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Gatineau, Québec K1A 0S5

Bid Fax: (819) 997-9776

## INVITATION TO TENDER

## APPEL D'OFFRES

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

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

### Soumission aux: Travaux Publics et Services Gouvernementaux Canada

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

### Comments - Commentaires

### Vendor/Firm Name and Address

Raison sociale et adresse du  
fournisseur/de l'entrepreneur

### Issuing Office - Bureau de distribution

Ship Refits and Conversions / Radoubss et  
modifications de navires and / et

11 Laurier St. / 11, rue Laurier

6C2, Place du Portage

Gatineau, Québec K1A 0S5

<b>Title - Sujet</b> CCGS George R. Pearkes - VLE	
<b>Solicitation No. - N° de l'invitation</b> F7049-200083/A	<b>Date</b> 2022-02-17
<b>Client Reference No. - N° de référence du client</b> F7049-200083	<b>GETS Ref. No. - N° de réf. de SEAG</b> PW-\$\$MD-029-28531
<b>File No. - N° de dossier</b> 029md.F7049-200083	<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 Daylight Saving Time EDT <b>on - le 2022-06-07</b> Heure Avancée de l'Est HAE	
<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> Jeddi, Loubna	<b>Buyer Id - Id de l'acheteur</b> 029md
<b>Telephone No. - N° de téléphone</b> (873) 45--383 ( )	<b>FAX No. - N° de FAX</b> (819) -
<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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## PART 1 - GENERAL INFORMATION

### 1.1 Introduction

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

**Part 1** General Information: provides a general description of the requirement;

**Part 2** Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation and states that the Bidder agrees to be bound by the clauses and conditions contained in all parts of the bid solicitation;

**Part 3** Bid Preparation Instructions: provides Bidders with instructions on how to prepare their bid;

**Part 4** Evaluation Procedures and Basis of Selection: indicates how the evaluation will be conducted, the evaluation criteria that must be addressed in the bid, if applicable, and the basis of selection;

**Part 5** Certifications and Additional Information: includes the certifications and additional information to be provided;

**Part 6** Financial and Other Requirements: includes specific requirements that must be addressed by Bidders; and

**Part 7** Resulting Contract Clauses: includes the clauses and conditions that will apply to any resulting contract.

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

### 1.2 Summary

1. The Requirement is:

- a. To carry out the docking, inspection, repair, and maintenance and alterations of the **Canadian Coast Guard Vessel George R. Pearkes** in accordance with Annex "A" – Statement Of Work, and any associated technical information.
  - b. To carry out unscheduled work authorized by the Contracting Authority during the course of the contract.
2. This bid solicitation requires Bidders to use the epost Connect service provided by Canada Post Corporation to transmit their bid electronically. Bidders must refer to Part 2 entitled Bidder Instructions, and Part 3 entitled Bid Preparation Instructions, of the bid solicitation, for further information.
3. The Federal Contractors Program (FCP) for employment equity applies to this procurement; refer to Part 5 – Certifications and Additional Information, Part 7 - Resulting Contract Clauses and the annex C titled Federal Contractors Program for Employment Equity – Bid Certification.
4. As per the Integrity Provisions under section 01 of Standard Instructions 2003, Bidders must provide a list of all owners and/or Directors and other associated information as required. Refer to section 4.21 of the Supply Manual for additional information on the Integrity Provisions..
5. The requirement is exempt from the provisions of the World Trade Organization Agreement on Government Procurement (WTO-AGP), i.e. Shipbuilding and Repair is excluded from coverage at Annex 7, General Notes, 1. (a). The requirement is subject to the Canada Free Trade Agreement (CFTA).
6. The sourcing strategy relating to this procurement will be limited to Canadian suppliers, as permitted by the CFTA. In line with the Shipbuilding, Repair, Refit, and Modernization Policy (2010-08-16) and with the Buy in

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File No. - N° du dossier  
029mdF7049-200083

Buyer ID - Id de l'acheteur  
029md  
CCC No./N° CCC - FMS No./N° VME

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Canada Policy, the VLE work must be carried out at a docking facility located in Eastern Canada (ON, QC, NB, NS, NL, PEI).

### **1.3 Debriefings**

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

## **PART 2 - BIDDER INSTRUCTIONS**

### **2.1 Standard Instructions, Clauses and Conditions**

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual Manual ([Standard Acquisition Clauses and Conditions \(SACC\) Manual - Buyandsell.gc.ca](#)) issued by Public Works and Government Services Canada (PWGSC).

Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The [2003](#) (2020-05-28) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

### **2.2 Submission of Bids**

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

#### **PWGSC Bid Receiving Unit**

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

[tpsgc.dgareceptiondessoumissions-abbidreceiving.pwgsc@tpsgc-pwgsc.gc.ca](mailto:tpsgc.dgareceptiondessoumissions-abbidreceiving.pwgsc@tpsgc-pwgsc.gc.ca)

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

It is the Bidder's responsibility to ensure the request for opening an epost Connect conversation is sent to the email address above at least six (6) days before the solicitation closing date.

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

### **2.3 Enquiries - Bid Solicitation**

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

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

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



## 2.4 Applicable Laws

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

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

## 2.5 Virtual Bidders' Conference (Mandatory)

A mandatory virtual Bidder's conference chaired by the Contracting Authority (CA) will be held on **March 8<sup>th</sup>, 2022** at 10:30:00 AM NT. The scope of the requirement outlined in the solicitation will be reviewed during the conferences and questions will be answered. This conference will also include a vessel visual presentation to give bidder's a more thorough and detailed understanding of the work package. It is a mandatory requirement that all interested bidder's planning to submit a bid must attend this conference. It will be assumed that the Bidders attending the Bidders' Conferences have read the specification included in Annex "A" - Statement of Work, and are prepared for the conference.

Bidders are requested to communicate with the CA before the conference to confirm attendance (i.e. virtual meeting details shall be sent to participants). Bidders should provide by email to [loubna.jeddi@tpsgc-pwgsc.gc.ca](mailto:loubna.jeddi@tpsgc-pwgsc.gc.ca), the names of the person(s) who will be attending and a list of issues they wish to table, no later than **five (5) business days** before the scheduled conferences.

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

## 2.6 Site Visit – Vessel (Optional)

Arrangements have been made for a three (3) day vessel viewing period on **March 2<sup>nd</sup> to 4<sup>th</sup>, 2022** to be held at 280 Southside Road, St John's, NL. Participants must check in at 280 Southside Road, St John's, NL, for COVID-19 screening, prior to being directed to the vessel. Vessel viewings will be organized in scheduled time slots beginning at 9:00 AM Newfoundland and Labrador time, as required. Due to the ongoing changes regarding provincial travel restrictions and the unknown nature of the current Covid-19 pandemic, this will be an optional viewing. However, all interested parties may attend as long as all valid Covid-19 protocol and provincial travel regulations at the time of the viewing are closely followed. A full digital scan of the vessel has been assembled and will be provided to all interested bidder's.

