



# Innovative Solutions Canada Program Call for Proposals – 004

**Date:** June 26, 2024

**Solicitation No.:** EN578-24ISC4

**Closing date:** Please refer to the individual Challenge tender notices on <https://canadabuys.canada.ca/en>.

**Proposal submission details are included in this Call for Proposals document.**

**Issuing Office:**

Public Works and Government Services Canada  
Business, Technology and Innovation Procurement Sector  
Research and Development Procurement Directorate  
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**Table of Contents**

**PART 1 - GENERAL INFORMATION .....5**

1.1 Introduction and Procurement Approach ..... 5

1.2 Innovative Solutions Canada Program Overview..... 5

1.3 Definitions..... 7

1.4 Who Can Submit a Proposal for Challenge Stream Entry ..... 7

1.5 Trade Agreements..... 8

1.6 Canadian Content ..... 11

1.7 Conflict of Interest. .... 11

1.8 Potential Conditions..... 11

1.9 Procurement Strategy for Indigenous Business..... 12

1.10 Attachments..... 12

**PART 2 - Offeror INSTRUCTIONS FOR CHALLENGE STREAM ENTRY .....14**

2.1 Standard Instructions, Clauses and Conditions ..... 14

2.2 Technical Difficulties of Bid Transmission..... 15

2.3 Completeness of the Bid..... 16

2.4 Enquiries – Solicitation Period ..... 16

2.5 Contracting Authority ..... 16

2.6 Applicable Laws..... 17

2.7 Communications Notification ..... 17

2.8 Certifications ..... 17

**PART 3 - PROPOSAL PREPARATION AND SUBMISSION FORM INSTRUCTIONS.....18**

CHALLENGE STREAM ENTRY: ..... 18

3.1 Proposal Submission ..... 18

3.2 Proposal Submission Difficulties ..... 18

3.3 Technical Proposal ..... 19

3.4 Financial Proposal ..... 19

3.5 Certifications and Additional Information ..... 19

ADVANCEMENT OF RESEARCH AND DEVELOPMENT ACTIVITIES: ..... 20

3.6 Document Submission Instructions ..... 20

3.7 Document Submission Difficulties ..... 20

3.8 Financial Submission - Challenge Stream: Advancement to Phase 2 Prototype Development . 20



3.9 Financial Submission - Advancement to Testing Stream: Prototype Testing ..... 21

3.10 Certifications and Additional Information ..... 21

PATHWAY TO COMMERCIALIZATION: ..... 21

3.11 Document Submission Instructions ..... 21

3.12 Document Submission Difficulties ..... 22

**PART 4 - EVALUATION PROCEDURES, BASIS OF SELECTION AND CONTRACT AWARD PROCESS ..... 23**

CHALLENGE STREAM ENTRY: ..... 23

4.1 Evaluation Procedures ..... 23

4.2 Challenge Pool of Pre-Qualified Proposals ..... 24

4.3 Proposal Selection..... 24

4.4 Contract Award Process..... 25

4.5 The Contract Award Process Outline ..... 25

4.6 Contract Award ..... 26

ADVANCEMENT OF RESEARCH AND DEVELOPMENT ACTIVITIES: ..... 26

4.7 Screening Procedures ..... 26

4.8 Contract Award Process Outline ..... 27

PATHWAY TO COMMERCIALIZATION: ..... 29

4.9 Contract Award Process Outline ..... 29

**PART 5 – CHALLENGE STREAM: ADVANCEMENT TO PHASE 2 - PROTOTYPE DEVELOPMENT ..... 30**

5.1 General ..... 30

5.2 Objective..... 30

5.3 Entry Period ..... 30

5.4 Framework..... 30

**PART 6 – ADVANCEMENT TO TESTING STREAM: PROTOTYPE TESTING..... 32**

6.1 General ..... 32

6.2 Objective..... 32

6.3 Entry Period ..... 32

6.4 Framework..... 32

**PART 7 – PATHWAY TO COMMERCIALIZATION..... 34**

7.1 General ..... 34

7.2 Objective ..... 34

7.3 Entry Period ..... 34

7.4 Framework ..... 34



**ATTACHMENT 1 - EVALUATION CRITERIA - CHALLENGE STREAM ENTRY – PHASE 1 .....36**

    Part 1: Phase 1 - Mandatory Criteria ..... 36

    Part 2: Phase 1 - Point-Rated Criteria ..... 41

**ATTACHMENT 2 - EVALUATION CRITERIA - CHALLENGE STREAM ENTRY - PHASE 2 .....47**

    Part 1: Phase 2 - Mandatory Criteria ..... 47

    Part 2: Phase 2 - Point-Rated Criteria ..... 52

**ATTACHMENT 3 – CHALLENGE STREAM: ADVANCEMENT TO PHASE 2 PROTOTYPE DEVELOPMENT  
REQUIRED DOCUMENTS.....58**

**ATTACHMENT 4 – ADVANCEMENT TO TESTING STREAM: PROTOTYPE TESTING - EXAMPLE SUBMISSION  
FORM .....62**

**ATTACHMENT 5 – PATHWAY TO COMMERCIALIZATION ENTRY CRITERIA.....69**

**ATTACHMENT 6 – DRAFT RESULTING CONTRACT CLAUSES .....72**

    ANNEX 1 TO ATTACHMENT 6 – CONTRACT DEFINITIONS ..... 108

    ANNEX 2 TO ATTACHMENT 6 - DRAFT STATEMENT OF WORK (SOW) ..... 113

    ANNEX 3 TO ATTACHMENT 6 - INNOVATIVE SOLUTIONS CANADA FINAL REPORT - PHASE 1  
(PROOF OF FEASIBILITY)..... 117

    ANNEX 4 TO ATTACHMENT 6 - INNOVATIVE SOLUTIONS CANADA FINAL REPORT – PHASE 2 (PROTOTYPE  
DEVELOPMENT) ..... 125

    ANNEX 5 TO ATTACHMENT 6 - BASIS OF PAYMENT ..... 133

**ATTACHMENT 7 – ADDITIONAL CERTIFICATIONS REQUIRED DURING CONTRACT NEGOTIATIONS ..... 135**

**ATTACHMENT 8 – GENERAL DEFINITIONS ..... 142**



## **PART 1 - GENERAL INFORMATION**

### **1.1 Introduction and Procurement Approach**

Public Works and Government Services Canada (PWGSC) is issuing this Call for Proposals (CFP) on behalf of Innovation, Science and Economic Development Canada's (ISED) Innovative Solutions Canada (ISC) program and participating departments, seeking to purchase innovative solutions to address a wide range of challenges facing federal departments and agencies. The purpose of this CFP is to create various pools of potential solutions that Canada may select from to address the challenges. Pools created as a result of Challenge Stream entry can be utilized by any participating department.

This CFP will be published on an ongoing basis for PWGSC to post departments challenges. Details related to each challenge, including entry phase, estimated number of contracts, maximum contract value, contract duration, the specific challenge closing date, and the essential and additional outcomes (if applicable) that the innovation must meet as long as it remains in the challenge stream, will be published under distinct Challenge Notices on the CanadaBuys website, which will form part of this CFP solicitation.

### **1.2 Innovative Solutions Canada Program Overview**

There are three components to the ISC program – the Challenge Stream, the Testing Stream and the Pathway to Commercialization. This CFP addresses entry and advancement through the Challenge Stream whereby solutions may later have the option of exiting the Challenge Stream for advancement into the Testing Stream. It also addresses entry to the Pathway to Commercialization.

The Challenge Stream is designed to support the development of pre-commercial innovations by Small Businesses, with possible progression along a [Technology Readiness \(TRL\) maturity scale](#).

Entry into the Challenge Stream may occur at Phase 1 or at Phase 2, as specified in the individual Challenge Notices. Solutions may progress from entry TRL to a level which can be used by departments to solve the specific Challenge and be used in government operations.

Challenge notices will specify the phases for which proposals can be submitted as set out in section 1.2.1.

#### **1.2.1 Challenge Stream Entry**

##### **1.2.1.1 Entry at Phase 1: Proof of Feasibility**

Offerors with an innovation at TRL 1-4 may apply to enter the program at Phase 1. The objective of Phase 1 is for selected Offerors to conduct research and development (R&D) on their proposed solutions and deliver a proof of feasibility to Canada.

Offerors are encouraged to progress their solutions as far as possible on the TRL scale during Phase 1.

Offerors that demonstrate feasibility of their solution to the satisfaction of the sponsoring department upon completion of Phase 1 may be invited to submit a proposal for the Phase 2 outlined in section 1.2.2.1. Advancement to Phase 2 is not guaranteed. It is at the sole discretion of Canada to proceed with Phase 2.



OR

### **1.2.1.2 Entry at Phase 2: Prototype Development**

Offerors with an innovation at TRL 5-9 may apply to enter directly into Phase 2, if specified in the Challenge Notice. The objective of Phase 2 is to conduct R&D on the proposed solution with the goal of developing, testing and delivering a prototype to Canada addressing the Challenge. Offerors enter into Phase 2 at TRL 5 to 9.

Offerors are encouraged to progress their solutions as far as possible on the TRL scale during Phase 2.

### **1.2.2 Advancement of Research and Development Activities**

#### **1.2.2.1 Invitation to Advance to Phase 2: Prototype Development**

The objective of Phase 2 is to continue the R&D efforts of the proposed solution from Phase 1 with the goal of developing, testing and delivering a prototype to Canada for the selected Challenge.

Small Businesses that have completed their Phase 1 contract and where the innovation remains of interest to Canada may receive an invitation, by way of a request for documentation, to advance to Phase 2 at the sole discretion of Canada. There is no minimum TRL level for a Phase 1 innovation to advance to Phase 2.

Small businesses must still meet the Eligibility Criteria in 1.4 and must provide all documentation outlined in Attachment 3 when requested. A request for documentation does not guarantee that a Phase 2 contract will be awarded.

Small businesses should not have any expectations of being invited to advance to Phase 2. In other words, there is no guarantee of participation in Phase 2. Canada will not provide justifications to small businesses as to why an innovation was not selected to participate in Phase 2.

#### **1.2.2.2 Advancement into Testing Stream: Prototype Testing**

The objective of the Testing Stream is to procure, test and evaluate R&D pre-commercial goods and services in late-stage development (TRL 7 to 9), as defined on the ISC website here - <https://www.ic.gc.ca/eic/site/101.nsf/eng/00077.html>. Canada may purchase multiple quantities of prototypes, test them and provide valuable feedback. In some cases, departments that originally sponsored the challenge may decide not to move forward with further research and development, however, small businesses may be matched with another Government of Canada Organization under the Testing Stream.

Small businesses should not have any expectations of being offered the opportunity to submit a proposal. In other words, there is no guarantee of participation in Testing Stream: Prototype Testing. Canada will not provide justifications to Suppliers as to why an innovation was not selected to submit a proposal for Testing Stream: Prototype Testing.



Businesses must still meet the Eligibility Criteria in 1.4 to be considered for advancement into Testing Stream: Prototype Testing and must meet all Screening Indicators in Attachment 4.

### **1.2.2.3 Pathway to Commercialization**

The Pathway to Commercialization (PTC) component is an opportunity for companies that have a market-ready innovation developed under the ISC program to sell that innovation to the Government of Canada. The PTC includes a list that departments may consult as options to meet their requirements.

Eligible Small Businesses who demonstrate successful completion of a Phase 2 or Testing Stream Contract may be eligible to submit a proposal for the Pathway to Commercialization. To be placed on the PTC List, Eligible Small Businesses will be required to, demonstrate how their innovation continues to meet their respective ISC requirements and provide a realistic commercialization plan. Should a Offeror qualify, the Small Business certification will be thoroughly re-validated prior to the contract award process. The innovation inclusion onto the PTC List will remain active for a period of up to three years after notice of qualification. Canada has no obligation to procure from this list and will determine the procurement strategy for each potential contract.

Businesses must still meet the Eligibility Criteria to be considered for entry into the PTC and must meet all criteria in Attachment 5.

## **1.3 Definitions**

The definitions, set out in Attachment 8 – General Definitions, outline the terminology employed throughout this solicitation and are complementary to the terms and conditions of the solicitation and any resulting contract.

## **1.4 Who Can Submit a Proposal for Challenge Stream Entry**

Offerors must certify program eligibility as part of their proposal. Selected Offerors must also re-certify eligibility before contract award. Re-certification may be required at any phase under the ISC program. Eligibility criteria must be met, or contracts may be terminated if a business fails to meet eligibility criteria during the contract period.

Offerors must meet all the following eligibility criteria:

- for profit
- incorporated in Canada (federally or provincially)
- 499 or fewer full-time equivalent (FTE) employees\*
- research and development activities that take place in Canada
- 50% or more of its annual wages, salaries and fees are currently paid to employees and contractors who spend the majority of their time working in Canada\*
- 50% or more of its FTE employees have Canada as their ordinary place of work\*
- 50% or more of its senior executives (Vice President and above) have Canada as their principal residence\*



\* Calculations must consider and include affiliated businesses, such as parent companies and subsidiaries that are either in or outside of Canada.

Under the Innovative Solutions Canada program, an "affiliate" relationship exists in the following situations:

- An affiliate is a corporation that is a subsidiary of another corporation;
- If a corporation has two subsidiary corporations, the two subsidiaries are affiliates of each other; or
- If two corporations are controlled by the same individual or business, the two corporations are also affiliates of each other.

A subsidiary is understood to be a business which has more than 50% of its ordinary shares or voting power owned by another business or individual.

#### **1.4.1 Subcontractors – Challenge Stream**

Offerors are allowed to use sub-contractors to perform a portion of the anticipated work in Phases 1 and 2. Sub-contractor(s) may be of any form, such as academic, another company or not-for-profit. Offerors must perform at least two-thirds (2/3) of the research and development (R&D) work in Phase 1 and at least half (1/2) of the work for Phase 2. The remaining R&D can be sub-contracted to other organizations or individuals. Sub-contractors are not required to meet program eligibility criteria.

### **1.5 Trade Agreements**

#### **Canadian Free Trade Agreement**

This procurement is set aside from the Canadian Free Trade Agreement (CFTA) in accordance with Article 504, item 13, which states:

*This Chapter does not apply to procurement that is part of a small business set-aside program provided that the program is fair, open, transparent, and does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers.*

Notwithstanding the Small Business set aside above, PTC Contracts are considered commercial and therefore CFTA is applicable for any resulting PTC Contracts.

#### **Canada-Chile Free Trade Agreement**

Research and Development services are excluded from the Canada-Chile Free Trade Agreement (CCFTA) as per Annex K *bis*-01.1-4 Services, Section B excluded services.

*Section B – Excluded Coverage: Services Exclusions by Major Service Category Research & Development, all Classes are EXCLUDED.*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CCFTA is applicable for any resulting PTC Contracts.





### **Comprehensive and Progressive Agreement for Trans-Pacific Partnership**

Research and Development services are excluded from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) as per Chapter 15 (Government Procurement) under Annex 15-A, Section E.1. This procurement is set aside from CPTPP in accordance with Annex 15-A, Section G.3.(a), which states:

*Chapter 15 (Government Procurement) shall not apply to: (a) any form of preference, including set asides, to benefit micro, small and medium enterprises;*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CPTPP is applicable for any resulting PTC Contracts.

### **Canada-Colombia Free Trade Agreement**

Research and Development services are excluded from the Canada-Colombia Free Trade Agreement (CCFTA) as per Annex 1401-4 Services, Section B, Part I, excluded services:

*Research & Development, all Classes are EXCLUDED.*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CCFTA is applicable for any resulting PTC Contracts.

### **Canada-European Union Comprehensive Economic and Trade Agreement**

Research and Development services are excluded from the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) as per Annex 19-5 as they are not one of the applicable commodities listed in this agreement.

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CETA is applicable for any resulting PTC Contracts.

### **Canada-Honduras Free Trade Agreement**

Research and Development services are excluded from the Canada-Honduras Free Trade Agreement (CHFTA) as per Annex 17.4, Section B Excluded Coverage, Part I – Service Exclusions by Major Service Category:

*Research & Development, all Classes are EXCLUDED.*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CHFTA is applicable for any resulting PTC Contracts.

### **Canada-Korea Free Trade Agreement**

Research and Development services are excluded from the Canada-Korea Free Trade Agreement (CKFTA) as per Annex 14-C: Services, Canada's Notes to Annex 14-C:



*3. This Chapter does not cover procurement of the following:*

*(a) services for the management and operation of government facilities or privately owned facilities used for government purposes, including federally-funded research and development;*

Also, Research and Development services are not one of the applicable commodities listed in this agreement.

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CKFTA is applicable for any resulting PTC Contracts.

#### **Canada-Panama Free Trade Agreement**

Research and Development services are excluded from the Canada-Panama Free Trade Agreement (CPFTA) as per Chapter 16: Government procurement, Schedule of Canada, Annex 5: Services, Section B , Excluded Coverage by Major Service Category, Part I,:

*Research & Development, all Classes are EXCLUDED.*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CPFTA is applicable for any resulting PTC Contracts.

#### **Canada-Peru Free Trade Agreement**

Research and Development services are excluded from the Canada-Peru Free Trade Agreement (CPFTA), as per Annex 1401.1-4, Services, Section B – Excluded Coverage, Part I:

*Research & Development, all Classes are EXCLUDED.*

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CPFTA is applicable for any resulting PTC Contracts.

#### **Canada-United Kingdom Trade Continuity Agreement**

Research and Development services are excluded from the Canada-United Kingdom Trade Continuity Agreement (CUKTCA) as per Annex 19-5 from the Canada-European Union Comprehensive Economic and Trade Agreement as Research and Development services are not one of the applicable commodities listed in this agreement.

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CUKTCA is applicable for any resulting PTC Contracts.

#### **Canada-Ukraine Free Trade Agreement**

Research and Development services are excluded from the Canada-Ukraine Free Trade Agreement (CUFTA) as per Chapter 11: Government Procurement, Annex 11-A.4: Services, Notes to Annex 11-A.4:

*2. This Chapter does not cover procurement of:*

*(a) services for the management and operation of government facilities or privately-owned facilities used for government purposes, including federally funded research and development.*



Also, Research and Development services are not one of the applicable commodities listed in this agreement.

Notwithstanding the R&D Contracts exclusions above, PTC Contracts are considered commercial and therefore CUFTA is applicable for any resulting PTC Contracts.

### **World Trade Organization – Agreement on Government Procurement**

Research and Development services are excluded from the application of the World Trade Organization - Agreement on Government Procurement (WTO-AGP) as per Appendix I, Annex 5 as they are not one of the applicable commodities listed in this agreement.

This procurement is set aside from WTO-AGP in accordance with Appendix I, Canada – General Notes – Annex 7, article 2, which states: This Agreement does not apply to set asides for small and minority businesses.

### **1.6 Canadian Content**

The requirement is conditionally limited to Canadian goods and services. Offerors must complete the Canadian Content certification in Attachment 7 – Additional Certifications Required during Contract Negotiations.

### **1.7 Conflict of Interest.**

A Offeror, its subcontractor(s) or any of their agent(s) directly or indirectly involved in the performance of the Work and/or in the production of the deliverables under any resulting Contract will not be precluded, as a result of participation in this CFP, from bidding on any potential future bid solicitation related to the production or exploitation of any concept or prototype developed or delivered under that Contract.

### **1.8 Potential Conditions**

The following may apply to the resulting contract(s), based on the proposed solution and Challenge requirements below.

#### **1.8.1 Security Requirements**

There may be security requirements associated with the resulting contracts. For more information on personnel and organization security screening or security clauses, Offerors should refer to the Contract Security Program (CSP) of PWGSC at <http://www.tpsgc-pwgsc.gc.ca/esc-src/index-eng.html>.

#### **1.8.2 Controlled Goods Program**

Any resulting contract may be subject to the Controlled Goods Program. Refer to [Controlled Goods Program Website](#).



### 1.8.3 Employment Equity

The Federal Contractors Program (FCP) for employment equity may apply to this procurement. Refer to Attachment 7 – Additional Certifications Required during Contract Negotiations.

### 1.8.4 Comprehensive Land Claim Agreements

The region of delivery for the goods and/or services may be subject to Comprehensive Land Claims Agreements (CLCAs).

### 1.8.5 Intellectual Property

The default position of Canada is to allow contractors to retain the Intellectual Property (IP) rights. In some cases, the IP rights could be negotiated with the Offerors. Information on IP is available from the following sources:

- Ownership and Risk of Loss. found at Section 12, of Attachment 6 – Draft Resulting Contract Clauses.
- Policy on Title to Intellectual Property Arising under Crown Procurement Contracts, found at: [Policy on Title to Intellectual Property Arising Under Crown Procurement Contracts \(canada.ca\)](#)

## 1.9 Procurement Strategy for Indigenous Business

The Government of Canada is committed to economic reconciliation with Indigenous peoples and will contribute to improved socio-economic outcomes by increasing opportunities for First Nations, Inuit and Métis businesses through the federal procurement process.

Requirements that are set aside under the federal government Procurement Strategy for Indigenous Business will be identified as such in the individual Challenge tender notice. For more information on Indigenous business requirements of the Set-aside Program for Indigenous Business, refer to [Annex 9.4](#) of the Supply Manual.

### 1.10 Attachments

The following attachments form part of this Call for Proposals:

- Attachment 1 - Evaluation Criteria – Challenge Stream Entry - Phase 1
- Attachment 2 - Evaluation Criteria – Challenge Stream Entry - Phase 2
- Attachment 3 - Challenge Stream: Advancement to Phase 2 Prototype Development Screening Indicators and Example Supplemental Submission Form
- Attachment 4 - Advancement to Testing Stream: Prototype Testing – Screening Indicators and Example Submission Form
- Attachment 5 - Pathway to Commercialization Entry Criteria



- Attachment 6 - Draft Resulting Contract Clauses
- Attachment 7 - Additional Certifications Required During Contract Negotiations
- Attachment 8 - General Definitions



**PART 2 - OFFEROR INSTRUCTIONS FOR CHALLENGE STREAM ENTRY**

**2.1 Standard Instructions, Clauses and Conditions**

<b>Term (used in this document)</b>	<b>Term (2003 Standard Instructions)</b>
Call for Proposals (CFP)	Solicitation or Bid Solicitation
Proposal	Bid or Offer

All instructions, clauses and conditions identified in the CFP solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual ([Archived - Standard Acquisition Clauses and Conditions Manual | CanadaBuys](#)) issued by PWGSC.

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

The **2003 (2023-06-08) - Standard Instructions - Goods or Services - Competitive Requirements** are incorporated by reference into and form part of the CFP, and are amended as follows:

(a) Section 04, Definition of a Offeror:

**Delete:** “Offeror” means the person or entity (or, in the case of a joint venture, the persons or entities) submitting a bid to perform a contract for goods, services or both. It does not include the parent, subsidiaries or other affiliates of the Offeror, or its subcontractors.

**Insert:** “Offeror” means the entity submitting a bid to perform a contract for goods, services or both. (Note that joint ventures are not eligible to be Offerors).

(b) Section 05, Submission of Bids, subsection 2(d):

**Delete:** In its entirety.

(c) Section 05, Submission of Bids, subsection 4:

**Delete:** Bids will remain open for acceptance for a period of not less than 60 days from the closing date of the bid solicitation, unless specified otherwise in the bid solicitation.

**Insert: Proposal Validity Period and Pre-Qualification Period**

During the evaluation period, proposals will remain open for acceptance for a period of not less than 180 days from the challenge closing date. Upon pre-qualification of a proposal, the proposal will remain open for acceptance for a period of twelve (12) months (“Pre-Qualification Period”) from the date of Pre-Qualification. Once the Pre-Qualification Period ends, a proposal is no longer eligible for Contract award. Canada reserves the right to modify the Pre-Qualification Period at any time for any reason. A Offeror may withdraw their proposal by providing written notice to the Contracting Authority.



(d) **Delete** the following sections in their entirety:

Section 06 Late Bids

Section 07 Delayed Bids

Section 08 Transmission by facsimile or by Canada Post Corporation's (CPC) Connect service

(e) Section 14, Price Justification:

**Delete:** In the event that the Offeror's bid is the sole responsive bid received, the Offeror must provide, on Canada's request, one or more of the following price justification:

**Insert:** For all Pre-Qualified Proposals eligible for Contract award, the Offeror must provide, on Canada's request, one or more of the following price justification:

(f) Section 17, Joint Venture:

**Delete:** 17 (2010-01-11) Joint venture in its entirety

**Insert:** 17 (2010-01-11) Joint venture

A joint venture is an association of two or more parties who combine their money, property, knowledge, expertise or other resources in a single joint business enterprise, sometimes referred to as a consortium, to bid together on a requirement.

## 2.2 Technical Difficulties of Bid Transmission

This section applies despite anything to the contrary in this solicitation or the Standard Instructions.

Where a Offeror has commenced transmission of its bid through bid through an electronic submission method (such as facsimile or Canada Post Corporation's (CPC) Connect service, CanadaBuys (SAP Ariba) or other online service) in advance of the bid solicitation closing date and time, but due to technical difficulties, Canada was unable to receive or decode the entirety of the Bid by the deadline, Canada may nonetheless accept the entirety of the Bid received after the bid solicitation closing date and time, provided that the Offeror can demonstrate the following:

(i) The Offeror contacted Canada in advance of the bid solicitation closing date and time to attempt to resolve its technical difficulties; OR

(ii) The electronic properties of the Bid documentation clearly indicate that all components of the Bid were prepared in advance of the bid solicitation closing date and time.



### 2.3 Completeness of the Bid

After the closing date and time of this bid solicitation, Canada will examine the Bid to determine completeness. The review for completeness will be limited to identifying whether any information submitted as part of the bid can be accessed, opened, and/or decoded. This review does not constitute an evaluation of the content, will not assess whether the Bid meets any standard or is responsive to all solicitation requirements, but will be solely limited to assessing completeness. Canada will provide the Offeror with the opportunity to submit information found to be missing or incomplete in this review within two business days of notice.

Specifically, the bid will be reviewed and deemed to be complete when the following elements have been submitted by the Offeror:

1. That certifications and securities required at bid closing are included.
2. That bids are properly signed, that the Offeror is properly identified.
3. Acceptance of the terms and conditions of the bid solicitation and resulting contract.
4. That all documents created prior to bid closing but due to technical difficulties Canada was unable to receive them, have been properly submitted and received by Canada.
5. All certifications, declarations and proofs created prior to bid closing but due to technical difficulties Canada was unable to receive them, have been properly submitted and received by Canada.

### 2.4 Enquiries – Solicitation Period

All enquiries must be submitted in writing to the Contracting Authority **no later than (10) ten calendar days** before the Challenge Notice closing date. Enquiries received after that time may not be answered.

Offerors should reference as accurately as possible the numbered item of the Solicitation Documents to which the enquiry relates. Care should be taken by Offerors to explain each question in sufficient detail 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 Offeror do so, so that the proprietary nature of the question is eliminated, and the enquiry can be answered with copies to all Offerors. Enquiries not submitted in a form that can be distributed to all Offerors may not be answered by Canada.

### 2.5 Contracting Authority

The Contracting Authority for this Call for Proposals solicitation is:

Public Works and Government Services Canada  
Acquisitions Branch  
Research and Development Procurement Directorate  
[TSPGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TSPGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca)





## **2.6 Applicable Laws**

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

Offerors may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice at time of the Contract award process.

## **2.7 Communications Notification**

As a courtesy, the Government of Canada requests that the Contractor notify the Contracting Authority ten business days in advance of their intention to make public an announcement related to a contract award. A copy of the draft announcement should be provided. Canada will review the draft announcement and may request revisions. The Government of Canada retains the right to make primary contract announcements.

## **2.8 Certifications**

Compliance with the certifications provided by the Contractor in its bid is a condition of the Contract and subject to verification by Canada during the term of the Contract. If the Contractor does not comply with any certification or it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.



### **PART 3 - PROPOSAL PREPARATION AND SUBMISSION FORM INSTRUCTIONS**

#### **CHALLENGE STREAM ENTRY:**

##### **3.1 Proposal Submission**

- 3.1.1 Offerors are solely responsible for ensuring their proposal is received by PWGSC on time by the Challenge Notice closing date and time. Proposals received after the specified period will not be considered.
- 3.1.2 Offerors must submit their proposal using the Proposal Submission Form. Directions to the form can be found in the Challenge Notice. Proposals that are submitted in an alternate format will not be accepted unless prior approval has been obtained from the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca)
- 3.1.3 When a proposal is submitted, an automated email is sent to the Offeror. This email serves as confirmation of receipt.
- 3.1.4 If a large number of Offerors access the web-based system at the same time, the electronic submission of proposals may encounter a delay.
- 3.1.5 All proposals submitted will be bound by the same terms, conditions and limitations. For all proposals submitted, any text submitted above the character limit specified in the Challenge Stream Submission Form will not be evaluated.
- 3.1.6 In the event that a proposal is submitted via the web-based system and through an alternate means for the same solution, the proposal submitted via the web-based system will take precedence unless otherwise specified by the Offeror.
- 3.1.7 Offerors may submit separate proposals for one or more Challenges. Each proposal will be evaluated separately on its own merit. If more than one proposal is submitted for a Challenge only the last proposal submission identified by the system time stamp will be considered.
- 3.1.8 Proposals that include the use of human subjects, human tissues, laboratory animals, or animal tissues must not proceed without prior approval of the project team's appropriate Human Subjects Research Ethics Committee or the institutional Animal Care Committee and must not be conducted in contravention of the respective Committee's conditions of approval.

