada would be irreparably damaged if any of the provisions contained in this Agreement are not performed by the Company in accordance with the terms set out and therefore the Company agrees that, in addition to monetary damages and without limiting any other rights or remedies that Canada may have, Canada will have the right to immediate injunction and specific performance or other available equitable relief in any court of competent jurisdiction, enjoining any threatened or actual breach of this Agreement by the Company.

8. If any provision of this Agreement shall be held invalid or unenforceable, that provision shall be considered deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.

9. No failure or delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of that right, power or privilege, and the single or partial exercise of a right, power or

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privilege under this Agreement will not preclude any other or future exercise of that or any other right, power or privilege.

10. This Agreement must be interpreted and governed by the laws in force in [insert laws as used in Contract] Province, Canada.

11. The Company agrees that the terms of this Agreement will survive the completion of the Work under the Contract.

IN WITNESS WHEREOF this Agreement has been duly signed and delivered this \_\_\_\_\_ day of \_\_\_\_ - \_\_\_, 20\_\_\_, by the Company's officers duly authorized in this respect.

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature

\_\_\_\_\_

(I have authority to bind the Company)

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## Non-Disclosure and Confidentiality of Information Agreement ('Agreement') with Contractor's Bidder Team Members

[Use this NDA for each of the Contractor's Bidder Team Members that are incorporated - even if it is a company of 1 individual.]

To: Her Majesty the Queen in Right of Canada as represented by the Minister of Public Works and Government Services Canada representing the Canadian Government as the Contracting Authority; and to Her Majesty the Queen in Right of Canada as represented by the Minister of the Department of National Defence of Canada representing the Canadian Government as the Technical Authority (hereinafter both are referred to as Canada)

And: Prime Naval Engineering Test Establishment ('NETE') Contractor ('XX')

1. [corporate legal name], a company incorporated under the laws of \_\_\_\_\_, (the 'Company') recognizes that in the course of or as a result of its work as a contractor or subcontractor to XX for services in relation to the NETE Contract No. [to be inserted at contract award] (the 'Contract'), the Company may be given access to Confidential Technical Information belonging to Canada or to other identified third parties.
2. In this Agreement, 'Confidential Technical Information' means any information in relation to the NETE Contract No. [to be inserted at contract award], in any form whether oral, hard copy or electronic, that is known to have or by its nature is likely to have financial value to the party disclosing it or to a third party, or any information that is known to be or by its nature is likely to be treated by the disclosing party as confidential information of itself or a third party that is disclosed to the Company during the performance of the Contract or subcontract or as a result of it, and includes but is not limited to: any information of a medical, technical or scientific nature, including experimental, clinical, and test data, techniques, methods, processes, know-how, show-how, inventions whether patentable or not, magnetic tape, computer software in any form, printouts from or data retained in computer memory, and in any form presented, whether or not susceptible to copyright, prototypes, samples, or specimens, and all the information and data inherent therein or obtainable therefrom upon any form of analysis, and all information related to the business affairs of Canada or any third party, whether or not labeled as proprietary or sensitive.
3. The Company hereby agrees and must so instruct its employees that the Company must not reproduce, duplicate, use, divulge, release or disclose, in whole or in part, in whatever way or form, any Confidential Technical Information to any person (other than to a person employed by Canada or to a person to whom disclosure has been expressly consented to by Canada), except on a need to know basis to employees within the Company and for the purpose of the Contract, and hereby undertakes to safeguard the same and take all necessary and appropriate measures, including those set out in any written instructions issued by Canada or XX, to prevent the disclosure of or access to such information in contravention of this Agreement. The Company will be responsible for any breach by its employees of obligations under this Agreement.
4. Without limiting the generality of the foregoing, the Company understands and agrees that Confidential Technical Information disclosed to the Company while performing Work under the

Contract remains the property of Canada or a third party, as the case may be, and is not to be used for any purpose except to carry out the Contract. For the purpose of this Non-Disclosure Agreement, embedded consultants who have been approved in writing by Canada and perform work for the Company under contracts of service are considered to be employees of the Company, and the Company is responsible for them hereunder as if they were employees.

5. At the written request of Canada or XX, or at the expiry or termination of the Contract, the Company must immediately deliver to XX all hard copies of all Confidential Technical Information that have come into the Company's possession or have been made in the performance of the Contract as well as every draft, working paper and note that contains any of the Confidential Technical Information, and the Company must immediately delete all electronic records of any of those, except that the Company is under no obligation to delete back-up computer records, provided that the Company makes no attempt to retrieve such records.
6. Nothing in this Agreement shall be construed as preventing the disclosure or use of any Confidential Technical Information to the extent that such information:
  - (a) is or becomes in the public domain through no fault of the Company;
  - (b) is or becomes known to the Company from a source other than Canada or XX, except any source that is known to the Company to be under an obligation not to disclose the information; or
  - (c) is disclosed, with the prior written notification to Canada and XX, under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.
7. The Company acknowledges that the Confidential Technical Information is proprietary and confidential and that Canada or XX, as the case may be, would be irreparably damaged if any of the provisions contained in this Agreement are not performed by the Company in accordance with the terms set out and therefore the Company agrees that, in addition to monetary damages and without limiting any other rights or remedies that Canada or XX may have, Canada and XX will have the right to an immediate injunction and specific performance or other available equitable relief in any court of competent jurisdiction, enjoining any threatened or actual breach of this Agreement by the Company.
8. If any provision of this Agreement shall be held invalid or unenforceable, that provision shall be considered deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.
9. No failure or delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of that right, power or privilege, and the single or partial exercise of a right, power or privilege under this Agreement will not preclude any other or future exercise of that or any other right, power or privilege. Any amendment to this Agreement will be effective only if in writing and signed by all the parties.
10. This Agreement must be interpreted and governed by the laws in force in [Province], Canada.
11. The Company agrees that the terms of this Agreement will survive the completion of the work under its contract or subcontract with XX, as the case may be.

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[IF APPLICABLE INSERT THE FOLLOWING: As of the date hereof, this Non-Disclosure and Confidentiality of Information Agreement supersedes the Non-Disclosure and Confidentiality of Information Agreement signed on \_\_\_\_\_, with respect to confidential information disclosed to the Company in relation with the Work under the Contract.]

IN WITNESS WHEREOF this Agreement has been duly signed and delivered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by our officers duly authorized in this respect.

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature

\_\_\_\_\_

(I have authority to bind the Company)

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## Non-Disclosure and Confidentiality of Information Agreement ('Agreement') with Contractor's Employees

[Use this NDA for all employees of the winning Bidder and all employees of the Bidder Team Members that signed the second NDA above.]

To: Her Majesty the Queen in Right of Canada as represented by the Minister of Public Works and Government Services Canada representing the Canadian Government as the Contracting Authority; and to Her Majesty the Queen in Right of Canada as represented by the Minister of the Department of National Defence of Canada representing the Canadian Government as the Technical Authority (hereinafter both are referred to as Canada) ('Canada')

And: Prime Naval Engineering Testing Establishment ('NETE') Contractor ('XX')

1. I, \_\_\_\_\_ [employee's full legal name], am an employee, or considered to be an employee of \_\_\_\_\_ [corporate legal name], a company incorporated under the laws of \_\_\_\_\_, (the 'Company') recognize that in the course of or as a result of my work as an employee for services in relation to the NETE Contract No. [to be inserted at contract award] (the 'Contract'), may be given access to Confidential Technical Information belonging to Canada or to other identified third parties.
2. In this Agreement, 'Confidential Technical Information' means any information in relation to the NETE Contract No. [to be inserted at contract award] in any form whether oral, hard copy or electronic, that is known to have or by its nature is likely to have financial value to the party disclosing it or to a third party, or any information that is known to be or by its nature is likely to be treated by the disclosing party as confidential information of itself or a third party that is disclosed to me during the performance of the Contract or subcontract or as a result of it, and includes but is not limited to: any information of a medical, technical or scientific nature, including experimental, clinical, and test data, techniques, methods, processes, know-how, show-how, inventions whether patentable or not, magnetic tape, computer software in any form, printouts from or data retained in computer memory, and in any form presented, whether or not susceptible to copyright, prototypes, samples, or specimens, and all the information and data inherent therein or obtainable therefrom upon any form of analysis, and all information related to the business affairs of Canada or any third party, whether or not labeled as proprietary or sensitive.
3. I hereby agree that I must not reproduce, duplicate, use, divulge, release or disclose, in whole or in part, in whatever way or form, any Confidential Technical Information to any person (other than to a person employed by Canada or to a person to whom disclosure has been expressly consented to by Canada), except on a need to know basis to employees within the Company and for the purpose of the Contract, and hereby undertake to safeguard the same and take all necessary and appropriate measures, including those set out in any written instructions issued by Canada or XX, to prevent the disclosure of or access to such information in contravention of this Agreement.
4. Without limiting the generality of the foregoing, I understand and agree that Confidential Technical Information disclosed to me while performing work under the Contract remains the

property of Canada or a third party, as the case may be, and is not to be used for any purpose except to carry out the Contract.

5. At the written request of Canada or XX, or at the expiry or termination of the contract, I must immediately deliver to XX all hard copies of all Confidential Technical Information that have come into my possession or have been made in the performance of the Contract, as well as every draft, working paper and note that contains any of the Confidential Technical Information, and I must immediately delete all electronic records of any of those, except that I am under no obligation to delete back-up computer records, provided that I make no attempt to retrieve such records.
6. Nothing in this Agreement shall be construed as preventing the disclosure or use of any Confidential Technical Information to the extent that such information:
  - (a) is or becomes in the public domain through no fault of my own;
  - (b) is or becomes known to me from a source other than Canada or XX, except any source that is known to me to be under an obligation not to disclose the information; or
  - (c) is disclosed, with the prior written notification to Canada and XX, under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.
7. I acknowledge that the Confidential Technical Information is proprietary and confidential and that Canada or XX, as the case may be, would be irreparably damaged if any of the provisions contained in this Agreement are not performed by me in accordance with the terms set out and therefore I agree that, in addition to monetary damages and without limiting any other rights or remedies that Canada or XX may have, Canada and XX will have the right to an immediate injunction and specific performance or other available equitable relief in any court of competent jurisdiction, enjoining any threatened or actual breach of this Agreement by me.
8. If any provision of this Agreement shall be held invalid or unenforceable, that provision shall be considered deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.
9. No failure or delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of that right, power or privilege, and the single or partial exercise of a right, power or privilege under this Agreement will not preclude any other or future exercise of that or any other right, power or privilege. Any amendment to this Agreement will be effective only if in writing and signed by all the parties.
10. This Agreement must be interpreted and governed by the laws in force in [Province], Canada.
11. I agree that the terms of this Agreement will survive the completion of the work under the Company's contract or subcontract with XX, as the case may be.

[IF APPLICABLE INSERT THE FOLLOWING: As of the date hereof, this Non-Disclosure and Confidentiality of Information Agreement supersedes the Non-Disclosure and Confidentiality of Information Agreement signed on \_\_\_\_\_, with respect to confidential information disclosed to me in relation with the Work under the Contract.]

Solicitation No. - N° de l'invitation  
W8482-217850/C  
Client Ref. No. - N° de réf. du client  
W8482-217850

Amd. No. - N° de la modif.  
File No. - N° du dossier  
027ism.W8482-217850

Buyer ID - Id de l'acheteur  
027ism  
CCC No./N° CCC - FMS No./N° VME

---

IN WITNESS WHEREOF this Agreement has been duly signed and delivered this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_.