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

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

Visitors shall be required to respect the COVID Protocol held in place by Canadian Coast Guard and complete the COVID-19 Canadian Coast Guard Screening Questionnaire – Atlantic Region (SQ) prior to entering a CCG facility or vessel (Annex "M" – ISSOP-06 COVID-19 Process for Non CCG Personnel Accessing a CCG Facility / Vessel).

In addition to the CCG COVID Screening Protocols, a testing station is currently in place at the CCG Base in St. John's, NL. All visitor's to the CCG base must take a CCG supplied and administered Rapid Test upon arrival. A negative test result must be received prior to gaining access to the South side base and the vessel. A positive test will result in an individual being denied access to the base. They will have to immediately leave the premises and follow all Newfoundland and Labrador provincial isolation and testing requirements.

## **2.7 Vessel Work Period**

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

### **2.7.1 Initial Work Period**

The Initial Work Period of the Contract will start at Contract Award and will have a duration of approximately **five (5) months**. This period will end at the start of the Vessel Work Period, defined in the following section. During this Initial Work Period, Canada is procuring long lead components (as identified in Annex "A" - Statement of Work) to be fitted onboard the CCGS George R. Pearkes during the Vessel Work Period.

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

During this time period, the Contractor will be provided access to the vessel for two (2) days to carry out their own full hazardous assessment of the vessel. This survey must be carried out by a fully certified, accredited, third party testing and abatement organization that must provide a full report based on their findings. This report must be provided to CCG for review and will be compared against the hazardous material assessments in the TDP provided.

### **2.7.2 Vessel Work Period**

Work must commence and be completed as follows:

Commencement: December 05, 2022  
Completion: March 15, 2024

### **2.7.3 Additional Instructions to Work Period**

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

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

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

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

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

## **2.8 Bid Challenge and Recourse Mechanisms**

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

## **PART 3 - BID - PREPARATION INSTRUCTIONS**

### **3.1 Bid Preparation Instructions**

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

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

Section I:	Technical Bid
Section II:	Financial Bid
Section III:	Certifications

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

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

### **Information Required in the Bids**

#### **Section I: Technical Bid**

The Bidder must provide all of the deliverables as referenced in Annex "J1" Deliverables and Certifications.

#### **Section II: Financial Bid**

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

#### **Section III: Certifications**

Bidders must submit the certifications required under Part 5.

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

### **4.1 Evaluation Procedures**

- a. Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical, management and financial evaluation criteria.
- b. An evaluation team composed of representatives of Canada will evaluate the bids.

### **Section I - Technical Bid / Certifications**

Notwithstanding deliverable requirements specified within the bid solicitation and its associated Technical Specification Annex "A" - SOW, mandatory deliverables that must be submitted with the Bidder's bid to be deemed responsive are summarized in Annex J – Deliverables / Certifications – J1 Mandatory Tender Deliverables Check List.

### **Section II - Financial Bid**

In order to be compliant, the Bidder's bid must, to the satisfaction of Canada, meet all requirements and provide all information required under Part 3, Section II - Financial Bid.

### **Section III - Certifications**

Bidders must submit the certifications required under Part 5 – Certifications.

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

#### **4.1.1 Technical Evaluation**

Notwithstanding deliverable requirements specified within the bid solicitation and its associated Technical Specification Annex "A" – Statement of Work, mandatory deliverables that must be submitted with the Bidder's bid to be evaluated as responsive are summarized in Annex "J" – Deliverables / Certifications – "J1" Mandatory Tender Deliverables Checklist.

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

#### **4.1.2 Evaluation Procedures for Proposed Equivalent Products**

- a. If the solicitation states that bidders must propose equipment that is specified by brand name, model and/or part number in order to ensure compatibility, interoperability and/or interchangeability with existing equipment owned by Canada, this Section applies regarding the evaluation of those products.

- b. Products that are equivalent in form, fit, function and quality that are fully compatible, interchangeable, and interoperable with the existing equipment owned by Canada will be considered if the bidder:
- i. clearly designates in its bid the brand name, model and/or part number of the proposed equivalent product;
  - ii. demonstrates in the written bid that the proposed equivalent is fully compatible, interoperates with, and is interchangeable with the item(s) specified in the solicitation;
  - iii. provides complete specifications and descriptive technical documentation for each equivalent item proposed;
  - iv. substantiates the compliance of its proposed equivalent by demonstrating that it meets all mandatory performance criteria that are specified in the solicitation; and
  - v. clearly identifies those areas in the specifications and descriptive technical documentation that demonstrate the equivalence of the proposed equivalent product.
- c. If requested during evaluation, the bidder must submit a sample of any proposed equivalent product to the Contracting Authority for testing.
- d. If requested during evaluation, the bidder must provide a demonstration of its proposed equivalent product.
- e. Proposed equivalent products will be declared non-compliant if:
- i. The bid fails to provide of the proposed equivalent, including additional information requested by the Contracting Authority during the evaluation to supplement the information submitted in the bid (Note: it is the responsibility of the bidder to include all information required to evaluate equivalency as described above; however, all bidders acknowledge that Canada will have the right, but not the obligation, to request any additional information during the evaluation that it requires to make a determination regarding equivalency);
  - ii. The Contracting Authority determines that the proposed equivalent fails to meet or exceed the mandatory requirements specified in the solicitation; or
  - iii. The Contracting Authority determines that the proposed equivalent is not equivalent in form, fit, function or quality to the item(s) specified in the solicitation or that the proposed equivalent is not fully compatible, interoperable and interchangeable with any existing equipment owned by Canada that is specified in the solicitation.

#### **4.1.3 Joint Ventures Experience**

A Bidder may meet the evaluation criteria itself and bid as a corporation or other such single legal entity or may meet the evaluation criteria as a joint venture if the members of the joint venture together meet the evaluation criteria. In either event, the Bidder itself must meet the evaluation criteria. Canada will not accept any bid by a joint venture composed of more than 2 members. Please note the following:

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

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

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

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

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

#### **4.1.4 Joint Venture Substantiation**

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

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

#### **4.1.5 Financial Evaluation**

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

Bidders must include all costs in their bid associated with executing and administering the Contract in accordance with all measures that provincial, municipal and federal governments and public health authorities have instituted to

protect against the threat of the severe acute respiratory syndrome coronavirus which causes the coronavirus disease ("Covid-19"), in addition to any other measures implemented by the shipyard/Bidder, that were in place or required as of the date of bid submission. This includes, but is not limited to: Covid-19 specific cleaning (labour & Material), Personal Protective Equipment (PPE), Covid-19 testing/monitoring, additional equipment, extra labour, shift differentials and any additional administration/planning/project management.

#### **4.1.6      *Unscheduled Work and Price of Evaluation***

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

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

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

Bidders are required to enter their own firm charge out rate for unscheduled work in Annex "H" - Financial Bid Presentation), Sheet H1 Price for Evaluation. However, any bids that include a firm hourly charge out rate lower than \$75/hr will be evaluated as non-compliant.

#### **4.2      *Basis of Selection – Lowest Evaluated Price***

A bid must comply with the requirements of the bid solicitation and meet all mandatory technical evaluation criteria to be declared responsive. The responsive bid with the lowest evaluated price will be recommended for award of a contract.