##### **3.2 Proposal Submission Difficulties**

- 3.2.1 Should there be technical difficulties accessing or using the web-based system, Offerors must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca).



- 3.2.2 Offerors who are not able to submit their proposal using the web-based system must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca) to arrange delivery of their proposal by the closing date and time.

### **3.3 Technical Proposal**

- 3.3.1 The Offeror's responses to the evaluation criteria presented in the Proposal Submission Form will form the Offeror's Technical Proposal. Offerors should respond to each criterion in a thorough, concise and clear manner. Offerors should explicitly demonstrate, in sufficient detail, how all criteria are met.
- 3.3.2 To maintain the integrity of the evaluation, evaluators will consider only information presented in the proposal. No information will be inferred and personal knowledge or beliefs will not be utilized in the assessment. Canada will not evaluate information such as references to Web site addresses where additional information can be found.

### **3.4 Financial Proposal**

- 3.4.1 The Financial Submission should not exceed the maximum contract funding level specified in the Challenge Notice. Any dollar value exceeding the maximum contract funding amounts will be the Supplier's commitment of co-investment funding to a resulting contract.
- 3.4.2 The sub-contractor costs in the Offeror's Financial Proposal are not to exceed one-third of the total financial proposal costs for Phase 1.
- 3.4.3 Offerors must complete the Financial Proposal set out in the Proposal Submission Form. Responses provided in the Form will form the Offeror's Financial Proposal under the CFP.
- 3.4.4 Should a proposal be pre-qualified and selected, the Financial Proposal submitted will be negotiated in accordance with the Statement of Work (SOW) and must be in accordance with the Contract Cost Principle 1031-2 found at Section 7.3, Attachment 6 – Draft Resulting Contract Clauses.

### **3.5 Certifications and Additional Information**

- 3.5.1 Certifications required with the Offeror's proposal are identified in the Proposal Submission Form.
- 3.5.2 Certifications and additional information that may be required precedent to contract award are identified in Attachment 7 – Additional Certifications Required during Contract Negotiations.



## **ADVANCEMENT OF RESEARCH AND DEVELOPMENT ACTIVITIES:**

### **3.6 Document Submission Instructions**

- 3.6.1 At Canada's request, Suppliers must submit their Submission Forms (Attachment 3 or 4, as applicable) and Certifications (Attachment 7) as supplementary files using the Innovative Solutions Canada web-based system.

Step 1: Go to: <https://www.ic.gc.ca/app/scr/iscwp/web/dashboard>. Login using your credentials (GC Key or Sign-in partner).

Step 2: Click the hyperlink "Upload files"

Step 3: Click "Choose File"

Step 4: Select the PDF file and "Open".

Step 5: Click "Upload supplementary file".

- 3.6.2 An automatic confirmation email will be sent to the Supplier in the same manner as when the entry stream proposal was submitted. This email serves as confirmation of receipt
- 3.6.3 Suppliers who are not able to submit their documents using the web-based system must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca) to arrange delivery of their documents by the date and time requested by the Contracting Authority.
- 3.6.4 In the event that documents submitted via the web-based system and through an alternate means for the same solution, the documents submitted via the web-based system will take precedence unless otherwise specified by the Supplier.

### **3.7 Document Submission Difficulties**

- 3.7.1 Should there be technical difficulties accessing or using the web-based system, Suppliers must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca).

### **3.8 Financial Submission - Challenge Stream: Advancement to Phase 2 Prototype Development**

- 3.8.1 The Financial Submission should not exceed the maximum contract funding level specified in the Challenge Notice. Any dollar value exceeding the maximum contract funding amounts will be the Supplier's commitment of co-investment funding to a resulting contract.
- 3.8.2 The sub-contractor costs in the Offeror's Financial Proposal are not to exceed one-half the financial proposal costs for Phase 2.
- 3.8.3 The financial submission will be negotiated in accordance with the Statement of Work (SOW) and must be in accordance with the Contract Cost Principle 1031-2 found at Section 7.3, Attachment 6 - Draft Resulting Contract Clauses.



### **3.9 Financial Submission - Advancement to Testing Stream: Prototype Testing**

- 3.9.1 The Financial Submission should not exceed the maximum contract funding level specified in the Submission Form (Attachment 4). Any dollar value exceeding the maximum contract funding amounts will be the Supplier's commitment of co-investment funding to a resulting contract.
- 3.9.2 The financial submission will be negotiated in accordance with the Statement of Work (SOW) and must be in accordance with the PWGSC Contract Cost Principles 1031-2 found at Section 7.3, Attachment 6 - Draft Resulting Contract Clauses.
- 3.9.3 The Financial Submission must not include costs for commercial development activities such as quantity production, supply to establish commercial viability, integration, customization, incremental adaptations and improvements to existing products or processes that have been previously commercialized, third party tested or for the cost of obtaining health and safety / regulatory certifications.
- 3.9.4 This procurement does not offer exchange rate fluctuation risk mitigation. Requests for exchange rate fluctuation risk mitigation will not be considered.

### **3.10 Certifications and Additional Information**

- 3.10.1 Certifications and additional information that may be required precedent to contract award are identified in Attachment 7 – Additional Certifications Required during Contract Negotiations.

## **PATHWAY TO COMMERCIALIZATION:**

### **3.11 Document Submission Instructions**

- 3.11.1 Eligible Small Businesses who have received and completed an ISC Challenge Stream Phase 2 contract or a Testing Stream Contract, and whose innovation has reached TRL 9 and are ready for market may participate in the Pathway to Commercialization. Suppliers interested in pursuing this opportunity must submit their Submission Form (Attachment 5) as supplementary files using the Innovative Solutions Canada web-based system.

Step 1: Go to: <https://www.ic.gc.ca/app/scr/iscwp/web/dashboard> . Login using your credentials (GC Key or Sign-in partner).

Step 2: Click the hyperlink "Upload files"

Step 3: Click "Choose File"

Step 4: Select the PDF file and "Open".

Step 5: Click "Upload supplementary file".

- 3.11.2 An automatic confirmation email will be sent to the Supplier in the same manner as when the entry stream proposal was submitted. This email serves as confirmation of receipt.



3.11.3 Suppliers who are not able to submit their documents using the web-based system must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca) to arrange delivery of their documents by the date and time requested by the Contracting Authority.

3.11.4 In the event that documents submitted via the web-based system and through an alternate means for the same solution, the documents submitted via the web-based system will take precedence unless otherwise specified by the Supplier.

### **3.12 Document Submission Difficulties**

3.12.1 Should there be technical difficulties accessing or using the web-based system, Suppliers must contact the Contracting Authority at [TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca](mailto:TPSGC.SIC-ISC.PWGSC@tpsgc-pwgsc.gc.ca).



## **PART 4 - EVALUATION PROCEDURES, BASIS OF SELECTION AND CONTRACT AWARD PROCESS**

### **CHALLENGE STREAM ENTRY:**

#### **4.1 Evaluation Procedures**

- (a) Proposals will be assessed in accordance with the entire requirement and the evaluation criteria. The Phase 1 entry evaluation criteria is identified in Attachment 1, the Phase 2 entry evaluation criteria is identified in Attachment 2.
- (b) If additional evaluation criteria is applicable, beyond what is identified in Attachments 1 and 2, it will be identified in the Challenge Notice.
- (c) An evaluation team composed of the National Research Council – Industrial Research Assistance Program (NRC-IRAP), and/or subject matter experts from other government departments will evaluate proposals. If required, Canada may use external Subject Matter Experts to evaluate any proposal. All evaluators will be required to confirm they are not in a conflict of interest and sign a non-disclosure agreement.
- (d) In conducting its evaluation, Canada may, but will have no obligation to, request clarifications from the Offeror regarding information provided by the Offeror with respect to any aspect of their proposal. This must not be construed as:
  - 1. an opportunity to provide supplemental information; or
  - 2. an intent to pre-qualify the proposal; or
  - 3. an intent to contract with the Offeror.

The Offeror must provide a response to the written request for clarification issued by the Contracting Authority in accordance with the provisions of the request, which may include a time period in which to provide the response. Failure to comply with the request may result in the proposal being declared non-responsive and given no further consideration.

#### **4.1.1 Evaluation Criteria**

##### **4.1.1.1 Mandatory Evaluation Criteria**

Canada will first evaluate the Mandatory criteria. Proposals must meet all Mandatory criteria to proceed to Point-Rated Criteria. Proposals that do not meet all Mandatory criteria will be considered **non-responsive** and will not proceed to Point-Rated Criteria .



#### **4.1.1.2 Point-Rated Evaluation Criteria**

Proposals that have met the Mandatory Criteria will be evaluated against the Point-Rated criteria. Proposals must achieve an overall minimum score of at least 65 of the 130 total possible points (50%) of the Point-Rated Criteria to be considered responsive and be placed in the Challenge Pool of Pre-Qualified Proposals.

#### **4.2 Challenge Pool of Pre-Qualified Proposals**

Proposals that are deemed responsive and meet all other requirements of the CFP will be placed in a pre-qualified pool for the duration of the pre-qualification period (see Section 2.1.c).

Pre-Qualified proposals will be placed in a Challenge Pool for the specific challenge referenced in the proposal. Placement into the Challenge Pool does not guarantee that a proposal will be selected or that a contract will be awarded.

#### **4.3 Proposal Selection**

Pre-Qualified proposals in the pool may be selected to be considered for the Contract Award Process outlined under 4.5. It is important to note that not all proposals selected for consideration will be awarded a contract. Also, proposals which earn the highest overall pass mark may not be the proposals selected. The Contract Award Process described in section 4.4 must be completed prior to a contract being awarded.

Two scenarios exist for proposal selection:

1. Proposal is reviewed and selected by the Proposal Selection Committee for contract negotiations. Contract Award Process (section 4.4) will be followed.
2. Proposal is reviewed but not selected by the Proposal Selection Committee. Canada may revisit a pool at any time prior to the end of the pre-qualification period and make additional selections. This is at Canada's sole discretion.

##### **4.3.1 Proposal Selection Committee and Method of Selection**

Canada will form a Proposal Selection Committee of Subject Matter Experts. If required, Canada may use external Subject Matter Experts as part of the committee. The Proposal Selection Committee will consider the evaluation results of the Pre-Qualified Proposals and examine multiple parameters, such as:

- Departmental and/or Government of Canada priorities
- Number of investments across priorities
- Previous years' investments
- The strength of individual proposals
- Similar initiatives being funded by the Department and/or Government of Canada
- Project types and technology readiness levels
- If the Offeror is also an Indigenous Business registered on the Indigenous Business Directory





- If the Offeror is also registered under a [Modern Treaty or Comprehensive Land Claims Agreement](#) (CLCA) business directory

The Proposal Selection Committee may select one proposal, more than one proposal or no proposal under a specific Challenge Notice. **The decision to select a proposal is at the sole discretion of the Proposal Selection Committee.**

Federal departments/agencies, other than the Sponsoring Department, may choose to select proposals, provided that there are no significant deviations from the original scope of the challenge. The same basis of selection and contract award process will apply.

#### **4.3.2 Debriefing**

Each Offeror will be issued a detailed debrief letter noting the final results of the bid evaluation. If required, Offerors may contact the Contracting Authority to discuss the results of their proposal evaluation within 10 business days of the date of receipt of the debrief letter.

#### **4.4 Contract Award Process**

To be considered for contract award, a proposal must:

- a) comply with all the requirements of the ISC CFP solicitation;
- b) be included in a Challenge Pool of Pre-Qualified Proposals;
- c) be selected by the Proposal Selection Committee; and
- d) successfully complete the Contract Award Process as detailed in sections 4.5.1 to 4.5.3 and 4.6 of this CFP before expiry of the Pre-Qualification Period.

If an agreement at any step of the process cannot be reached between Canada and the Offeror, Canada reserves the right to stop the contract award process with the Offeror.

#### **4.5 The Contract Award Process Outline**

##### **4.5.1 Statement of Work Development**

Canada and the Offeror will work together to develop a Statement of Work (SOW). The SOW will clearly and concisely define the tasks to be performed and the deliverables to Canada. The SOW may be developed to ensure Canada's needs are met within the framework of the ISC Program.

Innovations with a proposed exit TRL of 7 or higher may require departmental testing and a Post-Test Report.

##### **4.5.2 Financial Capability**

The Contracting Authority may request financial information to verify the Offeror's capacity to undertake the Work.



If a Offeror fails to demonstrate adequate financial resources to complete the Work, a contract will not be awarded.

The following financial documents may be requested by the Contracting Authority:

- Audited and/or unaudited financial statements
- Balance sheet
- Statement of retained earnings
- Income statement
- Detailed monthly cash flow statement
- Statement showing bank account balance
- Certification from authorized signing officer attesting to the accuracy of information
- Any other financial-related documents

#### **4.5.3 Contract Negotiations**

After Canada and the Offeror have agreed on content of the SOW, the Offeror must provide the following as requested by the Contracting Authority:

- (a) a cost breakdown per milestone and provision of detailed justification to support the contract cost elements and prices proposed from the Offeror to support the costs; and
- (b) additional certifications and other information required before contract award.

The Contracting Authority will provide a draft copy of the contract terms and conditions.

The Contracting Authority must be able to verify that all costs are fair and reasonable. If a cost cannot be supported, the cost may not be included in the contract. Failure to achieve consensus on any aspect of the negotiations will result in the proposal being set aside and not given any further consideration.

#### **4.6 Contract Award**

Upon successful completion of all steps in the Contract Award Process, the Offeror's proposal will be recommended for contract award.

### **ADVANCEMENT OF RESEARCH AND DEVELOPMENT ACTIVITIES:**

#### **4.7 Screening Procedures**

##### **4.7.1 Advancement into Phase 2 - Prototype Development after completion of Phase 1**

The Eligible Small Business' Phase 1 final report will be examined to determine if Canada is interested in advancing to Phase 2 as outlined in Part 5.



#### **4.7.2 Advancement into Testing Stream after completion of Phase 2**

The Eligible Small Business' Phase 2 final report will be examined to determine if the Innovation is between TRL 7- 9 and continues to meet the definition of Innovation prior to advancing to the Testing Stream as outlined in Part 6.

### **4.8 Contract Award Process Outline**

#### **4.8.1 Challenge Stream Advancement to Phase 2 Prototype Development**

##### **4.8.1.1 Statement of Work**

Canada and the Supplier will work together to develop a Statement of Work (SOW). The SOW will clearly and concisely define the tasks to be performed and the deliverables to Canada. The SOW may be developed to ensure Canada's needs are met within the framework of the ISC Program.

Innovations with a proposed exit TRL of 7 or higher may require departmental testing and a Post-Test Report.

##### **4.8.1.2 Financial Capability**

The Contracting Authority may request financial information to verify the Supplier's capacity to undertake the Work.

If a Supplier fails to demonstrate adequate financial resources to complete the Work, a contract will not be awarded.

The following financial documents may be requested by the Contracting Authority:

- Audited and/or unaudited financial statements
- Balance sheet
- Statement of retained earnings
- Income statement
- Detailed monthly cash flow statement
- Statement showing bank account balance
- Certification from authorized signing officer attesting to the accuracy of information
- Any other financial-related documents

##### **4.8.1.3 Contract Negotiations**

After Canada and the Supplier have agreed on content of the SOW, the Supplier must provide the following as requested by the Contracting Authority:

- (a) a cost breakdown per milestone and provision of detailed justification to support the contract cost elements and prices proposed from the Supplier to support the costs; and



- (b) additional certifications and other information required before contract award.

The Contracting Authority will provide a draft copy of the contract terms and conditions.

The Contracting Authority must be able to verify that all costs are fair and reasonable. If a cost cannot be supported, the cost may not be included in the contract. Failure to achieve consensus on any aspect of the negotiations will result in the proposal being set aside and not given any further consideration.

#### **4.8.1.4 Contract Award**

Upon successful completion of all steps in the Contract Award Process there will be a recommendation for contract award.

### **4.8.2 Entry to Testing Stream: Prototype Testing**

#### **4.8.2.1 Statement of Work**

The ISC Testing Stream will facilitate collaboration between the Testing Department's Technical Authority and the Offeror to develop a Statement of Work (SOW), based on the proposed demonstration scenario and the Financial Submission. The SOW is negotiated to ensure both the Offeror's and Testing Department's needs are met within the framework of the Program. The SOW must represent a benefit to Canada. Once accepted by the Testing Department and the Offeror, the final SOW will be presented to the Client Authority for approval. If approved, the SOW will be sent to the Contracting Authority for review and inclusion into the resulting contract.

#### **4.8.2.2 Contract Negotiations**

After Canada and the Supplier have agreed on content of the SOW, the Supplier must provide the following as requested by the Contracting Authority:

- (a) a cost breakdown per milestone and provision of detailed justification to support the contract cost elements and prices proposed from the Offeror to support the costs; and
- (b) additional certifications and other information required before contract award.

The Contracting Authority will provide a draft copy of the contract terms and conditions.

The Contracting Authority must be able to verify that all costs are fair and reasonable. If a cost cannot be supported, the cost may not be included in the contract. Failure to achieve consensus on any aspect of the negotiations will result in the proposal being set aside and not given any further consideration.

#### **4.8.2.3 Contract Award**

Upon successful completion of all steps in the Contract Award Process there will be a recommendation for contract award.



## **PATHWAY TO COMMERCIALIZATION:**

### **4.9 Contract Award Process Outline**

#### **4.9.1 Statement of Work**

Canada will be responsible for developing a Statement of Work (SOW). The SOW will clearly and concisely define the tasks to be performed and the deliverables to Canada. The SOW may be developed to ensure Canada's needs are met within the framework of the ISC Program.

#### **4.9.2 Financial Capability**

The Contracting Authority may request financial information to verify the Supplier's capacity to undertake the Work.

If a Supplier fails to demonstrate adequate financial resources to complete the Work, a contract will not be awarded.

The following financial documents may be requested by the Contracting Authority:

- Audited and/or unaudited financial statements
- Balance sheet
- Statement of retained earnings
- Income statement
- Detailed monthly cash flow statement
- Statement showing bank account balance
- Certification from authorized signing officer attesting to the accuracy of information
- Any other financial-related documents

#### **4.9.3 Contract Negotiations**

Depending on the procurement strategy, price may be determined through various means. The Contracting Authority must be able to verify that all costs are fair and reasonable. If a cost cannot be supported, the cost may not be included in the contract. Failure to achieve consensus on any aspect of the negotiations will result in the proposal being set aside and not given any further consideration. Canada will ensure that fair and reasonable prices are negotiated.

#### **4.9.4 Contract Award**

Upon successful completion of all steps in the Contract Award Process there will be a recommendation for contract award.



## **PART 5 – CHALLENGE STREAM: ADVANCEMENT TO PHASE 2 - PROTOTYPE DEVELOPMENT**

### **5.1 General**

Following completion of the initial ISC Challenge Stream Phase 1 contract, if Canada is still interested in the innovation, the business may be invited to advance to Phase 2 for the purpose of further advancing the TRL of the solution. The Eligible Small Business' Phase 1 final report will be used to assess the solution's suitability for a Phase 2 Contract. Any resulting contracts will follow the contract award process at section 4.8.1 of this Call for Proposal. Canada may request supplemental submission documentation (Attachment 3). A detailed Financial submission will be requested. A request for documentation does not guarantee that a Phase 2 contract will be awarded.

Advancement to Phase 2 is not guaranteed. It is at the sole discretion of Canada to proceed with Phase 2. Canada will not provide justifications to suppliers as to why an innovation was not selected to submit a proposal for Phase 2.

### **5.2 Objective**

The objective of Phase 2 is to continue the R&D efforts of the proposed solution from Phase 1 with the goal of developing and delivering a prototype to Canada for the selected Challenge.

### **5.3 Entry Period**

The Entry Period will begin upon successful completion of the initial ISC Challenge Stream Phase 1 contract resulting from CFP EN578-24ISC4 (CFP004) and end 6 months later.

If during this 6-month period an eligible small business has not been requested to submit their documents as outlined in Attachment 3 and Attachment 7, the small business will no longer be able to continue advancement of Research and Development activities under CFP EN578-24ISC4 (CFP004).

Canada reserves the right to modify the Entry Period at any time for any reason. A Offeror may withdraw their proposal from consideration by providing written notice to the Contracting Authority.

### **5.4 Framework**

All Contracts will be issued in accordance with the Treasury Board of Canada Secretariat (TBS) Directive on management of Procurement and the following framework:

- a) **Eligibility:** Offerors must continue to meet Program Eligibility.
- b) **Basis of Selection:** Strength of Phase 1 Final Report.
- c) **Funding:** Contracts will be funded by a Government of Canada Organization interested in purchasing the Innovation.



- d) **Maximum Contract Dollar value:** As identified in the Challenge notice.
- e) **Eligible Innovations:** Innovations eligible for a contract must be the same as developed under the Challenge Stream Phase 1 and demonstrate the potential to clearly address all Essential Outcomes identified in the Challenge.
- f) **Contract Period:** As identified in the Challenge notice.
- g) **Contracting Authority:** Public Works and Government Services Canada will be the Contracting Authority.
- h) **Terms and conditions:** Contracts will be subject to the Resulting Contract Clauses found in Attachment 6.



## **PART 6 – ADVANCEMENT TO TESTING STREAM: PROTOTYPE TESTING**

### **6.1 General**

Following completion of a Phase 2 Challenge Stream contract, if Canada is still interested in further testing the innovation, the Eligible Small Business may be invited to exit the Challenge Stream for Advancement into the Testing Stream. The Eligible Small Business' Phase 2 final report alongside a supplemental submission document will be used to assess the solution's suitability for a Testing Stream: Prototype Testing Contract. Any resulting contracts will follow the contract award process outlined at 4.8.2.2.

Advancement to Testing Stream: Prototype Testing is not guaranteed. It is at the sole discretion of Canada to proceed with Advancement to Testing Stream: Prototype Testing. Canada will not provide justification to suppliers as to why an innovation was not selected for Prototype Testing.

### **6.2 Objective**

The objective of the Testing Stream is to test prototypes in real-life settings. Canada may purchase multiple quantities of the prototypes developed in Phase 2, test them and provide valuable feedback.

### **6.3 Entry Period**

The entry period to be added to the Testing Stream will begin upon successful completion of the initial ISC Challenge Stream Phase 2 contract resulting from CFP EN578-24ISC4 (CFP004) and 6 months later.

If during this 6-month period an Eligible Small Business has not been requested to submit their documents as outlined in Attachment 4 and Attachment 7, the Small Business will no longer be able to enter the Testing Stream from CFP EN578-24ISC4 (CFP004).

Canada reserves the right to modify the Entry Period at any time for any reason. A Offeror may withdraw their submission by providing written notice to the Contracting Authority.

### **6.4 Framework**

All Contracts will be issued in accordance with the Treasury Board of Canada Secretariat (TBS) Directive on management of Procurement and the following framework:

- (a) **Eligibility:** Offerors must continue to meet Program Eligibility.
- (b) **Basis of Selection:** Strength of Phase 2 Final Report.
- (c) **Funding:** Contracts will be funded by a Government of Canada Organization interested in purchasing the Innovation for further testing.





- (d) **Maximum Contract Dollar value:** The maximum contract value will respect the limits of the maximum per Contract amounts under the initial ISC Testing Stream Contract as follows:
- Standard Component: \$1,100,000.00 CAD (Applicable Taxes, shipping and Travel and Living expenses are extra, as applicable).
  - Military Component \$2,300,000.00 CAD (Applicable Taxes, shipping and Travel and Living expenses are extra, as applicable).

Any dollar value exceeding the maximum contract value will be the Offeror's commitment of co-investment funding to any resulting contract.

Maximum contract value is subject to change at Canada's Discretion.

- (e) **Eligible Innovations:** Innovations eligible for a contract must be the same as developed under the Challenge Stream Phase 2, demonstrate the potential to clearly address all Essential Outcomes identified in the Challenge under which it entered the program, and be assessed at TRL 7-9 inclusively. The proposed innovation or any other versions of the proposed innovation must not have been previously awarded a contract in the Build in Canada Innovation Program (BCIP) or its predecessor, the Canadian Innovation Commercialization Program (CICP), nor under the Innovative Solutions Canada (ISC) Testing Stream.

The proposed innovation or any other versions of the proposed innovation must not currently be active in a pool of pre-qualified innovations. A proposed innovation that is currently active in a pool will be accepted only once the bid validity period for that proposal has expired or the Offeror has withdrawn their innovation from the relevant pool, prior to solicitation closing date.

- (f) **Contract Period:** Will be determined by Canada for each contract and generally will not exceed 12 months.
- (g) **Contracting Authority:** Public Works and Government Services Canada will be the Contracting Authority.
- (h) **Required documents:** The Government of Canada Organization interested in procuring an innovation will be responsible for the development of the Statement of Work (SOW) including the Innovation demonstration scenario, performance metrics and, if applicable, the Security Requirement Check List (SRCL).
- (i) **Terms and conditions:** Contracts will be subject to the Terms and Conditions of EN578-24ISC4 (CFP004).
- (j) **Subsequent Purchases Contracts:** Proposals with innovations that advanced into Testing Stream from Challenge Stream may be eligible for a Subsequent Purchases Contract(s). R&D contracts for subsequent purchases for testing Innovations will be negotiated under the same terms, conditions and pricing structure as the initial ISC Testing Stream contract.



## **PART 7 – PATHWAY TO COMMERCIALIZATION**

### **7.1 General**

Eligible Small Businesses who have received and completed a ISC Challenge Stream Phase 2 Contract or an ISC Testing Stream Contract, and whose innovation has reached TRL 9 and are ready for market may participate in the Pathway to Commercialization process as per the framework of section 7.4, below. These Eligible Small Businesses will be required to re-certify eligibility to enter the PTC and meet Entry Criteria outlined in Attachment 5. Canada will thoroughly re-validate the Eligible Small Businesses' certification during the contract award process. Additionally, Eligible Small Businesses will be required to agree to the new terms and conditions of any resulting Contract.

Eligible Small businesses that apply and successfully enter the Pathway to Commercialization will not be admissible for any subsequent purchases.

### **7.2 Objective**

The objective of Pathway to Commercialization is to create a list of innovations that departments may consider as options to meet their requirements, and for which the small business set-aside may be applied in the procurement process.

### **7.3 Entry Period**

The Entry Period to be added to the Pathway to Commercialization List will begin upon successful completion of Phase 2 or an ISC Testing Contract and end 12 months later.

If during this 12-month period, an eligible small business has not submitted an application to the Pathway to Commercialization, the small business will no longer be able to enter the Pathway to Commercialization.

### **7.4 Framework**

All Contracts will be issued in accordance with the Treasury Board of Canada Secretariat (TBS) Directive on management of Procurement and the following framework:

- a) **Pathway to Commercialization List Eligibility:** The inclusion of the innovation on the Pathway to Commercialization List will be in effect for a period of 3 years from the date of Prequalification.
- b) **Funding:** Contracts will be funded by a Government of Canada Organization interested in purchasing the Innovation.
- c) **Maximum Contract Dollar value:** Will be determined by Canada for each contract.
- d) **Eligible Innovations:** Innovations eligible for a contract must be the same or an improved version of the same Innovation tested under a Phase 2 or Testing Stream contract.



- e) **Contract Period:** Will be determined by Canada for each contract.
- f) **Contracting Authority:** Public Works and Government Services Canada will be the Contracting Authority.
- g) **Required documents:** The Government of Canada Organization interested in procuring an innovation from the Pathway to Commercialization List will be responsible for the development of the Statement of Work (SOW) including performance metrics and, if applicable, the Security Requirement Check List (SRCL).
- h) **Terms and conditions:** Contracts for Innovations will be aligned with government standards and commodity-specific terms and conditions.
- i) **Price:** The Contracting Authority must be able to verify that all costs are fair and reasonable. If a cost cannot be supported, the cost may not be included in the contract. Failure to achieve consensus on any aspect of the negotiations will result in the proposal being set aside and not given any further consideration. Canada will ensure that fair and reasonable prices are negotiated.
- j) **Procurement Strategy:** Canada will determine the procurement strategy for each potential Pathway to Commercialization contract. The Pathway to Commercialization List does not confirm an exemption from the requirement for competition.
- k) **Official Languages:** Canada may request deliverables be provided in both Official Languages.