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature  
\_\_\_\_\_

**STATEMENT OF WORK**

**FOR**

**MANAGEMENT AND OPERATION OF THE  
NAVAL ENGINEERING TEST ESTABLISHMENT (NETE)**

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- Appendix 3: Labour Categories
- Appendix 4: Acronyms (Glossary)

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## SECTION 1 - GENERAL INFORMATION

### 1. Background

- 1.1 The Naval Engineering Test Establishment (hereafter referred to as NETE) was created in 1953 to test naval auxiliary equipment, for the Royal Canadian Navy (RCN). Since NETE's inception, the field unit has operated as a GOCO facility that relies on a long-term performance-based contract. NETE is a National Defence Headquarters field unit whose main facility is located in LaSalle, Québec with detachments in Halifax, Nova Scotia and Esquimalt, British Columbia. NETE's independence as a third-party service provider ensures the engineering safety, integrity and effectiveness of Canada's naval equipment. NETE's Vision, Mission and Objectives are as follows:
- 1.1.2 Vision: To support a modern Royal Canadian Naval Fleet that meets technical and operational expectations.
- 1.1.3 Mission: To provide independent engineering and field-testing services in support of naval materiel for the Canadian Armed Forces (CAF)
- 1.1.4 Objectives:
- a. Sustain operational priorities in accordance with agreed Director General Maritime Equipment Program Management plans;
  - b. Provide expert advice to help protect the interests of the Navy;
  - c. Validate technical and operational effectiveness and suitability of naval systems and equipment;
  - d. Deliver new test and evaluation capabilities to meet the needs of the Navy's future program; and
  - e. Support risk management and decision-making during acquisition planning and implementation.
- 1.2 NETE provides a broad range of multi-disciplinary engineering test and evaluation (T&E) services, including evaluation of the ability of systems to meet requirements, assistance in the conduct of trials, problem investigation, and verification of Naval Materiel processes. NETE's facilities and services are also available to other government departments and the private sector under certain conditions.
- 1.3 NETE's personnel are specialized in several disciplines including combat systems, marine-systems, information and communication systems, chemical analysis, instrumentation, machining and welding, as well as environmental, shock and vibration testing. The independence of NETE is an essential aspect of its operations since the results of tests and evaluations may be used by the Naval Design Authority to accept or reject equipment, systems, and software for service in the CAF.
- 1.4 The continuation of the current service contract is important to DND since NETE's mandate ensures the engineering safety and effectiveness of naval equipment. DND relies on the independent verification and validation (IV&V) services to do the groundwork for the integration and upgrades of numerous essential Naval defence systems. The work

performed under the NETE contract also supports the efforts of Canada's Defence policy *Strong, Secure, Engaged*.

## **2. NETE Role and Functions**

- 2.1 The role of NETE is to provide independent and expert T&E services in support of naval materiel for the Canadian Forces (CF). NETE functions principally in support of the Director General Maritime Equipment Program Management, who is the principal Design Authority for naval materiel. As such, most of NETE's T&E activity is considered a "third line" activity. However, NETE may be called upon to perform tests and trials of materiel, which has been accepted into service and is under the control of Operational Authorities, which is considered a "second-line" activity.
- 2.2 The functions that are a part of NETE's role are described below and are further elaborated in Section 2 of the Statement of Work. These functions are defined in broad terms to provide flexibility, but the focus of NETE's activity is T&E. Other types of activity, such as providing in-service support to given systems or equipment or producing engineering designs, are not to be undertaken by NETE, unless in direct support of a T&E activity as specified in Section 2, Article 8 and 9.
- 2.3 The functions, which comprise NETE's role, are:
  - 2.3.1 Evaluation of the ability of equipment/systems/software to meet DND requirements;
  - 2.3.2 Assistance to the Design Authority in the development and conduct of trials;
  - 2.3.3 Evaluation of Design Changes;
  - 2.3.4 Equipment, Systems and Software Audits / Independent Verification & Validation;
  - 2.3.5 Data Recording, Reduction, and Analysis;
  - 2.3.6 Problem Investigation and Analysis;
  - 2.3.7 Support of Ranges;
  - 2.3.8 Support of Innovation Projects; and
  - 2.3.9 Independent Verification and Validation of Naval Material Acquisition and Support (NMA&S)
- 2.4 These functions are not the exclusive purview of NETE to perform. Other DND or outside agencies may be called upon to conduct these functions at DND's discretion.
- 2.5 To perform these functions, the Contractor must provide expertise in a number of engineering and technical disciplines relating to combat, computer, marine systems and test support. These requirements are fully described in Section 2 of the SOW.

### 3 Scope of Work

- 3.1 The scope of work for this requirement is subdivided into three elements. These elements are fully described in the referenced section of the SOW, and are, in brief:

**Table 3-1 - Scope of Work**

Work Element	Description	SOW Section
1	Provide T&E services to DND customers in accordance with NETE's role.	2
2	Operate, maintain, and logistically support the NETE facility and test equipment on DND's behalf.	3
3	Provide overall management and administrative services at NETE.	4

- 3.2 For Work Element 1, all T&E activity raised by authorities within DND on an "as and when requested" basis, will be handled as individual tasks. Tasks will have a defined scope, cost, deliverable and schedule. This notwithstanding, provision is made for "level of effort" activity where repetitive, small dollar value, or urgent work can be conducted with a streamlined approval process. All costs associated with tasks (labour, materials, subcontracts, and capital) are to be identified and charged to the cost center designated by DND. Progress reports must be submitted to the customer, as required, until the task is complete. Once complete, a formal report describing the results of the evaluation will be written for the customer's acceptance.
- 3.3 For Work Element 2, these activities will be subdivided into tasks. A plan outlining the scope and cost of each maintenance and support task must be prepared by the Contractor for DND's approval prior to the commencement of each fiscal year. Once approved, the Contractor is expected, within some limitations detailed in Section 3, to carry out the activity with minimal DND involvement. An incentive is provided to ensure the Work is performed efficiently, and periodic inspections will be conducted by Canada to verify the continued integrity of NETE assets.
- 3.4 DND may request, or the Contractor may propose, an upgrade or improvement to the facility and assets. Such improvements are to be treated as Work Element 2 tasks, with the scope, cost and schedule defined. These tasks, and any capital spending in support of the facility, are to be approved through a yearly business planning cycle.
- 3.5 Work Element 3 activities are important, but indirect, activities to NETE's operations and will be considered as "overhead".

### 4 NETE Organization

- 4.1 The term "organization" in this section applies to the manner in which any DND/CF personnel assigned to NETE are accounted for by DND, and does not apply to any Contractor personnel. The organization of the Contractor's workforce must remain the

responsibility of the Contractor, subject to any requirements described elsewhere in the SOW.

- 4.2 NETE is officially organized as a unit of the Canadian Forces, assigned to the Assistant Deputy Minister (Materiel). A military officer, normally of the Naval Engineer classification, will be present on-site and is designated as a "Commanding Officer" under the National Defence Act for the purposes of discipline and control over any other DND/CF members which may be assigned to NETE. The Commanding Officer reports to ADM (Mat), through the functional control of DGMEPM.
- 4.3 This officer is also designated as the Technical Authority (TA) for the Contract. His/her duties and responsibilities are described in Appendix 1. Other CF/DND personnel may be assigned to NETE at DND's discretion; provision for their support by the Contractor is also described in Appendix 1.
- 4.4 The term "Commanding Officer" carries no meaning in respect of the Contract. The Contractor must not infer this to imply authority or responsibility over the Contractor or Contractor personnel, nor responsibility by Canada for any part of the work other than which may be inherent in the TA's duties.
- 4.5 DND may elect to change the DND/CF organization of NETE at any time without prior notification of the Contractor.

## 5 Definitions

- 5.1 The following terms and definitions must apply throughout the Statement of Work:
  - 5.1.1 Betterment. A "betterment" must be recorded when an item meeting the criteria of a "capital item" becomes part of another capital item. The cost must be added to the original historic cost of the complete capital item.
  - 5.1.2 Capital Item: A durable item that is purchased, constructed, acquired through donation, or developed that has a useful life extending beyond one year; has been acquired by the Contractor as part of an approved task; and has an initial cost of at least \$500 per item. Capital items will be recorded for accounting purposes as being complete, working items (for example, a Personal Computer). There may be many components of a capital item which otherwise meet the criteria as stated above, but these components will either be treated as inventory items (e.g. spare parts) or possibly as betterment once integrated into a capital item.
  - 5.1.3 Contract Effective Date (CED): The first day after the Transition Period.
  - 5.1.4 Contractor Furnished Equipment (CFE): Equipment made available by the Contractor after Contract Effective Date (CED) or during the Contract from either his own inventory or by rental or purchase to support T&E tasks (Work Element 1) or for general purposes (Work Elements 2 and 3).
  - 5.1.5 Contractor Furnished Material (CFM): Components or material made available by the Contractor after Contract Effective Date (CED) or during the Contract from commercial

sources to support T & E tasks (Work Element 1) or for general purposes (Work Elements 2 and 3).

- 5.1.6 Government Furnished Equipment (GFE): Equipment or other assets designated as accountable by the TA and transferred by Canada to the Contractor upon Contract Effective Date (CED) or thereafter, either on a permanent or temporary basis, and also includes any capital items purchased by the Contractor as part of an approved task.
- 5.1.7 Government Furnished Facility (GFF): A building or work, including any supporting fixed assets and associated systems/equipment, transferred by Canada to the Contractor upon Contract Effective Date (CED) or thereafter.
- 5.1.8 Government Furnished Information (GFI): Any documentation, drawings, calculations or other information to be supplied to the Contractor as part of an approved task.
- 5.1.9 Government Supplied Material (GSM): Components or consumable goods transferred by Canada to the Contractor upon Contract Effective Date (CED) or thereafter, and includes all material subsequently purchased by the Contractor as part of an approved task.
- 5.1.10 Material: Component parts or consumable goods (e.g. paper, sheet metal, lubricants, fasteners, etc.) acquired by the Contractor as part of an approved task.
- 5.1.11 Material: The equipment, supplies, and apparatus of a military force.
- 5.1.12 Project: A project is a set of DND approved activities under the control of a Project Manager (PM). The term 'project' must be used exclusively in this sense under this Contract to avoid confusion between DND-managed and Contractor-managed activities.
- 5.1.13 Task: A task is an approved NETE activity that is in the scope of the SOW and performed on behalf of a DND customer.
- 5.1.14 Firm Price: A Firm Price Task Authorization will be used when the statement of work can define the requirement in sufficient detail to enable the Contractor to establish a firm price. In consideration of the Contractor satisfactorily completing all of its obligations under the Task Authorization, the Contractor will be paid the firm price stipulated in the applicable Task Authorization document.
- 5.1.15 Ceiling Price: A Ceiling Price Task Authorization will be used instead of firm price only in cases where the Work to be performed is not in sufficient detail to accurately determine a reasonable firm price, through which the Contractor is bound to complete the prescribed Work without additional payment whether or not actual costs exceed the ceiling. The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work under the Task Authorization, to the ceiling price specified in the applicable Task Authorization document. The ceiling price is subject to downward adjustment so as not to exceed the actual charges and costs reasonably incurred in the performance of the Work and computed in accordance with the Basis of Payment specified in the Task Authorization document.
- 5.1.16 Not-to-Exceed (NTE): A Task Authorization subject to a Limitation of Expenditure (Not to exceed - NTE) will be used for Services where the nature of the work cannot be defined in detail for pricing purposes. When goods and/or services are to be furnished

under a Limitation of Expenditure Task Authorization, the parties agree on a Limitation of Expenditure for the Contractor to commence work. The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work under the Task Authorization, in accordance with the Basis of Payment specified herein and in the applicable Task Authorization document.

## **6 Acronyms (Glossary)**

See Appendix 4: Acronyms (Glossary)

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## SECTION 2 - TEST AND EVALUATION SERVICES (WORK ELEMENT 1)

### 7 Preparation for Delivery and WHMIS Regulations

- 7.1 Preparation for Delivery: Preparation for delivery of items shipped to DND (other than reports and drawings) must be in accordance with the latest issue of the applicable Canadian Forces Packaging Specification (CFPS) listed below:
- 7.1.1 For Electrostatic Discharge (ESD) protection of Sensitive Electronic Parts, Assemblies and Equipment: CFPS D-LM-008-035/SF-001; and
- 7.1.2 For all other parts: CFPS D-LM-008-036/SF-000.
- 7.2 WHMIS Regulations: The Contractor must label and ship goods falling within the Hazardous Products Act, R.S.C. 1985, c. H-3 and regulation(s) there under in accordance with the said Act and regulation(s) accompanied by the Material Safety Data Sheet(s) completed in either English or French.

### 8 Test and Evaluation (T&E) Services

- 8.1 The Contractor must supply T&E services to DND in accordance with the provisions of this Section. This must include the supply of all labour, materials, services, and capital items necessary to meet any DND requirements identified to the Contractor. In the performance of the work, the Contractor may make full use of the NETE facility and equipment furnished by the Government under this Contract.
- 8.2 The provision of services must include the design, manufacture, construction, and fabrication of test circuits, assemblies, and components as necessary to satisfy the T&E requirements.
- 8.3 Services are to be performed in support of naval DND/CF materiel, and may be exercised throughout the materiel life cycle. These services are normally performed in support of the DGMEPM in NDHQ. The Contractor may also provide services for other DND agencies and offer commercial work for other government departments and private sector clients. However, such work must be consistent with the T&E functions defined below, and must be submitted to the TA for review and approval prior to the work being authorized in accordance with (IAW) the provisions of Section 4.