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



## PART 5 - CERTIFICATIONS

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

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

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

### 5.1 Certifications Required with the Bid

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

#### 5.1.1 *Integrity Provisions - Declaration of Convicted Offences*

In accordance with the Integrity Provisions of the Standard Instructions, all Bidders must provide with their bid, **if applicable**, the Integrity declaration form available on the [Forms for the Integrity Regime website](#), to be given further consideration in the procurement process.

### 5.2 Certifications Precedent to Contract Award

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

#### 5.2.1 *Integrity Provisions – Required Documentation*

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

#### 5.2.2 *Federal Contractors Program for Employment Equity - Bid Certification*

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

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

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

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

### **5.2.3. Status and Availability of Resources**

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

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

The Bidder must also certify that they meet all facility requirements necessary to carry out the work detailed in the Annex A - SOW in the given timeframe provided by Canada. Canada may review the physical on/off-site facilities that the contractor has available and proposes to use in order to perform the required work. The bidder must provide Canada with evidence and specific details regarding their facilities if requested. Failure to comply with the request may result in the bid being declared non-responsive.

## **PART 6 - FINANCIAL AND OTHER REQUIREMENTS**

### **6.1 Financial Capability**

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

### **6.2 Contract Financial Security**

1. In its bid, the Bidder must indicate the following:
  - a. In Annex "H" Financial Bid Preparation, the type of Contract Financial Security the Bidder intends to provide if awarded the Contract in accordance with section 7.13 of the Contract; and
  - b. In Annex "H" Financial Bid Presentation, the cost to the Bidder of the Contract Financial Security, in accordance with section 7.13 of the Contract.
2. If its bid is accepted, the Bidder must provide the Contract Financial Security in accordance with 7.13 within **five (5) Working Days** after the date of contract award.
3. If, for any reason, Canada does not receive, within the specified period, the required Contract Financial Security, Canada may accept another offer, seek new bids, negotiate a contract or not accept any bids, as Canada may deem advisable.

### **6.3 Vessel Transfer Costs**

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

### **6.4 Docking Facility**

At the time of bid closing the Bidder must provide current and valid certification of the capacity and condition of the docking facility to be used for the Work. The certification must be provided by a recognized consultant, professional engineer, or classification society and must have been issued within the past two years.

Before contract award, the successful Bidder may be required to demonstrate, to the satisfaction of Canada, that the certified capacity of the docking facility, including any means or conveyance to remove the vessel from the water, is adequate for the anticipated loading in accordance with the related dry docking plans and other documents detailed in the Contract. The successful Bidder will be notified in writing and will be allowed a reasonable period of time to prepare and provide detailed keel block load distribution sketches and blocking stability considerations, along with the supporting calculations to show the adequacy of the proposed docking arrangement and the ability to comply with the supplied Docking Plan (drawing file 5659-144-001) in way of the section of hull to be removed for this project. If requested, demonstration of this adequacy, i.e. verification of the arrangement must be conducted at the facility prior to award.

Although a dry docking facility may have a total capacity greater than the vessel to be docked, the weight distribution of the vessel may cause individual block loading to be exceeded. Also, while the physical dimensions of a dry docking facility may indicate acceptability for docking of a specific vessel, other limitations such as spacing of rails on a marine railway, the ability of a marine railway to support a large section of the hull and propulsion generators during removal and installation, the spacing from the vessel to the side walls of a floating dry dock, or concrete piers of abutments adjoining the dry dock, may preclude the facility from being considered as a possible dry docking site, and render the bid non-responsive.

Further dry docking limitations are described in Annex "A" – Statement of Work, where the work scope requires access through the hull of both vessel sides. At the time of bid closing the Bidder must provide proof of their ability to accommodate these access points in the ship, with additional space required to move the Propulsion Generator equipment (described in SOW Part C, E-01) and the Cycloconverter equipment (described in SOW Part C, E-02) into the engine room and the cycloconverter room, respectively. The Bidder must be able to demonstrate, by means of drawings and calculations, that sufficient clearance exists in their dry dock to access both sides of the hull simultaneously and that the dry dock has sufficient support to remove/install the section of hull and a propulsion generator, and to support the framing of the hull opening as required in SOW Part C, E-01 (per drawing file 5659-101-002-Model.pdf, Temporary Accessibility Plan for Conversion).

At the time of bid closing, the Bidder must provide proof that they have sufficient crane capacity to lift and handle the tonnage included in Annex "A" – Statement of Work (approximately 75 MT) on site for the duration of the contract, as it relates to specification items (SOW Part C, E-01).

## **6.5 Workers' Compensation - Letter of Good Standing**

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

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

## **6.6 Valid Labour Agreement**

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

## **6.7 Preliminary Work Schedule**

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

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

- a. Commencement of Work as defined at Article 7.3.1
- b. Period to be in Dry-Dock
- c. All priced work items listed in Annex "H" - Appendix 1
- d. Field Service Representative (FSR) Scheduling
- e. Completion of Work as defined at Article 7.3.1
- f. Period of Care & Custody by the shipyard
- g. Dock and Sea Trials Period
- h. Resumption of custody by Canada

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

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

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

#### **6.8 Safety Measures for Fueling and Disembarking Fuel**

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

At bid closing date, the Bidder must provide details of its safety measures for fueling and disembarking fuel together with the name and qualifications of the person in charge of this activity. If this information is not provided with the bid it will render the bid non-responsive.

#### **6.9 ISO 9001:2015 - Quality Management Systems**

The Bidder must have in place a Quality Management System registered to ISO 9001:2015 and must provide, at time of bid closing:

- Valid ISO 9001-2015 certification.

#### **6.10 Health and Safety**

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

#### **6.11 Fire Protection, Fire Fighting and Training Procedures**

The Bidder must submit with its bid objective evidence that it has documented fire protection, fire fighting and training procedures compliant with current regulations and their insurance requirements. The fire protection, fire fighting and training procedures will, once accepted by Canada, form part of the Contract. Please refer to clause 7.27. If this information is not provided with the bid it will render the bid non-responsive.

#### **6.12 Hazardous Waste**

1. A hazardous material report for the vessel has been provided by Canada (included in TDP) with respect to the location and estimated amount of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances.
2. A table has been provided (CCGS Pearkes Hazardous Material Assessment Matrix included in TDP) that summarizes the work areas requiring remediation based on the report. The report provides additional details of the type and extent of the work required.
3. The bid price must include all costs associated with the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic

substances on board the vessel, including those costs resulting from the need to comply with applicable laws and regulations in relation to the removal, handling, disposal or storage of hazardous materials or toxic substances as per the Work set out in the table and the hazardous material report found in Annex "A" - Statement of Work.

4. If awarded a Contract as a result of the bid solicitation, the Contractor will be required to have conducted a separate hazardous material survey for each SOW Work area identified in Annex A – Statement of Work to confirm the information provided in the original hazardous material report. The survey and resulting report must be completed by a firm certified in hazardous materials in the province in which the selected shipyard is located. The cost of the survey must be included in the bid price.
5. The completion date for the Work must take into account the fact that the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances may be affected by the need to comply with applicable federal, provincial and municipal laws or regulations and that this will not be considered to be an excusable delay as set out in the Excusable Delay clause of the General Conditions, which forms part of the resulting Contract.