**ATTACHMENT 1 - EVALUATION CRITERIA - CHALLENGE STREAM ENTRY – PHASE 1**

**This attachment outlines how the proposals will be evaluated when entering the ISC – Challenge Stream in Phase 1. Offerors should read this attachment to assist in the preparation of their proposal.**

The Offeror must complete the Challenge Stream Submission Form with a degree of information sufficient to enable Canada’s assessment of the proposal against the criteria and the Evaluation Schema. The information must demonstrate how the proposal meets the criterion. The Offeror may not add information to their submission at a later time.

**Part 1: Phase 1 - Mandatory Criteria**

Proposals must meet all mandatory criteria identified by achieving a “Pass” in order to proceed to Part 2. Proposals that do not meet all mandatory criteria will be deemed non-responsive and given no further consideration.

Mandatory Criteria (Offeror’s proposal must address)	
Question 1 a: Scope	Evaluation Schema (Mandatory - Pass/Fail)
Describe the proposed innovation and demonstrate how it responds to the challenge. Include in your description the scientific and technological basis upon which the solution is proposed and clearly demonstrate how the solution meets all of the <b>Essential Outcomes</b> in the Desired Outcomes section in the Challenge Notice.	<p><b>Pass</b> The proposed innovation is within the scope for the challenge, and clearly addresses all Essential Outcomes identified in the challenge.</p> <p><b>Fail</b> The proposed solution is articulated as out of scope for the challenge. OR The proposal does not clearly demonstrate how the proposed solution addresses all Essential Outcomes identified in the challenge. OR The proposed solution is poorly described and does not permit concrete analysis.</p>



	<p>OR There is little to no scientific and/or technological evidence that the proposed solution is likely to meet all Essential Outcomes.</p>
<p><b>Question 2: Current Technology Readiness Level (TRL)</b></p>	<p><b>Evaluation Schema (Mandatory - Pass/Fail)</b></p>
<p><b>a.</b> Indicate the current TRL of the proposed solution. (Drop Down Menu of the Challenge Stream Submission Form)</p> <p><b>b.</b> Describe the research and development activities that have taken place to bring the proposed solution to the stated TRL.</p> <p>This section must include :</p> <ul style="list-style-type: none"> <li>• A description of the method of research;</li> <li>• The solution objectives and an analysis of the results proving the feasibility of the solution;</li> <li>• Data proving the solution’s feasibility;</li> <li>• Evidence to demonstrate the highest level of validation conducted (e.g., activities such as paper studies, analytic studies, components that are not yet integrated or representative, integration of “ad hoc” hardware in the laboratory, laboratory test, simulated environment, field testing, debugging, etc.);</li> <li>• The type of environment(s) in which this was done and by whom, including title.</li> </ul>	<p><b>Pass</b> The Offeror has demonstrated that the proposed solution is currently between TRLs 1 and 4 (inclusive), and provided justification by explaining the research and development (R&amp;D) that has taken place to bring the solution to the stated TRL.</p> <p><b>Fail</b> The Offeror has not provided sufficient evidence to demonstrate that the current TRL is between 1 to 4 (inclusive) including:</p> <ol style="list-style-type: none"> <li>(1) <i>There is insufficient/no evidence provided for TRL judgment.</i></li> <li>(2) <i>The solution involves the development of basic or fundamental research.</i></li> <li>(3) <i>The solution is demonstrated at TRL 5 or higher.</i></li> <li>(4) <i>Insufficient/unclear/no justification explaining the R&amp;D that took place to bring the solution to the stated TRL.</i></li> <li>(5) <i>The explanation simply paraphrases the description of a given TRL level.</i></li> </ol>



Question 3a: Innovation	Evaluation Schema (Mandatory – Pass/Fail)
<p>Demonstrate how the proposed solution meets one or more of the ISC definitions of innovation below:</p> <ul style="list-style-type: none"> <li>a) An invention*, new technology or new process that is not currently available in the marketplace.</li> <li>b) Significant modifications to the application of existing technologies/components/processes that are applied in a setting or condition for which current applications are not possible or feasible.</li> <li>c) An improvement in functionality, cost or performance over an existing technology/process that is considered state-of-the-art or the current industry best practice.</li> </ul> <p>* An “invention” is defined for the purposes of ISC as: “A manufacturing design or any other new and useful improvement that is new or novel, that is, not commonly known or not an obvious derivative of an existing way of doing things.”</p>	<p><b>Pass</b> The proposed solution meets one or more of the ISC definitions of innovation.</p> <p><b>Fail</b> The proposed solution does not meet any of the ISC definitions of innovation; OR The proposed solution is an incremental improvement, “good engineering”, or a technology that would go ahead in the normal course of product development (i.e. the next version or release).</p>



Question 3b: Advance on State of the Art	Evaluation Schema (Mandatory Criteria – Pass/Fail + Points)
<p>Describe in detail the competitive advantages and level of advancement over existing technologies. Where appropriate, name existing technologies as well as potential substitutes or competitors.</p> <p>To demonstrate this, the proposal must include the following information:</p> <ul style="list-style-type: none"> <li>• Improvements (minor or major) over existing technologies or substitutes. Use direct comparison.</li> <li>• How the proposed innovation will create competitive advantages in existing market niches or market spaces.</li> </ul>	<p><b>0 points/Fail:</b> The Offeror has not demonstrated that the proposed solution advances the state-of-the-art over existing technologies, including available competing solutions; OR The proposed solution improves minimally upon the current state of the art, though not sufficiently enough to create competitive advantages in existing market niches; OR The stated advancements are described in general terms but are not substantiated with specific, measurable evidence.</p> <p><b>5 points/Pass:</b> The Offeror has demonstrated that the proposed solution offers one or two minor improvements to existing technologies, including available competing solutions that have potential to create competitive advantages in existing market niches.</p> <p><b>12 points/Pass:</b> The Offeror has demonstrated that the proposed solution offers three or more minor improvements to existing technologies, including available competing solutions, that together are likely to create competitive advantages in existing market niches; OR The Offeror has demonstrated that the proposed solution offers one significant improvement to existing technologies that is likely to create competitive advantages in existing market niches.</p>



	<p><b>20 points/Pass:</b> The Offeror has demonstrated that the proposed solution offers two or more significant improvements to existing technologies, including available competing solutions that are likely to create competitive advantages in existing market niches and could define new market spaces; OR The Offeror has demonstrated that the proposed solution can be considered a new benchmark of state of the art that is clearly ahead of competitors and that is likely to define new market spaces.</p>
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**Part 2: Phase 1 - Point-Rated Criteria**

Proposals must meet the overall minimum pass mark of 65 of 130 possible total points (50%) to be deemed responsive. Proposals that do not achieve the minimum pass mark will be declared non-responsive and given no further consideration.

Point-Rated Criteria (Offeror's proposal to address)	
Question 1b: Scope	Evaluation Schema (Point-Rated)
<p>Demonstrate the scientific and technological basis of <b>how</b> the proposed solution addresses the <b>Additional Outcomes</b> (if identified) in the Desired Outcomes section in the Challenge Notice. If no Additional Outcomes are identified in the Challenge Notice, text entered in this section will not be considered.</p> <p><b>If no Additional Outcomes are identified in the Challenge Notice, Offerors will receive 10 points.</b></p>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate that the solution will address any of the Additional Outcomes. <b>0 points</b></li> <li>ii. Information provided demonstrates that the solution will address some (&lt;50%) of the Additional Outcomes. <b>3 points</b></li> <li>iii. Information provided demonstrates that the solution will address most (50% or more) of the Additional Outcomes. <b>6 points</b></li> <li>iv. Information provided demonstrates that the solution will address all (100%) of the Additional Outcomes. <b>10 points</b></li> </ul>



Question 4: Phase 1 Science and Technology (S&T) Risks	Evaluation Schema (Point-Rated)
<p>Identify potential scientific and/or technological risks to the development of the proof of feasibility and describe how they will be mitigated in Phase 1.</p>	<ul style="list-style-type: none"><li data-bbox="1087 370 1955 542">i. Information is insufficient or no information provided to demonstrate that the Offeror has identified potential risks and described associated mitigation strategies or information provided contains significant gaps in risks and/or associated mitigation strategies. <b>0 points</b></li><li data-bbox="1087 581 1955 721">ii. Information provided demonstrates that the Offeror has identified potential risks and described associated mitigation strategies but there are minor gaps in risks and/or associated mitigation strategies. <b>5 points</b></li><li data-bbox="1087 760 1955 867">iii. Information provided demonstrates that the Offeror has identified the potential risks and described associated mitigation strategies. <b>10 points</b></li></ul>



Question 5: Phase 1 Project Risks	Evaluation Schema (Point-Rated)
<p>Identify potential project risks to the development of the proof of feasibility and describe how they will be mitigated in Phase 1.</p> <p>Offerors should address the following risks:</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Financial</li> <li>• Project Management</li> <li>• Intellectual Property</li> <li>• Supply chain issues</li> </ul> <p>Note: S&amp;T risks should not be included in this section. Question 4 addresses S&amp;T risks.</p>	<ul style="list-style-type: none"> <li>i. Information is insufficient or no information provided to demonstrate that the Offeror has identified potential risks and described associated mitigation strategies or information provided contains significant gaps in risks and/or associated mitigation strategies. <b>0 points</b></li> <li>ii. Information provided demonstrates that the Offeror has identified potential risks and described associated mitigation strategies but there are minor gaps in risks and/or associated mitigation strategies. <b>5 points</b></li> <li>iii. Information provided demonstrates that the Offeror has identified the potential risks and described associated mitigation strategies. <b>10 points</b></li> </ul>
Question 6: Phase 1 Project Plan	Evaluation Schema (Point-Rated)
<p>Demonstrate a Proof of feasibility Phase 1 project plan by completing the table in the Proposal Submission Form.</p> <ul style="list-style-type: none"> <li>• Indicate if any milestones and activities will be completed concurrently.</li> <li>• Indicate the estimated exit TRL at the completion of Phase 1. (Drop Down Menu of the Challenge Stream Submission Form).</li> </ul>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate a feasible project plan for Phase 1 and/or the project plan exceeds the maximum duration indicated in the Challenge Notice. <b>0 points</b></li> <li>ii. Information is feasible for the Phase 1 project plan but not clearly demonstrated and/or includes gaps. <b>10 points</b></li> <li>iii. information provided demonstrates a feasible project plan for Phase 1. <b>20 points</b></li> </ul>



Question 7: Phase 1 Implementation Team	Evaluation Schema (Point-Rated)
<p>Demonstrate how the project implementation team has the required management and technological skill sets and experience to deliver the project plan for Phase 1 by completing the table.</p> <p>A member of the implementation team can have more than one role.</p>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate that the project team has the required management and technological skill sets and experience to deliver the Phase 1 project plan. <b>0 points</b></li> <li>ii. Information provided demonstrates that there are minor gaps in required management and/or technological skill sets and/or experience to deliver the Phase 1 project plan. <b>10 points</b></li> <li>iii. Information provided demonstrates that the project team has the required management and technological skill sets and experience to deliver the Phase 1 project plan. <b>20 points</b></li> </ul>
Question 8: Inclusivity	Evaluation Schema (Point-Rated)
<p>A key objective of the Innovative Solutions Canada program is to increase the participation of under-represented groups in the research and development of the proposed solution.</p> <p>Offerors should describe the policies, strategies, and/or procedures (e.g. recruitment strategy, internships, co-op placements, or other initiatives) that they currently have in place or would put in place to support the R&amp;D effort in Phase 1 including an overview of the group(s); and which specific under-represented groups (women, youth, persons with disabilities, Indigenous people, visible minorities, 2SLGBTQI+ community, etc.).</p> <p><b>Note: Do not provide any personal information of individuals employed by your company or that of your subcontractors in the response.</b></p>	<ul style="list-style-type: none"> <li>i. No description and/or concrete examples of actions provided that are in place or would be taken to encourage greater participation of under-represented groups. <b>0 points</b></li> <li>ii. A description and concrete examples of actions to encourage greater participation of under-represented groups provided. <b>10 points</b></li> <li>iii. If the Offeror is registered on the Indigenous Business Directory, Modern Treaty or Comprehensive Land Claim Agreement (CLCA) business list/directory, please provide this information as part of this criterion. A registered Indigenous Businesses will receive the maximum score for Question 8: Inclusivity. <b>20 points</b></li> </ul>



Question 9: Phase 1 Financial Controls, Tracking and Oversight	Evaluation Schema (Point-Rated)
<p>Describe the financial controls, tracking and oversight that will be used to manage the funds throughout Phase 1. Offerors should indicate if an individual or firm will be managing the funds and provide their credentials and/or relevant experience.</p> <p>A good financial control in R&amp;D refers to effective management and oversight of financial resources allocated to R&amp;D activities, with the goal of maximising the return on investment and ensuring funds are used efficiently and effectively.</p> <p>For example, this section could include (but not limited to):</p> <ul style="list-style-type: none"><li>- Establishing clear budgets and financial plan</li><li>- Regular monitoring</li><li>- Developing systems for tracking and recording costs (salaries, equipment and supplies, overhead expenses, etc.)</li><li>- Providing accurate and timely financial reports (including actual and projected costs) to stakeholders such as management, funders or researchers</li><li>- Ensuring compliance with relevant financial regulations, policies and procedures</li></ul>	<ul style="list-style-type: none"><li>i. Insufficient or no information provided to demonstrate the Offeror's ability to manage funds in Phase 1. <b>0 points</b></li><li>ii. Information provided is vague and/or contains gaps. The Offeror has some financial controls, tracking and/or oversight in place to manage the funds in Phase 1. <b>5 points</b></li><li>iii. Information provided demonstrates that the Offeror has financial controls, tracking and oversight to manage funds in Phase 1. <b>10 points</b></li></ul>



Question 10: Phase 2 Overview	Evaluation Schema (Point-Rated)
<p>Demonstrate an overview for the prototype development plan if selected to participate in Phase 2.</p> <p>Responses should include:</p> <ul style="list-style-type: none"><li>• key tasks;</li><li>• estimated cost for materials;</li><li>• human resources; and</li><li>• project risks and mitigation strategies.</li></ul> <p><b>Note: A more detailed project plan may be requested if selected for consideration to participate in Phase 2.</b></p>	<ol style="list-style-type: none"><li>i. Insufficient or no information provided to demonstrate that the Offeror has contemplated an overview for the Phase 2 prototype development. <b>0 points</b></li><li>ii. Information provided demonstrates an overview for Phase 2 prototype development, however it is vague and/or contains gaps. <b>5 points</b></li><li>iii. Information provided demonstrates that the Offeror has a defined overview for the Phase 2 prototype development. <b>10 points</b></li></ol>



**ATTACHMENT 2 - EVALUATION CRITERIA - CHALLENGE STREAM ENTRY - PHASE 2**

**This attachment outlines how the proposals will be evaluated when entering the ISC – Challenge Stream Entry at Phase 2. Offerors should read this attachment to assist in the preparation of their proposal.**

The Offeror must complete the Challenge Stream Submission Form with a degree of information sufficient to enable Canada’s assessment of the proposal against the criteria and the Evaluation Schema. The information must demonstrate how the proposal meets the criterion.

**Part 1: Phase 2 - Mandatory Criteria**

Proposals must meet all Mandatory criteria identified by achieving a “Pass” in order to proceed to Part 2. Proposals that do not meet all mandatory criteria will be deemed non-responsive and given no further consideration.

Mandatory Criteria (Offeror’s proposal must address)	
Question 1 a: Phase 2 Scope	Evaluation Schema (Mandatory - Pass/Fail)
Describe the proposed innovation and demonstrate how it responds to the challenge. Include in your description the scientific and technological basis upon which the solution is proposed and clearly demonstrate how the solution meets all of the <b>Essential Outcomes</b> in the Desired Outcomes section in the Challenge Notice.	<p><b>Pass</b> The proposed innovation is within the scope for the challenge, and clearly addresses all Essential Outcomes identified in the challenge.</p> <p><b>Fail</b> The proposed solution is articulated as out of scope for the challenge. OR The proposal does not clearly demonstrate how the proposed solution addresses all Essential Outcomes identified in the challenge. OR The proposed solution is poorly described and does not permit concrete analysis. OR There is little to no scientific and/or technological evidence that the proposed solution is likely to meet all Essential Outcomes.</p>



Question 2: Proof of Feasibility and Current Technology Readiness Level (TRL)	Evaluation Schema (Mandatory - Pass/Fail)
<p>a. Indicate the current TRL of the proposed solution. (Drop Down Menu of the Challenge Stream Submission Form)</p> <p>b. Describe the research and development activities that have taken place to prove the solution’s feasibility and bring the proposed solution to the stated TRL.</p> <p>This section must include :</p> <ul style="list-style-type: none"> <li>• A description of the method of research;</li> <li>• The solution objectives and an analysis of the results proving the feasibility of the solution;</li> <li>• Data proving the solution’s feasibility;</li> <li>• Evidence to demonstrate the highest level of validation conducted (e.g., activities such as paper studies, analytic studies, components that are not yet integrated or representative, integration of “ad hoc” hardware in the laboratory, laboratory test, simulated environment, field testing, debugging, etc.);</li> <li>• The type of environment(s) in which this was done and by whom, including title.</li> </ul>	<p><b>Pass</b> The Offeror has demonstrated that the proposed solution is currently between <a href="#">TRL 5 to 9</a> (inclusive), and provided justification by explaining the research and development (R&amp;D) that has taken place to bring the solution to the stated TRL, proving the solution’s feasibility.</p> <p><b>AND</b></p> <p>The Offeror has demonstrated the research and development activities that have taken place to prove the solution’s feasibility and bring the proposed solution to the stated TRL.</p> <p><b>Fail</b> The Offeror has not provided sufficient evidence to demonstrate that the current TRL is between 5 to 9 (inclusive) including:</p> <ol style="list-style-type: none"> <li>(1) <i>There is insufficient/no evidence provided for TRL judgment and/or to prove the solution’s feasibility.</i></li> <li>(2) <i>The solution involves the development of basic or fundamental research.</i></li> <li>(3) <i>The solution is demonstrated at TRL 4 or lower.</i></li> <li>(4) <i>The solution is demonstrated at higher than TRL 9.</i></li> <li>(5) <i>Insufficient/unclear/no justification explaining the R&amp;D that took place to bring the solution to the stated TRL.</i></li> <li>(6) <i>The explanation simply paraphrases the description of a given TRL level and only provides a vague description and overview of the R&amp;D completed.</i></li> </ol>





Question 3a: Innovation	Evaluation Schema (Mandatory – Pass/Fail)
<p>Demonstrate how the proposed solution meets one or more of the ISC definitions of innovation below:</p> <ul style="list-style-type: none"> <li>a) An invention*, new technology or new process that is not currently available in the marketplace.</li> <li>b) Significant modifications to the application of existing technologies/components/processes that are applied in a setting or condition for which current applications are not possible or feasible.</li> <li>c) An improvement in functionality, cost or performance over an existing technology/process that is considered state-of-the-art or the current industry best practice.</li> </ul> <p>* An “invention” is defined for the purposes of ISC as: “A manufacturing design or any other new and useful improvement that is new or novel, that is, not commonly known or not an obvious derivative of an existing way of doing things.”</p>	<p><b>Pass</b> The proposed solution meets one or more of the ISC definitions of innovation.</p> <p><b>Fail</b> The proposed solution does not meet any of the ISC definitions of innovation; OR The proposed solution is an incremental improvement, “good engineering”, or a technology that would go ahead in the normal course of product development (i.e. the next version or release).</p>



Question 3b: Advance on State of the Art	Evaluation Schema (Mandatory Criteria – Pass/Fail + Points)
<p>Describe in detail the competitive advantages and level of advancement over existing technologies. Where appropriate, name existing technologies as well as potential substitutes or competitors.</p> <p>To demonstrate this, the proposal must include the following information:</p> <ul style="list-style-type: none"> <li>• Improvements (minor or major) over existing technologies or substitutes. Use direct comparison.</li> <li>• How the proposed innovation will create competitive advantages in existing market niches or market spaces.</li> </ul>	<p><b>0 points/Fail:</b> The Offeror has not demonstrated that the proposed solution advances the state-of-the-art over existing technologies, including available competing solutions; OR The proposed solution improves minimally upon the current state of the art, though not sufficiently enough to create competitive advantages in existing market niches; OR The stated advancements are described in general terms but are not substantiated with specific, measurable evidence.</p> <p><b>5 points/Pass:</b> The Offeror has demonstrated that the proposed solution offers one or two minor improvements to existing technologies, including available competing solutions that have potential to create competitive advantages in existing market niches.</p> <p><b>12 points/Pass:</b> The Offeror has demonstrated that the proposed solution offers three or more minor improvements to existing technologies, including available competing solutions, that together are likely to create competitive advantages in existing market niches; OR The Offeror has demonstrated that the proposed solution offers one significant improvement to existing technologies that is likely to create competitive advantages in existing market niches.</p>



	<p><b>20 points/Pass:</b></p> <p>The Offeror has demonstrated that the proposed solution offers two or more significant improvements to existing technologies, including available competing solutions that are likely to create competitive advantages in existing market niches and could define new market spaces;</p> <p>OR</p> <p>The Offeror has demonstrated that the proposed solution can be considered a new benchmark of state of the art that is clearly ahead of competitors and that is likely to define new market spaces.</p>
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**Part 2: Phase 2 - Point-Rated Criteria**

Proposals must meet the overall minimum pass mark of 65 of 130 possible total points (50%) to be deemed responsive. Proposals that do not achieve the minimum pass mark will be declared non-responsive and given no further consideration.

Point-Rated Criteria (Offeror’s proposal to address)	
Question 1b: Scope	Evaluation Schema (Point-Rated)
<p>Demonstrate the scientific and technological basis of <b>how</b> the proposed solution addresses the <b>Additional Outcomes</b> (if identified) in the Desired Outcomes section in the Challenge Notice. If no Additional Outcomes are identified in the Challenge Notice, text entered in this section will not be considered.</p> <p><b>If no Additional Outcomes are identified in the Challenge Notice, Offerors will receive 10 points.</b></p>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate that the solution will address any of the Additional Outcomes. <b>0 points</b></li> <li>ii. Information provided demonstrates that the solution will address some (&lt;50%) of the Additional Outcomes. <b>3 points</b></li> <li>iii. Information provided demonstrates that the solution will address most (50% or more) of the Additional Outcomes. <b>6 points</b></li> <li>iv. Information provided demonstrates that the solution will address all (100%) of the Additional Outcomes. <b>10 points</b></li> </ul>



Question 4: Phase 2 Science and Technology (S&T) Risks	Evaluation Schema (Point-Rated)
<p>Identify potential scientific and/or technological risks to the prototype development and describe how they will be mitigated in Phase 2.</p>	<ul style="list-style-type: none"> <li>i. Information is insufficient or no information provided to demonstrate that the Offeror has identified potential risks and described associated mitigation strategies or information provided contains significant gaps in risks and/or associated mitigation strategies. <b>0 points</b></li> <li>ii. Information provided demonstrates that the Offeror has identified potential risks and described associated mitigation strategies but there are minor gaps in risks and/or associated mitigation strategies. <b>5 points</b></li> <li>iii. Information provided demonstrates that the Offeror has identified the potential risks and described associated mitigation strategies. <b>10 points</b></li> </ul>
Question 5: Phase 2 Project Risks	Evaluation Schema (Point-Rated)
<p>Identify potential project risks to the prototype development and describe how they will be mitigated in Phase 2.</p> <p>Offerors should address the following risks:</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Financial</li> <li>• Project Management</li> <li>• Intellectual Property</li> <li>• Material availability</li> <li>• Supply chain issues</li> </ul> <p>Note to Offerors: S&amp;T risks should not be included in this section. Question 4 addresses S&amp;T risks.</p>	<ul style="list-style-type: none"> <li>i. Information is insufficient or no information provided to demonstrate that the Offeror has identified potential risks and described associated mitigation strategies or information provided contains significant gaps in risks and/or associated mitigation strategies. <b>0 points</b></li> <li>ii. Information provided demonstrates that the Offeror has identified potential risks and described associated mitigation strategies but there are minor gaps in risks and/or associated mitigation strategies. <b>5 points</b></li> <li>iii. Information provided demonstrates that the Offeror has identified the potential risks and described associated mitigation strategies. <b>10 points</b></li> </ul>



Question 6: Phase 2 Project Plan	Evaluation Schema (Point-Rated)
<p>Demonstrate a feasible Phase 2 project plan by completing the table in the Proposal Submission Form.</p> <ul style="list-style-type: none"> <li>Indicate if any milestones and activities will be completed concurrently;</li> <li>Indicate the estimated exit TRL at the completion of Phase 2. (Drop Down Menu of the Challenge Stream Submission Form)</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient or no information provided to demonstrate a feasible project plan for Phase 2 and/or the project plan exceeds the maximum duration indicated in the Challenge Notice. <b>0 points</b></li> <li>Information is feasible for the Phase 2 project plan but not clearly demonstrated and/or includes gaps. <b>10 points</b></li> <li>information provided demonstrates a feasible project plan for Phase 2. <b>20 points</b></li> </ul>
Question 7: Phase 2 Implementation Team	Evaluation Schema (Point-Rated)
<p>Demonstrate how your project implementation team has the required management and technological skill sets and experience to deliver the project plan for Phase 2 by completing the table provided.</p>	<ul style="list-style-type: none"> <li>Insufficient or no information provided to demonstrate that the project team has the required management and technological skill sets and experience to deliver the Phase 2 project plan. <b>0 points</b></li> <li>Information is provided but there are minor gaps in required management and/or technological skill sets and/or experience to deliver the Phase 2 project plan. <b>10 points</b></li> <li>Information provided clearly demonstrates that the project team has the required management and technological skill sets and experience to deliver the Phase 2 project plan. <b>20 points</b></li> </ul>



Question 8: Inclusivity	Evaluation Schema (Point-Rated)
<p>A key objective of the Innovative Solutions Canada program is to increase the participation of under-represented groups in the research and development of the proposed solution.</p> <p>Offerors should describe the policies, strategies, and/or procedures (e.g. recruitment strategy, internships, co-op placements, or other initiatives) that they currently have in place or would put in place to support the R&amp;D effort in Phase 2 including an overview of the group(s); and which specific under-represented groups (women, youth, persons with disabilities, Indigenous people, visible minorities, 2SLGBTQI+ community, etc.).</p> <p><b>Note: Do not provide any personal information of senior officials, individuals employed by your company or that of your subcontractors in the response below.</b></p>	<ul style="list-style-type: none"><li data-bbox="968 375 2018 448">i. No description and/or concrete examples of actions provided that would be taken to encourage greater participation of under-represented groups. <b>0 points</b></li><li data-bbox="968 496 2018 561">ii. A description and concrete examples of actions to encourage greater participation of under-represented groups provided. <b>10 points</b></li><li data-bbox="968 610 2018 740">iii. If the Offeror is registered on the Indigenous Business Directory, Modern Treaty or Comprehensive Land Claim Agreement (CLCA) business list/directory, please provide this information as part of this criterion as registered Indigenous Businesses will receive the maximum score for Question 8: Inclusivity. <b>20 points</b></li></ul>



Question 9: Phase 2 Financial Controls, Tracking and Oversight	Evaluation Schema (Point-Rated)
<p>Describe the financial controls, tracking and oversight that will be used to manage the funds throughout Phase 2. Offerors should indicate if an individual or firm will be managing the funds and provide their credentials and/or relevant experience.</p> <p>A good financial control in R&amp;D refers to effective management and oversight of financial resources allocated to R&amp;D activities, with the goal of maximising the return on investment and ensuring funds are used efficiently and effectively.</p> <p>For example, this section could include (but not limited to):</p> <ul style="list-style-type: none"> <li>- Establishing clear budgets and financial plan</li> <li>- Regular monitoring</li> <li>- Developing systems for tracking and recording costs (salaries, equipment and supplies, overhead expenses, etc.)</li> <li>- Providing accurate and timely financial reports (including actual and projected costs) to stakeholders such as management, funders or researchers</li> <li>- Ensuring compliance with relevant financial regulations, policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate the Offeror’s ability to manage funds in Phase 2. <b>0 points</b></li> <li>ii. Information provided is vague and/or contains gaps. The Offeror has some financial controls, tracking and/or oversight in place to manage the funds in Phase 2. <b>5 points</b></li> <li>iii. Information provided demonstrates that the Offeror has financial controls, tracking and oversight to manage funds in Phase 2. <b>10 points</b></li> </ul>





Question 10: Commercialization Strategy	Evaluation Schema (Point-Rated)
<p>Explain your plan to commercialize the solution after Phase 2 into the commercial marketplace and/or ISC’s Pathway to commercialization.</p> <p>Offerors should address the following:</p> <ul style="list-style-type: none"> <li>• Any previous experience and record in commercialization (e.g., sales; marketing; IP protection; demographic/target market analysis; manufacturing; technology commercialization);</li> <li>• Additional funding commitments from private and/or non-ISC funding sources;</li> <li>• Previous investments secured outside of the ISC program.</li> </ul> <p><b>Note:</b> Information on the Innovative Solutions Canada <a href="#">Pathway to Commercialization</a> process can be found on the program’s website.</p>	<ul style="list-style-type: none"> <li>i. Insufficient or no information provided to demonstrate that the Applicant has planned a realistic strategy for commercialization. <b>0 points</b></li> <li>ii. Information provided demonstrates a conceivably realistic strategy for commercialization, however there are gaps and/or elements of the strategy is vague. <b>5 points</b></li> <li>iii. Information provided demonstrates that the Applicant has a clear, comprehensive and realistic strategy. <b>10 points</b></li> </ul>



**ATTACHMENT 3 – CHALLENGE STREAM: ADVANCEMENT TO PHASE 2 PROTOTYPE DEVELOPMENT  
REQUIRED DOCUMENTS**

Example Supplemental Submission Form:

**Section A – General information**

**This Innovation Solutions Canada (ISC) Challenge Stream Advancement Supplemental Submission Form is in accordance with ISC Call for Proposals (CFP) EN578-24ISC4, Call 004.** Phase 2 Prototype Development in the ISC Challenge Stream program is about advancing the research and development (R&D) of the innovation from Phase 1.