### 9 Test and Evaluation (T&E) Functions

- 9.1 T&E of DND/CF materiel must be deemed to comprise the following functions:
- 9.1.1 Evaluation of the ability of equipment/systems/software to meet DND requirements. This is defined as the conduct of physical tests, either on the NETE site or off site, and/or use of expert judgement to:
- 9.1.1.1 the conformance of these items to stated specifications or requirements. This may entail the development or review of Statements of Work;

- 9.1.1.2 establish or confirm reliability and maintainability data;
- 9.1.1.3 verify the compatibility of new or existing materiel with another;
- 9.1.1.4 confirm the suitability of employing existing materiel in a different application;
- 9.1.1.5 collect operational data to establish and/or confirm the performance envelope of naval equipment, systems, or software;
- 9.1.1.6 Independently validate or verify maintenance requirements, maintenance documents and maintenance analysis tools, techniques, and philosophies; and
- 9.1.1.7 Audit the in-service configuration of equipment, systems, and software.
- 9.1.2 Assistance to the Design Authority in the development and conduct of trials. This is defined as the provision of specialist advice, and field services on behalf of the Design Authority when so authorized, in:
  - 9.1.2.1 development and validation of factory acceptance tests, in-service trials agendas, and Maritime Development, Technical, and Operational Evaluation Programmes;
  - 9.1.2.2 preparation of Statements of Work and review of Contractor proposals with respect to trials and acceptance procedures;
  - 9.1.2.3 recommendation of appropriate specifications and standards for a given application (i.e. ASTM, CGSB, mil-specs, mil-stds, etc.) or the establishment and validation of specific equipment/materiel requirements; and,
  - 9.1.2.4 investigation, research, development, implementation and deployed support, as required, of tests, methodologies and requirements in support of Operational Test and Evaluation Programmes, Operational Analysis, and Concept Development and Experimentation.
- 9.1.3 Evaluation of Design Changes. This includes, when so authorized by the Design Authority:
  - 9.1.3.1 independent review of engineering change proposals;
  - 9.1.3.2 developing and assisting in the conduct of test programmes to determine the effectiveness of design changes; and
  - 9.1.3.3 recommending corrective measures/improvements.
- 9.1.4 Equipment, Systems and Software Audits / Independent Verification and Validation (IV&V). This includes, when so authorized by the Design Authority:
  - 9.1.4.1 software project evaluation, software evaluation and audits, assessment of Contractor software development capability & methodology, evaluation of RFPs and bid responses;
  - 9.1.4.2 comparative evaluation and testing of computer systems and information technology;

- 9.1.4.3 validation of simulator designs, simulator validation plans & conduct of evaluation trials in support of force development and tactical and doctrinal development analysis; integration, investigation and evaluation testing of information, management and communication systems, including deployed networks; and
- 9.1.4.4 audits of in-service equipment/systems design and technical readiness, including configuration control, maintenance and trials records verification, in support of mandatory technical requirements validation.
- 9.1.5 Data Recording, Reduction, and Analysis. This includes provision of expertise in:
  - 9.1.5.1 specification, design, and assembly of instrumentation;
  - 9.1.5.2 evaluation and calibration of transducers and sensors;
  - 9.1.5.3 metrology, including high precision measurements of angular and linear dimensions, alignment checks, surface finishes and coating quality;
  - 9.1.5.4 recording, development and editing of still and high-speed photography in support of trials; and
  - 9.1.5.5 development of software applications in support of data collection and analysis.
- 9.1.6 Problem Investigation and Analysis. This includes, when so authorized by the Design Authority:
  - 9.1.6.1 conduct of failure investigations;
  - 9.1.6.2 conduct of chemical and physical tests of materials;
  - 9.1.6.3 qualitative or quantitative analysis of problems with existing materiel;
  - 9.1.6.4 evaluation of changes in maintenance activity related to materiel;
  - 9.1.6.5 the conduct of feasibility studies, including the evaluation and trial of prototype, new or modified materiel to determine suitability, compatibility, and interoperability in a specified application; and
  - 9.1.6.6 the conduct of requirements definition studies, including systems, equipment, process and IT systems (hardware and software).
- 9.1.7 Support of Ranges. The following services may be required in support of the Naval Ranges, when so requested by the Design Authority, in:
  - 9.1.7.1 conduct of range activity and analysis of range measurements;
  - 9.1.7.2 evaluation of range capabilities, requirements and equipment; and
  - 9.1.7.3 maintenance and support of range equipment
- 9.1.8 Support to Innovation Projects. This includes, when so authorized by the Design Authority:

- 9.1.8.1 Provide test and evaluation, trials, Independent Verification and Validation (IV&V)
- 9.1.9 Independent Verification and Validation (IV&V) of NMA&S Processes. This includes, when so authorized by the Design Authority:
  - 9.1.9.1 Evaluation of Naval Material Acquisition and Support (NMA&S) policy, processes and procedures, including verification of equipment nomenclature, data interface with Management Information Systems and validation of stock accounts and materiel authorization documentation; and
  - 9.1.9.2 Validation of NMA&S processes, including verification of management and materiel data in Defence Resource Management Information Systems (DRMIS).
- 9.2 All of the functions identified above are to be exercised on an "as and when requested" basis for DND. The scope of an individual T&E requirement will be identified to the Contractor by PMs within DND. All T&E requirements must be treated as individual tasks, having a defined scope, cost, deliverable and schedule, and which are agreed with the PM prior to commencement. These tasks are to be administered in accordance with the provisions of Section 4.

## 10 Location of Work

- 10.1 Work will normally be conducted at the NETE LaSalle facility but may also be carried out at one of NETE's detachments in Halifax and Victoria, or at NDHQ Ottawa. Regulations associated with travel and subcontracting of work are detailed in the terms and conditions section of this Contract.
- 10.2 If a task requires work to be conducted at DND locations other than the NETE LaSalle facility, this must be clearly detailed in the Task Description. Travel and living costs must be identified and invoiced to DND as per the Contract terms and conditions. Any arrangements for use of office space on DND premises must also be detailed in the Task Description and must be agreed between DND and the Contractor prior to the Contractor occupying such office space, including measures to ensure that security and information safeguards are abided with.
- 10.3 The Contractor may conduct work at the Contractor's own or other facilities subject to the following limitations:
  - 10.3.1 Before any work is performed which involve sensitive or classified documents, equipment, or media and which, if performed at the Contractor's own, or other, facilities, would require amendment of blocks XX-XX of the Security Requirement Check List (SRCL) such work must be subject to the approval of the Authority (CA). The SRCL must be amended as required and the necessary security arrangements verified by PWGSC prior to such work being undertaken;
  - 10.3.2 any work performed which are wholly unclassified may be performed at the Contractor's own or other facilities without prior approval from Canada, but the Contractor must clearly describe where the work will be performed in the Task Description; and

10.3.3 for any work conducted at the Contractor's own, or other, facilities, only those labour costs associated with Work Element 1 must be chargeable to Canada, and the work must be in accordance with the terms and conditions of this Contract.

## **11 Liaison with other DND Elements for Test and Evaluation**

11.1 The Contractor must advise the TA prior to visiting DND elements and units other than NDHQ/DGMEPM as part of approved tasks. The Contractor must prepare and disseminate any required documentation to support visits. If a task requires access to a DND element or unit on an ongoing basis, this must be indicated in the task description and such arrangements confirmed prior to approval of the task.

## **12 Test and Evaluation Performance Requirements**

### **12.1 Capacity Requirements**

12.1.1 The Contractor must ensure that sufficient personnel are qualified against the general labour categories defined in Annex "X" to meet the Minimum Guaranteed Throughput (MGT) defined in RFP.

### **12.2 Turnaround time**

12.2.1 The Contractor must provide a task description, meeting the requirements of Section 4 of the SOW, within 10 working days of notification of a Task requirement by a PM. The Task work must commence upon the approvals of the TA and CA.

12.2.2 If the Contractor is tasked with work over and above the MGT, or lacks sufficient resources to conduct the work, or if the proposed task budget is greater than \$50,000.00, or if the work requires a unique skill that is not available amongst the personnel qualified against one of the labour categories, the Contractor must provide a task description within 20 working days of notification of a Task requirement by the PM. Work must commence once the resources are available as stated in the task description.

### **12.3 Task Performance**

12.3.1 The expectation for Task performance is:

12.3.1.1 that tasks are to be completed within the baseline cost and time schedule established for the task, and;

12.3.1.2 that the deliverables are to be accepted by the TA and PM without requiring any rework.

12.4 The Contractor must be assessed annually on the global performance of tasks in accordance with Section 4 of the SOW.

## **13 Quality Assurance**

13.1 For work performed at NETE or other DND locations, the Contractor must comply with the provisions of the SOW entitled "Quality Management System". For any work performed at

the Contractor's or subcontractors' facilities, the Contractor must comply with the requirements of ISO 9001:2015 Quality Management Systems - Requirement, published by the International Organization for Standardization, current edition.

- 13.2 All work must be subject to Government Quality Assurance (GQA), at the NETE facility or those facilities of the Contractor or his sub-contractor(s) by the Director of Quality Assurance, Department of National Defence, MGen. George R. Pearkes Building, 101 Colonel By Drive, Ottawa, Ontario K1A 0K2 or his designated Quality Assurance Representative (QAR), hereafter referred to as the QAR.
- 13.3 The QAR, where the QAR holds the appropriate security clearance, must have the right of access to any area of the NETE facility, or those facilities of the Contractor or his sub-contractor(s) where any work is being performed. The QAR must have unrestricted opportunity to evaluate or verify Contractor compliance with Quality System procedures and to validate conformance with Contract requirements. The Contractor must provide the QAR with such accommodation and facilities as the QAR may reasonable require, and must provide any other assistance reasonably required by the QAR for evaluation, verification, validation, documentation purposes. The Contractor must make available for reasonable use by the QAR the equipment necessary for validation purposes. Contractor personnel must be made available for the operation of such equipment as required.
- 13.4 Within 48 hours of receipt of this Contract, the Contractor must contact the QAR. The name of the QAR is as follows:
- Quality Assurance Manager  
NDQAR Quebec
- 13.5 Quality Control, Inspection and Test records that substantiate conformance to the specified requirements, including records of corrective actions, must be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and must be made available to the QAR upon request.

## **14 Meetings**

### **14.1 Kick-off Meeting**

- 14.1.1 A kick-off meeting, chaired by the CA, will take place at the NETE facility no later than 30 calendar days of the Contract Effective Date.
- 14.1.2 The Contractor must forward a list of meeting attendees and an agenda for this meeting to the CA no later than 5 working days prior to the meeting.

### **14.2 Progress Review Meetings**

- 14.2.1 Progress Review Meetings (PRMs) will take place, as a minimum, twice a year scheduled six (6) months apart. Interim meetings may also be scheduled on an as and when required basis.
- 14.2.2 PRMs will normally be held at the NETE facility but may also be held at an alternate location or by videoconferencing as agreed to by Canada and the Contractor.

- 14.2.3 All PRMs will be chaired by the CA. The Contractor must notify the CA at least one month in advance of the proposed date, location, the Contractor's proposed agenda, and solicit Canada for agenda items for the meeting. Any issue relevant to the Contract may also be discussed.
- 14.2.4 At semi-annual PRMs, subsequent to the Kick-off Meeting, the Contractor must present a summary of current and projected Contract spending for the Fiscal Year.
- 14.2.5 The Contractor must record minutes of these meetings, highlight the action items, and provide for the duplication and distribution of these minutes (one copy to each attendee). Minutes of the PRMs must be distributed within thirty (30) calendar days of each respective PRM.

## **15 Progress Reports and Records**

- 15.1 The Contractor must submit and distribute reports as stipulated in the Statement of Work and as called for under individual tasking allocated during the performance of the Contract.