### **6.13 Insurance Requirements**

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

### **6.14 Welding Certification**

1. Welding must be performed by a welder certified by the Canadian Welding Bureau (CWB) and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
  - a. CSA W47.1- latest edition, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2) including the implementation of the Marine Annex M in the Company's scope of Operations (for example, Marine Operations);
  - b. CSA W47.2-11 – latest edition, Certification for Companies for Fusion Welding of Aluminum (Division Level 1 or 2).

The Bidder must submit with its bid evidence demonstrating its certification by CWB (Letter of Validation) in accordance with the CSA standards. The certification must remain valid for the duration of the contract. If this information is not provided with the bid it will render the bid non-responsive.

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

A list of qualified welders to work on the Contract may be requested prior to the welders working on the project.

### **6.15 Project Management Services**

The Bidder is required to provide a Project Management Team experienced and capable of successfully managing the vessel refit contract as defined herein. Project management personnel, services and deliverables must comply with the requirements detailed in the Contract. Each identified individual's resume (identified in subsections 2 to 5) must be included with the bid and must demonstrate the requirements specified under each subsection.

#### **1. Intent**

- a. Job titles used in this section are for clarity within the ITT only. The Bidder is free to choose job titles that suit its

organization.

- b. The Bidder, through its Project Management Team, is responsible to discharge the duties and supply the deliverables required in the Contract and in Annex "A" – Statement of Work .
- c. Project Management encompasses the direction and control of such functions as engineering, planning, purchasing, manufacturing, assembly, overhauls, installations and test and trials.

## **2. *Project Manager (PM)***

- a. The Bidder must supply an experienced Project Manager (PM).
- b. The PM must have experience in managing a project of this nature (replacement of significant vessel machinery).

The Bidder must identify, at the time of bid closing, the individual whom, if awarded this Contract, it intends to use as the Project Manager for this work. The identified individual must be a different individual than the Propulsion Machinery/Engine Room Integration Manager, Quality Assurance/Inspection and Testing Manager, and the General Vessel Supervisor/Superintendent identified in subsections 3 to 5. The Bidder must demonstrate that:

- 1- The individual has successfully managed a marine dry docking project, with a minimum value of \$4 Million CAD, that involved the installation, integration and commissioning of one (1) Classification Society Approved Mechanical system component (minimum 5 tonne weight) involving input from mechanical, piping, electrical, controls and instrumentation, and structural subject matter experts/trades personnel in addition to standard, regulatory refit work.
- 2- In order to effectively demonstrate this requirement, the bidder must provide suitable supporting documentation including, but not limited to; an overall project scope summary, inspection reports, work acceptance certificates and class approval certifications. The supplied documentation must clearly demonstrate that the referenced project involved the successful dry docking of a marine vessel that involved acquiring Class approval for Ship's Structural Modifications (including a vessel Stability Inclining Experiment by certified professionals) and the development of approved rigging, handling, installation and commissioning procedures.

## **3. *Propulsion Machinery/Engine Room Integration Manager (IM)***

- a. The Bidder must supply an experienced Propulsion Machinery/Engine Room Integration Manager (IM) (reports to the PM).
- b. The IM must have experience in managing a project similar in nature (replacement of significant vessel machinery).

The Bidder must identify, at the time of bid closing, the individual whom, if awarded this Contract, it intends to use as the IM for this work. The individual must be responsible for the successful integration of the new engines and any upgrades or modifications to any associated equipment required for their functionality. The IM's goal must be to attain main bus power functionality by August 1<sup>st</sup>, 2023. The identified individual must be a different individual than the PM, Quality Assurance/Inspection and Testing Manager and the General Vessel Supervisor/Superintendent identified in subsections 2, 4 and 5. The Bidder must demonstrate that:

- 1- The individual has successfully overseen the installation, integration and commissioning of one (1) Classification Society Approved Mechanical system component (minimum 5 tonne weight), involving input from mechanical, piping, electrical, controls and instrumentation, and structural subject matter experts/trades personnel.



- 2- In order to effectively demonstrate this requirement, the bidder must provide suitable supporting documentation including, but not limited to; a work summary, inspection reports, work acceptance certificate and class approval certification. The supplied documentation must clearly demonstrate that the referenced project involved acquiring Class approval for Ship's Structural Modifications (including a vessel Stability Inclining Experiment by certified professionals) and the development of approved rigging, handling, installation and commissioning procedures.

#### **4. *Quality Assurance/Inspection and Testing Manager***

- a. The Bidder must supply an experienced Quality Assurance/Inspection and Testing Manager.

The Bidder must identify, at the time of bid closing, the individual whom, if awarded the contract, it intends to have responsible for facilitating the quality system referenced in section 6.9, including the management of the Inspection and Testing requirements defined in the SOW in Annex A. The identified individual must be a different individual than the Project Manager, IM, and General Vessel Supervisor/Superintendent identified in subsections 2, 3 and 5. This individual's resume must:

1. Demonstrate that the proposed individual has previous experience in organizing, assembling and monitoring the inspection and testing, such that the requirements specified in Annex "G" - Quality Control/Inspection, are adhered to (i.e. actual inspections can be performed by various individuals with appropriate expertise). As per section 6.18, a completed Inspection and Test Plan from a previous project, that was created/managed by the identified individual must be included;
2. Demonstrate that the individual possesses, at a minimum, a 2-year technical program diploma offered by a recognized technical institute or is registered as a technician with a recognized provincial, state, or federal (national) licensing body;
3. Demonstrate that the individual possesses a minimum of five (5) years of demonstrated experience conducting technical inspections on marine vessels or marine platforms within the last ten (10) years; and
4. Include Quality Assurance training related to the ISO quality system (include a copy of the certificate or diploma that demonstrates training for the ISO registered system referenced in section 6.9).

#### **5. *General Vessel Supervisor / Superintendent***

- a. The Bidder must supply a full time experienced Vessel Supervisor/Superintendent, dedicated to the project.
- b. The individual must have experience in supervising a project of this nature (replacement of significant vessel machinery).

The Bidder must identify, at the time of bid closing, the individual whom, if awarded this Contract, it intends to use for the supervision of this work, including ensuring the health, safety and environment. The identified individual must be a different individual than the Project Manager, IM, and the Quality Assurance/Inspection and Testing Manager identified in subsection's 2 to 4. The individual's resume must:

- 1- Demonstrate that the individual has supervised a minimum of three (3) marine refit projects each valued greater than \$2,500,000.00, within the last seven (7) years;
- 2- Demonstrate, in the resume, that the Supervisor has completed a minimum of two (2) marine refit projects, each lasting a minimum of four (4) months, within the last three (3) years; and
- 3- Identify each marine refit project supervised by the proposed individual, by providing, as a minimum, the following information:
  - Project name;



- Project value;
- Project picture(s) and/or description; and
- Project year of delivery.