**Please note that completion and submission of this form does not guarantee** a Phase 2 Prototype Development contract. It is at the sole discretion of Canada to proceed with any advancement to Phase 2 Prototype Development contracts.

***Maximum Value and Duration (from the Challenge Notice)***

Any resulting Phase 2 Prototype Development contract cannot exceed \$ \_\_\_\_\_ (excluding Taxes, Travel and Living, and Final Prototype shipping) for a maximum of \_\_\_\_\_ months.

***Submission Form Process***

The Phase 2 Prototype Development Submission Form consists of 2 parts:

Part 1 – Implementation Team

Part 2 – Financial Submission

Please note that once a SOW has been agreed upon by all stakeholders (i.e. Challenge Sponsoring Department, Supplier, and PSPC) you will be asked to provide documentation (including price support) regarding your proposed Labour Resources and Cost Breakdown for project, along with your certifications.

All elements of your cost breakdown will need price support which will be examined by your Contracting Authority.



**Section B – Submission**

**Part 1: Implementation Team**

*Instructions:* Complete the table below. Please note, resumes may be requested by the Sponsoring department for new resources.

Name and title	Project Role	Project Responsibilities	Relevant experience and skills (e.g., past experience, credentials, professional designation)	Indicate if the team member is an employee of the Offeror or subcontractor

**Part 2: Financial Submission**

Add more rows as necessary.

DIRECT LABOUR (inclusive of overhead and profit)			
Labour Category	No. of hours	Rate (\$/h)	Total (\$)
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<b>Total Hours</b>	<b>0.00 h</b>		<b>\$ -</b>



<b>DIRECT MATERIALS</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Sub-total</b>
<i>Description</i>			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<b>Total</b>			\$ -

<b>SUBCONTRACTOR FEES</b>	<b>Sub-total</b>
<i>Description</i>	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
<b>Total</b>	\$ -

<b>OTHER DIRECT COSTS</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Sub-total</b>
<i>Description</i>			\$ -
Ex. Patenting Costs			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<b>Total</b>			\$ -

<b>PROTOTYPE SHIPPING COSTS</b>	<b>Sub-total</b>
Cost to deliver prototype to Canada	\$ -
<b>Total</b>	\$ -



TRAVEL	Qty	Unit Cost	Sub-total
<i>Description</i>			\$ -
			\$ -
			\$ -
<b>Total</b>			\$ -

Summary	Sub-total
Direct Labour	\$ -
Direct Materials	\$ -
Subcontractor Fees	\$ -
Other Direct Costs	\$ -
Prototype Shipping Costs	\$ -
Travel	\$ -
	\$ -
<b>TOTAL PROPOSAL VALUE</b>	
	\$ -

IN-KIND CONTRIBUTIONS OF Offeror (if applicable)	Sub-total
<i>Description</i>	\$ -
	\$ -
<b>Total</b>	
	\$ -



**ATTACHMENT 4 – ADVANCEMENT TO TESTING STREAM: PROTOTYPE TESTING - EXAMPLE  
SUBMISSION FORM**

**SECTION A – General Information**

**This Innovation Solutions Canada (ISC) Advancement to Testing Stream: Prototype Testing Submission Form is in accordance with ISC Call for Proposals (CFP) EN578-24ISC4, Call 004.** Testing in the ISC Challenge Stream program is about advancing the research and development (R&D) of the innovation by conducting operational tests and/or employing use cases in real life settings on the prototype developed in Phase 2.

**Please note that completion and submission of this form does not guarantee** a Testing Stream contract. It is at the sole discretion of Canada to proceed with any Testing Stream contracts.

***Maximum Value and Duration***

Any resulting Testing Stream contract cannot exceed: Standard Component: \$1,100,000.00 CAD (Applicable Taxes, shipping and Travel and Living expenses are extra, as applicable) for a maximum of \_\_\_\_\_ months.

Any resulting Testing Stream contract cannot exceed: Military Component \$2,300,000.00 CAD (Applicable Taxes, shipping and Travel and Living expenses are extra, as applicable) for a maximum of \_\_\_\_\_ months.

Maximum contract value is subject to change at Canada’s Discretion.

***Submission Form Process***

The Testing Stream Submission Form consists of 2 parts:

Part 1 - History

Part 2 - Project Plan (s) of the Testing Stream Scenario(s)

Please note that once a Testing Stream scenario has been agreed upon by all stakeholders (i.e. Sponsoring Department, Supplier, and PSPC), you will be asked to provide documentation (including price support) regarding your proposed Labour Resources and Cost Breakdown for project, along with your certifications.

All elements of your cost breakdown will need price support, which will be examined by your Contracting Authority.



**SECTION B – To be filled out**

**Part 1 – History**

1. Provide a brief summary of the proposed innovation and how it is meant to perform in an operational setting. In plain language describe its top 3 key features.
2. Describe the current or anticipated technical challenges that remain after the completion of phase 2 to be addressed in order to reach commercial status (i.e. TRL 9+).

**Part 2 – Project Plan(s) of the Testing Stream Scenario(s)**

Please note that final project plan for the Testing Stream Scenario will be a collaboration between you and the Sponsoring Department.

What TRL is the proposed innovation estimated to achieve at the end of the contract?
What are the potential science and technology risks and risk mitigation strategies with the work involving the proposed innovation?
Describe a possible Testing Stream Scenario(s) for the proposed innovation in order to advance it up the TRL scale.
Describe the technical and quantifiable objective(s) of testing the proposed innovation, i.e., what would constitute a successful demonstration scenario for the proposed innovation.
Provide the specific quantifiable objectives and specific performance metrics, to be measured or demonstrated through an operational demonstration scenario. <ol style="list-style-type: none"> <li>1. Technical Metrics to be Measured</li> <li>2. Benefits/Impacts to be measured (provide specific metrics)</li> <li>3. The Methods used to Verify these Metrics</li> <li>4. The Expertise Required to Assess the Results of an Operational Demonstration or Previous Test</li> <li>5. Any other Requirements that could be needed throughout the Proposed Innovations Development Period</li> </ol>
Describe the operational environment(s) required to test the proposed innovation (i.e., field demonstration, IT sandbox and deployment, laboratory, etc.).
List and identify the resource requirements for the training, configuration, installation and operation of the proposed innovation.



Do you anticipate:

1. The need for Government Furnished Information or Government Furnished Equipment for your demonstration?; and/or
2. The need to go to a Government of Canada site for your demonstration?

**Part 3 - Financial Submission**

**1. INNOVATION COSTS:**

Innovation Costs must reflect the total purchase or lease price of the innovation, including quantities, costs to build/assemble the innovation and any costs related to software licenses or subscriptions. For example, if the innovation is a good, and testing requirements indicate that a quantity of three must be tested, identify the total all-inclusive cost of all three. This cost should also include operating instructions or manuals and peripheral items that will be commercially sold with the innovation, such as cables, batteries, etc. If the proposed innovation is a service, the Offeror must identify the labour costs, further below.

**Goods and/or Service:** At fixed all-inclusive unit prices, in accordance with the following:

Innovation description/components	Proposed number of unit(s)	Fixed all-inclusive unit price	Total proposed price
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
<b>Total Innovation Goods Costs:</b>			<b>\$</b>





**Labour:** At fixed all-inclusive hourly rates for the Offeror’s staff, in accordance with the following:

Labour category	Description of Work	Estimated number of hours	Fixed all-inclusive hourly rate	Total proposed price
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
<b>Total Innovation Labour Cost:</b>				\$

**2. SUPPORTING COSTS:**

**(i) Labour:** List each labour category, required to support the test, and the proposed fixed all-inclusive hourly rates for the Offeror’s Staff (e.g. *Training Instructors, Installation Technicians, Support Service Resources, etc.*), if applicable. The cost must not include travel and living expenses.

Labour category	Description of Work	Estimated number of hours	Fixed all-inclusive hourly rate	Total proposed price
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
<b>Total Innovation Labour Cost:</b>				\$



**(ii) Sub-contractor:** List each sub-contractor required to support the test, if applicable.

Sub-contractor Description of service	Total Proposed Price
	\$
	\$
	\$
<b>Total Sub-Contractor Costs:</b>	<b>\$</b>

**(iii) Equipment, Materials and Supplies:** List all equipment, materials and supplies required to conduct the test, and the proposed fixed all-inclusive unit price (e.g. devices, tools, lab supplies, packaging, etc.), if applicable.

Description	Estimated number of Units	Fixed all- inclusive unit Price	Total Proposed Price
		\$	\$
		\$	\$
<b>Total Equipment, Materials and Supplies Costs:</b>			<b>\$</b>

**(iv) Other Direct Costs:** List other direct costs not included in other categories, and the proposed cost (e.g. Innovation removal and disposal costs, Storage as a Service (STaaS), Telecommunication Fees, etc.). The cost must reflect actual cost without mark-up and must not include travel and living expenses.

Description	Unit (e.g. site, Megabyte, month, etc.)	Estimated number of Units	Price per unit	Total Proposed Price
			\$	\$
			\$	\$
<b>Total Other Direct Costs:</b>				<b>\$</b>



### 3. TRAVEL AND LIVING

List the estimated costs based on your testing plan, business location and potential work location (e.g. Meals, Transportation, Accommodation, etc.), if applicable.

The Contractor will be reimbursed its travel and living expenses incurred, at cost without mark-up, in accordance with the meal, private vehicle and incidental expenses provided in the Treasury Board Travel Directive (<https://www.njc-cnm.gc.ca/directive/d10/en>). If the region of the Contractor’s place of business and the Testing Department region is the same, then no travel and living expenses will be paid for services provided within the Region.

Trip Summary	Estimated Number of days	Estimated Number of People	Estimated Cost per Person	Total Estimated Costs
			\$	\$
			\$	\$
			\$	\$
			\$	\$
<b>Total Estimated Travel and Living Costs:</b>				<b>\$</b>

### 4. TRANSPORTATION AND SHIPPING EXPENSES: DDP (named place of delivery) Incoterms 2013

The Contractor is responsible for all delivery charges, administration, costs and risks of transport and customs clearance, including the payment of customs duties and taxes. Canada will reimburse at cost, without any allowance for profit and/or administrative overhead, for all Transportation / Shipping costs applicable to deliver from the Offeror's Canadian address to the testing department named location, to a limitation of expenditure.

Description	Total Estimated Costs
	\$
	\$
	\$
	\$
	\$
<b>Total Estimated Shipping Costs:</b>	
	<b>\$</b>

TOTAL COSTS (G.S.T. / H.S.T. extra, if applicable):		<b>\$</b>
Goods and Services Tax / Harmonized Sales Tax (GST/HST):	%	<b>\$</b>
<b>GRAND TOTAL:</b>		<b>\$</b>



**Financial Total Costs Comments**



**ATTACHMENT 5 – PATHWAY TO COMMERCIALIZATION ENTRY CRITERIA**

Recertification

**MC1:** The Offeror’s proposal must satisfy the eligibility criteria for participation in the Pathway to Commercialization:

- (1) For profit;
- (2) 499 or fewer full-time equivalent (FTE) employees;
- (3) Research and development activities and other Work under the contract that take place in Canada;
- (4) 50% or more of its annual wages, salaries and fees are currently paid to employees and contractors who spend the majority of their time working in Canada;
- (5) 50% or more of its FTE employees have Canada as their ordinary place of work;
- (6) 50% or more of its senior executives (Vice President and above) have Canada as their principal residence

Offeror certifies their proposed innovation is compliant with the eligibility criteria.

**Screening Criteria (SC)**

**SC1: Innovative Test Performance**

The Post-Test Report is designed to evaluate the performance of the innovation against the stated functionalities in the original bid submission (SC1: Innovation of the original proposal submission). Based on the Post-Test Report, as well as any additional consultation with the Testing Department, it has been determined:

Pass	<ul style="list-style-type: none"> <li>• The innovation demonstrated most of the core functionalities on par with the original proposal submission; <b>AND</b></li> <li>• The innovation functioned as intended within the test environment.</li> </ul>
Fail	<ul style="list-style-type: none"> <li>• The innovation did not demonstrate core technical functionality as stated in the original bid proposal; <b>AND/OR</b></li> <li>• The innovation did not function or did not function as intended within the test environment.</li> </ul>



**SC2: Technology Readiness Level (TRL) Validation**

The Offeror must demonstrate that the proposed innovation is beyond TRL 9 and ready for market commercialization.

**Post-TRL 9:** Actual application of the technology in its final form and under real-life conditions, such as those encountered in operational tests and evaluations. Activities include using the innovation under operational conditions.

Pass	<ul style="list-style-type: none"> <li>The Offeror has provided evidence demonstrating that the innovation is beyond TRL 9 at the conclusion of the testing period.</li> </ul>
Fail	<ul style="list-style-type: none"> <li>The innovation is not deemed to be at a post-TRL 9 at the conclusion of the testing period.</li> </ul>

**SC3: Certifications**

The Offeror must demonstrate that they have obtained the certifications, licenses, and approvals required to commercialize the innovation measured against daily market realities, product dependencies, and operational standards of the industry, including those considered a best practice in the respective industry, to achieve safe testing. The Offeror may be requested to submit copies of certifications, licenses and/or approvals as proof. This will include medical certifications (i.e. MDEL).

Pass	<ul style="list-style-type: none"> <li>The Offeror has demonstrated that they have obtained the certifications, licenses, and approvals required to commercialize their innovation.</li> </ul>
Fail	<ul style="list-style-type: none"> <li>The Offeror has failed to demonstrate that they have obtained the certifications, licenses, and approvals required to commercialize their innovation.</li> </ul>

**SC4: Financial Capability**

The Offeror must demonstrate that they have sufficient financial resources and a credible financial strategy necessary to execute and deliver upon contracts of larger scope. In determining the extent of financial capacity, evaluators should consider: updates status on funding sources and the amount of secured and unsecured funds, reviewing the degree of risks cited in the initial application any determining if they remain acceptable, and whether these risks are reasonable based on the context of the sector. Financial resources must be readily available and demonstrate ability to commercialize the proposed innovation.

Pass	<ul style="list-style-type: none"> <li>The Offeror has demonstrated they have funds in place; <b>AND/OR</b></li> <li>The Offeror has a credible financial strategy and remaining unsecured funds will not significantly impede commercializing the proposed innovation.</li> </ul>
Fail	<ul style="list-style-type: none"> <li>The Offeror has not demonstrated they have sufficient funds to commercialize the proposed innovation; OR</li> <li>The Offeror has failed to demonstrate it has a credible plan to secure necessary funds to commercialize the proposed innovation.</li> </ul>



**SC5: Intellectual Property (IP) Strategy**

The Offeror must demonstrate that they have an updated Intellectual Property strategy suitable to commercialize relevant to the innovation. This includes pending issues identified in the original submission and an investigation as to whether they have been resolved, remain sufficient, or require further action. This can vary by industry and rate of technology turnover. For example:

- *Software: Copyright and Source Code protection*
- *System: Both hardware and software protection*
- *Hardware: Patent and/or Trade Secret protection*
- *Service, Methodology, or Process: Copyright*

Pass	• The Offeror has demonstrated that they have implemented an Intellectual Property strategy suitable to protect the innovation.
Fail	• The Offeror has failed to demonstrate that they have implemented an Intellectual Property strategy suitable to protect the innovation.

**SC6: Scalability**

The Offeror must demonstrate that they have sufficient resources and planning to meet the obligations of a commercial contract. Offeror must provide an assessment of product lifecycle, demonstration of any relevant manufacturing agreements, distribution agreements in principle, and available human and technology resources.

Pass	• The Offeror has demonstrated that they have sufficient resources, agreements, operations, and processes in place to service multiple and concurrent contracts.
Fail	• The Offeror has failed to demonstrate that they have sufficient resources, agreements, operations, and processes in place to service multiple and concurrent contracts.



## **ATTACHMENT 6 – DRAFT RESULTING CONTRACT CLAUSES**

Please note this document is part of the Contract Modernization Initiative. For more information please consult the following <https://buyandsell.gc.ca/contract-modernization-initiative>.

*The following are draft clauses and conditions that may form part of any contract resulting from the Call for Proposals solicitation. Canada reserves the right to negotiate, modify and/or add any contract terms and conditions.*

### **1. Summary.**

**1.1. Summary.** The Contract is for the [**DESCRIPTION OF THE GOODS SUPPLIED OR SERVICES PROVIDED OR BOTH**], as described in the Statement of Work in Annex A.

### **2. Performance of Work**

**2.1 Security Requirement.** The following security requirements (SRCL and related clauses provided by the Contract Security Program) apply and form part of the Contract: **{| Insert related clauses provided by the Contract Security Program}**

**a. Contractor's Sites or Premises Requiring Safeguarding Measures.**

**{| If the Contract Security Program clauses indicate that safeguarding measures are required at the Contractor's and proposed individuals' sites or premises, insert the information below, as provided by the Offeror in the Offeror Requirements section. If not required, delete a and b.**

Where safeguarding measures are required in the performance of the Work, the Contractor must diligently maintain up-to-date the information related to the Contractor's and proposed individuals' sites or premises for the following addresses:

Street Number / Street Name, Unit / Suite / Apartment Number

City, Province, Territory / State

Postal Code / Zip Code

Country

**b. Company Security Officer.** The Company Security Officer must ensure through the [Contract Security Program](#) that the Contractor and individuals hold a valid security clearance at the required level. }

**OR**

**2.1 No Security Requirement.** There is no security requirement applicable to the Contract

**2.2. Comprehensive Land Claims Agreement (CLCA).**

**a. CLCA.** The Contract is subject to the following CLCA(s): **{| Insert CLCA agreements that apply}**. The Contract is for the delivery of the requirement detailed in the Statement of Work, to Identified Users across Canada, including areas subject to CLCA(s).





### 2.3. Conduct of the Work.

- a. **Performance.** Subject to section “Suspension of the Work”, the Contractor agrees to fulfill all obligations in full compliance with the requirements and Specifications of the Contract, regardless of any potential dispute with Canada. The Contractor must:
  - i. perform the Work diligently and efficiently;
  - ii. except for Government Property, supply everything necessary to perform the Work;
  - iii. use, as a minimum, quality assurance procedures, inspections and controls generally used and recognized by the industry to ensure the degree of quality required by the Contract;
  - iv. select and employ a sufficient number of qualified people; and
  - v. perform the Work in accordance with standards of quality acceptable to Canada and in full conformity with the Specifications and all the requirements of the Contract.
- b. **Responsibilities.** The Contractor is fully responsible for performing the Work. Canada will not be responsible for any negative consequences or extra costs if the Contractor follows any advice given by Canada unless the Contracting Authority provides the advice to the Contractor in writing and includes a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might result from following the advice.
- c. **The Contractor represents and warrants** that it and all its resources and Subcontractors:
  - i. are competent to perform the Work;
  - ii. have everything necessary to perform the Work, including the resources, facilities, labour, technology, equipment, and materials;
  - iii. have the necessary qualifications, including knowledge, skill, know-how and experience, and the ability to use them effectively to perform the Work; and
  - iv. will maintain any credentials, accreditations, licenses and certifications necessary to perform the Work throughout the duration of the Contract.
- d. **Reports.** The Contractor must provide all reports that are required by the Contract and any other information that Canada may reasonably require from time to time.

**2.4. Condition of Material.** Unless provided otherwise in the Contract, material supplied must be new and conform to the latest issue of the applicable drawing, specifications and part number that is in effect on the offer closing date or, if there was no offer solicitation, the date of the Contract.

### 2.5. Access to Facilities and Equipment.

- a. Canada's facilities, equipment and personnel are not available to the Contractor to perform the Work unless the Contract specifically provides for it.
- b. The Contractor is responsible for advising the Contracting Authority in advance if it requires access to Canada's facilities, equipment or personnel to perform the Work.
- c. The Contractor must comply and ensure that its employees and subcontractors comply with all security measures, standing orders, policies or other rules in force at the site where the Contractor is performing the Work .
- d. The Contractor must only use Canada’s facilities and equipment for the performance of the Contract.

### 2.6. Subcontracts.

- a. **Subcontracting Requirements.** The Contractor may subcontract the performance of the Work, provided:



- i. the Contractor obtains the Contracting Authority's prior written consent;
  - ii. any Subcontractor is bound by conditions compatible with the terms of the Contract and, in the opinion of the Contracting Authority, not less favourable to Canada than the conditions of the Contract, with the exception of requirements under the Federal Contractors Program for employment equity which only apply to the Contractor; and
  - iii. the Contractor remains liable to Canada for all the Work performed by the Subcontractor.
- b. Cases Where Consent for Subcontracting Not Required.** The Contractor is not required to obtain consent for Subcontracts specifically authorized in the Contract. The Contractor may also without the consent of the Contracting Authority:
- i. purchase "off-the-shelf" items and any standard articles and materials ordinarily produced by manufacturers in the normal course of business;
  - ii. subcontract any incidental services that would ordinarily be subcontracted in performing the Work;
  - iii. subcontract a maximum of one-third of the Work in Phase 1 and a maximum of one-half of the Work in Phase 2; and
  - iv. permit its Subcontractors at any tier to make purchases or subcontract as permitted in paragraphs (b)i), (b)ii), and (b)iii).
- c. Contractor Responsibilities.** Notwithstanding any subcontracting that is subject to Canada's consent, the Contractor is responsible for performing the Contract and Canada is not responsible to any subcontractor. The Contractor is responsible for any matters or things done or provided by any subcontractor under the Contract and for paying any Subcontractors for any part of the Work they perform.

## 2.7. Specifications.

- a. Canada owns all Specifications it provides the Contractor and the Contractor must only use them to perform the Work.
- b. If Canada approves Specifications furnished by the Contractor, that approval will not relieve the Contractor if its responsibility to meet all requirements of the Contract.

## 2.8. Work Authorization

- a. Despite any other condition of the Contract, the Contractor is authorized to perform the Work required to only complete { | \_\_\_\_\_ (insert the applicable phase or task) }, of the Contract { | (insert "at a cost not to exceed \$ \_\_\_\_\_ ", if applicable) }. Upon completion of { | \_\_\_\_\_ (insert "the phase" or "task") }, Canada will review the Work before the Contractor is authorized to commence any Work for { | \_\_\_\_\_ (insert the applicable phase or task) }. Depending on the results of the review and evaluation of the Work, Canada will decide at its discretion whether to continue with the Work.
- b. If Canada decides to continue with { | \_\_\_\_\_ (insert the applicable phase or task) }, the Contracting Authority will advise the Contractor in writing to commence work on { | \_\_\_\_\_ (insert the applicable phase or task) }. The Contractor must then immediately comply with the notice.

If Canada decides not to proceed with { | \_\_\_\_\_ (insert the applicable phase or task) }, the Contracting Authority will advise the Contractor in writing of the decision and the Contract will be



considered completed at no further costs to Canada. In no event will Canada pay the Contractor for any cost incurred for unauthorized work.

### 3. Term of the Contract.

**3.1 Initial Term.** The period of the Contract is from [Fill in start date of the period] to [Fill in end date of the period] inclusive.

**3.2 Delivery Date.** All the deliverables must be received on or before [Insert delivery date].

### 3.3 Options – Acquire Goods or Services or Both

The Contractor grants to Canada the irrevocable option to amend the contract to include the Phase 2 Prototype Development Work for prototype development. Proposal submission, evaluation and selection will be in accordance with Part 3 and Part 4 of the Call for Proposals document (EN578-24ISC4). The Phase 2 Prototype Development Statement of Work and Basis of Payment will be developed and appended to the Contract at Annexes A(X) and B(X) respectively. The Phase 2 Prototype Development Work may only be exercised by the Contracting Authority and will be evidenced, for administrative purposes only, through a contract amendment or a separate contract.

### 3. Delivery of Goods.

**4.1 Delivery Obligation.** The Contractor must deliver the Goods in accordance with the delivery schedule to the place of delivery by the method of delivery specified below: [{| Insert Specifics of delivery}](#)

### 4.2 Dangerous Goods or Hazardous Products - Labelling and Packaging Compliance

- a. **Labelling.** The Contractor must ensure proper labelling and packaging in the supply and shipping of dangerous goods or hazardous products to the Government of Canada.
- b. **Liability.** The Contractor is responsible for any damages caused by improper packaging, labelling or carriage of dangerous goods or hazardous products.
- c. **Marking.** The Contractor must clearly mark all merchandise labels with the percentage of volume that is a hazardous item. If the Contractor fails to do so, it will be responsible for any damages caused in the movement of goods or products by government vehicles or government personnel.
- d. **Compliance with Applicable Laws.** The Contractor must comply with all laws applicable to dangerous goods and hazardous products.

**4.3. Delivery Points.** Delivery of the requirement will be made to delivery point(s) specified at [\[Insert annex title\]](#) of the Contract.

**4.4. Delivery Costs.** The Contractor will arrange delivery by the most direct and economical means that are consistent with Canada's shipping practice.



## 5. Transportation.

### 5.1. Transportation Costs and Carrier Liability.

- a. **Transportation Costs.** If transportation costs are payable by Canada under the Contract and the Contractor makes the transportation arrangements, the Contractor must ship using the most direct and economical means consistent with normal shipping practice. The Contractor must show these costs as a separate item on the invoice.
- b. **Transportation Carriers' Liability.** The federal government's policy of underwriting its own risks precludes payment of insurance or valuation charges for transportation beyond the point at which ownership of goods passes to the federal government determined by the Incoterms applicable to the Contract. Where increased carrier liability is available without charge, the Contractor must obtain the increased liability for shipment.

**5.2. Shipping Documentation.** When shipping goods, the transportation bill of lading must accompany the original invoice, except for "collect" shipments (when stipulated), in which event it must accompany the shipment. In addition, a packing slip must accompany each shipment, showing item, quantity, part or reference numbers, description of the goods and Contract ID, including the CRN and BN. If Canada has inspected the goods at the Contractor's plant, the Contractor must attach the signed inspection voucher to the packing slip.

## 6. Inspection and Acceptance.

### 6.1 Inspection, Rejection and Cure.

- a. **Canada's Rights.** All the Work is subject to inspection and acceptance by Canada.
  - i. **Inspection and Acceptance.** Canada has the right to inspect and accept all Work. Canada's inspection and acceptance of the Work by Canada do not relieve the Contractor of its responsibility for defects or other failures to meet the requirements of the Contract.
  - ii. **Rejection and Cure.** If Canada rejects any Work, it may require the Contractor to correct or replace the Work at no additional cost.
- b. **Contractor's Obligations.**
  - i. **Access to Locations.** The Contractor must provide representatives of Canada access to all locations where any part of the Work is being performed at any time during working hours. Representatives of Canada may make examinations and such tests of the Work as they may think fit.
  - ii. **Assistance.** The Contractor must provide all assistance and facilities, test pieces, samples, and documentation that the representatives of Canada may reasonably require for the carrying out of the inspection. The Contractor must forward such test pieces and samples to such person or location as Canada specifies.
  - iii. **Contractor Inspection.** The Contractor must inspect and approve any part of the Work before submitting it for acceptance or delivering it to Canada.
  - iv. **Inspection Records.** The Contractor must keep accurate and complete inspection records that must be made available to Canada on request. Representatives of Canada may make



copies and take extracts of the records during the performance of the Contract and for up to three years after the end of the Contract.