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## **SECTION 3 - MAINTENANCE AND SUPPORT OF THE FACILITY AND EQUIPMENT (WORK ELEMENT 2)**

### **16 Applicable Regulations and References for Work Element 2**

**N.B. These references will be identified by their specific letter for Section 3.**

- A. CF Construction and Engineering Manual;
- B. DAOD 6000 Information Management;
- C. DAOD 6001 Internet;
- D. C-06-020-001/AM-001 Test Equipment Calibration Policy;
- E. C-06-030-003/TM-001 Test Equipment Maintenance Management Information System;
- F. Logistics Statement of Work for Free Flow (Components) for Repair and Overhaul OPI: DBCM 1999-02-01;
- G. Logistics Statement of Work for Accountable Advance Spares for Repair and Overhaul OPI: DBCM 1999-02-01;
- H. DAOD 4003-1 Hazardous Materials Management.
- I. Canadian Forces Supply Manual.

### **17 Operate and Maintain NETE Facility**

- 17.1 The Contractor must operate, maintain, and logistically support the NETE facility and grounds, associated facility services, all test circuits, Automatic Data Processing (ADP) and computer assets, and all other items on the NETE inventory in accordance with the provisions of this section.
- 17.2 The assets and items, which are covered under this section, are established by the initial inventory and inspection procedures outlined in this Section. Subsequently, additions and deletions to these assets are determined in accordance with the materiel control provisions of this Section.
- 17.3 The objectives of this section are:
  - 17.3.1 to ensure that NETE's physical assets are maintained in a safe and usable condition;
  - 17.3.2 to ensure that these activities are performed as efficiently as possible and to provide an incentive to search for continual improvement in the efficiency of the service delivery;
  - 17.3.3 to identify areas of unused capacity and determine whether there is continued benefit in retaining that capacity at NETE, or if alternate means of delivering the service at lower cost exist; and
  - 17.3.4 to ensure DND maintains visibility for the costs associated with this work element.
- 17.4 The term "maintenance" must be taken to include all general housekeeping, preventive maintenance actions, corrective maintenance actions, repairs, inspections, calibration, and tests required to preserve the economic value, physical integrity, and functionality of assets.

- 17.5 Maintenance activity is not directly chargeable to T&E tasks, e.g. if an item of equipment fails during the conduct of a test and requires corrective maintenance to resume the test, the cost of the corrective maintenance will be charged to work element 2 and not to the T&E task. However, where equipment is maintained in a "stand by" or "preserved" state prior to use, costs associated with readying the equipment for use in a T&E task, including any preparatory alignment/calibration checks, will be charged to that task.
- 17.6 The Contractor may be required to perform maintenance on items of DND equipment, which are temporarily transferred to NETE for testing (e.g. engines). The requirements and standards for such maintenance are to be detailed in the T&E task description. The costs associated with the maintenance of such items by the NETE Contractor must be charged to that T&E task.

## **18 Maintenance and Support Task Control and Administration**

- 18.1 All work performed under this section must be controlled, administered, and accounted for through separate tasks. A yearly Maintenance and Support plan must be prepared by the Contractor, which will be used to budget for and gain approval for each task. The procedure for gaining approval of the Maintenance Plan, and for administering and reporting on the progress and performance of these tasks is described in Section 4.
- 18.2 As part of the Maintenance and Support Plan, the Contractor must breakdown the total maintenance and support work into tasks. Each task must separately identify the cost of labour, materials, subcontracts, travel, and capital items budgeted for and to be expended against it. The tasks must be structured and sufficiently detailed to permit DND to maintain visibility into the costs associated with maintenance of the facility and equipment. As a minimum there must be separate tasks for:
- 18.2.1. maintenance and support of immovable assets including the office complex, grounds, workshop, heating, ventilation, and air conditioning systems, and other building services;
  - 18.2.2. maintenance and support of movable assets including metrology equipment, laboratory equipment, electronics and instrumentation, and graphics equipment;
  - 18.2.3. maintenance and support of computer equipment, networks, and software, including connectivity to the internet; and
  - 18.2.4 maintenance and support of all other office equipment including telephones, photocopiers, etc., including monthly service/user costs (including long distances) of communication technologies.
- 18.3 The scope of all maintenance and support tasks must include:
- 18.3.1. acquisition and integration of new capital items into the facility and updating the associated data such as inventory documentation;
  - 18.3.2. all actions necessary to maintain and support the assets covered by the task in a safe and usable condition, reflecting fair wear and tear on those assets;

- 18.3.3. tracking and documenting the maintenance and repair history of items covered by the task; and
- 18.3.4. disposal of any items in accordance with the procedures described in Section 3, par. 31.5.3.

## **19 Conduct of Facility Maintenance and Support Work**

- 19.1 Once the Maintenance and Support plan is approved, the Contractor must carry out all activities described in the plan. Further DND approvals or reviews are required only as described in paragraphs below.
- 19.2 The Contractor must perform all work in accordance with the applicable provisions of Annex "X" and applicable municipal, provincial, and federal codes and standards. Work is to be performed in a safe and environmentally responsible manner. The Contractor must ensure that only qualified personnel or agencies are used to conduct this work.
- 19.3 The Contractor must maintain the NETE infrastructure and equipment in a state of readiness and preservation consistent with the anticipated usage of these items. The Contractor may consult with the TA, if necessary, to determine the most cost effective state in which to maintain these items.
- 19.4 The Contractor must maintain all areas of the Facility in a tidy condition and free of the accumulation of waste material and debris.

## **20 High Value and Uneconomical Repairs**

- 20.1 In general, the Contractor must initiate corrective maintenance and/or repair without prior notification of DND. However, where the cost of the corrective maintenance or repair is estimated to exceed \$25,000.00 or 75% of the replacement value of the item, whichever is lower, the Contractor must advise the TA and CA in writing. The TA must determine, in conjunction with appropriate DND authorities, whether the corrective maintenance or repair is warranted or if disposal action should ensue. DND's decision must be communicated to the Contractor in writing.

## **21 Information Technology**

- 21.1 The Contractor must comply with DND policies for use of information technology contained in references B and C, and any subsequent policies promulgated by DND applicable to NETE operations.

## **22 Modifications to Equipment and Infrastructure**

- 22.1 In the event that modifications are required to the building, other fixed assets, or equipment, such modifications may be conducted and accounted for against maintenance (MP) tasks if they are minor (<\$20K) and are for the purposes of improving safety, reliability, and/or efficiency of maintenance activity. If they are major (>\$20K), or constitute an upgrade or enhancement to NETE's capabilities, they must be administered as Facility Upgrade (MD) tasks as described in Section 4.

- 22.2 The Contractor must be responsible for ensuring the safety and performance of the modified equipment. Any approvals given by DND must not constitute an independent verification of the safety of the modification or certification that the proposed modifications will function.
- 22.3 If the modifications involve load bearing structures, pressure vessels, or other components with significant potential for injury of personnel and damage to assets, the Contractor must engage an independent consultant of the correct specialty to assess the safety and functionality of the proposed modifications.
- 22.4 Once the modifications are completed, the Contractor must update the technical documentation which is affected by the modifications.

### **23 Major Construction or Renovations**

- 23.1 Very large construction or renovation projects involving the NETE facility will normally be funded and managed by DND outside the NETE Contract. The nature and scope of involvement by the Contractor must be determined in advance of such projects being undertaken, and must be administered as Facility Upgrade (MD) tasks.

### **24 Records and Reports**

- 24.1 An automated system using Datastream 'MP2' software exists at NETE to track facility and physical plant routine and preventive maintenance activities. The Contractor must maintain this system, or equivalent, and update it as required to reflect the changes or modifications to items requiring preventive maintenance.
- 24.2 The Contractor must maintain records, in electronic format, related to the maintenance and support of the facility and infrastructure, and all other equipment whose value is significant enough to warrant record keeping. These records must enable the Contractor to track the maintenance and repair history of items, usage and failure rates of equipment, costs of maintenance, and provide DND summary and detailed information related to maintenance when required.

### **25 Supply Support**

- 25.1 The Contractor must arrange for the repair, servicing, and supply of spare parts as necessary to perform the maintenance and support work. The Contractor must not normally draw on the Canadian Forces Supply System (CFSS) for logistical support. In the event a spare part or item is not available commercially or is uneconomical in the quantity required, the Contractor may request CFSS support through the TA, but DND reserves the right to refuse such a request.
- 25.2 The Contractor must maintain a record of any outside agencies used to repair items and/or supply parts.

## 26 Utilities and Special Services

- 26.1 Table 26-1 below depicts the arrangements for provision of utilities and selected other services to NETE. Certain services are provided by Base support to NETE through the 5e Groupe de Soutien de Secteur (5e GSS). Where indicated, the Contractor may use such services but any liaison with 5e GSS must be arranged through the TA.
- 26.2 Though certain services in Table 26-1 are now paid for through 5e GSS, DND may require that the Contractor pay the required invoices at a future date. The Contractor will be reimbursed for such payments in accordance with the Contract terms and conditions. DND reserves the right to alter the support arrangements at any time.
- 26.3 Where the actual cost of the utility and taxes are not to be incurred by the Contractor, the Contractor must include the cost of the given utility and taxes as a separate line in the presentation of its Management Plan and subsequent Management Reports for information and calculation of Maintenance (General) indirect Costs Burden Rate only. However, when the Contractor does incur the cost of the utility and taxes, it must be included in the appropriate maintenance task. Only the estimated cost of utilities paid by the Contractor will be used to establish the target cost for maintenance and support and to award an efficiency Incentive Fee to the Contractor.

**Table 26-1 - Utilities and other Services to NETE**

<b>Description of Services and Consumables Required</b>	<b>Estimated Yearly Quantity</b>	<b>Notes</b>
Municipal and School Taxes paid by 5 GSS.	\$200,000	The estimated yearly cost for Taxes must be presented in the yearly Management Plan and subsequent Management Reports.
Electricity: provided by Hydro Quebec and paid by 5 GSS.	\$200,000	The estimated yearly cost for electricity must be presented in the yearly Management Plan and subsequent Management Reports.
Natural gas: is provided by Gaz Metropolitan and paid for by 5 GSS.	\$25,000	The estimated yearly cost for natural gas must be presented in the yearly Management Plan and subsequent Management Reports
Water Taxes: To be paid by DND to Ville LaSalle.	\$TBD	The estimated yearly cost for water must be presented in the yearly Management Plan and subsequent Management Reports.
Transport: (to pick up/deliver materials from CFSS, Canada Assets, etc.).	\$3,000	
Crane Services supplied by 5 <sup>e</sup> GSS.	\$TBD	Only in those instances where alternate sources of supply are unavailable.
Any Mil-Spec Petroleum, Oil, Lubricants (POL) not available from commercial sources.	\$TBD	Must be included in the budget of the task requiring the POL

## **27 Test Equipment Calibration and Maintenance**

27.1 The Contractor may make use of the programmes described at References D and E to repair or calibrate any test equipment properly included under these programmes.

## **28 Unused and Surplus Capacity of Assets**

28.1 The yearly Maintenance and Support plan prepared by the Contractor must contain a summary of the historical usage rates (hours/year) and maintenance costs of major assets. Where, in the opinion of the Contractor, effort is being expended to operate, maintain, and/or support assets for which there appears to be little benefit, or where alternate means are available to provide the same service at lower cost, the Contractor may indicate this in the Maintenance and Support Plan. Recommendations for alternate methods of service delivery must be supported by a comprehensive business case. DND will respond to any recommendations in writing through the TA.

28.2 DND may direct the Contractor, through Crown Assets Disposal, to dispose of or 'mothball' unused or surplus DND assets. Disposal procedures are contained in this Section. DND reserves the right to direct that any item of equipment be disposed of, or transferred from NETE at any time. If such action could interfere with a task in progress or commercial support testing arrangement, the Contractor must advise the TA. Disposal must ensue as soon as possible once any commitments requiring use of the item are discharged.

## **29 Periodic Inspections**

29.1 The efficacy of the Contractor's maintenance program must be determined through a regime of periodic inspections by Canada's representatives, and by a final inspection on completion of the Contract. Notwithstanding the formal inspections described here, the TA must have the right of full access to all areas of the facility, and may conduct informal inspections at any time. The TA will notify the Contractor in writing of any observations noted during informal inspections, which the Contractor must rectify within 30 working days.

29.2 At least once a year, the TA must conduct a joint inspection with the Contractor of the building, grounds, and building services (heating and cooling systems, water, and sanitation). The TA may be accompanied by any specialist expertise as is deemed necessary. A minimum of 5 working days' notice must be provided to the Contractor that such an inspection will occur.

