
NAVAL REMOTE WEAPON STATION (NRWS) PROJECT

REQUEST FOR PROPOSAL (RFP)

SOLICITATION: W8472-125389/C

Volume 2

NRWS ACQUISITION RESULTING CONTRACT

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ARTICLES OF AGREEMENT

1. Requirement

The Contractor shall perform the Work and provide the goods and services associated with the Naval Remote Weapon Station (NRWS) acquisition requirement as outlined in Schedule "A", NRWS Acquisition Pricing.

1.1 Industrial and Technological Benefits (ITB) Commitments and Responsibilities

The Contractor shall achieve all the ITB commitments in accordance with the schedule and commitments set out in Annex C, Industrial and Technological Benefits (ITB) Terms and Conditions

2. Optional Goods and Services

The Contractor grants to Canada the irrevocable option to acquire the goods, services or both described at Schedule "A", NRWS Acquisition Pricing of the Contract under the same conditions and at the prices and/or rates stated in the Contract. The option may only be exercised by the Contracting Authority and will be evidenced, for administrative purposes only, through a contract amendment.

2.1 Optional HFX Class NRWS

For Schedule A NRWS Acquisition Pricing, optional Item N°1, the Contracting Authority may exercise the option(s) within two (2) years after contract award by sending a written notice to the Contractor.

2.2 Optional Computer Based Trainers

For Schedule A NRWS Acquisition Pricing, optional Item N°2, the Contracting Authority may exercise the option(s) within two (2) years after contract award by sending a written notice to the Contractor.

2.3 Optional NRWS Operator Initial Cadre Training

For Schedule A NRWS Acquisition Pricing, optional Item N°3, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.4 Optional NRWS Maintainer Initial Cadre Training

For Schedule A NRWS Acquisition Pricing, optional Item N°4, the Contracting Authority may exercise the option(s) within three (3) years after contract award by sending a written notice to the Contractor.

2.5 Optional Spares and Special Tools and Test Equipment

For Schedule A NRWS Acquisition Pricing, optional Item N°5, the Contracting Authority may exercise the option(s) within five (5) years after contract award by sending a written notice to the Contractor.

3. Work Arisings

Additional work that is not described in the Statement of Work but that is required to support the NRWS and that would fall within the overall scope of the Work (Work Arisings), may be incorporated into the Contract in accordance with Schedule A NRWS Acquisition Pricing.

3.1 Task Authorization

The Work or a portion of the Work to be performed under the Contract will be on an "as and when requested basis" using a DND 626, Task Authorization Form ("Task Authorization") as per Annex D. The Work described in the Task Authorization shall be in accordance with the scope of the Contract.

- 1) In order to establish a clear understanding of the work for each task, the Technical Authority and Contractor shall establish definitive statements for each of the following aspects of all tasks, prior to issuance of a Task Authorization:
 - a) requirements;
 - b) identification of Work Element # with reference to the Statement of Work (SOW);
 - c) priority;
 - d) expenditure limitation for the performance of the work;
 - e) labour hours by category;
 - f) cost breakdown of the expenditure limitation, using the rates detailed in Schedule A NRWS Acquisition Pricing, Article 5 Firm NRWS Rates for Work Arisings, of the Contract;
 - g) other direct costs and material cost;
 - h) task milestones with estimated activity and completion dates;
 - i) acceptance criteria for the work; and
 - j) the applicable basis(bases) and methods of payment as specified in the Contract.
- 2) For quotes exceeding \$100,000.00 and/or longer in duration than 3 months, the Contractor may be requested to submit a completion plan identifying milestones against which progress can be measured as specified in the Statement of Work.
- 3) Following agreement of the Technical Authority and the Contractor on those aspects of the task described above, the Contractor will provide a quote of the proposed total estimated cost for performing the task and a breakdown of all applicable elements of cost established in accordance with the Basis of Payment specified in the Contract, including labour hours by category, travel requirements outlining the number of trips and duration, personnel and other associated travel costs, other direct costs and materiel cost. This quote will be provided to the Technical Authority within ten (10) calendar days.
- 4) If the quote is approved, the Procurement or Contracting Authority, as applicable, will provide the Contractor with a Task Authorization.
- 5) The Task Authorization will contain the above-noted details of the activities to be performed, a description of the deliverables, and a schedule indicating completion dates for the major

activities or submission dates for the deliverables. The Task Authorization will also include the applicable basis (bases) and methods of payment as specified in the Contract.