## 7. Basis of Payment.

### 7.1 Basis of Payment – Fixed Price (all Work).

In consideration of the Contractor satisfactorily completing its obligations under the Contract, Canada will pay the Contractor for the Work described in the {} (Insert "Contract" OR "Annex Statement of Work" OR "Annex Statement of Requirement) a fixed price of \$(*Contracting Authority to insert the amount at Contract award*). Customs duties are \_\_\_\_\_ (Insert "included", "excluded" OR "subject to exemption) and Applicable Taxes are extra.}

OR

### 7.1 Basis of Payment – Fixed Price (specific work).

In consideration of the Contractor satisfactorily completing its obligations under the Contract, Canada will pay the Contractor for the Work described in {} (Insert the applicable section(s) of the SOW or requirement for the portion of Work to which this basis of payment applies) of the (Insert "Annex Statement of Work" OR "Annex Statement of Requirement") a fixed price of \$ (*Contracting Authority to insert the amount at Contract award*). Customs duties are (Insert "included", "excluded" OR "subject to exemption ) and Applicable taxes are extra.}

OR

### 7.1 Basis of Payment - Contract Cost Principles 1031-2 (all work).

Canada will reimburse the Contractor for the costs that it reasonably and properly incurs in performing the Work as determined in accordance with Contract Cost Principles 1031-2 found below, plus [insert "a fixed fee," or "a profit,"] to a ceiling price of \$[insert amount at contract award]. Customs duties are [insert "included", "excluded" or "subject to exemption"] and Applicable Taxes are extra. Canada may at any time audit any such payments. The results and findings of any such audit will be conclusive. The ceiling price is subject to downward adjustment so as not to exceed the actual costs that the Contractor reasonably incurs in performing the Work, computed in accordance with Contract Cost Principles 1031-2. The price will be adjusted to the extent necessary to reflect the results of any such audit. The Contractor will promptly refund to Canada any overpayment.

OR



### 7.1 Basis of Payment - Cost Reimbursable - Ceiling Price.

For the Work described in **(insert the applicable section(s) of the statement of work or requirement to which this basis of payment applies)** of the **(insert "Statement of Work" or "Requirement")** at Annex-**(insert annex name)** :

The Contractor will be paid for its costs reasonably and properly incurred in the performance of the Work, plus **(insert "a fixed fee," or "a profit,")** in accordance with the Basis of payment **(insert "in Annex-(insert annex name)" or "detailed below")**, to a ceiling price of \$**(insert amount at contract award)**. Customs duties are **(insert "included", "excluded" or "subject to exemption")** and Applicable Taxes are extra.

**(Insert details of the Basis of payment if not included in an Annex.)**

### 7.2. Auditing.

- a. **Government Audit.** Canada may recover amounts and make adjustments to amounts payable to the Contractor if an examination of the Contractor's records has identified amounts allocated to the Contract that are not in accordance with the Contract terms.
- b. **Overpayment.** If the results of an examination indicate that Canada has overpaid, such overpayment is due and payable on the date indicated in the notice of overpayment.

### 7.3 Contract Cost Principle – 1031-2.

- a. **General Principle.** The total cost of the Contract must be the sum of the applicable direct and indirect costs which are, or must be reasonably and properly incurred and/or allocated, in the performance of the Contract, less any applicable credits. These costs must be determined in accordance with the Contractor's cost accounting practices as accepted by Canada and applied consistently over time.
- b. **Reasonable Cost.**
  - i. A cost is reasonable if the nature and amount do not exceed what would be incurred by an ordinary prudent person in the conduct of a competitive business.
  - ii. In determining the reasonableness of a particular cost, consideration will be given to:
    - 1. whether the cost is of a type generally recognized as normal and necessary for the conduct of a contractor's business or performance of the Contract;
    - 2. the restraints and requirements by such factors as generally accepted sound business practices, arm's length bargaining, federal, provincial and local laws and regulations, and contract conditions;
    - 3. the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, the Government and public at large;
    - 4. significant deviations from the established practices of the Contractor which may unjustifiably increase the contract costs; and
    - 5. the specifications, delivery schedule and quality requirements of the particular contract as they affect costs.



- c. Direct Costs.** There are three categories of direct costs:
- i.** "Direct Material Costs" meaning the cost of materials which can be specifically identified and measured as having been used or to be used in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.
    - 1.** These materials may include, in addition to materials purchased solely for the performance of the Contract and processed by the Contractor, or obtained from subcontractors, any other materials issued from the Contractor's general stocks.
    - 2.** Materials purchased solely for the performance of the Contract or subcontracts must be charged to the Contract at the net laid-down cost to the Contractor before cash discounts for prompt payment.
    - 3.** Materials issued from the Contractor's general stocks must be charged to the Contract in accordance with the method as used consistently by the Contractor in pricing material inventories.
  - ii.** "Direct Labour Costs" meaning the costs of the portion of gross wages or salaries incurred for the Work, which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.
  - iii.** "Other Direct Costs" meaning those applicable costs, not falling within the categories of direct material or direct labour, but which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost practices as accepted by Canada.
- d. Indirect Costs.**
- i.** "Indirect Costs (overhead)" meaning those costs which, though necessarily having been incurred during the performance of the Contract for the conduct of the Contractor's business in general, cannot be identified and measured as directly applicable to the performance of the Contract.
  - ii.** These Indirect Costs may include, but are not necessarily restricted to, such items as:
    - 1.** indirect materials and supplies. For supplies of similar low-value, high-usage items the costs of which meet the above definition of Direct Material Costs but for which it is economically expensive to account for these costs in the manner prescribed for direct costs, then they may be considered to be indirect costs for the purposes of the Contract.
    - 2.** indirect labour;
    - 3.** fringe benefits (the Contractor's contribution only);
    - 4.** public services expenses: expenses of a general nature such as power, heat, light, operation and maintenance of general assets and facilities;
    - 5.** fixed/period charges: recurring charges such as property taxes, rentals and reasonable depreciation costs;
    - 6.** general and administrative expenses: including remuneration of executive and corporate officers, office wages and salaries and expenses such as stationery, office supplies, postage and other necessary administration and management expenses;



7. selling and marketing expenses associated with the goods, services or both being acquired under the Contract;
  8. general research or development expenses as considered applicable by Canada.
- e. **Allocation of Indirect Costs.** Indirect Costs must be accumulated in appropriate indirect cost pools, reflecting a contractor's organizational or operational lines and these pools subsequently allocated to contracts in accordance with the following two principles:
- i. the costs included in a particular indirect cost pool should have a similarity of relationship with each contract to which that indirect cost pool is subsequently distributed; further, the costs included in an indirect cost pool should be similar enough in their relationship to each other that the allocation of the total costs in the pool provides a result which would be similar to that achieved if each cost within that pool were separately distributed;
  - ii. the allocation basis for each indirect cost pool should reflect, as far as possible, the causal relationship of the pooled costs to the contracts to which these costs are distributed.
- f. **Credits.** The applicable portion of any income, rebate, allowance, or any other credit relating to any applicable direct or indirect cost, received by or accruing to the Contractor, must be credited to the Contract.
- g. **Non-applicable Costs.** Despite that the following costs may have been or may be reasonably and properly incurred by the Contractor in the performance of the Contract, they are considered non-applicable costs to the Contract:
- i. allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges;
  - ii. legal, accounting and consulting fees in connection with financial reorganization, security issues, capital stock issues, obtaining of licenses and prosecution of claims against Canada;
  - iii. losses on investments, bad debts and collection charges;
  - iv. losses on other contracts;
  - v. federal and provincial income taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes;
  - vi. provisions for contingencies;
  - vii. premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the Contractor;
  - viii. amortization of unrealized appreciation of assets;
  - ix. depreciation of assets paid for by Canada;
  - x. fines and penalties;
  - xi. expenses and depreciation of excess facilities;
  - xii. unreasonable compensation for officers and employees;
  - xiii. specific product development or improvement expenses not associated with the product being acquired under the Contract;
  - xiv. advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;
  - xv. entertainment expenses;
  - xvi. donations except those to charities registered under the [Income Tax Act](#);
  - xvii. dues and other memberships other than regular trade and professional associations;





- xviii. fees, extraordinary or abnormal for professional advice in regard to technical, administrative or accounting matters, unless approval from the Contracting Authority is obtained;
- xix. compensation in the form of dividend payments or calculated based on dividend payments; and
- xx. compensation calculated, or valued, based on changes in the price of corporate securities, such as stock options, stock appreciation rights, phantom stock plans or junior stock conversions; or, any compensation in the form of a payment made to an employee in lieu of an employee receiving or exercising a right, option, or benefit.

## 8. Fees.

**8.1 Limitation of price.** 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.

**8.2 Travel and Living Expenses.** The Contractor will be reimbursed for the authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, in accordance with Contract Cost Principles 1031-2 found above, with no allowance for profit and/or administrative overhead. All payments are subject to government audit.

## 9. Payments.

### 9.1. Invoices.

- a. **Invoice Submission.** The Contractor must submit invoices for each delivery in accordance with the Contract. Each invoice must indicate whether it covers partial or final delivery.
- b. **Invoice Details.** Invoices must show:
  - i. the date, the name and address of the client department, item or reference numbers, deliverable or description of the Work, Contract ID, Client Reference Number, Business Number, and financial code(s);
  - ii. details of expenditures (such as item, quantity, unit of issue, unit price, fixed time labour rates and level of effort, subcontracts, as applicable) in accordance with the Basis of Payment, exclusive of Applicable Taxes;
  - iii. deduction for holdback, if applicable;
  - iv. the extension of the totals, if applicable;
  - v. if applicable, the method of delivery together with date, case numbers and part or reference numbers, shipment charges and any other additional charges; and
  - vi. Applicable Taxes as a separate item along with corresponding registration numbers from the tax authorities. The Contractor must identify on all invoices all items that are zero-rated, exempt or to which Applicable Taxes do not apply.
- c. **Payment of Taxes.** Canada will pay Applicable Taxes. It is the sole responsibility of the Contractor to charge Applicable Taxes at the correct rate. The Contractor must pay Applicable Taxes, ancillary taxes, and any commodity tax, on taxable goods or services used or consumed



in the performance of the Contract (in accordance with applicable legislation), including for material incorporated into real property.

- d. **Exemptions.** The Contractor is not entitled to use Canada's exemptions from any tax, such as provincial sales taxes, unless otherwise specified by law.
- e. **Withholding for Non-Residents.** Canada will withhold 15 percent of the amount to pay the Contractor in respect of services provided in Canada if the Contractor is not a resident of Canada unless the Contractor obtains a valid waiver from the Canada Revenue Agency.

## 9.2 Invoicing Instructions – Progress Payment Claim.

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

Each claim must show:

- i. all information required on form [PWGSC-TPSGC 1111](#);
- ii. all applicable information detailed under the section entitled "Invoices";

{| **Instruction to contracting officers: Insert specific information that must be shown on the claim and is not covered under (a) and (b) above to reflect the requirement.** *The following are examples only.*

- iii. a list of all expenses;
- iv. expenditures plus pro-rated profit or fee;
- v. the description and value of the milestone claimed as detailed in the Contract.
- b. **Taxes.** 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.
- c. **Submission Process.** The Contractor must prepare and certify one original and two (2) copies of the claim on form [PWGSC-TPSGC 1111](#), and forward it to the [insert "Project" or "Technical" or "Inspection"] Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place. The [insert "Project" or "Technical" or "Inspection"]} Authority will then forward the original and two (2) copies of the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.
- d. **Invoice Timing.** The Contractor must not submit claims until all work identified in the claim is completed.

**9.3. Payment Period.** Canada will pay the Contractor's undisputed invoice amount within 30 days after receipt of invoice in acceptable form and content. In the event an invoice is not of an acceptable form and content, Canada will notify the Contractor within 15 days of receipt and the 30 day payment period will begin on receipt of a conforming invoice.

## 9.4. Late Payments.

- a. **Interest on Late Payments.** Canada will pay the Contractor simple interest at the Average Rate plus 3 percent per year on any amount that is Overdue, from the date that amount becomes Overdue until the day before the date of payment, inclusive. The Contractor is not required to provide notice to Canada for interest payable.



- b. **Exceptions.** Canada will pay interest only if Canada is responsible for the delay in paying the Contractor. Canada will not pay interest on Overdue advance payments.

#### 9.5. Electronic Payment of Invoices.

The Contractor accepts that Canada will use the following electronic payment instruments:

{| **Remove what does not apply:**

- a. Visa Acquisition Card,
- b. MasterCard Acquisition Card,
- c. Direct Deposit (Domestic and International),
- d. Electronic Data Interchange (EDI),
- e. Wire Transfer (International Only)
- f. Large Value Transfer System (LVTS) (Over \$25M)}

**9.6. Right to Set-Off.** When Canada makes a payment to the Contractor, Canada may deduct any amount payable to Canada by the Contractor under this or any other current contract.

#### 9.7. Taxes.

- a. Federal government departments and agencies are required to pay Applicable Taxes.
- b. Applicable Taxes will be paid by Canada as provided in the Invoice Submission section. It is the sole responsibility of the Contractor to charge Applicable Taxes at the correct rate in accordance with applicable legislation. The Contractor agrees to remit to appropriate tax authorities any amounts of Applicable Taxes paid or due.
- c. The Contractor is not entitled to use Canada's exemptions from any tax, such as provincial sales taxes, unless otherwise specified by law. The Contractor must pay applicable provincial sales tax, ancillary taxes, and any commodity tax, on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable legislation), including for material incorporated into real property.
- d. In those cases where Applicable Taxes, customs duties, and excise taxes are included in the Contract Price, the Contract Price will be adjusted to reflect any increase, or decrease, of Applicable Taxes, customs duties, and excise taxes that will have occurred between offer submission and contract award. However, there will be no adjustment for any change to increase the Contract Price if public notice of the change was given before offer submission date in sufficient detail to have permitted the Contractor to calculate the effect of the change.
- e. Tax Withholding of 15 Percent – Canada Revenue Agency.  
Pursuant to the [Income Tax Act](#), 1985, c. 1 (5th Supp.) and the [Income Tax Regulations](#), Canada must withhold 15 percent of the amount to be paid to the Contractor in respect of services provided in Canada if the Contractor is not a resident of Canada, unless the Contractor obtains a valid waiver from the [Canada Revenue Agency](#). The amount withheld will be held on account for the Contractor in respect to any tax liability which may be owed to Canada.



## 10. Method of Payment.

### 10.1 Method of Payment-Progress Payments.

- a. Canada will make progress payments in accordance with the payment provisions of the Contract, no more than once a month, for costs incurred in the performance of the Work, up to [**Insert Percentage**] percent of the amount claimed and approved by Canada if:
  - i. 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;
  - ii. the amount claimed is in accordance with the Basis of Payment;
  - iii. the total amount for all progress payments paid by Canada does not exceed [% amt exceed] percent of the total amount to be paid under the Contract; and
  - iv. all certificates appearing on form [PWGSC-TPSGC 1111](#) have been signed by the respective authorized representatives.
- b. **{ | Insert one of the options below }**
  - Option 1:** "The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of the item if the Work has been accepted by Canada and a final claim for the payment is submitted."
  - Option 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."
- c. 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. The Contractor must immediately refund to Canada any overpayment resulting from progress payments. }

OR

**10.1 Milestone Payments.** Canada will make milestone payments in accordance with the Schedule of Milestones, if

- a. the Contractor has properly submitted an accurate and complete claim for payment using [PWGSC-TPSGC 1111](#), Claim for Progress Payment along with any other necessary documents,
- b. the parties' authorized representatives have signed all the certificates appearing on form [PWGSC-TPSGC 1111](#), and
- c. the Contractor has completed, and Canada has accepted, all Work associated with the milestone and any applicable deliverable.

## 11. Warranties.

### 11.1 Warranty.

- a. **General Warranty.** The Contractor states that the Work will be new, conform to the Specifications, and be free from defects in design, material and workmanship during the longer of Contractor's standard warranty period and 12 **{ | Amend if required }** months after Canada accepts the Work (the "Warranty Period").



- b. **Government Property.** With respect to Government Property not supplied by the Contractor, the Contractor's warranty will extend only to its proper incorporation into the Work.
- c. **Replacement or Repair.** Upon Canada's request during the Warranty Period the Contractor at its expense, must replace or repair any nonconforming or defective goods within 5 days or such other time as specified by Canada.
- d. **Defective or Non-conforming Work.** The Work or any part of the Work found to be defective or non-conforming, will be returned to the Contractor's plant for replacement, repair or making good. However, when in the opinion of Canada it is not expedient to remove the Work from its location, the Contractor must carry out any necessary repair or making good of the Work at that location. In such cases, the Contractor will be paid the fair and reasonable Cost (including reasonable travel and living expenses) incurred in so doing, with no allowance for profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.
- e. **Transportation Costs.** Canada must pay the transportation cost associated with returning the Work or any part of the Work to the Contractor's plant. The Contractor must pay the transportation cost associated with forwarding the replacement or returning the Work or part of the Work when rectified to the delivery point specified in the Contract or to another location directed by Canada.

## 12. Ownership and Risk of Loss.

### 12.1. Ownership.

- a. **Transfer of Ownership to Canada.** Unless provided otherwise, the Work or any part of the Work belongs to Canada after acceptance by or on behalf of Canada.
- b. **Partial Payments.** However, if any payment is made to the Contractor for or on account of any work, either by way of progress or milestone payments, that work paid for by Canada belongs to Canada upon such payment being made. This transfer of ownership does not constitute acceptance by Canada of the Work or any part of the Work and does not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.

**12.2. Risk of Loss.** Despite any transfer of ownership, the Contractor is responsible for any loss or damage the Contractor or its subcontractor causes to the Work or any part of the Work in accordance with the Contract.

**12.3. Title.** Upon transfer of ownership to the Work or any part of the Work to Canada, the Contractor must, if requested by Canada, establish to Canada's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances. The Contractor must execute any conveyances and other instruments necessary to perfect the title that Canada may require.

### 12.4. Records and Disclosure of Foreground Information.

- a. **Maintaining and Disclosing Records.** During and after the performance of the Contract, the Contractor must keep detailed records of the Foreground Information, including details of its creation, ownership and about any sale or transfer of any right in the Foreground Information. The Contractor must report and fully disclose to Canada all Foreground Information as required by the Contract. If the Contract does not specifically state when and how the



Contractor must do so, the Contractor must provide this information when requested by the Contracting Authority or a representative of the department or agency for which the Contract is performed, whether before or after the completion of the Contract.

- b. **Canada's Access to Records.** Before and after final payment to the Contractor, the Contractor must provide Canada with access to all records and supporting data that Canada considers pertinent to the identification of Foreground Information.
- c. **Ownership of Intellectual Property.** For any Intellectual Property that was developed or created in relation to the Work, Canada will be entitled to assume that it was developed or created by Canada, if the Contractor's records do not list that Intellectual Property or do not indicate that it was created by the Contractor, or by someone on behalf of the Contractor, other than Canada.

#### 12.5. Ownership of Intellectual Property Rights in Foreground Information.

- a. **IP Rights in Foreground Information.** All Intellectual Property Rights in the Foreground Information belong to the Contractor as soon as they come into existence.
- b. **Canada's Rights.** Despite the Contractor's ownership of all the Intellectual Property Rights in the Foreground Information, Canada has unrestricted ownership rights in any prototype, model, custom or customized system or equipment that is a deliverable under the Contract, including manuals and other operating and maintenance documents. This includes the right to make them available for public use, whether for a fee or otherwise, sell them or otherwise transfer ownership in them.
- c. **Contractor's Collection of Personal Information.** Any personal information, as defined in the [Privacy Act](#), R.S., 1985, c. P-21, collected by the Contractor in the execution of the Work under the Contract becomes the property of Canada immediately upon collection and must be used only for the performance of the Work. The Contractor has no right in any such personal information.
- d. **IP Rights in Compilations.** If the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada and any personal information referred to above, the Intellectual Property Rights in the database or compilation containing such information will belong to Canada. The Contractor's Intellectual Property Rights in the Foreground Information are restricted to those capable of being exploited without the use of the information or data supplied by Canada and the personal information.
- e. **Confidentiality and Return of Information.** The Contractor must maintain the confidentiality of the information or data supplied by Canada and the personal information as required in the General Conditions. The Contractor must return all the information belonging to Canada on request or on completion or termination of the Contract. This includes returning all hard copies and electronic copies as well as any paper or electronic record that contains any part of the information or information derived from it.

#### 12.6. Licenses to Intellectual Property Rights in Foreground and Background Information.

- a. **License to IP.** As Canada has contributed to the cost of developing the Foreground Information, the Contractor grants to Canada a license to exercise all Intellectual Property Rights in the Foreground Information for Canada's activities. Subject to any exception described in the Contract, this license allows Canada to do anything that it would be able to do if it were the owner of the Foreground Information, other than exploit it commercially and



transfer or assign ownership of it. The Contractor also grants to Canada a license to use the Background Information to the extent that it is reasonably necessary for Canada to exercise fully all its rights in the deliverables and in the Foreground Information.

- b. Extent of License.** These licenses are non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free. Neither license can be restricted in any way by the Contractor providing any form of notice to the contrary, including the wording on any shrink-wrap or click-wrap license or any other kind of packaging, attached to any deliverable.
- c. Included Rights.** For greater certainty, Canada's licenses include, but are not limited to:
  - i.** the right to disclose the Foreground and Background Information to third parties offering on or negotiating contracts with Canada and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such contracts. Canada will require these third parties and contractors not to use or disclose that information except as may be necessary to offer on, negotiate or carry out those contracts;
  - ii.** the right to disclose the Foreground and Background Information to other governments for information purposes;
  - iii.** the right to reproduce, modify, improve, develop or translate the Foreground and Background Information or have it done by a person hired by Canada. Canada, or a person designated by Canada, will own the Intellectual Property Rights associated with the reproduction, modification, improvement, development or translation;
  - iv.** without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the right, in relation to any custom-designed or custom-manufactured part of the Work, to exercise such of the Intellectual Property Rights in the Background Information as may be required for the following purposes:
    - 1.** for the use, operation, maintenance, repair or overhaul of the custom-designed or custom-manufactured parts of the Work;
    - 2.** in the manufacturing of spare parts for maintenance, repair or overhaul of any custom-designed or custom-manufactured part of the Work by Canada if those parts are not available on reasonable commercial terms to enable timely maintenance, repair or overhaul.
  - v.** for Software that is custom designed for Canada, the right to use any source code the Contractor must deliver to Canada under the Contract.
- d. Background Information.** The Contractor agrees to make the Background Information, including in the case of Software, the source code promptly available to Canada for any purpose mentioned above. The license does not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada applies only to source code that is within the control of or can be obtained by the Contractor or any subcontractor.

**12.7. Contractor's Right to Grant Licenses.** The Contractor represents and warrants that it has the right to grant to Canada the licenses and any other rights to use the Foreground and Background Information. If the Intellectual Property Rights in any Foreground or Background Information are or will be owned by a subcontractor or any other third party, the Contractor must have or obtain promptly a license from that subcontractor or third party that permits compliance with the clause titled "Licenses to Intellectual



Property Rights in Foreground and Background Information” or arrange, without delay, for the subcontractor or third party to grant promptly any required license directly to Canada.

**12.8. Waiver of Moral Rights.** If requested by Canada, during and after the Contract, the Contractor must provide a written permanent waiver of moral rights, as defined in the [Copyright Act](#), R.S., 1985, c. C-42, from every author that contributes to any Foreground Information subject to copyright protection that is a deliverable to Canada under the Contract. If the Contractor is an author of the Foreground Information, the Contractor permanently waives the Contractor's moral rights in that Foreground Information.

**12.9. License to Intellectual Property Rights in Canada’s Information.**

- a. **Canada’s Ownership of Information.** Any information supplied by Canada to the Contractor for the performance of the Work remains the property of Canada. The Contractor must use Canada's Information only to perform the Contract.
- b. **Contractor’s Use of Information.** If the Contractor wants to use any information owned by Canada for the commercial exploitation or further development of the Foreground Information, the Contractor must obtain a license from the department or agency for which the Contract is performed. In its request for a license to that department or agency, the Contractor must explain why the license is required and how the Contractor intends to use the information. If the department or agency agrees to grant a license, its terms will be negotiated between the Contractor and that department or agency and may include the payment of a compensation to Canada.

**12.10. Transfer or License of Contractor’s Rights.**

- a. **Need for Contracting Authority’s Consent to Sale, etc.** During the Contract, the Contractor must not sell, transfer, assign or license the Foreground Information without first obtaining the Contracting Authority's written permission.
- b. **Transfer of Ownership in Foreground Information.** After the Contract, if the Contractor transfer ownership in the Foreground Information, the Contractor is not required to obtain Canada's permission, but must notify the department or agency for whom the Contract is performed in writing of the transfer by referring to the serial number of the Contract and its date and by providing details about the transferee, including the conditions of the transfer. The Contractor must ensure that the transfer requires the transferee to notify Canada of any future transfer. Any transfer must be subject to all Canada's rights to use the Foreground Information.
- c. **Grant of Rights in Foreground Information.** After the Contract, if the Contractor grants a license or any other right (other than a transfer of ownership) to a third party to use the Foreground Information, the Contractor is not required to notify Canada, but the license or right granted must not affect Canada's rights in any way.
- d. **Interference with Canada’s Rights in Foreground Information.** If the Contractor at any time transfers ownership of or grants rights in the Foreground Information that interfere in any way with Canada's rights to use the Foreground Information, the Contractor must, if requested by Canada, immediately take all steps necessary to restore Canada's rights. If the Contractor is not successful in doing so, within the time reasonably required by Canada, the Contractor must immediately reimburse Canada for all costs Canada incurs to do so itself.





**12.11. Products Created Using the Foreground Information.** If the Contractor uses the Foreground Information to develop any new product or any improvement in any existing product, the Contractor agrees that, if Canada wishes to purchase such new or improved product, the Contractor must sell them to Canada at a discount off the lowest price for which it has sold those products to other customers, to recognize Canada's financial contribution to the development of those products.

### **13. Government Property.**

**13.1. Care of Property.** The Contractor must take reasonable and proper care of all Government Property while it is in its possession or subject to its control. The Contractor is responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.

**13.2. Use of Property.** The Contractor must use all Government Property solely for the purpose of the Contract and all Government Property remains the property of Canada. The Contractor must maintain adequate accounting records of all Government Property and, whenever feasible, mark it as being the property of Canada.

**13.3. Return of Property.** The Contractor must return all Government Property, unless the Contractor installs or incorporates it in the Work. All scrap and all waste materials, articles or things that are Government Property must, remain the property of Canada and must be disposed of only as directed by Canada.

**13.4 Salvage.** All scrap and waste material becomes the property of the Contractor who must remove it from the site.

**13.5. Inventory of Property.** At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor must provide Canada an inventory of all Government Property relating to the Contract.

### **14. Use and Translation of Written Material.**

**14.1. Copyright and Right to Use.** Unless provided otherwise in the Contract, copyright in any written material used, produced or delivered under the Contract belongs to its author or rightful owner. Canada has the right to use, copy and disclose, for government purposes, the written material related to the Work that is delivered to Canada.

**14.2. Translated Materials.** If the Contract does not require the delivery of any written material in both of Canada's official languages, Canada may translate the written material into the other official language. The Contractor acknowledges that Canada owns the rights on the translation and that Canada is under no obligation to provide the translation to the Contractor. Canada agrees that any translation must include any copyright and any proprietary right notice that was part of the original. Canada acknowledges that the Contractor is not responsible for any technical errors or other problems that may arise as a result of the translation.



## 15. Confidentiality.

**15.1. Use Solely for the Purpose.** The Contractor agrees to use any information provided to the Contractor by or on behalf of Canada only for the purpose of the Contract. The Contractor acknowledges that all this information remains the property of Canada or the third party, as the case may be.

**15.2. Return of Information.** The Contractor must deliver to Canada any such information, together with every copy, draft, working paper, and note that contains such information, upon completion or termination of the Contract or at such earlier time as Canada may require.

**15.3. Non-Confidential Information.** The obligations of the Parties set out in this section do not apply to any information if the information:

- a. is publicly available from a source other than the other Party;
- b. is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information; or
- c. is developed by a Party without the use of the information of the other Party.

**15.4. Marking.** Wherever possible, the Contractor must mark or identify any proprietary information delivered to Canada under the Contract as "Property of [NAME OF CONTRACTOR], permitted Government uses defined under Public Works and Government Services (PWGSC) Contract ID [CONTRACT ID]. Canada will not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.