29.3 As part of this inspection, the TA must also select a number of items of equipment on the NETE inventory at random, without prior notification of the Contractor. The number of such items must be not less than 10 and not more than 25. The Contractor must verify the correct functioning and condition of these items in the presence of the TA.

29.4 All deficiencies observed during these inspections will be recorded and provided to the Contractor. The Contractor must rectify all observed deficiencies to the satisfaction of the TA within 30 days of the inspection, or if more significant, in a longer time frame to be agreed with the TA.

### **30 Capital Items, Services and Material Acquisition**

- 30.1 The Contractor must procure capital items, services and material (as defined in Section 1) as is necessary for the performance of the Work. Any such items, services and material are intended solely for use by the Contractor in the performance of the Work, and must not be transferred to other agencies or locations except as described in the sub-section "Materiel Control and Custody".
- 30.2 All capital items, services and material must be identified, charged, and accounted for against the specific task, which requires these items. At the time the task is submitted for approval, the capital item, services, and material requirements are to be sufficiently detailed and contain supporting justification to permit the authority approving the task to understand what is proposed for procurement. Additionally, the Contractor must submit documentary evidence to the PM and the CA for concurrence, preferably at the time of task approval but prior to procurement in all cases, that there is either:
- 30.2.1 sole source of supply; or
- 30.2.2 That quotes have been obtained from at least two, and preferably three, sources. Should the lowest quote not be acceptable, the reason for choosing a higher quote must be detailed.
- 30.3 Once the task is approved and concurrence with the source of supply is granted, the procurement of material, services, and capital items may proceed without further approval. However, where the quoted price obtained for a capital item, service, or item of material exceeds \$TBD and is to be procured from a sole source of supply or the lowest quote obtained is not the one proposed, the concurrence of the CA must be sought prior to procurement. The CA must be provided with a copy of the Task Description and other relevant documentation.
- 30.4 If a requirement to purchase a capital item is not foreseen at the time of task approval, or if the cost of the capital item increases by more than 25% from that projected in the task description, or if the capital item described at the time of approval no longer fulfills the task requirements, a Task Change Request must be submitted which details the revised requirement, cost, and justification. Approval, by the CA and the PM of the Task Change Request will authorize the procurement.
- 30.5 Auditable records must be kept of all items procured by the Contractor in the performance of the Work. Items procured must be properly inventoried and accounted for in accordance with the sub-section entitled "Materiel Control and Custody". The Capital Acquisition List prepared, as part of the yearly Management Plan must be updated throughout the course of the year to reflect the cost and details of actual procurement under the Contract.

### **31 Materiel Control and Custody**

- 31.1 The Contractor must ensure that all materiel in his custody is safeguarded from loss, negligent damage, or unauthorized use. The Contractor must satisfy any regulatory requirements and ensure an effective and efficient interface with DND.

31.2 The Contractor must control materiel to provide timely, effective and efficient support to Work Element 1 (T&E tasks) and to Work Elements 2 and 3 (Facility Maintenance and Operation) at the NETE Facility in LaSalle, and at any affiliate locations subsequently placed under the control of the Contractor under this Contract. This includes administration and management of the associated activities including procurement, receipt, storage, issue, packaging, disposal and shipping of equipment, materiel and spares.

### **31.3 General Responsibilities**

31.3.1 The Contractor's responsibilities are:

- 31.3.1.1 develop and implement a supply policy for complete materiel control and custody which will take account of all related activities including the management of supply, requisitioning, transportation interfaces, inventory and data control, storeroom management, customer service associated with equipment and materiel, periodic stocktaking, cataloguing, documentation, serial number control, discrepancy reporting, disposal and write-offs;
- 31.3.1.2 maintain an audit trail showing where appropriate demand requisition, procurement, receipt, issue, stock location, distribution, repairs and disposal with corresponding action dates and authorities where appropriate;
- 31.3.1.3 establish and maintain a storeroom and stock location system for all materiel and equipment to ensure tracking, necessary packaging, and handling of materiel and appropriate environmental storeroom conditions are maintained for the materiel and equipment held;
- 31.3.1.4 develop, implement and maintain a record of all aspects of the NETE inventory to capture all transactions and the materiel status of the inventory as affected by additions, disposals, modifications, transfers, loans and repairs as necessary;
- 31.3.1.5 establish and implement necessary procedures to ensure the physical integrity of the NETE inventory against loss, damage or deterioration;
- 31.3.1.6 control and manage shelf life for optimum life expectancy for consumables and minimize obsolescence;
- 31.3.1.7 analyze inventory and provide recommendations to the TA regarding inventory rationalization and standardization including recommendations for disposal or replacement; and
- 31.3.1.8 provide an annual report to the TA, in an agreed format, on the anniversary of Contract Effective Date (CED) and on each subsequent anniversary thereafter. This report to include, as a minimum, a full stock taking of all GFE in terms of location, materiel state, value and historical transactions.

### **31.4 Inventory Procedures - GFE**

31.4.1. The Contractor must continuously account for all GFE within a Fixed Asset Register, which the Contractor must implement and maintain throughout the period of the

Contract. The Contractor must record and register movement of all GFE including additions and removals from "the originally approved allowance" of GFE. Records of all GFE must include location and materiel condition of equipment. The Fixed Asset Register must be in a form, which is suitable for transfer to Canada or other Contractor upon termination of the Contract and for the administration of the following three sections:

- 31.4.1.1. CFSS Catalogued items (prefixed "M", "N", or "L") which are to be permanently maintained on the NETE Fixed Asset Register. For Disposal of these items, the Contractor must obtain written concurrence of the TA. The Authority for Disposal of these items is the DND Life Cycle Manager.
- 31.4.1.2. CFSS Catalogued items (prefixed "M", "N", or "L") which are temporarily transferred to NETE (e.g. for a T&E). A DND Repairable Materiel Account (RMA) and a Contractor Repair Parts Account (CRPA) are provided to the Contractor for the efficient administration of these items. These accounts must be administered by the Contractor in accordance with References F and G and any subsequent revision of these references.
- 31.4.1.3. Non-catalogued items. These items, which were purchased by the Contractor as Capital items and/or transferred to the Contractor as GFE by DND, must be recorded with the Director Disposal, Sales, Artifacts and Loans (DDSAL) records of all materiel on loan will be maintained in that central location. The Contractor must only dispose of any Non-Catalogued items, which is declared surplus, in accordance with instructions provided by the TA.
- 31.4.2. The Fixed Asset Register and any reports generated should be available for inspection by the TA on provision of a minimum of 3 days' notice to the Contractor. The database should be on all occasions no less than 97% accurate. All transactions should be recorded within 3 working days of occurrence.
- 31.4.3. The Contractor may recommend to the TA any GFE for disposal. No action is to be taken without the formal written approval of the TA. Any and all disposals must be conducted in accordance with instructions issued by the TA on a case-by-case basis. Replacement action should not be initiated prior to DND endorsement of disposal action proposed. There must be no incident of unauthorized disposal or failure to follow disposal procedures issued by the TA.
- 31.4.4. The Contractor must submit a quarterly report detailing the status of NETE's inventory in a format to be agreed between the TA and the Contractor prior to its first submission. These reports must be submitted no later than 30 July, 30 Oct, and 30 Jan of each year. Additionally, the Contractor must conduct, as a minimum, a complete annual stocktaking of all GFE and must submit an annual inventory report to the TA no later than 30 Apr. On completion of DND review, the Contractor must submit an updated Contract loan record in electronic format to the Director Disposal, Sales, Artifacts and Loans (DDSAL).

### **31.5. Inventory Procedures – GSM**

- 31.5.1. GSM must normally be purchased and consumed as part of the task, which requires it. The Contractor must, to the extent practicable, minimize the inventory of GSM, which is maintained under the Contract.

31.5.2. GSM is not accountable. However, the Contractor must, concurrently with the submission of the quarterly report required in paragraph 31.4.4, provide DND with a report describing the value and nature of the GSM which was not consumed as part of the tasks which funded the acquisition of that GSM.

31.5.3. The Contractor may recommend any GSM for disposal to the TA. The exception is that the Contractor may unilaterally dispose of individual items of GSM valued at less than \$100. Above that amount, any and all disposals must be conducted in accordance with instructions issued by the TA on a case-by-case basis. There must be no incident of unauthorized disposal or failure to follow disposal instructions issued by the TA.

### **31.6. Contractor Furnished Equipment & Material (CFE/CFM)**

31.6.1. The Contractor may employ equipment and material for which he has title in the performance of the work, subject to the following limitations:

31.6.1.1 must be held and accounted for separately from GFE/GSM;

31.6.1.2 CFE must be approved for use by the TA, if it is to be used on Canada's property;

31.6.1.3 CFM must not be mixed with or added to Canada's Property (i.e. as spare parts or used to modify Government equipment); and

31.6.1.4 the Contractor must save Canada harmless from any loss, liability, or damage that may result from the use of the Contractor's own equipment.

### **32. Hazardous Material Services**

32.1. The Contractor must ensure that all hazardous material or waste is removed, used, stored, transported, and disposed of in accordance with applicable legislation and in a manner consistent with reference H and any sub-references contained therein. The Contractor must maintain an inventory of all hazardous material on the NETE premises or work site and must provide such to the TA semi-annually (no later than 15 June and 15 Dec) or on request.

32.2. The Contractor must, to the maximum extent practicable, attempt to minimize the use of hazardous materials in the performance of the Work, and where possible identify and use non-hazardous substitutes.

## **SECTION 4 - OVERALL MANAGEMENT AND ADMINISTRATIVE SERVICES AT NETE (WORK ELEMENT 3)**

### **33. Applicable Regulations and References for Work Element 3**

**N.B. These references will be identified by their specific letter for Section 4.**

- A. A-SJ-100-001/AS-000 National Defence Security Policy
- B. DAOD 4003-0 Environmental Protection and Stewardship
- C. ISO 14001 - Environmental Management System
- D. Canadian Environmental Protection Act
- E. Fisheries Act
- F. Canadian Environmental Assessment Act
- G. DND Sustainable Development Strategy
- H. DAOD 4007 - Fire Protection Services
- I. User Guide for Tasks at the Naval Engineering Test Establishment (current version issued by DND)
- J. Sample NETE Letter Report - To be issued with RFP
- K. Sample Report of Proceedings
- L. C/SPMS Instructions for Projects at the Naval Engineering Test Establishment (current version issued).
- M. National Defence Security Orders and Directives (upon promulgation or issued by DND).

### **34. Management Support and Administration for NETE**

- 34.1. The Contractor must provide all management, administrative, clerical services, and other services as described below to ensure the effective and efficient functioning of NETE. These services must be provided as required during the transition and turnover, operational, and closeout phases of this Contract.
- 34.2. This Work Element also includes the provision of reports, plans, and records to the TA and provides support for audits and inspections required by the Contract, Canada requested visits to NETE, progress review meetings and Contract administration.
- 34.3. The Contractor must conduct the day-to-day management of NETE without requiring Canada's approvals, except as noted elsewhere in this SOW.

### **35. Workforce Organization**

- 35.1. Other than the position of Contractor's Site Manager, which must be maintained throughout the duration of the Contract, the Contractor may organize the NETE workforce as necessary to perform the Work. However, the Contractor must maintain and provide the TA with a current organization chart for NETE, which details the full names, reporting relationships, and telephone number of all NETE personnel.

### **36. Contractor's Site Manager**

- 36.1. The Contractor's Site Manager must be the Contractor's on-site representative and must be the principal point of contact in all matters relating to the Contract. The Contractor's

Site Manager must have full responsibility for the operations of the Contractor and its subcontractors in the performance of the Work and must be authorized to accept on behalf of the Contractor any notice, consent, or other communication that may be given to the Contractor.

- 36.2. During any absence of the Contractor's Site Manager, another representative of the Contractor must be authorized to perform the Contractor's Site Manager's duties, and such authorization must be made known to the TA in advance.
- 36.3. The TA must have the right of access to the Contractor's Site Manager and may voice concerns related to the performance of the work directly to the Contractor's Site Manager. If the TA is not satisfied with the Contractor's Site Manager's response, the matter must be referred to the CA.
- 36.4. If the Contractor elects to change the Contractor's Site Manager, the TA is to be notified without delay. Any new individual proposed for the position of Contractor's Site Manager must meet the same requirements for the position as stated in this Section.