- 6) The Requisition Authority approves Task Authorizations where the aggregate Task Authorization value, including amendments, is below \$40,000. The Requisition Authority will forward the Task Authorization or amendment directly to the Contractor with a copy to the Contracting Authority and Technical Authority. The Contracting Authority shall approve any Task Authorization, where the aggregate Task Authorization value, including amendments, is above \$40,000. The Contracting Authority will forward the Task Authorization or amendment directly to the Contractor with a copy to the Requisition Authority and Technical Authority.
- 7) Amendments to the Task Authorization Form require completion of a DND626 amendment form.
- 8) The Contractor shall not commence work until an authorized Task Authorization (or DND626 amendment form, as the case may be) has been received by the Contractor. The Contractor acknowledges that any work performed before a Task Authorization (or DND626 amendment form, as the case may be) has been received will be done at the Contractor's own risk.

4. Standard Clauses and Conditions

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

4.1 General Conditions

- a) 1031-2 (2012-07-16) Contract Cost Principles apply to and form part of the Contract.
- b) 2030 (2015-07-03), General Conditions - Higher Complexity - Goods, apply to and form part of the Contract.

(Article 22, paragraph 1 of 2030 (2015-07-03), General Conditions - Higher Complexity - Goods, is amended as follows:

2030 22 (2014-09-25) Warranty

Despite inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision imposed by law, the Contractor warrants that, for 12 months (or any other period stated in the Contract), the Work will be free from all defects in design, material or workmanship, and will conform to the requirements of the Contract. The warranty period begins as follows:

- i. For Schedule A, NRWS Acquisition Pricing Article 2, items N°3, N°4, N°7, N°8, Schedule A Article 4, and should the options be exercised, Schedule A Article 3 items N°3, N°4 and N°5, the warranty period begins on the date of acceptance;
- ii. For Schedule A, NRWS Acquisition Pricing Article 2, items N°2, N°5, and should the option be exercised, Schedule A Article 3 item N°2, the warranty period begins on the date of delivery acceptance;
- iii. For Schedule A, NRWS Acquisition Pricing Article 2, item N°1, and should the option be exercised, Schedule A Article 3 item N°1, the warranty period begins upon acceptance of the NRWS System Harbour Acceptance Test results; and

- iv. For Schedule A, NRWS Acquisition Pricing Article 2, item N°6, the warranty period begins upon acceptance of the NRWS System Set to Work.

With respect to Government Property not supplied by the Contractor, the Contractor's warranty will extend only to its proper incorporation into the Work.

4.2 Supplemental General Conditions

- a) 4001 (2015-04-01) Hardware Purchase, Lease and Maintenance
- b) 4002 (2010-08-16) Software Development or Modification Services, apply to and form part of the Contract.
- c) 4003 (2010-08-16) Licensed Software, apply to and form part of the Contract.
- d) 4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information

5. Security Requirements

- 5.1 The following security requirements (*SRCL and related clauses provided by ISP*) apply and form part of the Contract.

SECURITY REQUIREMENT FOR CANADIAN SUPPLIER (Similar Clause for Foreign Supplier will be included as required):

- a) The Contractor/Offeror shall, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of **SECRET**, with approved Document Safeguarding and Production Capabilities at the level of **SECRET**, issued by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).
- b) The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) shall EACH hold a valid personnel security screening at the level of **SECRET**, granted or approved by the CISD, PWGSC.
- c) This contract includes access to controlled goods. Prior to access, the contractor shall be registered in the Controlled Goods Program of Public Works and Government Services Canada.
- d) Processing of CLASSIFIED information electronically at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
- e) Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CISD/PWGSC.
- f) The Contractor/Offeror shall comply with the provisions of the:
 - i. Security Requirements Check List and security guide (if applicable), attached at Annex A;
 - ii. *Industrial Security Manual* (Latest Edition).