## 16. Data Protection and Privacy.

### 16.1. Protected Information.

- a. **Standard of Care.** If the Contract, the Work, or any confidential information is identified as TOP SECRET, SECRET, CONFIDENTIAL, PROTECTED, COSMIC TOP SECRET, NATO SECRET, NATO CONFIDENTIAL, or NATO RESTRICTED by Canada, the Contractor must at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the PWGSC Contract Security Manual and its supplements and any other instructions issued by Canada.
- b. **Inspection.** If the Contract, the Work, or any information is identified as TOP SECRET, SECRET, CONFIDENTIAL, PROTECTED, COSMIC TOP SECRET, NATO SECRET, NATO CONFIDENTIAL, or NATO RESTRICTED by Canada, representatives of Canada are entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the Contract Period. The Contractor must comply with, and ensure that any subcontractor complies with, all written instructions issued by Canada dealing with the material so identified, including any requirement that employees of the Contractor or of any subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.



## 16.2 Protection and Security of Data Stored in Databases.

- a. **Location of Databases.** The Contractor must ensure that all databases containing any Work-related information are located in Canada or, with the Contracting Authority's prior written consent, in another country if:
  - i. equivalent protections are given to personal information as in Canada under legislation such as the [Privacy Act](#) and the [Personal Information Protection and Electronic Documents Act](#), and under any applicable policies of the Government of Canada, and
  - ii. the laws do not allow either the government of that country or any other entity or person to obtain the right to view or copy any information relating to the Contract without first obtaining the Contracting Authority's written consent.
- b. **Terms of Canada's Consent for Location of Databases in Another country.** In order to give its consent, the Contracting Authority may require the Contractor either to provide a legal opinion from a lawyer qualified in the foreign country that the laws in that country meet the above requirements or to pay for Canada to obtain such an opinion. Canada may reject any request to store its data in a country other than Canada if it has any reason to be concerned about the security, privacy, or integrity of its data. Canada may also require that:
  - i. any data sent or processed outside of Canada be encrypted with Canada-approved cryptography, and
  - ii. the private key required to decrypt the data be kept in Canada in accordance with Canada-approved key management and storage processes approved by Canada.
- c. **Contractor's Control of Access.** The Contractor must control access to all databases on which any Contract-related data is stored so that only individuals with the appropriate security clearance are able to access the database, either by using a password or other form of access control (such as biometric controls).
- d. **Data Storage.** The Contractor must ensure that all databases on which any Contract-related data is stored are physically and logically independent (meaning that there is no direct or indirect connection of any kind) from all other databases, unless those databases are located in Canada (or in another country that the Contracting Authority has approved) and otherwise meet the requirements of this clause.
- e. **Location of Data Processing.** The Contractor must ensure that all Contract-related data is processed only in Canada or in another country that the Contracting Authority has approved.
- f. **Domestic Network Traffic.** Unless the Contracting Authority has provided its prior written consent to an alternate route, the Contractor must ensure that all domestic network traffic (meaning traffic or transmissions initiated in one part of Canada to a destination or individual located in another part of Canada) is routed exclusively through Canada. The Contracting Authority will only consider requests to route domestic traffic through another country that meets the requirements of the sub-clause above entitled Location of Databases.
- g. **No Subcontracting.** the Contractor must not, without the Contracting Authority's prior written consent, subcontract any function that involves giving a subcontractor access to any Contract-related data.

## 17. Access to Information.

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



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

## 18. Accounts and Audit.

### 18.1. Accounts and Records.

- a. **Requirement to Keep Records.** The Contractor must maintain complete and accurate records of the estimated and actual cost of the Work, to enable Canada to determine whether the Contractor has performed the Work, the price charged for the Work is in accordance with the Contract terms and Canada has achieved best value.
- b. **Types of Records.** Such records include all tender calls, quotations, contracts, correspondence, source documents for accounting entries such as Excel or other spread sheets in numeric and machine readable form (not PDF copies), books and ledgers of initial accounting entries, work sheets, spreadsheets and other documentation supporting cost allocations, computations, reconciliations and assumptions made by the Contractor in relation to the Contract. The Contractor can only use copies if originals are unavailable due to unusual circumstances, such as fire, flood or theft.
- c. **Accounting System.** The Contractor must establish and maintain an accounting system that enables Canada to readily identify these records.
- d. **Availability of Records.** The Contractor must make these records available on request, for examination by Canada, or by Canada's representatives during normal business hours at the Contractor's office or place of business. If no such location is available, then the Contractor must make financial records, with the supporting or underlying documents and records, available for examination at a time and location that is convenient for Canada.
- e. **Retention of Records.** The Contractor must maintain such records at all times during the period of this Contract and until the later of seven years after final payment and the settlement of all outstanding claims and disputes. Should an examination reveal any overpayments by Canada, these will be claimed by Canada and immediately repaid by the Contractor.
- f. **Review by Canada.** Canada and its authorized representatives may examine, and make copies of, or extract from, all such records in whatever form they may be kept, relating to or pertaining to this Contract, including but not limited to those kept by the Contractor, its employees, agents, successors, and subcontractors.
- g. **Full Compliance.** The Contractor must ensure that all subcontractors and affiliates comply with the requirements of this clause.

### 18.2 Cost Submission - Limitation of Expenditure or Ceiling Price Item Information.

- a. **Submit Costs.** Upon completion of the Contract or annually for multi-year contracts and if requested by the Contracting Authority or auditor designated by the Contracting Authority, the Contractor must provide a cost submission to the Contracting Authority or the auditor, as applicable.



- b. **Cost Elements.** The cost submission must contain a breakdown of all applicable cost elements as detailed in the Contract and must be signed and certified accurate by the Contractor's Senior Financial Officer, unless stated otherwise in writing.
- c. **Cost Details.** The Contractor must make supporting information for each cost element available in sufficient detail to allow for an in-depth audit.

**18.3. Time Records.** If the Contract includes payment for time spent by the Contractor, its employees, representatives, agents or subcontractors performing the Work, the Contractor must keep a record of the actual time spent each day by each individual performing any part of the Work.

**18.4 Time Verification.** Canada may at any time verify the time charged and the accuracy of the Contractor's time recording system. If Canada determines after payment that there was an overpayment, the Contractor must repay the overpaid amount, at Canada's request.

## 19. Insurance.

**19.1. Insurance Requirements.** The Contractor is responsible for deciding if insurance coverage is necessary to fulfill its obligations under the Contract and to ensure compliance with any applicable law. Any insurance acquired or maintained by the Contractor is at the Contractor's expense and for its own benefit and protection. It does not release the Contractor from or reduce its liability under the Contract.

## 20. Certifications and Additional Information.

**20.1. Compliance with Certifications.** Unless specified otherwise, the Contractor will be in default if it does not continuously comply with the certifications it provided in its offer or before contract award or if the Contractor does not provide evidence about its compliance when requested by the Contracting Authority. Canada may verify the Contractor's certifications throughout the Contract Period.

**20.2. Compliance with Laws.** The Contractor must comply with all laws applicable to the performance of the Contract. The Contractor must provide evidence of compliance with such laws to Canada at such times as Canada may reasonably request.

**20.3. Compliance with Code of Conduct.** The Contractor must comply with the [Code of Conduct for Procurement](#).

**20.4. Contingency Fees.** The Contractor certifies and agrees that it has not paid and will not pay, directly or indirectly, any contingency fee for the solicitation, negotiation or obtaining of the Contract to any person (including, without limitation any individual who is required to file a return with the registrar pursuant to section 5 of the [Lobbying Act](#)), other than an employee of the Contractor acting in the normal course of the employee's duties. In this section:

- a. contingency fee means any payment or other compensation that depends or is calculated based on a degree of success in soliciting, negotiating or obtaining the Contract; and
- b. "person" included any individual who is required to file a return with the registrar pursuant to section 5 of the [Lobbying Act](#) 1985, c. 44 (4th Supplement).



**20.5. No Bribe.** The Contractor certifies that it has not and will not offer, promise, give or pay any bribe, gift, benefit, or other inducement directly or indirectly to any official or employee of Canada or to any member of their family, in order to influence the issuance or administration of the Contract.

**20.6. No Influence; No Financial Interest.** The Contractor must not influence, seek to influence, or otherwise take part in any decision of Canada that might further the Contractor's own interests. The Contractor must have no financial interest in the business of any third party that causes or would appear to cause a conflict of interest in connection with the performance of the Work. The Contractor must immediately declare any such financial interest to the Contracting Authority.

**20.7. No Conflict.** The Contractor warrants that, to the best of its knowledge after making diligent inquiry, no conflict exists or is likely to arise in its performance of the Contract. If the Contractor becomes aware of any matter that causes or is likely to cause such a conflict, the Contractor must immediately disclose it to the Contracting Authority. If the Contracting Authority is of the reasonable opinion that such a conflict exists, it may either (i) require the Contractor to take steps to deal with the conflict or (ii) terminate the Contract for default. In this section, "conflict" means any matter, circumstance, interest, or activity affecting the Contractor, its personnel, or its subcontractors, that may impair or may appear to impair its ability to perform the Work diligently and independently.

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

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

**20.10. Federal Contractors Program for Employment Equity - Default by the Contractor.** The Contractor 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 throughout the Contract Period. If the AIEE becomes invalid, Canada will add the name of the Contractor to the "FCP Limited Eligibility to Offer" list. The imposition of such a sanction by ESDC will result in the Contractor being in default.

**20.11. Harassment in the Workplace.**

- a. The Contractor acknowledges the responsibility of Canada to ensure, for its employees, a healthy work environment, free of harassment. A copy of the [Directive on the Prevention and Resolution of Workplace Harassment and Violence](#), which also applies to the Contractor, is available on the Treasury Board Web site.
- b. The Contractor must not, either as an individual, or as a corporate or unincorporated entity, through its employees or subcontractors, harass, abuse, threaten, discriminate against or



intimidate any employee, contractor or other individual employed by, or under contract with Canada. Canada will advise the Contractor in writing of any complaint and the Contractor will have the right to respond in writing. Upon receipt of the Contractor's response, the Contracting Authority will, at its entire discretion, make a determination regarding the validity of the complaint and decide on any action required.

#### **20.12 Indigenous Business Certification.**

- a. The Contractor warrants that its certification of compliance is accurate and complete and in accordance with the "Requirements for the Set-aside Program for Indigenous Business" detailed in [Annex 9.4](#) of the Supply Manual.
- b. The Contractor must keep proper records and documentation relating to the accuracy of the certification provided to Canada. The Contractor must obtain the written consent of the Contracting Authority before disposing of any such records or documentation before the expiration of six years after final payment under the Contract, or until settlement of all outstanding claims and disputes, under the Contract, whichever is later. All such records and documentation must at all times during the retention period be available to audit by the representatives of Canada, who may make copies and take extracts. The Contractor must provide Canada with all reasonably required facilities for any audits.
- c. Nothing in this clause limits any of Canada's other rights and remedies under the Contract.

#### **20.13. Canadian Content Certification.**

- a. **Certification Accurate and Complete.** The Contractor warrants that the certification of Canadian Content that it submitted is accurate and complete and that the goods, services, or both that it will provide under the Contract are in accordance with the definition contained in the Annex Contract Definitions.
- b. **Maintaining Records.** The Contractor must keep proper records relating to the origin of the goods, services, or both that it provides to Canada. The Contractor must not, without the Contracting Authority's prior written consent, dispose of any such records until the later of the expiration of six years after final payment under the Contract and settlement of all outstanding claims and disputes under the Contract. During this retention period, the Contractor must make all such records available to audit, inspection, and examination by Canada's representatives, who may make copies and take extracts. The Contractor must provide all facilities for such audits, inspections, and examinations and must furnish all such information relating to those records as Canada's representatives may require.
- c. **Canada's Rights and Remedies.** Nothing in this clause limits the rights and remedies that Canada may otherwise have under the Contract.

**20.14. Invoice Submittal Certification.** By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.

**20.15. Compliance with On-site Rules.** The Contractor must comply and ensure that its employees and subcontractors comply with all security measures, standing orders, policies, or other rules in force at the site where the Work is performed.



**20.16 Experimental Animals.** The Contractor must carry out any work that involves the care and use of experimental animals in compliance with the Canadian Council on Animal Care (CCAC) programs and only by an institution holding a "CCAC Certificate of Good Animal Practice." Additional information on the CCAC is available at: [Canadian Council on Animal Care](#).

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

**20.18 Hazardous Waste Disposal - Specific Requirements.** The Contractor must dispose of any hazardous waste that it removes or uncovers while performing the Work in accordance with applicable law.

**20.19 Direct Request by Customer Department**

- a. Under paragraph 221 (1)(d) of the [Income Tax Act](#), R.S. 1985, c. 1 (5<sup>th</sup> Supp.), payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip.
- b. To enable departments and agencies to comply with this requirement, the Contractor must provide Canada, upon request, its business number or Social Insurance Number, as applicable. (These requests may take the form of a general call-letter to contractors, in writing or by telephone).

**21. Proactive Disclosure of Contracts with Former Public Servants.**

**21.1. Proactive Disclosure of Contracts with Former Public Servants.** By providing information on its status, with respect to being a former public servant in receipt of a [Public Service Superannuation Act](#) (PSSA) pension, the Offeror has agreed that this information will be reported on departmental websites as part of the published proactive disclosure reports, in accordance with [Contracting Policy Notice: 2019-01](#) of the Treasury Board Secretariat of Canada.

**22. International Sanctions.**

**22.1. Sanctions Limitations.** Canada cannot accept delivery of goods or services that originate, directly or indirectly, from the countries or persons subject to [economic sanctions](#).

**22.2. Contractor Obligations.**

- a. The Contractor must:
  - i. not supply to the Government of Canada any goods or services that are subject to economic sanctions;
  - ii. comply with changes to the regulations imposed during the Contract Period; and
  - iii. immediately advise Canada if it is unable to perform the Work because of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services.





- b. If the Parties cannot agree on a workaround plan, Canada will terminate the Contract for convenience.

## 23. Foreign Nationals.

**23.1. 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 because of non-compliance with immigration requirements.

## 24. Anti-forced Labour Requirements.

**24.1. Contractor's Statement.** The Contractor states that the Work is not mined, manufactured, or produced wholly or in part by forced labour. In performing the Contract and regardless of who acts as an importer, the Contractor must not, directly or indirectly, deliver Work to Canada or import Work into Canada the importation of which is prohibited under ss. 136(1) of the Customs Tariff Act and tariff item No. 9897.00.00 of the [Customs Tariff](#) – Schedule (as amended from time to time), because it is mined, manufactured, or produced wholly or in part by forced labour.

**24.2. Effect of Tariff Classification Determination or Investigation.** If a tariff classification determination is made under the Customs Act that the importation of the Work or any part of the Work is prohibited, the Contractor must immediately so notify the Contracting Authority. If the Work or any part of the Work is classified under tariff item no. 9897.00.00 of the [Customs Tariff](#) – Schedule as mined, manufactured, or produced wholly or in part by forced labour, Canada may immediately terminate the Contract for default. If the Contractor is aware that the Work, or any part of it, is being or has been investigated regarding whether it is prohibited from entry under to tariff item No. 9897.00.00, the Contractor must immediately notify the Contracting Authority of that investigation.

**24.3. Canada's Reasonable Grounds for Termination.** If Canada has reasonable grounds to believe the Work was or is mined, manufactured, or produced in whole or in part by forced labour or was or is linked to human trafficking, Canada may terminate the Contract for default. Reasonable grounds for making such a determination may include

- a. Findings or Withhold Release Orders issued by the United States Customs and Border Protection, under the [US Trade Facilitation and Trade Enforcement Act](#) (TFTEA) of 2015, or
- b. Credible evidence from a reliable source.

**24.4. Contractor's Conviction in Canada of Specified Offences.** Canada may terminate the Contract for default if the Contractor has, in the past three years, been convicted of any of the following offences under the [Criminal Code](#) or the [Immigration and Refugee Protection Act](#):

- a. **Criminal Code.**
  - i. section 279.01 (Trafficking in persons);



- ii. section 279.011 (Trafficking of a person under the age of eighteen years);
  - iii. subsection 279.02(1) (Material benefit - trafficking);
  - iv. subsection 279.02(2) (Material benefit - trafficking of person under 18 years);
  - v. subsection 279.03(1) (Withholding or destroying documents - trafficking); or
  - vi. subsection 279.03(2) (Withholding or destroying documents - trafficking of person under 18 years).
- b. Immigration and Refugee Protection Act.**
- i. section 118 (Trafficking in persons).

**24.5. Contractor's Conviction Abroad of Similar Offences.** If the Contractor has, in the past three years, been convicted of an offence in a jurisdiction other than Canada that, in Canada's opinion, is similar to any of the offences identified in the immediately preceding paragraph entitled Contractor's Conviction in Canada of Specified Offences, Canada may immediately terminate the Contract for default.

**24.6. Determination of Similarity of Offences.** For the purposes of determining whether a foreign offence is similar to a listed offence, Canada will take into account the following factors:

- a. in the case of a conviction, whether the court acted within its jurisdiction;
- b. whether the Contractor was afforded the right to appear during the court's proceedings or to submit to the court's jurisdiction;
- c. whether the court's decision was obtained by fraud; or
- d. whether the Contractor was entitled to present to the court every defence that the Contractor would have been entitled to present if the proceeding had been tried in Canada.

**24.7. Representations from Contractor.** If Canada intends to terminate the Contract under this section, Canada will so inform the Contractor and give the Contractor an opportunity to make written representations before making a final decision. Unless Canada establishes a different deadline, the Contractor must submit such written representations within 30 calendar days from receiving Canada's notice of concern.

## **25. Defence Contract.**

### **25.1. Defence Contract.**

- a. **Governing Act.** The Contract is a defence contract within the meaning of the [Defence Production Act](#) and must be governed accordingly.
- b. **Work Free from Claims.** The Contractor must ensure that Canada's title to the Work and to any materials, parts, work-in-process, and finished work remains free of all third-party claims.
- c. **Canada's Ownership of Work.** Canada may, at any time, remove, sell, or dispose of the Work or any part of it in accordance with section 20 of the [Defence Production Act](#).

## **26. Controlled Goods Program.**

### **26.1. Controlled Goods.**

- a. **Applicability of Act.** The Contract requires production of or access to controlled goods that are subject to the [Defence Production Act](#) and the Contractor acknowledges that, within



Canada, only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at: [Controlled Goods Program](#).

- b. Registration Required.** When the Contractor and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, they must, within seven (7) Business Days of receiving notice of the Contract award, submit the required application(s) for registration or exemption to the CGP. The Contractor agrees not to examine, possess or transfer controlled goods (or permit any subcontractor to do so) until the Contractor has provided proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP.
- c. Failure to Register a Default.** If the Contractor fails to provide proof, satisfactory to the Contracting Authority, that the Contractor and any subcontractor are registered, exempt or excluded under the CGP, within 30 days of receiving written notice of the Contract being awarded, the Contractor will be in default, unless Canada caused the failure by delaying its processing of the application.
- d. Maintenance of Registration.** The Contractor must maintain registration, exemption or exclusion from the CGP throughout the Contract Period (and ensure its subcontractors do) and in any event for so long as they will examine, possess or transfer controlled goods.

## 27. Termination and Suspension.

### 27.1. Termination for Convenience.

- a. Right to Terminate.** Canada may terminate the Contract for convenience in whole or in part by giving written notice to the Contractor. The termination for convenience will take effect immediately or at the time specified in the termination notice.
- b. Effect of Termination.** Upon termination for convenience of the Contract
  - i. the Contractor must comply with the requirements of the termination notice; or
  - ii. if Canada terminates the Contract in part only, the Contractor must proceed to complete any part of the Work that is not part of the termination notice.
- c. Payments.** Canada will pay the Contractor
  - i. according to the Basis of Payment, for any part of the Work delivered, inspected, and accepted whether completed before, or after the termination in accordance with the Contract;
  - ii. Costs incurred by the Contractor plus a fair and reasonable profit thereon as determined by Canada in accordance with the profit provisions found in PWGSC Supply Manual section [10.65 Calculation of profit on negotiated contracts](#), for any part of the Work commenced, but not completed, before the date of the termination notice; and
  - iii. Costs incidental to the termination of the Work incurred by the Contractor but not including the cost of severance payments or damages to employees whose services are no longer required, except wages that the Contractor is obligated by statute to pay.
- d. Maximum Payment.** The total of the amounts, which Canada may pay the Contractor under this section, together with any amounts paid, due or becoming due to the Contractor must not exceed the Contract Price. Canada may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract.



**e. Acknowledgments.**

- i. Claims.** The Contractor will have no claim for damages, compensation, loss of profit, interest, allowance arising out of any termination notice given by Canada under this section except to the extent that this section expressly provides;
- ii. Anticipated Profits.** The Contractor agrees that it is not entitled to any anticipated profit on any part of the Contract terminated; and
- iii. Repayments.** The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.

**27.2. Termination on Default.**

- a. Right to Terminate.** Canada may, by giving written notice to the Contractor, terminate the Contract or any part of the Contract if the Contractor:
  - i.** fails to perform any term of the Contract, or
  - ii.** becomes bankrupt, makes an assignment for the benefit of creditors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding-up of the Contractor.
- b. Effect of Termination.**
  - i.** For (a)(i) above, the termination will take effect immediately or at the expiration of a cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Authority within that cure period.
  - ii.** For (a)(ii) above, the termination will take effect immediately.
  - iii. No Further Payment.** If Canada terminates the Contract for default, the Contractor will have no claim for further payment except as provided in this section.
  - iv. Payment of Outstanding Amounts.** The Contractor must immediately pay Canada any amounts paid by Canada, including milestone payments, and all losses and damages suffered by Canada because of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source.
  - v. Refund of Advance Payments.** The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
  - vi. Maximum Payment.** The total amount paid by Canada under the Contract to the date of the termination and any amount payable under this subsection must not exceed the Contract Price.
  - vii. Completed Parts of the Work.** Upon termination of the Contract for default, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work, not delivered and accepted before the termination and anything the Contractor has acquired or produced specifically to perform the Contract. In such a case, subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada will pay or credit to the Contractor:
    - 1.** the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
    - 2.** the cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.



- c. **Termination in Error.** If the Contract is terminated for default, but it is later determined that grounds did not exist for a termination for default, the notice will be considered a notice of termination for convenience.

### 27.3. Suspension of the Work.

- a. **Right to Suspend Work.** The Contractor must not suspend or stop work unless ordered by Canada. Canada may, by written notice, at any time, order the Contractor to suspend or stop the Work or part of the Work under the Contract for a period of up to 180 days. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so. While such an order is in effect, the Contractor must not limit access to any part of the Work without first obtaining the written consent of the Contracting Authority. Within this period, the Contracting Authority must either cancel the order or terminate the Contract in accordance with the Termination terms of the Contract.
- b. **Effect of Suspension.** When Canada suspends the Work, Canada will pay the Contractor its additional costs incurred because of the suspension plus a fair and reasonable profit as determined by Canada in accordance with the Termination for Convenience clause of the Contract, unless the Contracting Authority terminates the Contract for default or the Contractor abandons the Contract.
- c. **Resumption of Work.** When Canada cancels a suspension, the Contractor must resume work in accordance with the Contract as soon as practicable. If the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for performing the part of the Work affected by the suspension will be extended for a period equal to the period of suspension plus a period, if any, that in the opinion of the Contracting Authority, following consultation with the Contractor, is necessary for the Contractor to resume the Work. Canada will make any equitable adjustments as necessary to any affected conditions of the Contract.

### 27.4 Transfer of Intellectual Property Rights Upon Termination for Default.

- a. **Transfer of Rights to Canada.** If Canada terminates the Contract in whole or in part for default, Canada may, by giving notice to the Contractor, require the Contractor to transfer to Canada all the Intellectual Property Rights in the Foreground Information, including the rights owned by subcontractors. In the case of Intellectual Property Rights in the Foreground Information that have been sold or assigned to a third party, the Contractor must pay to Canada on demand, at Canada's discretion, the fair market value of the Intellectual Property Rights in the Foreground Information or an amount equal to the payment received by the Contractor from the sale or assignment of the Intellectual Property Rights in the Foreground Information.
- b. **Contractor's Assistance to Canada.** In the event of the issuance of a notice under subsection 1, the Contractor must, at its own expense and without delay, execute such documents relating to ownership of the Intellectual Property Rights as Canada may require. The Contractor must, at Canada's expense, provide all reasonable assistance in the preparation of applications and in the prosecution of any applications for registration of any Intellectual Property Rights in any jurisdiction, including the assistance of the inventor in the case of an invention.



## 28. Remedies and Liabilities.

### 28.1. Liability.

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

## 29. Intellectual Property Infringement and Royalties.

### 29.1. Third-Party Claims.

- a. **Notification.** The Parties agree to immediately notify the other Party in the event a third party makes a claim against Canada or the Contractor concerning intellectual property infringement or royalties related to the Work.
- b. **Defense.** Canada must control the defense of third party intellectual property infringement or royalty claims or request that the Contractor defend Canada against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable because of the claim, including the amount of any settlement.
- c. **Settlement.** The Parties agree not to settle any claim unless the other Party first approves the settlement in writing.
- d. **Exceptions.** The Contractor has no obligation regarding claims only made because:
  - i. Canada modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract; or
  - ii. Canada used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications or other documentation); or
  - iii. the Contractor used equipment, drawings, Specifications or other information supplied to the Contractor by Canada (or by someone authorized by Canada); or
  - iv. the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Authority; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software: "(Name of Supplier) acknowledges that the purchased items will be used by the Government of Canada. If a third party claims that equipment or software supplied under the contract infringes any intellectual property right, (Name of Supplier), if requested to do so by either (Name of Contractor) or Canada, will defend both (Name of Contractor) and Canada against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement." Obtaining this protection from the supplier is the Contractor's responsibility and, if the Contractor does not do so, it will be responsible to Canada for the claim.



## **29.2. Contractor Obligations.**

- a. If anyone claims that, as a result of the Work, the Contractor or Canada is infringing its intellectual property rights, the Contractor must immediately do one of the following:
  - i. take whatever steps are necessary to allow Canada to continue to use the allegedly infringing part of the Work; or
  - ii. modify or replace the Work to avoid intellectual property infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
  - iii. take back the Work and refund any part of the Contract Price that Canada has already paid.
- b. If the Contractor determines that none of these alternatives can reasonably be achieved, or if the Contractor fails to take any of these steps within a reasonable amount of time, Canada may choose either to require the Contractor to do (iii), or to take whatever steps are necessary to acquire the rights to use the allegedly infringing part(s) of the Work itself, in which case the Contractor must reimburse Canada for all the costs it incurs to do so.

**29.3. Damages Caused by Contractor.** If Canada is required because of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor must reimburse Canada any amount determined by a final judgment of a court of competent jurisdiction or by arbitration to be the Contractor's portion of the damages to the third party.

## **30. General Provisions.**

**30.1. Status of Contractor.** The Contractor is an independent contractor engaged by Canada to perform the Work. The Contract does not create a partnership, a joint venture or an agency between Canada and the other Party or Parties. The Contractor must not represent itself as an agent or representative of Canada to anyone. Neither the Contractor nor any of its personnel are an employee or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees.

**30.2. Entire Agreement.** The Contract and the offer document are the entire agreement between the Parties and supersedes all previous negotiations, communications and agreements.

### **30.3. Amendment.**

- a. Amendments to the Contract must be in writing and signed by the Parties.
- b. While the Contractor may discuss any proposed modifications to the Work with other representatives of Canada, Canada will not be responsible for the cost of any modification unless it has been incorporated into the Contract in writing and signed by the Parties.

**30.4. Counterparts.** The Parties may execute the Contract in several counterparts, each of which is an original and all of which constitute one single agreement between the Parties.

### **30.5. Assignment.**

- a. The Contractor may only assign this agreement if
  - i. Canada agrees to the assignment in writing; and



- ii. the Contractor remains responsible for the assignee's performance.
- b. The assignment will be effective upon execution of an assignment agreement signed by the Parties and the assignee.

**30.6. Successors and Assigns.** The Contract is to the benefit of and binds the successors and permitted assignees of Canada and of the Contractor.

**30.7. Notice.** All notices or other communications required or permitted by the Contract must be in writing or electronic method and delivered to the Contracting Authority for Canada and the Contractor's Representative for the Contractor. Any notice is effective on the day received.

**30.8. Communications Notification.** As a courtesy, the Government of Canada requests that the Contractor notify the Contracting Authority ten business days in advance of their intention to make public an announcement related to this contract award. A copy of the draft announcement should be provided. Canada will review the draft announcement and may request revisions. The Government of Canada retains the right to make primary contract announcements.