### **37. Personnel, Site and Information Security**

- 37.1. The Contractor must be responsible for the security of the NETE facility and all associated assets and information in the Contractor's custody. The Contractor must protect the facility, assets, and information from damage, loss, and access by or disclosure to unauthorized parties.
- 37.2. The Contractor must implement a security program at NETE in accordance with reference A and any sub-references contained therein. The Contractor must designate an individual possessing the qualifications required by reference A to be the Unit Security Officer at NETE. This individual must liaise, through the TA, with the Security and Military Police Section of 5e GSS on any security related matter.
- 37.3. The Contractor must ensure that any personnel or sub-contractor personnel acting as security guards have a security clearance appropriate to their duties.
- 37.4. At least yearly, the Contractor's security program at the facility must be reviewed and inspected by the TA in conjunction with appropriate DND Security personnel. The Contractor must correct discrepancies or observations recorded by DND authorities in the manner and time scale directed by the latter on each occasion.
- 37.5. All existing security-related equipment, systems, and associated items are provided in an "as-is" condition. Inventory and assessment of the condition of these items will be established in accordance with the provisions of the "Materiel Control and Custody" portion of this section. Maintenance and repair of these items will be done in accordance with the provision of Section 3 of the SOW.
- 37.6. If modifications or upgrades to the physical components of the security system at NETE are required as a result of DND direction, the Contractor must prepare a Facility Upgrade (MD) task to identify the scope, cost, and schedule associated with the required upgrades. The task will then be authorized, amended, or the requirement waived, at DND's discretion, after review by DND authorities.

### **38. Health and Safety Services**

- 38.1. The Contractor must ensure that a safe working environment is maintained within the NETE premises and other work sites that may be placed under the control of the Contractor as part of this Contract. The Contractor must implement any necessary practices, procedures, and activities to accomplish this and must ensure that all Contractor personnel, sub-contractors, and DND employees and other visitors to NETE, comply with these practices, procedures, and activities. These practices, procedures, and activities must be governed by Federal, Provincial, and Treasury Board / DND occupational health and safety codes and standards including, but not limited to the applicable references in this Section. Moreover, the Contractor must be compliant with the requirements of ISO 45001:2018 and be able to demonstrate a track record of a high standard of Health and Safety.
- 38.2. Notwithstanding the Contractor's responsibility for health and safety, the TA will advise the Contractor at any time if an unsafe condition or practice is observed. The Contractor must advise the TA of proposed corrective measures within one (1) working day for observations the TA deems serious, and within five (5) working days for observations deemed minor. The Contractor and TA must undertake a joint inspection and review of the Contractor's safety program and condition of the facility with respect to safety at least yearly. All observations and corrective actions taken must be recorded.

### **39. Environmental Protection Services**

- 39.1. The Contractor must manage NETE in an environmentally responsible manner, and must exercise due diligence in the conduct of the Work to anticipate and prevent environmental damage. The Contractor must conduct the Work in line with references D to G. The Contractor must comply with any applicable legislation respecting the environment, and must ensure that employees and sub-contractors are aware of, and comply with, these regulations in the conduct of the Work.
- 39.2. The Contractor must maintain at NETE the Environmental Management System (EMS) registered with the ISO 14001:2015 standard.
- 39.3. The Contractor must produce an annual report on the performance and status of the Environmental Management System and on progress towards meeting SDS targets and objectives. The annual report is to be submitted jointly with the yearly Management Plan. Where, in the opinion of DND, an activity of high environmental risk is to be undertaken by the Contractor, the Contractor may be required to produce reports on a more frequent basis.
- 39.4. DND may, at any time, conduct environmental management audits at the NETE Facility, and any other areas which may be placed under the management of the Contractor as part of this Contract. The Contractor must respond to audit findings and implement corrective actions required by DND in a timely manner. Notwithstanding the Contractor's responsibilities, DND reserves the right to enter onto the NETE premises, or other areas designated by this Contract to be under the management of the Contractor, and without limitation, carry out soil, water, air, or other environmental tests, measurements, and sampling.

- 39.5. Whenever operations undertaken at the facility involve the handling of significant quantities of fuel or lubricants, the Contractor must ensure that the capability exists to detect, respond, contain, and clean-up any spills prior to their occurrence. Personnel involved in such activities are to be sufficiently trained to deal with spills and are to be aware of all pertinent regulations for handling fuel and lubricants. Should a spill occur, the Contractor must take all necessary measures to properly contain and cleanup any spill. The Contractor must ensure reports are made to the TA or other appropriate authorities, i.e. federal or provincial regulator.
- 39.6. Where operations are undertaken by the Contractor in the performance of the Work that require environmental screening or assessment in accordance with reference F (Canadian Environmental Assessment Act), the Contractor must ensure that these are conducted and documented, and subsequently approved by appropriate DND authority in accordance with applicable legislation and policy.
- 39.7. DND will be responsible for any corrective measures required with respect to a written notice, direction, or order from a regulatory authority related to substance present on the property prior to the Contract Effective Date. The Contractor will be responsible for any corrective action required with respect to a written notice, direction, or order from a regulatory authority related to substance that has been added to the property subsequent to the Contract Effective Date.
- 39.8. Should changes in environmental legislation or policy occur during the period of the Contract, which require modification or upgrade of the facility or equipment, the Contractor must prepare a Facility Upgrade (MD) task to identify the scope, cost, and schedule associated with the required upgrades for review and approval by DND.
- 39.9. The Contractor must provide immediate verbal notification, and as soon as practicable, provide written notice to DND of any occurrence, which constitutes a contravention or non-compliance with environmental regulations. In the event of a contravention or non-compliance, or if an occurrence or event may significantly adversely affect the value of the property, the Contractor must, as soon as practicable take action to rectify such conditions. DND may also make inquiries to any Government Agency with respect to the Contractor's compliance with applicable Environmental Laws.

#### **40. Fire Protection Services**

- 40.1 The Contractor must be responsible to protect the facility from fire hazards and in the event of fire, must take appropriate action to safeguard the facility, assets, and personnel. The Contractor must implement a comprehensive fire safety programme for the NETE facility, and must ensure that all Contractor personnel employed at the NETE site(s) are aware of measures necessary to prevent and respond to fire. The Contractor must comply with applicable orders and directives issued by the Canadian Forces Fire Marshall applicable to NETE, including reference H (DAOD 4007 - Fire Protection Services), and must submit all reports and returns required by such orders to the TA.

## 41. Quality Management System

- 41.1. NETE is currently registered as meeting the ISO 9001:2015 standard. The Contractor must comply with the requirements of ISO 9001:2015, or any subsequent edition as may be published by the International Organization for Standardization, in the performance of the Work, and must ensure that the NETE facility, and any other DND owned-work sites placed under the supervision of the Contractor as part of this Contract, maintains ISO 9001 registration throughout the duration of the Contract. Documentation related to the quality system must remain the property of DND. DND reserves the right to conduct independent audits of the Quality Management System at NETE. The Contractor must be given reasonable notice prior to any such audit.
- 41.2. DND will expect that any costs of registering or maintaining the registration of the NETE Facility to the ISO 9001:2015 and the ISO 14001:2015 standards will be borne in the firm price of Work Element 3.

## 42. Business & Planning Processes

- 42.1. The Contractor must submit a yearly Management Plan to the TA and to the CA no later than 31 January of each year, covering the period of the following fiscal year. The purpose of this plan is to allow Canada to approve the proposed activities, accurately budget for the following fiscal year, and assist in the development of workload projections for the following fiscal year. This Management Plan must detail:
- 42.1.1. a Maintenance and Support Plan, which outlines the objectives, scope, and budget for each proposed maintenance task as described in Section 3;
- 42.1.2. a Facility/Asset Upgrade Plan, which outlines the objectives, scope, and budget for all tasks proposed by the Contractor to upgrade or modify the facility or equipment during the following fiscal year. The plan must also provide an overview of any long-term (5 year) plans for facility upgrades;
- 42.1.3. a Capital Acquisition List outlining the projected cost of capital equipment purchases proposed for the following year, cross-referenced to the task which will fund these acquisitions;
- 42.1.4 a General Management Plan which outlines:
- 42.1.4.1 a breakdown by labour category of the number of hours (and other costs) of T&E work currently scheduled for the next fiscal year, as well as the total hours of work projected and available for the next year;
- 42.1.4.2 action being undertaken to correct any deficiencies noted as a result of yearly inspections and or progress review meeting actions; and
- 42.1.4.3 any management concerns or issues; and
- 42.1.4.4 a Risk Management Plan, which identifies how the contractor will apply the Continuous Risk Management methodology for the services rendered, including the management of: risk identification, risk information analysis, risk response

planning, risk control and how the contractor will communicate the information to Canada.

- 42.2. TA/CA will review the plan and respond to the Contractor in writing by March, followed by meetings or negotiations as necessary to reach agreement on the Management Plan.
- 42.3. Once the Management Plan is approved, the Contractor must submit a report no later than 30 calendar days after the end of each fiscal year quarter on the status of activities approved by the Management Plan, and update cost and schedule information as necessary to allow Canada to budget effectively.

### **43. Task Administration and Conduct**

- 43.1. All NETE tasks performed under this Contract are to be administered in accordance with this section and are to utilize the Task Authorization form DND 626. Forms and reports used in the process must be substantially similar to those contained in reference J (Sample NETE Letter Report). However, where there is a conflict between reference J and this section, this section must take precedence. None of the labour categories in the contract may charge for any administrative, archiving or disposition work on a Task.
- 43.2. The Contractor must produce and maintain current, in both hard copy and electronic versions, a "User Guide for Tasks at the Naval Engineering Test Establishment" in a similar format to reference I. This guide is intended for the benefit of PMs, and must describe task administration procedures, forms used and an explanation of their use, and all reports provided with respect to task administration. This guide must be approved by the TA prior to release.

#### **43.3. Task Structure / Nomenclature**

- 43.3.1. All NETE tasks are to be identified for the purposes of reporting and administration. Each task must be associated with a unique alphanumeric identifier. This identifier must have the form XX0000-A, where:
  - 43.3.1.1 'XX' is a two letter prefix denoting the purpose and customer for whom the task is performed;
  - 43.3.1.2 '0000' is a four digit number to be issued sequentially as tasks are issued under the Contract; and
  - 43.3.1.3 'A' is a single letter indicating the type of task performed for the customer (Regular or Standing).
- 43.4. Categorization of tasks must be as follows:
  - 43.4.1. Tasks performed on behalf of PMs reporting to DGMEPM and funded with National Procurement funds must carry the prefix 'IT';
  - 43.4.2. Tasks performed on behalf of PMs reporting to DGMEPM and funded with other than National Procurement funds, and tasks performed on behalf of PMs in all other DND/CF organizations must carry the prefix 'ZT';

43.4.3. Tasks described in the Maintenance and Support Plan must carry the prefix 'MP'; and

43.4.4. Tasks described in the Facility Upgrade Plan must carry the prefix 'MD';

43.4.5. Commercial Tasks is work for all Government Departments and private sector clients, with the exception of DND. Commercial tasks must carry the prefix 'XT' and will require the approval of the TA before work for commercial tasks can start. For commercial tasks the Contractor must not charge rates that are less than those identified in Annex "X", Basis of Payment. Commercial Tasks must not place Canada in an increased risk situation.

43.5. There are to be two general types of task. These are:

43.5.1. "Regular" (R) tasks, which have a defined time-phased scope, finite schedule, deliverable(s), and cost; and

43.5.2. "Standing" (S) tasks, which represent activity recurring on a yearly basis. For these tasks, the scope is not determined completely at the task start, but instead the PM establishes a yearly budget and activity under the task is defined and conducted as required throughout the year. This type of task is normally associated with requirements, which have a limited cost, where activity is repetitive but the quantity cannot be predicted in advance, or where flexibility or the need to respond at short notice is required.