5.2 Contractor's Site(s) or Premises Requiring Safeguarding Measures

The Contractor shall diligently maintain up-to-date, the information related to the Contractor's and individual(s) site(s) or premises, where safeguarding measures are required in the performance of the Work, for the following address(es): *(To be inserted at Contract Award)*

- 5.3 The Company Security Officer (CSO) shall ensure through the Industrial Security Program (ISP) that the Contractor and individual(s) hold a valid security clearance at the required level.

6. Term of Contract

6.1 Delivery and Installation Dates

6.1.1 Delivery and Installation for the Halifax Class NRWS and Training Facilities NRWS

For Schedule A NRWS Acquisition Pricing Article 2, items N°1, N°6, and should the option be exercised, Schedule A Article 3 item N°1:

The Contractor shall have each NRWS System or Training Facilities NRWS in an installation ready state within the installation year identified in Annex B Statement of Work - Naval Remote Weapon Station System, Table 2 NRWS Implementation Schedule.

For each NRWS System installation or Training Facilities NRWS installation, the Project Authority will provide the delivery date and Installation Start date to the Contractor, three (3) months prior to the scheduled Installation period, within the specified installation year identified in Annex B, Table 2 NRWS Implementation Schedule. The NRWS System installations and Training Facilities NRWS installations shall be completed within 3 months of the Installation start date.

For planning purposes, Canada will provide updated ship availability schedules in April of each Contract year. Should a ship or training facility not be available for installation in the year specified, starting the first day of the next yearly period (April 1), Canada will choose to either take possession and store each NRWS on its own, or choose to have the Contractor store each NRWS at the daily storage fee provided in Schedule A, NRWS Acquisition Pricing Article 6, until the NRWS system is accepted at the ship yard or training facility.

6.1.2 Delivery for the Queenston Class NRWS and Computer Based Trainers

For Schedule A NRWS Acquisition Pricing Article 2, items N°2 and N°5, and should the option be exercised, Schedule A Article 3 item N°2:

The Contractor shall have the Queenston Class NRWS and Computer Based Trainers ready for delivery within the yearly periods identified in Annex B Statement of Work - Naval Remote Weapon Station System, Table 2, NRWS Implementation Schedule.

For each Queenston Class NRWS and Computer Based Trainer delivery, the Project Authority will provide the NRWS ship yard or Canadian Forces Fleet School delivery date to the Contractor, three (3) months prior to the actual delivery date within the yearly period.

If a ship yard is not ready to take delivery in the year specified, starting the first day of the next yearly period (April 1), Canada will have the Contractor store each Queenston Class NRWS at the daily storage fee provided in Schedule A, NRWS Acquisition Pricing Article 6, until the Queenston Class NRWS is accepted at the ship yard.

6.1.3 Delivery of Contract Reports and Publication Deliverables (Including Manuals),

For Schedule A NRWS Acquisition Pricing Article 2, items N°3 and N°4:

All contract reports and publication deliverables (including manuals), shall be delivered in accordance with Annex B Appendix 1, Contract Data Requirements List.

6.1.4 Delivery of NRWS Operator and NRWS Maintainer Initial Cadre Training

For Schedule A NRWS Acquisition Pricing Article 2, items N°7, N°8, and should the options be exercised, Schedule A Article 3, items N°3, N°4:

- a) NRWS Operator Initial Cadre Training shall be conducted and completed (delivered) no later than 3 months after installation and acceptance of the Computer Based Trainers, and Training Facilities NRWS; and
- b) NRWS Maintainer Initial Cadre Training shall be conducted and completed (delivered) no later than 3 months after installation and acceptance of the Training Facilities NRWS.

6.1.5 Optional Spares and Special Tools and Test Equipment

Should Canada choose to exercise Schedule A NRWS Acquisition Pricing Article 3 item N°5, the delivery dates will be negotiated between Canada and the Contractor prior to issuing an amendment to exercise the optional requirement.