**30.9. Applicable Laws.** The laws in force in **[APPLICABLE LAW PROVINCE]** will govern the Contract and the relations between the Parties and be used to interpret the Contract. The Contractor must comply with all laws applicable to the performance of the Contract and provide evidence of compliance with those laws to Canada if requested by the Contracting Authority.

**30.10. Dispute Resolution.**

- a. **Open Communication Between Parties.** The Parties agree to maintain open and honest communication about the Work during and after the period of the Contract.
- b. **Parties' Cooperation.** The Parties agree to consult and co-operate with each other to further the objectives of the Contract. They will promptly notify each other of, and attempt to resolve, any problems or differences that may arise.
- c. **Alternative Dispute Resolution.** If the Parties cannot resolve a dispute through consultation and cooperation, they will consult a neutral third party that offers alternative dispute resolution services.
- d. **Dispute Resolution Options.** Parties can find alternative dispute resolution options on Canada's Buy and Sell website under the heading "[Dispute Resolution](#)".

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

**30.12. Time of the Essence.** It is essential that the Contractor deliver or perform the Work within or at the time stated in the Contract.

**30.13. Excusable Delay.**

- a. **Definition of Excusable Delay.** A delay in the performance by the Contractor or Canada of any obligation under the Contract that is caused by an event that
  - i. is beyond the reasonable control of the party,
  - ii. could not reasonably have been foreseen,





- iii. could not reasonably have been prevented by means reasonably available to the party, and
  - iv. occurred without the fault or neglect of the party, is an "Excusable Delay" if the party advises the other party's Contracting Authority or the Contractor's Representative of the occurrence of the delay or of the likelihood of the delay as soon as the party becomes aware of it. The party must also advise the other, within 15 Business Days, of all the circumstances relating to the delay and provide to the Contracting Authority or Contractor's Representative for approval a clear workaround plan explaining in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay.
- b. **Postponement of Delivery.** Either party will postpone for a reasonable time any delivery date or another date directly affected by an Excusable Delay. Any postponement will not exceed the duration of the Excusable Delay.
  - c. **Right to Terminate.** However, if an Excusable Delay has continued for 30 days or more, the party may terminate the Contract on written notice to the other party. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination.
  - d. **Liability for Costs Incurred.** Unless Canada has caused the delay by failing to meet an obligation under the Contract, Canada will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents because of an Excusable Delay.
  - e. **Delivery of Completed Work.** If Canada terminates the Contract under this section, the Contracting Authority may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Contracting Authority, any completed parts of the Work not delivered and accepted before the termination and anything that the Contractor has acquired or produced specifically to perform the Contract. Canada will pay the Contractor:
    - i. the value, of all completed parts of the Work delivered to and accepted by Canada, based on the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price; and
    - ii. the Cost to the Contractor that Canada considers reasonable in respect of anything else delivered to and accepted by Canada.
  - f. **Total Payments.** The total amount paid by Canada under the Contract to the date of termination and any amounts payable under this subsection must not exceed the Contract Price.

#### 30.14. Waiver.

- a. A waiver will only be valid if made in writing by the affected Party's representative. A Party's failure to enforce any rights under the Contract will be neither treated nor interpreted as a waiver of that Party's rights.
- b. The waiver by a Party of a breach of any condition of the Contract will not be treated or interpreted as a waiver of any subsequent breach and therefore will not prevent that Party from enforcing of that term or condition in the case of a subsequent breach.

**30.15. Severability.** If a court of competent jurisdiction declares any provision of the Contract unenforceable, illegal, or invalid, the remainder of the Contract remains in force.



**30.16. Priority of Documents.** If there is a conflict 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. these Articles of Agreement;
- b. Annex Contract Definitions;
- c. {} (Insert Annex Statement of Work or Annex Statement of Requirement);
- d. Annex Basis of Payment;
- e. Annex Security Requirements Check List (If applicable);
- f. Annex Inuit Benefits Plan (If applicable);
- g. Annex Inuit Benefits Plan Progress Report (If applicable);
- h. Insert additional Annex if applicable;
- i.
- j. the signed Task Authorizations (including all of its annexes, if any) (If applicable);
- k. the Contractor's offer dated (Insert date of offer) (If the offer was clarified or amended, insert the following) "at the time of contract award:", as clarified on (Insert date)" OR ", as amended on (Insert date(s) of clarification(s) or amendment(s))"

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

**30.18. Authorities.**

**a. Contracting Authority.**

- i. The Contracting Authority for the Contract is: {} CONTRACTING AUTHORITY NAME  
Tel.:  
E-mail:  
Address:  
Department Name:
- ii. The Contracting Authority is responsible for the management of the Contract and must authorize in writing any changes to the Contract. The Contractor must not perform work in excess of or outside the scope of the Contract based on verbal or written requests or instructions from anybody other than the Contracting Authority.

**b. Technical Authority.**

- i. The Technical Authority for the Contract is: TECHNICAL AUTHORITY NAME  
Tel:  
E-mail:  
Address:  
Department Name:
- ii. The Work is for a department or agency. The Technical Authority represents that department or agency. The Technical Authority is responsible for all matters concerning the technical content of the Work under the Contract. The Contractor may discuss technical matters with the Technical Authority, however the Technical Authority has no authority to authorize changes to the scope of the Work. Only the Contracting Authority can issue a contract amendment to make changes to the scope of the Work.



**c. Contractor's Representative.**

- i. The Contractor's Representative for the Contract is: **CONTRACTOR REPRESENTATIVE**

**NAME**

Tel:

E-mail:

Address: }

**d. Procurement Authority. (for DRDC/DND contracts)**

- i. The Procurement Authority for the Contract is: **PROCUREMENT AUTHORITY NAME**

Tel:

E-mail:

Address:

Department Name:

- ii. The Work is for a department or agency. The Procurement Authority represents that department or agency. The Procurement Authority is responsible for the implementation of tools and processes required for the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority, however the Procurement Authority has no authority to authorize changes to the scope of the Work. Only the Contracting Authority can issue a contract amendment to make changes to the scope of the Work.



## ANNEX 1 TO ATTACHMENT 6 – CONTRACT DEFINITIONS

In the Contract, unless the context otherwise requires, the following terms have the following meanings:

**"Applicable Taxes"** means the Goods and Services Tax (GST), the Harmonized Sales Tax (HST), and any provincial tax, by law, payable by Canada.

**"Articles of Agreement"** means the clauses and conditions incorporated in full text to form the body of the Contract; it does not include the annexes, the Contractor's bid or any other document.

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

**"Background Information"** means all Intellectual Property that is not Foreground Information that is incorporated into the Work or necessary for the performance of the Work and that is proprietary to or the confidential information of the Contractor, its subcontractors or any other third party.

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

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

**"Canadian Good"** means a good that is wholly manufactured or originated in Canada. Canada may also consider a product that contains imported components to be a Canadian Good for the purpose of the Canadian Content Policy when it has undergone sufficient change in Canada in a manner that satisfies the definition specified under the [Canada-United States-Mexico Agreement \(CUSMA\)](#) Rules of Origin. For the purposes of this determination, the reference in the CUSMA Rules of Origin to "territory of one or more of the Parties" is replaced with "Canada". ([Consult Section 3.130 and Annex 3.6 of the Supply Manual for further information.](#))

**"Canadian Service"** means a service provided by an individual based in Canada. If a requirement consists of only one service provided by two or more individuals, Canada will consider the service to be a Canadian Service if a minimum of 80 percent of the total offer price for the service is provided by individuals based in Canada.

**"Variety of Goods"** means that if a requirement consists of more than one good, Canada will apply one of the following methods:

- a. Aggregate evaluation: No less than 80 percent of the total offer price must consist of Canadian Goods, or
- b. Item-by-item evaluation: In some cases, Canada may conduct the offer evaluation on an item-by-item



basis and award contracts to more than one Offeror. In such a case, Canada will ask the Offeror to identify separately each item that meets the definition of Canadian Goods.

**"Variety of Services"** means that if a requirement consists of more than one service, a minimum of 80 percent of the total offer price must be provided by individuals based in Canada.

**"Mix of Goods and Services"** means that if a requirement consists of a mix of goods and services, no less than 80 percent of the total offer price must consist of Canadian Goods and Canadian Services. For more information on how to determine the Canadian Content for a mix of goods, a mix of services or a mix of goods and services, consult Annex 3.6, Example 2, of the Supply Manual.

**"Other Canadian Goods and Services"** means Canada may consider textiles to be Canadian Goods according to a modified rule of origin, copies of which are available from the Clothing and Textiles Division, Commercial and Consumer Products Directorate.

**"Contract"** means the Articles of Agreement, the terms and conditions, annexes and any other document specified or referred to as forming part of the Contract, all as amended by agreement of the Parties from time to time.

**"Contractor"** means the person, entity or entities named in the Contract to supply goods, services or both to Canada.

**"Contract Price"** means the amount stated in the Contract to be payable to the Contractor for the Work, exclusive of Applicable Taxes.

**"Contract Period"** means the entire period of time during which the Contractor is obliged to perform the Work, which includes initial Contract Period and the period during which the Contract is extended, if Canada chooses to exercise any options set out in the Contract.

**"Cost"** means cost determined according to Contract Cost Principles 1031-2 as revised to the date of the solicitation of offers or, if there was no solicitation of offers, the date of the Contract.

**"Date of payment"** means the date of the negotiable instrument drawn by the Receiver General for Canada to pay any amount under the Contract.

**"Deliverables"** means any technical information, equipment, prototype, or any other thing developed under the Contract that are expressly required to be delivered by the Contractor in order to carry out its obligations under the Contract.

**"Excluded Material"** refers to packaging tape - environmentally preferable material alternatives for packaging tape are not widely available. As a result, packaging tape is excluded from the environmentally preferable packaging specifications until the market has progressed and studies become available to determine otherwise.



"**Firmware**" means computer programs that are stored in integrated circuits, read-only memory or other similar devices within the hardware or other equipment.

"**Foreground Information**" means all Intellectual Property first conceived, developed, produced or reduced to practice as part of the Work under the Contract.

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

"**Intellectual Property**" means any information or knowledge of an industrial, scientific, technical, commercial, literary, dramatic, artistic or otherwise creative nature relating to the Work, whether oral or recorded in any form or medium and whether or not subject to copyright; this includes but is not limited to any inventions, designs, methods, processes, techniques, know-how, show-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, manuals and any other documents, Software, and Firmware.

"**Intellectual Property Right**" means any intellectual property right recognized by law, including any intellectual property right protected by legislation such as patents, copyright, industrial design, integrated circuit topography, and plant breeders' rights, or subject to protection under the law as trade secrets and confidential information.

"**Net-Zero Challenge or Equivalent**" means the following accepted initiatives are deemed equivalents to the Net-Zero Challenge, 'United Nations Race to Zero' or 'Science-Based Targets Initiative (SBTI)' or 'Carbon Disclosure Project (CDP)' or 'International Organization for Standardization (ISO) – ISO 14064-1:2018'.

"**Overdue**" means an amount that is unpaid on the first day following the day on which it is due and payable according to the Contract.

"**Packaging**" means product to be used for the containment, protection, handling, delivery, storage, transport and presentation of goods. (Source: [ISO 21067-1:2016, Clause 2.1.1](#)).

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

"**Recyclable**" means capable of being diverted from the waste stream through available processes and programs and can be collected, sorted, processed and returned to use in the form of raw materials or products. (Source: [CAN/CSA-ISO 14021, Clause 7.7.1](#)).

"**Recyclable packaging**" means packaging or a packaging component is recyclable if its successful post consumer collection, sorting, and recycling is proven to work in practice and at scale. This means that there is an existing (collection, sorting and recycling) system in place that actually recycles the packaging and that covers significant and relevant geographical areas as measured by population size. (Source: adapted from the [New Plastics Economy Global Commitment](#)).



**“Returnable (to the Contractor)”** means there is an existing and functional program in place for the packaging to be returned to the Contractor to reuse, refill, or recycle at no additional cost to the client.

**“Reusable (by Canada)”** means designed to be used multiple times for the same purpose without losing its original functionality, physical capability or quality. A characteristic of a product or packaging that has been conceived and designed to accomplish within its life cycle a certain number of trips, rotations or uses for the same purpose for which it was conceived. (Source: [CAN/CSA-ISO 14021, Clause 7.12.1.1](#)).

**“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 (Payments Canada); (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; or (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 or 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 (Payments Canada) and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.



"**Software**" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, including any modification.

"**Specialized packaging**" means packaging can be considered "specialized" if the intended use of the packaging requires technical performance specifications with no environmentally preferable alternatives. For example, when transporting hazardous materials, if there is a need for a specific density of materials, or if they must be temperature controlled.

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

"**Work**" means all the activities, services, goods, equipment, matters and things that the Contractor is required to do, deliver or perform under the Contract.





## ANNEX 2 TO ATTACHMENT 6 - DRAFT STATEMENT OF WORK (SOW)

CALL FOR PROPOSAL NO: EN578-24ISC4

CHALLENGE BEING ADDRESSED: *Insert the title of the Challenge as indicated in the Challenge Notice.*

### 1. Title

*Insert the title of the Contractor's proposal.*

### 2. Introduction

The Innovative Solutions Canada (ISC) Program Challenge Stream is designed to support the development of early-stage, pre-commercial innovations by small businesses that have no more than 499 employees and demonstrate the capacity to develop an innovative solution to a federal department or agency challenge.

### 3. Objective

Phase 1: Proof of Feasibility

The objective of this contract is to develop and deliver a proof of feasibility to Canada, addressing the Challenge.

OR

Phase 2: Prototype Development

The objective of this contract is to develop and deliver a prototype to Canada, addressing the Challenge. Work in Phase 2 cannot exceed [Technology Readiness Level](#) (TRL) 9.

*Add any other information, if necessary.*

### 4. Tasks

#### 4.1 Task title

*Insert description of the task.*

#### 4.2 Task title

*Insert description of the task.*

*Add more sections as required.*



## For Innovations with an estimated exit TRL of 7 and above

4.x Sponsoring Department

4.x Sponsoring Department Overview

*The Sponsoring Department's mandate is to .....*

4.x Sponsoring Department Responsibilities

*The Sponsoring Department will:*

- X
- Y
- *Complete the Post Test Report (In cooperation with Testing Department if Applicable)*

## 5. Deliverables

5.1 Deliverables for task 4.1

*Insert description of the deliverables, quantity, and format as applicable.*

5.2 Deliverables for task 4.2

*Insert description of the deliverables, quantity, and format as applicable.*

*Add more sections as required.*

5.x Deliverable for Task 4.x (Draft of the Final Report)

The Contractor must provide the Technical Authority a Draft of the Final Report, using the template provided at Appendix 1 to Annex A1. The report must be in \_\_\_\_\_ format.

*The draft report is not mandatory, but is recommended. This gives the challenge department time to review the draft report and seek clarification or adjustments in the final report.*

5.x Deliverable for Task 5.x (Final Report)

The Contractor must provide the Technical Authority a Final Report, within 14 days of the completion of the contract, using the template provided at Appendix 1 to Annex A1. The report must be in \_\_\_\_\_ format.



**6. Date of delivery**

Deliverable	Delivery date (and suggested formats)
6.1	Within X months after contract award OR On or before YYYY-MM-DD.
6.2	Within X months after contract award OR On or before YYYY-MM-DD.
6.3	Within X months after contract award OR On or before YYYY-MM-DD.
6.4	Within X months after contract award OR On or before YYYY-MM-DD.

**7. Program Surveys**

As a condition of the program, the Contractor is required to respond to short surveys from the ISC Secretariat for up to five years after passing through ISC. The results of the surveys will feed into the measurement of performance indicators through the reporting requirements of the ISC program.

This obligation survives the expiry of the contract until completed or the Contractor ceases to exist.

**8. Meetings**

The Contractor will participate in the following meetings in person or via teleconference, as indicated.

*Insert as required*

**9. Travel & Living**

Example when travel is not required:

The Contractor is not required to travel.

Example when travel is required:

The Contractor is required to travel to the following location under the following tasks:

- Task: Insert task number
- Location: Insert location name
- Address: Insert complete address
- Duration: Insert number of days
- Frequency: Insert frequency



All travel must have the prior approval of the Technical Authority, in writing.

Travel must be in accordance with current National Joint Council Travel Directive. It is the responsibility of the Contractor to become familiar with the provisions of the National Joint Council Travel Directive, the Special Travel Authorities and the Directive on Travel, Hospitality, Conference and Event Expenditures available at the following web address: <https://www.canada.ca/en/treasury-board-secretariat/services/travel-relocation/travel-government-business.html>

## 10. Location of Work

The work must be performed on Contractor site.

## 11. Language of Work

The resulting Contract will require Work to be performed in either or both of the Official Languages of Canada.

OR

The deliverables must be submitted in either or both of the Official Languages of Canada.

*Revise as necessary.*

## 12. Government Supplied Information (GSI)/Government Supplied Material (GSM)

Insert “None” or insert GSI and or GSM list and information as follows:

GSI 1: Name and description

GSM 1: Name and description

Quantity:

Part number:

Serial number:

Inventory number:

## 13. Certifications, Licenses and Approvals (if applicable)

It is the responsibility of the Contractor to secure all applicable certifications, licenses, and or approvals required to test the solution in an operational setting and remain valid through the period of the contract.

## 14. Glossary

The following terms are used in this SOW and have the definitions assigned to them below:

*Insert as required*



**ANNEX 3 TO ATTACHMENT 6 - INNOVATIVE SOLUTIONS CANADA FINAL REPORT - PHASE 1  
(PROOF OF FEASIBILITY)**

**Also known as “Appendix 1 to Annex A1” in the resulting contract  
Instructions and Template**

This document provides information required to complete the Innovative Solutions Canada (ISC) Phase 1 Final Report. The Final Report provides the challenge Sponsoring Department a precise description and results of the research and development performed under Phase 1.

This document has two sections: Instructions and Template. The **Instructions** provide information required to prepare and submit the Final Report while the **Template** is the format the company must use to prepare the report.

Do not include the **Instructions** with the report. Be sure to replace the information described within the angled brackets < > with the relevant project information (and remove the angled brackets). Also remove the bracketed [ ] guidance in the **Template**.

**Instructions**

A. The Final Report must include the four sections noted below. The report must not exceed a total of twenty (20) pages. Appendices A and B are optional, but Appendix C is mandatory.

Section Name	Not to Exceed Page Length
<p><b>Final Report:</b></p> <ol style="list-style-type: none"> <li>1. Title Page</li> <li>2. Table of Contents</li> <li>3. Executive Summary</li> <li>4. Report Body</li> </ol> <p><b>Appendices:</b></p> <ol style="list-style-type: none"> <li>5. Appendix A: Key Terms</li> <li>6. Appendix B: Supplemental Data</li> <li>7. Appendix C: Phase 1 Project Implementation Team</li> <li>8. Appendix D (Optional): Phase 2 (Prototype Development) Project Plan</li> </ol>	<p><b>Not to exceed twenty (20) pages</b></p> <p>Not to exceed one (1) page Not to exceed one (1) page Not to exceed one (1) page Not to exceed seventeen (17) pages</p> <p><b>12 pages in total</b></p> <p>Up to five (5) pages Up to five (5) pages Up to two (2) pages</p> <p>Up to five (5) pages</p>

Note: Pages that exceed page limits cannot be reviewed.

B. Paper/Font size. The report must be prepared on 8 ½ x 11 inch paper with 1 inch margins (including header and footer) and be written in Times New Roman 12 point font.

C. Header. Each page of the report must have a header that includes the following information:  
FINAL REPORT  
<Company Name>



<Report Date>

D. Footer. Each page of the report must have a footer that includes the following information:

Challenge ID Number: <Challenge ID Number>

Project Number: <Project Number>

Page: <Number>

E. File Format. The report must be uploaded as a single Adobe PDF file to the ISC web-based system.

F. Submission.

(1) Final Reports must be submitted in accordance with the requirements and timelines/deadlines listed in the company's Phase 1 contract.

(2) Final Reports are submitted through the ISC web-based system: <https://ised-isde.canada.ca/app/scr/iscwp/web/>

The submission process requires the company to upload the report as a "Final Report – Phase 1". Companies should always verify their Final Report requirements with the ISC Secretariat. Should companies have any problems uploading their Phase 1 report, they should contact the ISC Secretariat by writing to [solutions@canada.ca](mailto:solutions@canada.ca).

**Note:**

Do not include the above **Instructions** with the report. Use the following **Template** to complete the report but do not include the bracketed [ ] guidance provided in each section. Remove text within the angled brackets < > and replace it with relevant firm/project information (and remove angled brackets).



**Project Name:** <Project Name>

**Challenge ID #:** <Challenge ID Number>

**<Company Name>**

<Address 1>, <Address 2>

<City, Province, Postal code>

<Phone>

**Prepared By:**

<Name>, <Phone>, <Email>

**Authorized Officer to Submit Final Phase 1 Report:**

<Name>, <Title>, <Phone>, <Email>



**Table of Contents [be sure to update TOC when the document is final]**

<b>Executive Summary.....</b>	<b>121</b>
<b>Project Objective .....</b>	<b>121</b>
<b>Project Approach .....</b>	<b>121</b>
<b>Analysis .....</b>	<b>121</b>
<b>Results.....</b>	<b>121</b>
<b>Conclusions .....</b>	<b>122</b>
<b>Recommendations .....</b>	<b>122</b>
<b>References.....</b>	<b>122</b>
<b>Appendix A: Key Terms .....</b>	<b>123</b>
<b>Appendix B: Supplemental Data .....</b>	<b>123</b>
<b>Appendix C: Phase 1 Project Implementation Team .....</b>	<b>123</b>
<b>Appendix D: Phase 2 Project Plan .....</b>	<b>9</b>





#### Executive Summary

[Clearly state if the work/project was completed on budget, on schedule and within scope. In addition, this section must clearly state the findings of the research performed in Phase 1, focusing specifically on the principal results and conclusions that confirm the scientific/technical feasibility of the proposed solution, the ending technology readiness level (TRL) of the solution in Phase 1, and if the work in Phase 1 affected the envisioned benefits to Canada as articulated in the initial application/bid submission.]

Introductory material (purpose, scope, and organization), descriptive material (nature and method of research), and the most important results and conclusions are summarized, with emphasis on research findings.

Although a summary introduces no new information, it is independent from the reader's point of view; therefore, all symbols, abbreviations, and acronyms should be defined, and unusual terms are explained. A summary must not contain references or cross-references to other sections of the report.]

#### Project Objective

[Provide a 2-3 sentence summary of the project objectives including the technology/service to address the challenge.]

#### Project Approach

[Detail the intended approach used to reach the project objective. This section must include information on whether the work/project was completed on budget, on schedule and within scope. If not, an explanation must be provided. This section must also include a summary of the physical and analytical models used, as appropriate, an overview of the basic science behind the technology or process.]

#### Analysis

[Provide appropriate analysis to allow the challenge sponsoring department to determine if the project objectives were achieved and whether the scientific and/or technical feasibility of the solution has been proven to address the challenge. Explain the relevance of the research to the project objectives, including models used in the data analysis. Any detailed calculations or derivations should be included in Appendix B. The analysis should also clearly identify the TRL level of the solution at the end of Phase 1. Lastly, the analysis should include a discussion on how the work in Phase 1 has affected the envisioned benefits to Canada as articulated in the initial application/bid submission. This includes identifying if new benefits have emerged that previously were unknown.]

#### Results

[Summarize results obtained during this project with an emphasis on explaining how the research in Phase 1 has confirmed the scientific and/or technical feasibility of the solution. The data should be organized in a logical order, including any tables and diagrams as appropriate, such as system overviews, functional diagrams, and test data. Raw data captured should be included in Appendix B.]



### Conclusions

[The conclusions section interprets findings that have been substantiated in the discussion of results and explains their implications. The section introduces no new material other than remarks based on these findings. It includes the author's/creator's opinions and is written to be read independently of the text. The section could include a summary of the conclusions from similar studies, a conclusion based solely on the current results, or an overall conclusion.]

### Recommendations

[The recommendations section presents a course of action based on the results and conclusions of the Phase 1 work. Recommendations might include additional areas for R&D, alternate design approaches, or production decisions. Specific recommendations are presented in a numbered or bulleted list that is introduced by an informative lead-in sentence.]

### References

[All cited references should be listed below in the appropriate format. Use the following example formats as necessary.]

**[Book Format:** Author's last name, first name. *Book title*. Additional information. City of publication: Publishing company, publication date.

1. Boorstin, Daniel J. *The Creators: A History of the Heroes of the Imagination*. New York: Random, 1992.

**[Encyclopedia & Dictionary Format:** Author's last name, first name. "Title of Article." *Title of Encyclopedia*. Date.

2. Pettingill, Olin Sewall, Jr. "Falcon and Falconry." *World Book Encyclopedia*. 1980.

**[Magazine & Newspaper Articles Format:** Author's last name, first name. "Article title." *Periodical title* Volume # Date: inclusive pages.

3. Kalette, Denise. "California Town Counts Down to Big Quake." *USA Today* 9 21 July 1986: sec. A: 1.

**[Website or Webpage Format:** Author's last name, first name (if available). "Title of work within a project or database." *Title of site, project, or database*. Editor (if available). Electronic publication information (Date of publication or of the latest update, and name of any sponsoring institution or organization). Date of access and <full URL>.

4. Dove, Rita. "Lady Freedom among Us." *The Electronic Text Center*. Ed. David Seaman. 1998. Alderman Lib., U of Virginia. 19 June 1998 <<http://etext.lib.virginia.edu/subjects/afam.html>>]



## **Appendices to the ISC Final Report – Phase 1 (Proof of feasibility):**

### **Appendix A: Key Terms**

[Define any key terms and acronyms used in the report. There is a 5 page limit for Appendix A.]

### **Appendix B: Supplemental Data**

[Raw data and detailed computations used in the report development. Other referenced reports must be included in the References section. Company promotional materials and other similar unrelated information must not be included. There is a 5-page limit for Appendix B.]

### **Appendix C: Phase 1 Project Implementation Team**

[Describe the R&D performed by the project implementation team. List the team members, their roles, specific R&D performed, and monetary value of their R&D performed in CAD. Indicate clearly in this section those project team members external to your company. There is a 2-page limit for Appendix C.]

### **Appendix D: Phase 2 Project Plan (Optional)**

The objective of Phase 2 is to continue the R&D efforts of the proposed solution from Phase 1 with the goal of developing, testing and delivering a prototype to Canada for the selected Challenge.

Small Businesses that have completed their Phase 1 contract and where the innovation remains of interest to Canada may receive an invitation, by way of a request for documentation, to advance to Phase 2 at the sole discretion of Canada. There is no minimum TRL level for a Phase 1 innovation to advance to Phase 2.

Small businesses must still meet the Eligibility Criteria set out in section 1.4 of the *Innovative Solutions Canada Program – Call for Proposals - 004* and must provide all documentation outlined in Attachment 3 of this document if requested. A request for documentation does not guarantee that a Phase 2 contract will be awarded. Please consult the *Innovative Solutions Canada Program – Call for Proposals - 004* document for further information.

**Should you wish to potentially be considered for a Phase 2 contract, you must submit a Phase 2 Project Plan as part of your Phase 1 Final Report.** If you do not wish to be considered for a potential Phase 2 contract, this information is not required.

Please note that submitting a Phase 2 project plan does not guarantee participation in Phase 2. It is at the sole discretion of Canada to proceed with Phase 2. Once Phase 1 is complete and the Phase 1 Final Report has been submitted and reviewed, a determination will be made relating to the next steps. Additional information could be required at a later date.

Demonstrate a feasible Phase 2 project plan by completing the table provided. Include project milestones, project activities under each milestone, the time required to complete each milestone (e.g., days, weeks and/or months), the total time required to complete the project, and the success criteria.



<b>Project milestones</b> <b>(Indicate if any milestones and activities will be completed concurrently. Add rows as required)</b>	<b>Activities to complete the milestone</b>	<b>Time to complete the milestone (in months, weeks, or days)</b>	<b>Success Criteria</b>
Total time to complete the project:			

Include a Gantt chart that illustrates the project plan. The project milestones and activities should be on the vertical axis while the time intervals on the horizontal axis.

Please note that if you omit submitting a Phase 2 Project Plan with your Phase 1 Final Report, Canada may choose to not give your proposal any further consideration.



**ANNEX 4 TO ATTACHMENT 6 - INNOVATIVE SOLUTIONS CANADA FINAL REPORT – PHASE 2  
(PROTOTYPE DEVELOPMENT)**

**Also known as “Appendix 1 to Annex A1” in the resulting contract  
Instructions and Template**

This document provides information required to complete the ISC Phase 2 Final Report. The Final Report provides the challenge Sponsoring Department a precise description and results of the research and development (R&D) performed under Phase 2.