#### 43.6. **IT/ZT/MD Task Preparation and Approval**

43.6.1. For IT, ZT and MD tasks, the PM will forward the Task to the TA and a copy to the CA. The Task will identify the scope, objectives, requirements and deliverables expected by the PM in sufficient detail to define the requirement and to enable the Contractor to establish either a firm price, ceiling price or not-to-exceed price for the Task. The Contractor will then prepare a plan for the conduct of the task, using the standard Task Description form which will identify:

43.6.1.1 the scope of work to be performed and a description of all deliverables, and identify who is responsible for shipping, customs and including the FOB Point.;

43.6.1.2 the type of task (Regular/Standing), the Security Classification required for work relating to the task, the financial coding, and the Class, Activity, and Cost Centre identified by the PM;

43.6.1.3 a proposed schedule, identifying delivery dates of all deliverables, intermediate decision/review points and other relevant milestones;

43.6.1.4 an estimate of the total cost of the project, broken down by fiscal year in which the cost will be incurred by DND. The cost estimate must separately identify:

- (1) The number of hours of labour to be applied in each labour category;
- (2) the cost of all materials required by the task. The Contractor must identify the quantities and nature of all materiel to be purchased under the task;

- (3) the cost of all subcontracts (including the associated mark-up) to be let under the task;
  - (4) any travel and/or training directly related to the task; and,
  - (5) any capital equipment required by the task.
  - (6) the task type as being Firm, Ceiling or Not-to-Exceed (NTE).
- 43.6.1.5 all Government Furnished Information or Equipment / Government Supplied Material which is (are) required for the conduct of the task and is to be supplied to the Contractor by the PM, along with the dates such is required; and
- 43.6.1.6 other special instructions such as security, site access requirements, non-standard report distribution, equipment/material disposal instructions, etc.
- 43.7. Once the Task Description is completed, the Contractor must submit a draft copy to the PM who must review the task and detail any required changes to scope or schedule. Once both parties are satisfied with the draft, the Contractor must issue the task with a task number as previously described in this Article 43. All tasks must then be submitted to the TA, who must process the task through the Requisition Authority (RA) for final approval. Any Work performed prior to receiving the work authorization from the CA or RA, as the case maybe, must be at the Contractor's risk.
- 43.8. The prices quoted in the Task Description must be valid for a period of thirty (30) days. In the event task approval requires a longer period, the Contractor may cause the task to be resubmitted with a revised price. The task schedule must be based on the date DND approves the task.
- 43.9. Standing/MP Tasks. Standing Tasks are approved on a fiscal year basis. They fall into one of three sub-categories:
- 43.9.1. Repetitive Activity. This type of task includes activities where the work scope is defined, but the schedule and level of activity cannot be accurately predicted. An example is pump testing where the number of pumps to be tested each year is variable. In this case, the budget for the task is established at the start of the FY, and work is authorized as necessary throughout the year. There is no restriction on the cost of an individual element to be authorized under this type of standing task, as long as the total task budget is not exceeded without Canada's approval;
  - 43.9.2. General Support. This type of task includes activities where the work is of a general nature and is not definable in advance in terms of scope, cost, or schedule. An example is provision of advice or expertise on an ad-hoc basis. In this case, the budget for the task is not restricted, but the maximum cost, which can be authorized for expenditure at any one time, is \$(*TBD*). This \$(*TBD*) limit may be altered at Canada's discretion; and
  - 43.9.3. Maintenance Tasks (MP tasks). MP tasks are by definition standing tasks. Their scope and budget are defined in the yearly Maintenance Plan and work is conducted in accordance with Section 3 of the SOW.
- 43.10. All cost elements applicable to regular tasks are applicable to standing tasks.

### **43.11 Task Conduct and Control of Revisions**

- 43.11.1 Once the task has been properly approved and authority to commence work has been given by the TA, the Contractor must carry out the task as described in the Task Description. Any subsequent changes to the scope, approved budget or schedule of the task must be processed in accordance with the provisions of this section.
- 43.11.2 The Contractor must submit periodic progress reports on all currently approved tasks. These reports are to be solely for the purpose of information, and are not to be a substitute for proper authorization of changes to task scope, cost or schedule. These reports are described in the Performance Measurement Section.
- 43.11.3 If the PM requests a change in scope to an approved task, or if DND activities not originally accounted for in the approved task description require a change in task budget or schedule (e.g. a delay in the provision of GFE, etc.), the revision must be processed using a standard Task Change Request form. The Task Change Request applies to changes as a result of DND direction or activities only and is not used to request additional funds or changes to the task schedule.
- 43.11.4. After the revised task scope has been discussed with the Contractor by the PM, the Contractor will submit a draft Task Change Request to the PM. The draft Task Change Request must detail the revised scope and present the revised cost and schedule estimate for the task. When the PM is in agreement with the change request, the Contractor will submit the Task Change Request to the TA who must review the task and issue the approval of the Task Change Request through the RA. The revised task work must then be allowed to commence.
- 43.11.5 Authorization to exceed the task budget must not change the budget established by the Task Description, or latest Task Change Request, for the purposes of performance measurement.

### **43.12 Deliverable Acceptance / Task Completion**

- 43.12.1. All deliverables are to be submitted in accordance with the schedule stated in the latest Task Description/Task Change request. Written reports and documents to be delivered must be submitted in the format described in this section. All deliverables must be submitted to the TA for subsequent acceptance by the PM. The TA must record the submission of the deliverable against the task and forward the deliverable to the PM. Prior to forwarding the deliverable, the PM may request changes to format or proposed distribution of the deliverable, but the technical content of the deliverable remains the responsibility of the Contractor.
- 43.12.2 From the date of submission to the TA, the PM has 30 working days to accept the deliverable. After 30 days, the deliverable must implicitly be considered accepted. If the PM believes the deliverable does not meet the requirements stated in the task description or requires corrections due to errors in the deliverable, the PM must request the Contractor (through the TA) to make the necessary changes to the deliverable at no cost to DND.

- 43.12.3 The Contractor must commence the task closure process when all task requirements are met and all deliverables are accepted. Tasks may be closed at any time at the request of the PM.
- 43.12.4 The Task Closure form must detail a history of task revisions, the actual cost of work performed (broken down by labour, material, subcontracts, travel, and capital), a list of all submitted deliverables, and the disposition of any GSM/GFI, which was provided to the Contractor. The task closure form must be submitted to the TA, for processing as required. Once the Contractor officially receives the processed Task Closure the task is closed and no further cost may be charged to the task.
- 43.12.5 Within five (5) working days from the completion of each IT/ZT task, or in February for Standing and Regular Tasks covering more than one fiscal year, the Contractor must provide each PM with a copy of a Customer Satisfaction Survey form for completion by them. This survey form will provide the customer with the opportunity to provide feedback on the overall quality of, and satisfaction with, the work. Customer survey data should be obtained in numerical form, but space must be provided for written feedback. The Contractor must advise the TA of all uncompleted questionnaires, who must bring the matter to the attention of appropriate DND authorities. The Contractor must provide the TA with a copy of all completed surveys.
- 43.12.6 The original copy of all task forms must be kept on a central file by the Contractor at the NETE facility. This file must be retained for the duration of the Contract, unless written authorization is obtained through the TA to dispose of the file.

#### **44 Documentation and Language Requirements**

- 44.1 All deliverables submitted under the Contract must conform to a standard format, must have a high standard of presentation, and be as free as possible of grammatical and typographical errors. Unless otherwise directed by the PM, a final report must be produced for each T&E task, which is substantially similar in format and content to the sample provided at reference J.
- 44.2 Once a final report has been accepted by the PM, the Contractor must distribute the report. A standard list of the various DND, and other agencies, to which the report is to be distributed is to be agreed with the TA. Responsibility to ensure that classified, sensitive, or proprietary information is not distributed improperly must rest with the Contractor. All reports and deliverables must bear the appropriate security classification and clearly display any caveats required to safeguard the information.
- 44.3 The Contractor must maintain at NETE a library of all reports and deliverable documents, which have been submitted as part of the Contract. An electronic record must be kept of all documents contained in the library. Documents contained in the library must be able to be retrieved, reproduced, and distributed as requested by DND.

#### **44.4 Electronic Copies**

- 44.4.1 All documents submitted as part of approved tasks are to be submitted in soft copy for acceptance. All documents are to be available in electronic format in which they were originally submitted to DND. Once submitted, documents in electronic format will not be

updated to keep pace with subsequent changes in the office automation suite employed by DGMEPM, unless specifically directed to do so.

#### **44.5 Language of Production / Distribution**

- 44.5.1 The Contractor must, if requested by the PM, submit deliverables in either, or both, official language of Canada. Determination of the language requirement for deliverables is the responsibility of the PM and any language requirements are to be stated in the Task Description. Costs associated with translation must be assigned to the task. Documents must be retained in the NETE library in the language of creation.

#### **45 Report of Proceedings**

- 45.1 The Contractor must produce a semi-annual "Report of Proceedings" in similar format to reference K. The report must provide an overview of the total spectrum of activities at NETE. It must contain a synopsis of the principal highlights of the period covered and a descriptive summary of T&E tasks completed. It must include a listing of the technical publications issued, new tasks assigned during the period, and all active tasks. The Report of Proceedings must not contain classified, commercially sensitive, or proprietary information.
- 45.2 The Report of Proceedings must cover the first six months and last six months of each fiscal year and must be submitted to the TA no later than 30 November and 30 May of each year in a final bilingual format. Once accepted, the report must be distributed in both official languages to addressees to be agreed with the TA. Costs of producing this report are to be borne in the firm price of Work Element 3.

#### **46 Performance Measurement**

- 46.1 The Contractor must measure and report the performance of all tasks, and other selected Contract requirements. The objectives of performance measurement are:
- 46.1.1. to provide DND with data to assess the global performance of the Contractor over the course of the Contract;
- 46.1.2. to provide individual PM with information relating to their tasks at NETE so that they may budget and forecast DND resources as required, and take corrective action where necessary; and
- 46.1.3. to provide DND with an estimate of NETE resource availability.
- 46.2 The measures used to indicate performance must comprise:
- 46.2.1 Satisfactory completion of each task as demonstrated by the acceptance of the deliverables or other task requirements by DND;
- 46.2.2 Measurement of the actual versus planned completion date for the task as stated in the Task Description or latest Task Change Request; and

46.2.3 Measurement of the actual versus the estimated total cost for the task as stated in the Task Description or latest Task Change Request.

46.3 The Contractor must propose, for DND's acceptance, specific indicators related to each measure shortly after assuming responsibility for operation of the facility. For example, schedule variances may be expressed in terms of a dollar equivalent or time, as is appropriate to the performance measurement system adopted by the Contractor. However, the reference in all cases will be the scope, cost, and schedule expressed in the approved Task Description or in the latest approved Task Change Request (TCR) authorized for inclusion in the performance calculation, by the TA. All cost data used by the Performance Measurement System must be consistent with costs invoiced to Canada for payment.

#### **46.4 Global Performance**

46.4.1 The performance of the task at the time of closure as indicated on the Task Closure form must be recorded for each approved task. No later than 30 May after the completion of every fiscal year the Contractor must submit a Contract Performance Data Submission to the TA and CA, which compiles the data for all tasks completed since the last report. The report may also contain any information the Contractor believes necessary to elaborate on the performance of tasks. Data contained in the report must be used to award the Performance Incentive Fee applicable to Work Element 1 and Work Element 2.

#### **46.5 Individual Task Reporting**

46.5.1 The Contractor must be able to report to PM on the performance of all active tasks against the task plan submitted in the Task Description. The performance measurement data must provide PMs with the task progress to date and a realistic indication of the projected completion date and the cost at completion.

46.6 The reports required are:

46.6.1. Task Budget and Status Report: For each individual task, a monthly status report is to be submitted to the PM. This report must detail the progress made on the task to date, actual costs as invoiced on the latest progress claim, and the projected cost and schedule at completion of the task with any explanations of variances from that originally stated in the Task Description. The report must indicate estimated expenditures by fiscal year. The report must be submitted monthly until completion of the task and must be distributed to the PM. If requested, a copy of the report must be made available to the TA.

46.6.2 Contract Budget and Status Report: Concurrent with the submission of the monthly progress claim, the Contractor must submit a report summarizing the status of all active tasks under the Contract. This report must detail the task number, description, the current authorized budget and completion date, the current projected budget and completion date, and the amount expended to date.

## **46.7 Resource / Workload Information**

46.7.1 When requested by Canada, the Contractor must also be able to provide estimates of resource availability. These estimates must detail the number of person hours available to conduct T&E work in relation to the Minimum Guaranteed Throughput, and in relation to the number of hours committed against approved projects. Resource availability must be broken down in sufficient detail to allow DND to assign work in the proper disciplines.

## **46.8 Software Enabler**

46.8.1 The Contractor must use the Cost/Schedule Performance Measurement Standard (C/SPMS) as a management information system. This application was tailored to NETE's environment and is described at reference L.