## **6. Project Management Team**

The collective resumes of the Bidder's Project Management Team must provide for the effective control of the project elements including, but not limited to:

- i. Project Management;
- ii. Quality Control & Quality Assurance;
- iii. Planning and Scheduling;
- iv. Vessel Supervision.
- v. Procurement and supply chain management

### **6.16 List of Proposed Subcontractors**

If the bid includes the use of subcontractors, the Bidder must provide a list of all subcontractors including a description of the things to be purchased, a description of the work to be performed by specification section and the location of the performance of that work. The list should not include the purchase of commercial off-the-shelf items, software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business, or the provision of such incidental services as might ordinarily be subcontracted in performing the Work, i.e. subcontract work valued at less than \$ 25,000.00 aggregate for the project.

### **6.17 Quality Control Plan**

At the time of bid closing, the Bidder must submit to Canada an example of its Quality Control Plan (QCP) as applied on previous projects of the same nature.

### **6.18 Inspection and Test Plan (ITP)**

At the time of bid closing, the Bidder must submit to Canada an example of an Inspection and Test Plan (ITP) completed with requirement and inspection reports as developed on previous projects of the same nature.

### **6.19 Environmental Protection**

At the time of bid closing, the Bidder must submit details of its environmental emergency response plans, waste management procedures and formal environmental training undertaken by its employees.

### **6.20 FSR Confirmation**

1. Canada has a requirement to carry out work that will be performed by other contractors or Field Service Representatives (FSRs) while the vessel is in the shipyard. The attendance of these contractors or FSRs while the vessel is in the shipyard, as mentioned in Annex "A" – Statement of Work, shall be arranged for by the Bidder as and when required, in consultation with the Technical Authority.
2. Bidders must include the following written confirmation with their bid at bid closing:
  - a. That the shipyard will provide the FSR's unrestricted access to the vessel while the vessel is in the care and custody of the shipyard.
  - b. That the shipyard will provide shipyard health/safety and security orientation to the FSR's (if required).

- c. That the shipyard will provide regular daily (or as frequently as required) productions meetings with FSR's to ensure effective communications and contract project management/coordination for on-time (or earlier) completion.
- d. All Shipyard costs for the management of the above items, will form part of the Contractor's Bid.
- e. Written confirmation from all the FSR's listed in 6.20.1, that the FSR's agrees to:
  - i. Subcontract with the shipyard
  - ii. Work with the shipyard for the duration of the Contract.

Contact information for the FSR's is included in Annex : "A" – Statement of Work.

## PART 7 - RESULTING CONTRACT CLAUSES

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

### 7.1 Requirement

The Contractor must:

- a. carry out the Work required on the **CCGS George R. Pearkes**, as detailed in the Requirement and attached as Annex "A"– Statement of Work, which includes docking, inspection, repair, maintenance and alterations.
- b. carry out any unscheduled work authorized by the Contracting Authority during the course of the Contract.

### 7.2 Standard Clauses and Conditions

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

#### 7.2.1 General Conditions

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

2030 (2020-05-28) General Conditions Higher Complexity - Goods are hereby amended as follows:

#### Section 22 Warranty

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

Original cost to Canada of the underwater painting work, divided by 365 days and multiplied by the number of days remaining in the warranty period. The resultant sum would represent the "Dollar Credit" due to Canada from the Contractor.

- b. All other painting work for a period of 365 days commencing from the date of acceptance of the Work;
- c. All other items of work for a period of ninety (90) days commencing from the date of acceptance of the Work, except that:

- i. The warranty on the work related to any system or equipment not immediately placed in continuous use or service will be for a period of ninety (90) days from the date of acceptance of the vessel;
  - ii. for all outstanding defects, deviations, and work items listed on the Acceptance Document at Delivery, the warranty will be ninety (90) days from the subsequent date of acceptance for each item.
3. The Contractor agrees to pass to Canada, and exercise on behalf of Canada, all warranties on the materials supplied or held by the Contractor which exceed the periods indicated above.
4. Refer to Annex "E" – Warranty and its Appendix "1" for Warranty Defect Claim Procedures and forms.

### **7.2.2 Contract Cost Principles**

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

### **7.2.3 Supplemental General Conditions**

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

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

## **7.3 Term of Contract**

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

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

### **7.3.1 Initial Work Period**

1. The Contract Initial Work Period will start at Contract award.
2. During this Initial Work Period, Canada is procuring long lead components (as identified in Annex "A" - Statement of Work) to be fitted onboard the CCGS George R. Pearkes during the Vessel Work Period.
3. Additional preparation activities conducted during the Initial Work Period shall include engineering work necessary to ensure the proper integration of new equipment on the vessel, as well as any preparation work required for the other VLE or refit maintenance described in Annex "A" – Statement of Work.
4. Technical Meetings must take place during this period (refer to Section 7.33).
5. This period will end at the start of the Vessel Work Period.

### **7.3.2 Vessel Work Period**

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

Commence:           Decembre 05, 2022  
Complete:           March 15, 2024

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

## **7.4 Authorities**

### **7.4.1 Contracting Authority**

The Contracting Authority for the Contract is:

Loubna Jeddi  
Department of Public Works and Government Services Canada (PWGSC)  
Marine Sector  
Tel: (873) 455-3835  
E-Mail: [loubna.jeddi@tpsgc-pwgsc.gc.ca](mailto:loubna.jeddi@tpsgc-pwgsc.gc.ca)

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

### **7.4.2 Technical Authority**

The Technical Authority for the Contract is:

Name will be determined at Contract Award

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Cell: \_\_\_\_\_  
E-mail: \_\_\_\_\_

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

### **7.4.3 Inspection Authority**

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

Name will be determined at Contract Award

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Cell: \_\_\_\_\_  
E-mail: \_\_\_\_\_

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

### **7.4.4 Contractor's Representative**

Name will be determined at Contract Award

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Cell: \_\_\_\_\_  
E-mail: \_\_\_\_\_

## **7.5 Payment**

### **7.5.1 Basis of Payment - Firm Price**

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price indicated in the Annex "B" - Basis of Payment for the Known Work. Applicable Taxes are extra, if applicable. Payment for unscheduled work shall be in accordance with Annex "B" - Basis of Payment.

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

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

### **7.5.2 Terms of Payment - Progress Payment**

1. Canada will make progress payments in accordance with the payment provisions of the Contract, no more than once a month, for cost incurred in the performance of the Work, up to 90 percent of the amount claimed and approved by Canada if:
  - a. An accurate and complete claim for payment using form [PWGSC-TPSGC 1111](#), Claim for Progress Payment, and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;

- b. The amount claimed is in accordance with the basis of payment;
  - c. The total amount for all progress payments paid by Canada does not exceed 90 percent of the total amount to be paid under the Contract; and
  - d. All certificates appearing on form [PWGSC-TPSGC 1111](#) have been signed by the respective authorized representatives.
2. The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of all work required under the Contract if the Work has been accepted by Canada and a final claim for the payment is submitted.
  3. Progress payments are interim payments only. Canada may conduct a government audit and interim time and cost verifications and reserves the rights to make adjustments to the Contract from time to time during the performance of the Work. Any overpayment resulting from progress payments or otherwise must be refunded promptly to Canada.