This document has two sections: Instructions and Template. The **Instructions** provide information required to prepare and submit the Final Report while the **Template** is the format the company must use to prepare the report.

Do not include the **Instructions** with the report. Be sure to replace the information described within the angled brackets < > with the relevant project information (and remove the angled brackets). Also remove the bracketed [ ] guidance in the **Template**.

**Instructions**

A. The Final Report should include the four sections noted below. The report should not exceed a total of sixty-five (65) pages. Appendices A and B are optional.

Section Name	Not to Exceed Page Length
<b>Final Report:</b> <ol style="list-style-type: none"> <li>1. Title Page</li> <li>2. Table of Contents</li> <li>3. Executive Summary</li> <li>4. Report Body</li> </ol>	<b>Not to exceed 45 pages</b> <p>Not to exceed one (1) page</p> <p>Not to exceed one (1) page</p> <p>Not to exceed three (3) pages</p> <p>Not to exceed forty (40) pages</p>
<b>Appendices:</b> <ol style="list-style-type: none"> <li>5. Appendix A: Key Terms</li> <li>6. Appendix B: Supplemental Data</li> <li>7. Appendix C: Phase 2 Project Implementation Team</li> </ol>	<b>Not to exceed 20 pages</b> <p>Not to exceed five (5) pages</p> <p>Not to exceed twelve (12) pages</p> <p>Not to exceed three (3) pages</p>

Note: any pages over the page limits may not be reviewed.

B. Paper/Font size. The report should be prepared on 8 ½ x 11 inch paper with 1 inch margins (including header and footer) and be written in Times New Roman 12 point font.

C. Header. Each page of the report should have a header that includes the following information:  
FINAL REPORT



<Company Name>

<Report Date>

D. Footer. Each page of the report should have a footer that includes the following information:

Challenge ID Number: <Challenge ID Number>

Project Number: <Project Number>

Page <Number>

E. File Format. The report should be a single Adobe PDF file.

F. Submission.

(1) Final Reports must be submitted in accordance with the requirements and timelines/deadlines listed in the company's Phase 2 contract.

**Note:**

Do not include the above **Instructions** with the report. Use the following **Template** to complete the report but do not include the bracketed [ ] guidance provided in each section. Remove text within the angled brackets < > and replace it with relevant firm/project information (and remove angled brackets).



**Project Name:** <Project Name>

**Challenge ID #:** <Challenge ID Number>

**<Company Name>**

<Address 1>, <Address 2>

<City, Province, Postal code>

<Phone>

**Prepared By:**

<Name>, <Phone>, <Email>

**Authorized Officer to Submit Final Phase 2 Report:**

<Name>, <Title>, <Phone>, <Email>



**Table of Contents [be sure to update TOC when the document is final]**

[Executive Summary](#) ..... 129

[Project Objective](#) ..... 130

[Project Approach](#) ..... 130

[Analysis and Results](#) ..... 130

[Commercialization Strategy](#) ..... 130

[Conclusions](#) ..... 131

[References](#) ..... 131

[Appendix A: Key Terms](#) ..... 132

[Appendix B: Supplemental Data](#) ..... 132

[Appendix C: Phase 2 Project Implementation Team](#) ..... 132





### Executive Summary

[Clearly state if the work/project was completed on budget, on schedule and within scope. In addition, this section must clearly state the findings of the R&D performed in Phase 2, focusing specifically on the results that confirm:

- how the solution meets each of the Essential (Mandatory) Outcomes identified in the original challenge notice;
- to what extent the solution meets the Additional Outcomes identified in the original challenge notice;
- the novelty and innovativeness of the solution;
- the ending technology readiness level (TRL) of the solution;
- the competitive advantage and level of advancement the solution offers over existing commercially-available solutions; and
- the intellectual property (IP) strategy that will be used to protect new IP developed and embodied by the solution.

The final paragraph in the executive summary should identify the commercialization strategy that will be used to bring the solution to the market or if needed to Testing Stream. This section should focus on the potential marketplace for the solution (be it outside or within government).

Although the executive summary introduces no new information, it is independent from the reader's point of view; therefore, all symbols, abbreviations, and acronyms should be defined, and unusual terms explained. A summary must not contain references or cross-references to other sections of the report.]



#### Project Objective

[Provide a 2-3 paragraph summary of the Phase 2 project objectives including the technology/service developed to address the challenge.]

#### Project Approach

[Detail the approach used to reach the project's objectives. This section must include information on whether the work/project was completed on budget, on schedule and within scope. If not, an explanation must be provided.]

#### Analysis and Results

[Provide appropriate analysis to allow the challenge sponsoring department to determine if the objectives of the Phase 2 R&D were achieved. This section should explain how the solution operates and functions at the end of Phase 2. The results of scientific research, experiments, tests in laboratory environments, simulated environments or operational environments should be detailed in this section and logically organized, including any tables and diagrams as appropriate. Raw data as well as any detailed calculations or derivations should be included in Appendix B.

The content of this section must include **sub-headings** that provide details about:

- How the solution meets each of the Essential (Mandatory) Outcomes identified in the original challenge notice.
- How the solution meets the Additional Outcomes identified in the original challenge notice.
- The solution's TRL at the conclusion of Phase 2 with an emphasis on describing the environments in which the prototype has been tested and the results of those tests.
- The novelty and innovation of the solution. The discussion under this heading should provide evidence on the extent to which the solution meets the definition of "innovation" in the program's glossary found at <https://www.ic.gc.ca/eic/site/101.nsf/eng/00005.html>.
- The competitive advantage and level of advancement the solution offers over existing commercially-available products or services. The discussion under this sub-heading should include: evidence to demonstrate improvements over existing technologies or substitutes using direct comparisons and how the solution will create competitive advantages in existing market niches.
- The intellectual property (IP) strategy that will be used, or actions taken, to protect new IP developed and embodied by the solution.]

#### Commercialization Strategy

[This section must identify the strategy to commercialize the solution. This section should include an analysis on the potential marketplace for the solution (be it outside or within government) and



discuss what actions will be taken to ensure the commercialization of the solution will be successful and how those actions will be sustained in the long-term.]

#### Conclusions

[The conclusions section interprets findings that have been substantiated in the Analysis and Results section and explains their implications. The section introduces no new material other than remarks based on these findings. It includes the author's/creator's opinions and is written to be read independently of the text.]

Recommendations for further R&D to advance the solution to commercialization [To be completed if the solution is below TRL 9 at the end of the project period]

[The recommendations section presents a course of action based on the results and conclusions of the Phase 2 work. Recommendations are to include additional areas for R&D to advance the solution to the end of TRL 9, and potentially alternate design approaches, or production decisions. Specific recommendations are presented in a numbered or bulleted list that is introduced by an informative lead-in sentence.]

#### References

[All cited references should be listed below in the appropriate format. Use the following example formats as necessary.]

**[Book Format:** Author's last name, first name. *Book title*. Additional information. City of publication: Publishing company, publication date.

5. Boorstin, Daniel J. *The Creators: A History of the Heroes of the Imagination*. New York: Random, 1992.

**[Encyclopedia & Dictionary Format:** Author's last name, first name. "Title of Article." *Title of Encyclopedia*. Date.

6. Pettingill, Olin Sewall, Jr. "Falcon and Falconry." *World Book Encyclopedia*. 1980.

**[Magazine & Newspaper Articles Format:** Author's last name, first name. "Article title." *Periodical title* Volume # Date: inclusive pages.

7. Kalette, Denise. "California Town Counts Down to Big Quake." *USA Today* 9 21 July 1986: sec. A: 1.



**Website or Webpage Format:** Author's last name, first name (if available). "Title of work within a project or database." *Title of site, project, or database.* Editor (if available). Electronic publication information (Date of publication or of the latest update, and name of any sponsoring institution or organization). Date of access and <full URL>.

8. Dove, Rita. "Lady Freedom among Us." The Electronic Text Center. Ed. David Seaman. 1998. Alderman Lib., U of Virginia. 19 June 1998 <<http://etext.lib.virginia.edu/subjects/afam.html>>]

### **Appendices to the ISC Final Report – Phase 2 (Prototype Development) :**

#### **Appendix A:** Key Terms

[Define any key terms and acronyms used in the report. There is a 5-page limit for Appendix A.]

#### **Appendix B:** Supplemental Data

[Raw data and detailed computations used in the report's development. Other referenced reports must be included in the References section. Company promotional materials and other similar unrelated information must not be included. There is a 12-page limit for Appendix B.]

#### **Appendix C:** Phase 2 Project Implementation Team

[Describe the R&D performed by the project implementation team. List the team members, their roles, specific R&D performed, and monetary value of their R&D performed in CAD. Indicate clearly in this section those project team members external to your company. There is a 3-page limit for Appendix C.]



**ANNEX 5 TO ATTACHMENT 6 - BASIS OF PAYMENT**

**Also known as “Annex B1”**

**Schedule of Milestones:** The schedule of milestones for which payments will be made in accordance with the Contract is as follows:

Milestone No.	Deliverable	Firm Amount	Delivery Date

**Total Firm Price: \$ \_\_\_\_\_**  
**(Applicable Taxes extra)**

**OR**

For the Work described in Annex A1 – Statement of Work, and in consideration of the Contractor satisfactorily completing all of its obligations under the contract, the Contractor will be paid as follows:

**1. LABOUR:** at the following firm hourly rates:

CATEGORY (OR NAME)	FIRM HOURLY RATE
_____	\$ _____
_____	\$ _____

**Est.: \$ \_\_\_\_\_**

**2. MATERIALS AND SUPPLIES:** at actual cost without markup

**Est.: \$ \_\_\_\_\_**

**3. SUBCONTRACTS:** at actual cost without markup

**Est.: \$ \_\_\_\_\_**

**4. OTHER DIRECT CHARGES:** at actual cost without markup

**Est.: \$ \_\_\_\_\_**

**5. TRAVEL AND LIVING EXPENSES:**

**Est.: \$ \_\_\_\_\_**

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, and private vehicle allowances specified in Appendices B, C and D of the [National Joint Council Travel Directive](http://www.njc-cnm.gc.ca/directive/d10/en) (<http://www.njc-cnm.gc.ca/directive/d10/en>), and with the other provisions of the directive referring to "travelers", rather than those referring to "employees". Canada will not pay the Contractor any incidental expense allowance for authorized travel.



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

**Estimated Cost to a Ceiling Price: \$ \_\_\_\_\_**  
**(Applicable Taxes extra)**

With the exception of the firm rate(s) and price(s), the amounts shown in the various items specified above are estimates only. Minor changes to these estimates will be accepted for billing purposes as the Work proceeds, provided that these changes have the prior approval of the Technical Authority and provided that the estimated cost does not exceed the aforementioned Ceiling Price.



**ATTACHMENT 7 – ADDITIONAL CERTIFICATIONS REQUIRED DURING CONTRACT NEGOTIATIONS**

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

<b>Offeror's Full Legal Name</b>	
Once you have read and understood each statement, please respond by checking ( ) for each certification below. The Offeror certifies to Canada that its responses below are complete and truthful.	
<b>Acceptance of Clauses and Conditions</b>	
( ) Offerors who submit an offer agree to be bound by the instructions, clauses and conditions of the offer solicitation and accept the clauses and conditions of the resulting contract.	
<b>Federal Contractors Program for Employment Equity (FCP)</b>	
<b>Eligibility to submit an offer</b> Federal Contractors Program for Employment Equity	( ) The Offeror, and any of its members if it is a joint venture, is not named on the Federal Contractors Program (FCP) for Employment Equity " <a href="#">FCP Limited Eligibility to Bid</a> " list. <i>Canada may declare an offer non-compliant if the Offeror, or any of its members if the Offeror is a joint venture, appears on the "FCP Limited Eligibility to Bid" list at the time of contract award.</i>
<b>Employment Equity</b> The Federal Contractors Program (FCP) for employment equity is intended to address employment disadvantages for the four designated groups: women, Aboriginal peoples, persons with disabilities and members of visible minorities. Its goal is to achieve equality so that no person is denied employment opportunities for reasons unrelated to ability.	<p><b>A. Check only one of the following:</b></p> <p>( ) The Offeror certifies that it has no work force in Canada.</p> <p>( ) The Offeror certifies that it is a public sector employer.</p> <p>( ) The Offeror certifies that it is a federally regulated employer, subject to the <i>Employment Equity Act</i>.</p> <p>( ) The Offeror certifies that it has a combined work force in Canada of less than 100 permanent employees (including full-time and part-time).</p> <p>( ) The Offeror certifies that it has a combined workforce in Canada of 100 or more employees, <b>and</b> the Offeror already has a valid and current Agreement to Implement Employment Equity (AIEE) in place with ESDC - Labour.</p> <p>( ) The Offeror certifies that it has a combined workforce in Canada of 100 or more employees <b>and</b> the Offeror has duly submitted the Agreement to Implement Employment Equity (LAB1168) to ESDC - Labour.</p> <p><b>B. Check only one of the following:</b></p> <p>( ) The Offeror is not a Joint Venture.</p> <p>( ) The Offeror is a Joint Venture, and each member has submitted a completed Federal Contractors Program for Employment Equity - Certification.</p>



**Canadian Content Certification**

This requirement is conditionally limited to Canadian Goods and Canadian Services. Subject to the evaluation procedures contained in the [[solicitation of offers/request for standing offers](#)], Offerors acknowledge that, Canada may consider only those offers with a certification that the goods and services offered are Canadian Goods and Canadian Services, as defined in Annex Solicitation of Offers Definitions.

Failure to provide this certification completed with the offer will result in the service offered being treated as non-Canadian Goods and Services.

The Offeror certifies that:

( ) a minimum of 80 percent of the total offer price consists of Canadian Goods and Canadian Services as defined in the Annex Solicitation of Offers Definitions – Mix of Goods and Services.

**Accuracy and Integrity**

Accuracy of information	( ) All the information that the Offeror submits with its offer is true, accurate, and complete as of the date indicated below.
-------------------------	---

Code of Conduct for Procurement	( ) The Offeror complies with Canada’s <a href="#">Code of Conduct for Procurement</a> .
---------------------------------	--

Ineligibility and Suspension Policy	<p>The Offeror certifies that:</p> <p>( ) It has read and understands the <a href="#">Ineligibility and Suspension Policy</a>.</p> <p>( ) It understands that certain circumstances, as described in the Policy, will or may result in a determination of ineligibility or suspension under the Policy.</p> <p>( ) It is aware that Canada may request additional information, certifications, and validations from the Offeror or a third party for the purpose of making a determination of ineligibility or suspension.</p> <p>( ) None of the circumstances described in <a href="#">Appendix 2 of the Policy</a> that will or may result in a determination of ineligibility or suspension, apply to itself, its affiliates or its proposed first tier subcontractors.</p> <p>( ) It is not aware of a determination of ineligibility or suspension issued by Canada that applies to it.</p> <p>Where an Offeror is unable to provide any of the above certifications, at the time of its offer it must submit a completed <a href="#">Integrity Declaration Form</a>.</p>
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**Offeror Resources**

The Offeror, if awarded a resulting contract, will provide the resources proposed in its offer

Named individuals	( ) The Offeror certifies that every individual proposed in the offer will be available to perform the Work as required by and at the time specified in this solicitation of offers.
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*If for reasons beyond its control, the Offeror is unable to provide the services of an individual named in its offer, the Offeror may propose a substitute with similar qualifications and experience. Canada will, for these purposes, consider only the following reasons as being beyond the Offeror's control: death, sickness, maternity and parental leave, retirement, resignation, dismissal for cause, and termination of an agreement for default.*

*The Offeror must advise Canada of the reason for the substitution and provide the substitute*





*resource's name, qualifications, and experience. Canada will evaluate the substitution against the same requirements as the original resource.*

<b>Non-employees</b>	( ) The Offeror certifies that it has the consent of every non-employee to perform the services proposed in the offer and to submit each non-employee's résumé to Canada.
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*The Offeror must, upon Canada's request, provide a written confirmation, signed by the individual, of that permission and of the resource's availability.*

**Former Public Servant**  
Contracts awarded to former public servants ("FPS") who receive a federal government pension or lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. To comply with Treasury Board policies and directives on contracts awarded to FPS, Offerors must provide the information required below before contract award.

<b>Is the Offeror an FPS who receives a pension?</b>	( ) Yes (If yes, please fill out <b>Former Public Servant - Form Receipt of Pension</b> ) ( ) No
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<b>Is the Offeror an FPS who received a lump sum payment under a Work Force Adjustment Directive?</b>	( ) Yes (If yes, please fill out <b>Former Public Servant - Form Receipt of Lump Sum Payment</b> ) ( ) No
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<b>Does the Offeror have any current public servants in their employment who would perform the work of the resulting contract?</b>	( ) Yes (If yes, the Offeror must submit a complete list of names of all individuals who are current Public Servants) ( ) No
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**Form: Former Public Servant - Receipt of Pension**  
If the Offeror is in receipt of a pension, the Offeror must provide the following information for each FPS in receipt of a pension.  
*Each Offeror acknowledges that the successful Offeror's status, with respect to being a former public servant who received a pension, will be reported on departmental websites as part of the published proactive disclosure reports in accordance with [Contracting Policy Notice](#) and the [Guidelines on the Proactive Disclosure of Contracts](#).*

<b>1. Name of former public servant</b>	
Date of termination of employment or retirement from the Public Service	



<b>2. Name of former public servant</b>	
Date of termination of employment or retirement from the Public Service	
<p><b>Form: Former Public Servant - Receipt of Lump Sum Payment</b>          If the Offeror is in receipt of a lump sum payment, please provide the following information. For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to an FPS who received a lump sum payment is \$5,000, including Applicable Taxes. <i>Each Offeror acknowledges that the successful Offeror's status, with respect to being a former public servant who received a lump sum payment, will be reported on departmental websites as part of the published proactive disclosure reports in accordance with <a href="#">Contracting Policy Notice</a> and the <a href="#">Guidelines on the Proactive Disclosure of Contracts</a>.</i></p>	
<b>1. Name of former public servant</b>	
Conditions of the lump sum payment incentive	
Date of termination of employment	
Amount of lump-sum payment	
Rate of pay on which lump sum payment is based	
Period of lump-sum payment (start date, end date and number of weeks)	
Number and amount of other contracts subject to the restrictions of a workforce adjustment program	
<b>2. Name of former public servant</b>	
Conditions of the lump sum payment incentive	
Date of termination of employment	
Amount of lump-sum payment	



Rate of pay on which lump sum payment is based	
Period of lump-sum payment (start date, end date, and number of weeks)	
Number and amount of other contracts subject to the restrictions of a workforce adjustment program	
<b>Price Certification</b>	
<input type="checkbox"/> The Offeror certifies that the price proposed is based on costs computed in accordance with Contract Cost Principles 1031-2, and includes an estimated amount of profit of \$ <b>[Insert profit amount]</b> .	
OR	
<input type="checkbox"/> The Offeror certifies that the price proposed <input type="checkbox"/> is not in excess of the lowest price charged to anyone else for the like quality and quantity of the goods, the services, or both, <input type="checkbox"/> does not include an element of profit on the sale in excess of that which the Offeror normally obtains on the sale of goods, services, or both of like quality and quantity, and <input type="checkbox"/> does not include any provision for discounts to selling agents.	

**Controlled Goods**

Will the resulting contract involve controlled goods?

YES (\_\_\_\_) NO (\_\_\_\_)

**Applicable Laws**

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

Offerors may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice at time of the Contract award process by inserting the name of the Canadian province or territory of their choice below. If no change is made, it acknowledges that the applicable laws specified are acceptable to the Offerors.

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



### Subcontracts

(\_\_\_\_) The Offeror certifies that:

- a. In Phase 1, at least two-thirds of the Work will be performed by the Offeror, no more than one-third of the Work will be subcontracted; and
- b. In Phase 2, at least 50% of the Work will be performed by the Offeror, no more than 50% of the Work will be subcontracted.

### ISC Program Eligibility

Does the Offeror meet the following small businesses eligibility criteria?

YES (\_\_\_\_) NO (\_\_\_\_)

The Offeror is:

- for profit
- incorporated in Canada (federally or provincially)
- 499 or fewer full-time equivalent (FTE) employees\*
- research and development activities that take place in Canada
- 50% or more of its annual wages, salaries and fees are currently paid to employees and contractors who spend the majority of their time working in Canada\*
- 50% or more of its FTE employees have Canada as their ordinary place of work\*
- 50% or more of its senior executives (Vice President and above) have Canada as their principal residence\*

\* Calculations must take into account and include affiliated businesses, such as parent companies and subsidiaries that are either in or outside of Canada.

Under the Innovative Solutions Canada program, an "affiliate" relationship exists in the following situations:

- An affiliate is a corporation that is a subsidiary of another corporation;
- If a corporation has two subsidiary corporations, the two subsidiaries are affiliates of each other; or
- If two corporations are controlled by the same individual or business, the two corporations are also affiliates of each other.

### Safety

The contractor acknowledges that it has reviewed and intends to comply with all applicable laws and regulations in the performance of the contract.

YES (\_\_\_\_) NO (\_\_\_\_)



**Intellectual Property**

Does the Offeror own, or have the rights to, the required background Intellectual Property (IP) required to complete the project? Background IP refers to work created prior to, or independently of the project being proposed in this application.

YES (\_\_\_\_) NO (\_\_\_\_)

**Indigenous Business Certification**

The Offeror may complete this Annex at its discretion and include a copy with the bid submission.

Please identify if any of the following apply:

- \_\_\_\_ The Offeror is registered on a Modern Treaty business list or business directory;
- \_\_\_\_ The Offeror is registered on the Indigenous Business Directory, administered by Indigenous Services Canada.

**Certification Acknowledgment**

The Offeror certifies that the information submitted herein, and the information submitted in its bid, is accurate and complete. Signature must be from of representative authorized to sign on behalf of the Offeror.

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## **ATTACHMENT 8 – GENERAL DEFINITIONS**

### **Advance on State-of-the-art**

A technology that is an advance on the highest level of development for current commercially available products or services. For the purposes of ISC, state of the art must meet the program's definition of innovation and is a key component against which innovations are evaluated to determine the level of advancement offered. Innovations are evaluated against what is commercially available, and not against other proposals or other related pre-commercial innovations which may be a similar advance on the state of the art.

### **Applicant**

A person or organization applying to the program will be considered an applicant.

### **Offeror**

A person or organization making a formal offer for something.

### **Canadian Offeror**

The Offeror must be Canadian and must be submitting the bid on its own behalf. A Canadian Offeror is defined as a Offeror having a place of business in Canada where the Offeror conducts activities on a permanent basis that is clearly identified by name and accessible during normal working hours.

### **Canadian Content**

A minimum of 80% of the total proposal price must consist of Canadian goods and services. For the complete Canadian content definition please refer to the Canadian Content Definition A3050T (2020-07-01) that forms part of the solicitation documents.

### **Challenge**

Address scientific and technological needs/gaps/challenges faced by government.

May identify only one challenge or multiple challenges.

### **Challenge Notice**

Multiple notices will be published addressing a challenge(s) faced by various Government of Canada departments and/or agencies.

Details related to each Challenge will be published under distinct Challenge Notices.

Is a solicitation seeking ideas and/or solutions to one or more Challenge(s).

### **Pre-commercial innovation**

Pre-commercial innovations are those in the phases of research and development prior to commercialization. Precommercial innovations have been developed to a Technology Readiness Level between 7 and 9. Precommercial innovations have not been produced in quantity, may have had some



limited sales for the purpose of testing and demonstration, and are not readily available in the marketplace.

This can cover activities such as solution exploration, design and prototyping, up to the original development of a limited volume of goods or services in the form of a test series. Original development of a first good or service may include limited production or supply in order to incorporate the results of field-testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards.

The ISC Testing Stream requires that all proposed innovations are in a state and scale such that testing may occur as of the date of proposal submission, with only limited adjustments needed depending on the needs of a testing department.

### **Commercialization**

The process of bringing a new product (or method) or service to the market with the ability to produce and distribute quantities of said product or service on demand.

### **Commercial sales**

Good or service that is openly available in the marketplace or has been sold to either individuals in the public or private sector, in its current state or service offering for non-testing or development purposes.

### **Limited quantity**

Development of a first good may include limited production in quantity to achieve acceptable quality standards, but does not include quantity production to establish commercial viability.

### **Mass production**

The standardized production of an innovation in sufficient quantities to establish commercial viability.

### **Configuration and Customization**

The ISC Testing Stream permits certain changes to qualified innovations matched with testing departments, while others are unacceptable. These changes fall into 2 main categories: configuration or customization. Although this distinction applies only to those innovations that have been conditionally qualified and matched, understanding the difference will aid the Offeror in developing and writing a test plan.

### **Configuration**

Configuration involves arranging or setting up fully functional and fully developed components of an innovation. Configuration is the process by which an innovation is made to function properly in a specific situation, in the environment in which it was originally intended to be used. This may include changes that are not essential to the functioning of the innovation, so long as they would not alter the result of testing or validation of the innovation during its development.

Configuration is an acceptable change under this program, should a proposed innovation be pre-qualified under the ISC Testing Stream.



### **Customization**

Customization is the process of modifying fully functional and fully developed components of an innovation to meet the requirements of individual customers.

Customization is not an acceptable change under this program, should a proposed innovation be qualified under the ISC Testing Stream.

### **Contract**

An agreement between two or more persons, which creates an obligation to do or not to do a particular thing.

### **Corporation**

A company authorized to act as a single entity and recognized as such in law.

### **Eligible Small Business**

Solution proposals can only be submitted by a small business that meets all of the following criteria:

- for profit
- incorporated in Canada (federally or provincially)
- 499 or fewer full-time equivalent (FTE) employees\*
- research and development activities that take place in Canada
- 50% or more of its annual wages, salaries and fees are currently paid to employees and contractors who spend the majority of their time working in Canada\*
- 50% or more of its FTE employees have Canada as their ordinary place of work\*
- 50% or more of its senior executives (Vice President and above) have Canada as their principal residence\*

\*Calculations must take into account and include affiliated businesses, such as parent companies and subsidiaries, that are either in or outside of Canada.

### **Evaluator**

An evaluation team composed of the National Research Council – Industrial Research Assistance Program (NRC-IRAP), PWGSC and/or subject matter experts from other government departments will evaluate proposals. If required, Canada may use an external Subject Matter Expert to evaluate any proposal.

### **Full-time equivalent employee (FTE)**

A full-time equivalent employee (FTE) is defined as receiving a T4 Statement of Remuneration Paid slip (or equivalent) from the Applicant/Offeror. One FTE is defined as at least 30 hours/week of paid labour.

Part-time employees must be included as fractions of 1 FTE based on average labour hours compared to typical hours for 1 FTE employee.

### **Grants**

A transfer payment subject to pre-established eligibility and entitlement criteria. A grant is not subject to being accounted for by a recipient nor normally subject to audit by the department. The recipient may be required to report on results achieved.





**Innovation**

An invention, new technology or new process that is not currently available in the marketplace.

Significant modifications to the application of existing technologies/process that are applied in a setting or condition for which current applications are not possible or feasible.

An improvement to an existing technology/process that represents a significant (generally patentable) improvement in functionality, cost or performance of goods and services that are considered state of the art or the current industry best practice.

Incremental improvements, "good engineering" and technologies that would go ahead in a normal course of product development (that is, the next version or release) are not considered "innovations" for the purposes of this program.

**Invention**

A manufacturing design or any other new and useful improvement that is new or novel, that is, not commonly known or not an obvious derivative of an existing way of doing things.

**Novel**

Is not known or not an obvious derivative of an existing way of doing things.

**Pre-Commercial**

A product, technology or method that has not entered the marketplace yet.

**Procurement**

The process of obtaining goods and services that includes the determination of requirements and acquisition from a supply system or by purchase from the trade.

**Proof of Concept**

A realization of a certain method or idea in order to demonstrate its feasibility, or a demonstration in principle with the aim of verifying that some concept or theory has practical potential.

**Prototype**

A first, typical or preliminary model of something, especially a machine, from which other forms are developed or copied.

**Proposal**

An offer, submitted in response to a request from a contracting authority, which constitutes a solution to the problem, requirement or objective in the request.

**Sponsoring Department**

The department which is facing the posted challenge and will fund the development of the proof of feasibility and prototype.



**Subsidiary**

Is understood to be a business which has more than 50% of its ordinary shares or voting power owned by another business or individual.

**Technology**

The practical application of science to commerce or industry.

The science of applying scientific knowledge to practical problems.

An innovation based in scientific and industrial progress.

Specific information and know-how required for development, production or use of good or service.

**Technology Readiness Levels**

Technology readiness levels are a measure to evaluate the maturity of an innovation.