46.9 Where the terminology or the requirements expressed in the SOW conflicts with the current C/SPMS software application, the SOW must take precedence. The Contractor must ensure that all forms and reports are consistent with the SOW. The Contractor must prepare a MD task to modify the application currently in use at NETE to reflect the requirements of the SOW. Once this task has been completed, maintenance or modifications to the Performance Measurement System must be carried out under this Work Element.

## **47 Management Team Qualifications**

47.1 The Contractor must have resources meeting the following requirements to perform Work under this Section.

### **47.2 Site Manager**

47.2.1 The Contractor must have a Site Manager with the following experience:

47.2.1.1 have at least two (2) years' experience in a managerial capacity applicable to a technical organization of similar size and complexity as NETE;

47.2.1.2 have at least five (5) years' experience with project management; and

47.2.1.3 have at least (3) years' experience with the DND/CF organization.

### **47.3 Quality System Manager**

47.3.1 The Contractor must have a Quality System Manager that will be responsible for the Quality System to ensure that NETE maintains its ISO 9001:2015 certification. The Quality System Manager must have previously been responsible for the implementation and operation of a Quality Management System to the ISO 9001:2015 standard or recognized equivalent for a two-year period.

### **47.4 Facility Manager**

47.4.1 The Contractor must have a Facility Manager responsible for the maintenance and support of facility and immovable assets. The Facility Manager must have three (3)

years of experience in the management and supervision of facility maintenance and support activities of similar size to that of NETE.

**47.5 Health and Safety / Hazardous Material / Environmental Specialist(s)**

47.5.1 The Contractor must have a resource(s), responsible for management of the health and safety, hazardous material and environmental programs at NETE. Must have at least two (2) years of experience with the management of these activities in organizations whose operations pose similar risks to health, safety, and the environment as that of NETE.

**47.6 Section Head Managers**

47.6.1 The Contractor must have the following Section Head Managers employed in a supervisory capacity:

47.6.1.1 Marine Systems Section Head Manager qualified as a Naval Systems Specialist or as a Senior Engineer;

47.6.1.2 Combat Systems Section Head Manager qualified as a Senior Engineer or as a Naval Systems Specialist;

47.6.1.3 Information & Communication Systems Manager qualified as a Senior Engineer or a Senior Software Specialist.

47.7 The Work Element 3 includes, as a minimum, the following resources: Site Manager, Quality System Manager, Facility Manager, Health and Safety/Hazardous Material/Environmental Specialist(s), the three Section Head Managers and any additional support resources the Contractor deems necessary. As per SOW article XX, these resources must not charge any of their time to Work Elements 1 or 2, their efforts must be covered under Work Element 3.

## SOW – Appendix I

### Technical Authority – Duties and Responsibilities and Contractor Support to DND Personnel on-site

#### 1. Technical Authority

1.1 DND must advise the Contractor of the name of the person designated as the TA for this Contract. The TA must, in addition to those functions stated elsewhere in the Statement of Work, have the following duties and authority:

- A. inspection for compliance by the Contractor with the terms and conditions of the Contract. In the performance of this duty the TA must have the right and means of access to any and all parts of the establishment without prior notification of the Contractor;
- B. administration of tasks on behalf of DND, including verification that these tasks conform to NETE's authorized role;
- C. certification of the Contractor's claims to progress payments in accordance with the stipulations of the Contract;
- D. establishment and negotiation of priorities of tasks and acceptance of adjustments to their deadlines by the Contractor, in only those cases where conflicts arise as a result of DND requirements;
- E. verification of progress reports prior to forwarding to higher DND authority;
- F. inspection and acceptance of deliverable documentation format and quality; and
- G. liaison with other DND agencies as required to co-ordinate visits to NETE by DND personnel, or visits by Contractor personnel to other DND establishments.

1.2 The TA must have the right to inspect or access any documentation passed to, or generated by, the Contractor in the performance of the Work (providing the TA possesses the necessary security clearance). Work that is proprietary or commercially sensitive to the Contractor must be kept separately from other NETE related information, and is not subject to inspection.

#### 2. Contractor Support to the Technical Authority

2.1 The office located on the third floor, south west corner, of the NETE office complex, complete with furnishings, must be reserved for the TA, or any alternate location that is acceptable to the TA. The TA must also be provided with telephone access, computer equipment and software applications equivalent to those used by NETE management personnel.

2.2 The Contractor must provide the TA with office supplies and other items normally required in the conduct of the Work. The TA must have access to the Contractor's clerical support for completion, distribution, filing, and archiving of DND correspondence related to the

performance of the Work. Costs associated with provision of support to the TA must be accounted for in Work Element 3.

### **3. Contractor Support to Other DND / CF Personnel**

3.1 At DND's discretion, additional DND/CF personnel may be located temporarily or permanently at the LaSalle facility. The TA must provide the Contractor with the names and security clearances of those personnel requiring access to the facility. Workspaces, furnishing, telephones and computer equipment as are available may be used by these personnel.

3.2 The Contractor is to provide any additional support or supplies requested by DND to support these personnel. The cost of this support must be funded through a separate 'MD' task administered in accordance with Section 4.

3.3 The presence of additional DND/CF personnel must not alter the Contractor's responsibilities or obligations under the Contract.

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## SOW – Appendix 2

### Reports – Summary of Report

#### Summary of Reports Required by the SOW

<b>Report Type / Name</b>	<b>Frequency / Submission Date</b>	<b>SOW Reference</b>
Quarterly Inventory Report	3/year. Reports to be submitted no later than 30 July, 30 October and 30 January.	Section 3, par. 31.4.4
Annual Inventory Report	Annual: Report to be submitted no later than 30 April for previous fiscal year.	Section 3, par. 33.4.4
Hazardous Material Inventory	2/year. Reports to be submitted no later than 15 June and 15 December.	Section 3, par. 32.1
Annual Environmental Management Report	Annual: Report to be submitted with Management Plan.	Section 4, par. 39.3
Fire Safety Reports	As required by DND fire regulations.	Section 4, par. 40.1
Management Plan	Annual: no later than 31 January.	Section 4, par. 42.1
Management Plan Status	4/year. Reports to be submitted no later than 30 April, 30 July, 30 October and 30 January.	Section 4, par. 42.3
Report of Proceedings	2/year. Reports to be submitted no later than 30 November and 30 May.	Section 4, par. 45
Contract Performance Data Submission	Annual: no later than 30 May after fiscal year end.	Section 4, par. 46.4.1
Task Budget and Status Report	Monthly: no later than the 15 <sup>th</sup> of each calendar month.	Section 4, par. 46.6A
Contract Budget and Status Report	Monthly, concurrent with submission of claim.	Section 4, par. 46.6B
Resource Availability Report	As requested by DND.	Section 4, par 46.7

**SOW - Appendix 3**  
**Labour Categories for NETE**

Personnel Category Codes	Labour Categories
<b>TBD</b>	Senior Engineer
	Intermediate Engineer
	Junior Engineer
	Entry Level Engineer
	Technical Specialist
	IT Tester
	Network Administrator
	Senior Software Specialist
	Intermediate Software Specialist
	Advanced IT Security Specialist
	Junior Software Specialist
	Entry Level Software Specialist
	Technician
	Entry Level Technician
	Technologist
	Entry Level Technologist
	Trade Categories
	General Labour
	Naval/Military Systems Specialist
	Senior Applied Science Specialist
	Intermediate Applied Science Specialist
	Junior Applied Science Specialist
	Entry Level Applied Science Specialist
	Advanced Naval Warfare / Military Operations Specialist
	Coop Student

**SOW- Appendix 4**  
**Acronyms (Glossary)**

Acronym	Definition
ADP	Automatic Data Processing
ASTM	American Society of Testing Materials
CA	Contracting Authority
CAF	Canadian Armed Forces
CED	Contract Effective Date
CGSB	Canadian General Standards Board
CFE	Contractor Furnished Equipment
CFM	Contractor Furnished Material
CFSS	Canadian Forces Supply System
C/SPMS	Cost/Schedule Performance Measurement System
DDSAL	Director Disposal, Sales, Artifacts and Loans
DGMEPM	Director-General Maritime Equipment Program Management
DND	Department of National Defence
DRMIS	Defence Resource Management Information Systems
EMS	Environmental Management System
GFE	Government Furnished Equipment
GFI	Government Furnished Information
GFF	Government Furnished Facility
GOCO	Government Owned Contractor Operated
GQA	Government Quality Assurance
GSM	Government Supplied Material
IV&V	Independent Verification & Validation
MGT	Minimum Guaranteed Throughput
NDHQ	National Defence Headquarters
NMC	NETE Management Committee
NETE	Naval Engineering Test Establishment
NMA&S	Naval Material Acquisition and Support
PET	Performance Evaluation Team

PIFB	Performance Incentive Fee Board
RCN	Royal Canadian Navy
RRR	Review and Refine Requirements
SDS	Sustainable Development Strategy
SOW	Statement of Work
SRCL	Security Requirement Check List (SRCL)
TB	Treasury Board
TCR	Task Change Request
T&E	Test & Evaluation

DRAFT

## Annex C - List of proposed Mandatory Criteria

<b>M1 Corporate Experience</b>	
M1.1	Canadian Corporation in accordance with Section 89 of the Canadian Income Tax Act, with a minimum of 10 years operations in Canada.
M1.2	Experience in managing at least one (1) service contract within Canada, valued at \$20M or more within the last (5) years.
M1.3	Core capability, in terms of knowledge, skillsets and procedures, to conduct Test and Evaluation (T&E) and Independent Verification and Validation (IV&V) work on complex equipment.
<b>M3 Quality Standard</b>	
M2.1	Operates a Quality Management System compliant with the most recent ISO standard.
M2.2	Operates an Environmental Management System compliant with the most recent ISO 14001 standard.
<b>M3 Management Team Experience</b>	
M3.1	Site Manager (ref. SOW section 4, par. 47.2)
M3.2	Facilities Manager (ref. SOW section 4, par. 47.4)
M3.3	Quality Manager (ref. SOW section 4 par. 47.3)
M3.4	Marine Systems Manager (ref. SOW section 4 par. 47.6.1.1)
M3.5	Combat Systems Manager (ref. SOW section 4 par. 47.6.1.2)
M3.6	Information and Comms. Systems Manager (ref. SOW par. 47.6.1.3)
<b>M4 Ability to Support NETE Critical Services</b>	
M4.1	Operational Test and Evaluation and Operational Analysis (OPANAL) of Live Weapons Firings.
M4.2	Operate the In Service Support Agency (INSEA) for the SeaSparrow GMVLS.
M4.3	Provide reach back support to deployed shipboard naval information systems.
M4.4	Evaluate and recertify high pressure air cylinders.
M4.5	Provide Recognized Organization Services for Materiel State Validation (MS).
M4.6	Perform high-speed video recording of blast/shock events and missile firings.
M4.7	Perform analysis and security assessments of electronic equipment.
M4.8	Maintain and operate Submarine Escape System Test Cell.
M4.9	Perform essential functions at Canadian Forces Maritime Warfare Center (CFMWC).
<b>M5 Security</b>	
M5.1	Security Requirement Check List (SRCL) to be provided
<b>M6 Insurance</b>	
M6.1	Can be insured in accordance with all the insurance coverage requirements detailed in XX of the RFP

**Note: Details on how the bidders will be required to demonstrate the above listed mandatories will be provided at the draft RFP stage.**

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W8482-217850/C  
Client Ref. No. - N° de réf. du client  
W8482-217850

Amd. No. - N° de la modif.  
File No. - N° du dossier  
027ism.W8482-217850

Buyer ID - Id de l'acheteur  
027ism  
CCC No./N° CCC - FMS No./N° VME

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## ANNEX D – Questions to Industry

### 1. Question related to Independence, Conflict of Interest and Restrictions on Bidding

The clauses set out in Annex A require the Bidder to ensure that, if it is awarded a contract for NETE 3, neither it nor its Bidder Team Members will be in a conflict of interest, whether real or perceived, as a result of work performed under other contracts. In addition, it should be noted that independence is essential for NETE and will be a condition precedent to contract award. As such, Canada will require that the preferred bidder be independent, and may verify such independence, at a predetermined time prior to contract award. What would you consider a reasonable amount of time, if you are determined to be the preferred bidder after bid evaluation, to become independent as per the clause in Annex A?

### 2. Question related to the Request for Information

Do you have any concerns with any other aspects of the information contained in this Letter of Interest (LOI)/Request for Information (RFI) and associated documentation? If so, please provide comments.