### **7.5.3 Liens - Section 427 of the Bank Act**

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

### **7.5.4 Limitation of Price**

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

### **7.5.5 Time Verification**

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

## **7.6 Invoicing Instructions**

### **7.6.1 Invoices**

1. Invoices are to be made out to:

Canadian Coast Guard Marine Engineering  
[DFO.Invoicing-Facturation.MPO@dfo-mpo.gc.ca](mailto:DFO.Invoicing-Facturation.MPO@dfo-mpo.gc.ca)

Cc: [Diane.Beaudry-Boucher@dfo-mpo.gc.ca](mailto:Diane.Beaudry-Boucher@dfo-mpo.gc.ca)  
Attention of: Diane Beaudry-Boucher

And;

The original invoice to be forwarded for verification to:

Public Works and Government Services Canada  
Marine Systems Directorate  
Ship Refit Division  
Contract Authority  
Attention: Loubna Jeddi  
Email: [loubna.jeddi@tpsgc-pwgsc.gc.ca](mailto:loubna.jeddi@tpsgc-pwgsc.gc.ca)

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

#### **7.6.2 Invoicing Instructions - Progress Claim**

1. The Contractor must submit a claim for payment using form [PWGSC-TPSGC 1111](#), Claim for Progress Payment.

Each claim must show:

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

#### **7.6.3 Electronic Payment of Invoices – Contract**

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

#### **7.6.4 Warranty Holdback**

A warranty holdback of five percent (5%) of the total contract price as last amended (Applicable Taxes excluded) will be applied to the final claim for payment. This holdback will be payable by Canada upon the expiry of the 90 day warranty period(s) applicable to the Work. Applicable Taxes, as appropriate, is to be calculated and paid on the total amount of the claim before the five percent (5%) holdback is applied. At the time that the holdback is released, there will be no Applicable Taxes payable, as it was included in previous payments.

### **7.7 Certifications**

#### **7.7.1 Compliance**

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



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

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

## **7.9 Applicable Laws**

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

## **7.10 Priority of Documents**

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

- a. The Articles of Agreement;
- b. The Supplemental General Conditions 1029, (2018-12-06), Ship Repairs;
- c. The General Conditions 2030, (2020-05-28) , General Conditions - Higher Complexity - Goods
- d. The General Conditions 1031-2, (2012-07-16), Contract Cost Principles (Annex "L");
- e. Annex "A" - Statement of Work (SOW);
- f. Annex "B" - Basis of Payment;
- g. Annex "D" - Insurance Requirements;
- h. Annex "E" - Warranty;
- i. Annex "F" - Procedure for Unscheduled Work;
- j. Annex "G" - Quality Control/Inspection;
- k. Annex "I", Vessel Custody;
- l. Annex "K" - Templates- Templates;
- m. Annex "O" - Questions and Answers (Bidding Period);
- n. The Contractor's bid dated \_\_\_\_\_ (insert date of bid), as amended \_\_\_\_\_ (insert date(s) of amendment(s) if applicable)

## **7.11 Insurance Requirements**

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

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

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

## **7.12 Limitation of Contractor's Liability for Damages to Canada**

1. This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.
2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$10 million per incident or occurrence to an annual aggregate of \$20 million for losses or damages caused in any one year of carrying out the Contract, each year starting on the date of coming into force of the Contract or its anniversary. This limitation of the Contractor's liability does not apply to nor include:
  - a. Any infringement of intellectual property rights;
  - b. Any breach of warranty obligations;
  - c. Any liability of Canada to a third party arising from any act or omission of the Contractor in performing the Contract; or
  - d. Any loss for which the policies of insurance specified in the Contract or any other policies of insurance held by the Contractor would provide insurance coverage.
3. Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim against Canada or the Contractor. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada for that amount.
4. The Parties agree that nothing herein is intended to limit any insurable interest of the Contractor nor to limit the amounts otherwise recoverable under any insurance policy. The Parties agree that to the extent that the insurance coverage required to be maintained by the Contractor under this Contract or any additional insurance coverage maintained by the Contractor, whichever is greater, is more than the limitations of liability described in sub article (2), the limitations provided herein are increased accordingly and the Contractor shall be liable for the higher amount to the full extent of the insurance proceeds recovered.
5. If, at any time, the total cumulative liability of the Contractor for losses or damage suffered by Canada caused by the Contractor's performance of or failure to perform the Contract, excluding liability described under subsection 2(a), (b), (c) and (d) exceeds \$40 million, either Party may terminate the Contract by giving notice in writing to the other Party and neither Party will make any claim against the other for damages, costs, expected profits or any other such loss arising out of the termination. However, no such termination or expiry of the Contract shall reduce or terminate any of the liabilities that have accrued to the effective date of the termination but which liabilities are subject to the limitations as specified in sub-article (1) through (4) above.
6. The date of termination pursuant to this Article, shall be the date specified by Canada in its notice to terminate, or, if the Contractor exercises the right to terminate, in a notice to the Contractor from Canada in response to the Contractor's notice to terminate. The date of termination shall be in Canada's discretion to a maximum of 12 months after service of the original notice to terminate served by either Party pursuant to sub-article 5, above.
7. Nothing shall limit Canada's other remedies, including Canada's right to terminate the Contract for default for breach by the Contractor of any of its obligations under this Contract, notwithstanding that the Contractor may have reached any limitation of its liability hereunder.

## **7.13 Financial Security**

### **7.13.1 Term of Financial Security**

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

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

### **7.13.2 Contract Financial Security**

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

OR

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

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

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

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

5. Canada may convert the security deposit to the use of Canada if any circumstance exists which would entitle Canada to terminate the Contract for default, but any such conversion will not constitute termination of the Contract.

6. When Canada so converts the security deposit:
- a. The proceeds will be used by Canada to complete the Work according to the conditions of the Contract, to the nearest extent that it is feasible to do so and any balance left will be returned to the Contractor on completion of the warranty period; and
  - b. If Canada enters into a contract to have the Work completed, the Contractor will:
    - i. be considered to have irrevocably abandoned the Work; and
    - ii. remain liable for the excess cost of completing the Work if the amount of the security deposit is not sufficient for such purpose. "Excess cost" means any amount over and above the amount of the Contract Price remaining unpaid together with the amount of the security deposit.
7. If Canada does not convert the security deposit to the use of Canada before completion of the contract period, Canada will return the security deposit to the Contractor within a reasonable time after such date.
8. If Canada converts the security deposit for reasons other than bankruptcy, the financial security must be reestablished to the level of the amount stated above so that this amount is continued and available until completion of the contract period.
9. In this Article, "security deposit" means
- a. a bill of exchange that is payable to the Receiver General for Canada and certified by an approved financial institution or drawn by an approved financial institution on itself; or
  - b. a government guaranteed bond; or
  - c. an irrevocable standby letter of credit, or
  - d. such other security as may be considered appropriate by the Contracting Authority and approved by Treasury Board;

"approved financial institution" means

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

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

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

- c. registered in the name of the Receiver General for Canada.

"irrevocable standby letter of credit"

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

#### **7.14 Foreign Nationals (Canadian Contractor)**

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

#### **7.15 Sub-contracts and Sub-contractor List**

The Contracting Authority is to be notified, in writing, of any changes to the list of subcontractors before commencing the Work.

When the Contractor sub-contracts work, a copy of the sub-contract purchase order is to be passed to the Contracting Authority. In addition, the Contractor must monitor progress of sub-contracted work and inform the Inspection Authority on pertinent stages of work to permit inspection when considered necessary by the Inspection Authority.

## 7.16 Work Schedule and Reports

The preliminary work schedule provided with the bid must be revised, detailed and submitted **at least five (5) working days** prior to the Kickoff meeting referred to in section 7.32.

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

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

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

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

During the refit work period, the work schedule is to be reviewed on an ongoing basis by Canada and the Contractor. It must be updated bi-weekly (by noon on a specified weekday agreed upon at the Kickoff meeting) by the Contractor, and submitted by email to the Contracting Authority, Technical Authority and Inspection Authority, in an electronic PDF format.

During the refit work period, the Risk Management Register (template included in Annex K - Templates) must be updated weekly by the Contractor, and submitted by email (along with the updated schedule) to the Contracting Authority, Technical Authority and Inspection Authority.

A Monthly Progress Report template is provided in Annex "K" - Templates. Each section of the report must be completed by the Contractor in order to comply with the requirements identified in the Contract. The Appendices noted in the Monthly Progress Report Template are to be updated at the frequency noted on the template. The Monthly Progress Report must be emailed to the Contracting Authority, Technical Authority and Inspection Authority, along with the latest Appendices, as individual attachments. The Monthly Progress Report and its latest appendices, must be submitted by noon (EST) **three (3) working days** prior to the progress review meeting.

## 7.17 Insulation Materials - Asbestos Free

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

## **7.18 Trade Qualifications**

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

## **7.19 ISO 9001:2015 - Quality Management Systems**

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

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

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

## **7.20 Project Management Services**

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

### **1. Intent**

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

### **2. Project Manager (PM)**

- a. The Contractor must supply an experienced Project Manager (PM) who is a different individual than the Propulsion Machinery/Engine Room Integration Manager (IM), Quality Assurance/Inspection and Testing Manager or the General Vessel Supervisor/Superintendent, identified in articles 3 to 5.
- b. The PM must have experience in managing a project of this nature.

PM Name: \_\_\_\_\_

### **3. Propulsion Machinery/Engine Room Integration Manager**

- a. The Contractor must supply an experienced Propulsion Machinery/Engine Room Integration Manager (IM - reports to the PM).
- b. The IM must have experience in managing a project similar in nature. The individual must be responsible for the successful integration of the new engines and any upgrades or modifications to any associated equipment

required for their functionality. The IM's goal must be to attain main bus power functionality by August 1<sup>st</sup>. The identified individual must be a different individual than the PM, Quality Assurance/Inspection and Testing Manager and the General Vessel Supervisor/Superintendent identified in subsections 2, 4 and 5

IM Name: \_\_\_\_\_

**4. *Quality Assurance/Inspection and Testing Manager***

- a. The Contractor must supply an experienced Quality Assurance/Inspection and Testing Manager who is a different individual than the Project Manager, IM or the Vessel Supervisor/Superintendent, identified in articles 2, 3 and 5.

Quality Assurance/Inspection and Testing Manager position Name: \_\_\_\_\_

**5. *General Vessel Supervisor/Superintendent***

- a. The Contractor must supply an experienced General Vessel Supervisor/Superintendent who is a different individual than the Project Manager, IM, or the Quality Assurance/Inspection and Testing Manager, identified in articles 2 to 4.

General Vessel Supervisor/Superintendent Name: \_\_\_\_\_

**6. *Project Management Team***

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

- i. Project Management
- ii. Quality Assurance
- iii. Planning and Scheduling
- iv. Vessel Supervision
- v. Procurement and supply chain management

**7. *Reports***

The following Management Reports and Documentation are to be prepared and maintained by the Contractor and submitted to Canada in accordance with the Contract or upon request by the Contracting Authority.

- i. Production Work Schedule (as described in Annex "A" - Statement of Work, and clause 7.16) including support schedules (including sub-contractor schedules and work)
- ii. Inspection Test Plan Summary (per Annex "G" – Quality Control/Inspection, 7.22, and per the template in Annex "K" - Templates);
- iii. Growth Work Summary
- iv. Risk Management Register (refer to template in Annex "K" - Templates, to utilize per Annex "A" - Statement of Work)
- v. Drawing register and Document Register (as described in Annex "A" - Statement of Work, and per the template in Annex "K" - Templates)
- vi. Monthly Progress Report (as described in Annex "A" - Statement of Work, and per template in Annex "K" -



Templates)  
vii. Organizational Structure Charts

## **7.21 Quality Control Plan (QCP)**

The Contractor must implement and follow the Quality Control Plan (QCP) prepared according to the latest issue (at contract date) of ISO 10005:2018 Quality management - Guidelines for quality plans, approved by the Inspection and the Technical Authority. The QCP must describe how the Contractor will conform to the specified quality requirements of the Contract and specify how the required quality activities are to be carried out, including quality assurance of subcontractors. The Contractor must include a traceability matrix from the elements of the specified quality requirements to the corresponding paragraphs in the QCP. The QCP must be made available to the Inspection and Technical Authority for review and approval within **five (5) working days** after contract award.

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

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

## **7.22 Inspection and Test Plan**

The Contractor must in support of its Quality Control Plan (QCP), implement an approved Inspection and Test Plan (ITP). The ITP must be made available to the Inspection and Technical Authority for review and approval **one (1) month** prior to the vessel arrival at the shipyard.

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

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

## **7.23 Equipment/Systems: Inspection/Test**

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

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

## **7.24 Environmental Protection**

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

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

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

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

## **7.25 Hazardous Waste**

1. A hazardous material report for the vessel was provided by Canada with respect to the location and estimated amount of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances.
2. If awarded a contract as a result of the bid solicitation, the Contractor will be required to conduct a separate hazardous material survey for each SOW Work area identified in Annex A – SOW to confirm the information provided in the original hazardous material report. The survey and resulting report will be completed by a firm certified in hazardous materials in the province in which the awarded shipyard is located.
3. Further to the survey, the Contractor will submit an updated hazardous material report and cost proposal for the remediation work to the Contracting Authority for review and approval. The Contractor will be paid in accordance with Annex “B” – Basis for payment.
4. Canada will make the vessel available during the Initial Work Period for the Contractor to carry out the survey work prior to vessel arrival at the shipyard. Canada will provide the Contractor a minimum of 28 days notice of vessel availability.
5. Additional costs must take into account the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances on board the vessel, including those costs resulting from the need to comply with applicable laws and regulations in relation to the removal, handling, disposal or storage of hazardous materials or toxic substances.
6. Upon agreement of the added cost and conditions for any additional remediation Work, the Contractor must ensure that persons qualified in the identified materials remediation will be on site and ready to begin this work upon arrival of the vessel at the Contractor's shipyard facilities. All identified hazardous material will be removed by the Contractor at the start of the VLE Vessel Work Period.
7. The contractor must complete all abatement/remediation work (identified in Annex A - SOW and PWGSC form 1379) within 28 days of vessel arrival. Any abatement/remediation work that cannot be conducted in that period due to its location or removals required to complete the abatement/remediation work must be included in the scheduled work in a fashion to not cause a delay to the planned delivery date.
8. The Contractor must certify, on completion of remedial Work, that all hazardous materials have been identified and removed in SOW areas to be worked on.
9. The completion date for the Work takes into account the fact that the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCBs, silica and other hazardous materials or toxic substances may be affected by the need to comply with applicable federal, provincial and municipal laws

or regulations and that this will not be considered to be an excusable delay as set out in the Excusable Delay clause of the General Conditions, which forms part of the resulting Contract.

## **7.26 Supervision of Fueling and Disembarking Fuel**

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

All fueling and disembarking of fuel on the CCGS George R. Pearkes must be done in accordance with the Contractor's submitted and accepted procedures.

## **7.27 Fire Protection, Fire Fighting and Training**

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

## **7.28 Loan of Equipment - Marine**

The Contractor may apply for the loan of the Government special tools and test equipment particular to the subject vessel as identified in the Specifications. The provision of other equipment required for the execution of work in the Specifications is the sole responsibility of the Contractor.

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

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

## **7.29 Welding Certification**

1. The Contractor must ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
  - a. CSA W47.1 - Latest Edition, Certification for Companies for Fusion Welding of Steel (Division Level 1 or 2) including the implementation of the Marine Annex in the Company's scope of Operations (for example, Marine Operations);and
  - b. CSA W47.2 - Latest Edition, Certification for Companies for Fusion Welding of Aluminum (Division Level 1 or 2).
2. In addition, welding must be done in accordance with the requirements of the applicable drawings and specifications.
3. Before the commencement of any fabrication work, and upon request from the Technical Authority, the Contractor must provide approved welding procedures and a list of welding personnel intended to be used in the completion of the work. The list must identify the CWB welding procedure qualifications attained by each of the personnel listed and must be accompanied by a copy of each person's current CWB welding certification.

### 7.30 Procedures for Design Change or Additional Work

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

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

### 7.31 Vessel Unmanned Refits

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

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

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

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

For details please refer to Annex I – Vessel Custody, Appendix 1 – Contractor's Acceptance of Custody Certificate.

For details please refer to Annex I – Vessel Custody, Appendix 2 – Coast Guard Acceptance of return of Certificate.

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

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

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

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

During the time period between Contract Award and the vessel arriving at the contractor's facility, the contractor must conduct regular bi-weekly meetings with CCG and PSPC, either in person or digitally. These meetings must be attended by all members of the PM team and will serve as production and planning review meetings to discuss all pre-planning and work activities with the Contractor. The goal of these meetings are to ensure that all preparatory work and pre-planning, pre-engineering and design activities are complete by the time the vessel arrives at the contractor's facility.

Within one (1) month of Contract award, the successful Contractor must supply CCG with a full Purchase Order (PO) report for review and acceptance. This report must contain supporting evidence that all PO's for long lead items (4 Weeks + delivery or more), CSM equipment/parts and FSR's have been issued. All CSM procurements and FSR attendance must be effectively incorporated into the overall project master schedule along with delivery and installation timelines (refer to Annex A – Statement of Work).

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

An updated and completed ITP (in accordance with Annex G and using the template provided in Annex K) must be submitted **one (1) month** prior the vessel arrival at the shipyard. This will be reviewed by CCG and PSPC and modifications must be made to the document by the contractor as required.

### **7.33 Review Meetings**

#### **7.33.1 Technical Review Meetings**

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

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

#### **7.33.2 Progress Review Meetings**

Progress Review Meetings (PRM), chaired by the Contractor, will take place at the Contractor's facility, as required, but at a minimum, once a month, within three (3) business days of the Monthly Progress Report submission. Interim meetings may also be scheduled. Contractor attendees at these meetings will, at a minimum, be the Contract (Project) Manager, IM, Vessel Supervisor/Superintendent and the Quality Assurance/Inspection and Testing Manager.

The Contractor must send the the Monthly Progress Report referred to in section 7.16 (with the applicable attached appendices), by email to the Contracting Authority, Technical Authority and Inspection Authority. During each PRM, the Contractor must provide a status of the overall contracted project, including programmatic, production, test, Integrated Logistics Support, subcontract(s), risk issues, parts/material management, and progress as it relates to the work schedule, and the associated Work Breakdown Structure. For each PRM, the Contractor must:

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

### **7.34 Outstanding Work and Acceptance**

1. The Inspection Authority (and/or the Technical Authority), in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the work period. This list will form the annexes to the formal acceptance document for the vessel. A contract completion meeting will be convened by the Inspection Authority on the work completion date to review and sign off the form PWGSC-TPSGC1205, Acceptance. In addition to any amount held under the Warranty Holdback Clause, a holdback of twice the estimated value of outstanding work will be held until that work is completed.
2. The Contractor must complete the above form, which will be distributed (by e-mail) by the Inspection Authority as follows:
  - a. one copy to the Contracting Authority;
  - b. one copy to the Technical Authority;
  - c. one copy to the Contractor.

### **7.35 Scrap and Waste Material**

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

### **7.36 Stability**

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

### **7.37 Vessel Access by Canada**

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

### **7.38 Title to Property - Vessel**

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

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

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

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

## **7.39 Workers Compensation**

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

## **7.40 Dispute Resolution**

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

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

## **7.41 Drawings during Design, Manufacturing, Integration and Installation Phase**

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



## **7.42 Care, Custody and Control**

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

## **7.43 Government Supplied Material**

Any item of materiel acquired by the government of Canada and provided on a "free issue" basis to contractors for embodiment in materiel under production or for incorporation into Crown-owned equipment undergoing modification, repair or overhaul.

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

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

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

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

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

## **7.44 Export Licenses**

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

## **7.45 Equivalency of Equipment**

1. The Contractor guarantees that the equipment to be delivered under the Contract is:
  - a. equivalent in form, fit, function and quality to the existing equipment owned by Canada that was described in the bid solicitation that resulted in the Contract; and
  - b. fully compatible, interchangeable and interoperable with the existing equipment owned by Canada.
2. The Contractor also guarantees that any warranties with third parties concerning the existing equipment owned by Canada will not be adversely affected by Canada's use of the equipment delivered under the Contract (for example, by interconnecting the equipment) or by any other services provided by the Contractor under the



Contract. If Canada determines in its sole discretion that any such warranty has been adversely affected, at Canada's sole option, the Contractor must:

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

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

#### **7.46 Travel and Living Expenses - National Joint Council Travel Directive**

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the National Joint Council Travel Directive and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".

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

All payments are subject to government audit.