7. Authorities

7.1 Contracting Authority

The Contracting Authority for the Contract is:

Michael Rancourt
Supply Specialist

Public Works and Government Services Canada
Acquisitions Branch
Electronics, Munitions, and Tactical Systems Procurement Directorate - QF
11 Laurier Street
Gatineau, Quebec
K1A 0S5

Telephone: 819-956-3930
Facsimile: 819-956-5650
E-mail: Michael.Rancourt@pwgsc-tpsgc.gc.ca

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

7.2 Project Authority

The Project Authority for the Contract is:

(The Project Authority will be inserted at contract award)

The Project Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for the overall management of the Work under the Contract. Project matters may be discussed with the Project Authority, however, the

Project Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

7.3 Technical Authority

The Technical Authority for the Contract is:

(The Technical Authority will be inserted at contract award)

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

7.4 Requisition Authority

The Requisition Authority for the Contract is:

(The Requisition Authority will be inserted at contract award)

The Requisition Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Requisition 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 Requisition Authority however the Requisition Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of Work can only be made through a contract amendment issued by the Contracting Authority.

7.5 Industrial and Technological Benefits Authority

The Industrial and Technological Benefits Authority for the Contract is:

(The Industrial and Technological Benefits Authority will be inserted at contract award)

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

7.6 Contractor's Representative

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-mail: _____

8. Payment

8.1 Basis of Payment – Firm Price

For Schedule A NRWS Acquisition Pricing Article 2, items N°1, N°8, and should the options be exercised, Schedule A Article 3 items N°1 through N°5:

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a Firm Price of \$ (to be inserted at contract award).

For the firm price portion of the Work only, 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 Basis of Payment – Firm Lot Prices,

For the Work described in Schedule A NRWS Acquisition Pricing Article 4, Firm Lot Prices for Halifax Class NRWS Installation Costs, and Article 6, Firm Lot Prices for Daily NRWS Storage Fees:

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid *firm lot prices* in accordance with Schedule A NRWS Acquisition Pricing Article 4, Firm Lot Prices for Halifax Class NRWS Installation Costs, and Article 6, Firm Lot Prices for Daily NRWS Storage Fees. Customs duties are excluded and Applicable Taxes are extra.

For the firm price portion of the Work only, 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.

8.3 Basis of Payment - Firm Hourly Rates

For all Task Authorizations issued under the Contract:

The Contractor will be paid firm hourly rates Schedule A NRWS Acquisition Pricing Article 5, Firm NRWS Rates for Work Arisings, for work performed in accordance with the Contract. Customs duties are excluded and Applicable Taxes are extra.

8.3.1 Limitation of Expenditure - Cumulative Total of all Task Authorizations

For all Task Authorizations issued under the Contract:

1. Canada's total liability to the Contractor under the Contract for all authorized Task Authorizations (TAs), inclusive of any revisions, shall not exceed the sum of \$ (to be inserted at contract award), Customs duties are excluded and Applicable Taxes are extra.
2. No increase in the total liability of Canada will be authorized or paid to the Contractor unless an increase has been approved, in writing, by the Contracting Authority.
3. The Contractor shall notify the Contracting Authority in writing as to the adequacy of this sum:

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

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

8.3.2 Travel and Living Expenses - National Joint Council Travel Directive

For any travel that may be required under a Work Arising:

- a) The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the National Joint Council Travel Directive and with the other provisions of the directive referring to "travellers", rather than those referring to "employees".
- b) All travel shall have the prior authorization of the Project Authority.
- c) All payments are subject to government audit.

National Joint Council Travel Directive:

<http://www.njc-cnm.gc.ca/directive/travel-voyage/index-eng.php>

8.4 Lien - Section 427 of the Bank Act

For Canadian Based Bidders:

1. If any lien under section 427 of the Bank Act, S.C.. 1991, c. 46, exists in respect to any materials, parts, work-in-process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless instructed otherwise by the Contracting Authority, either:
 - a) to cause the bank to remove such lien and to provide the Contracting Authority with written confirmation from the bank; or,
 - b) to provide to the Contracting Authority an undertaking from the bank that the bank will not make any claim under section 427 of the Bank Act on materials, parts, work-in-process, or finished work in respect of which payment is made to the Contractor under the Contract.
2. Failure to inform the Contracting Authority of such lien or failure to implement paragraph 1(a) or (b) above will constitute default under the default section of the general conditions and will entitle Canada to terminate the Contract.

8.5 Discretionary Audit

1. The following are subject to government audit before or after payment is made:
 - a) The amount claimed under the Contract, as computed in accordance with Schedule A NRWS Acquisition Pricing;
 - b) The accuracy of the Contractor's time recording system.
 - c) The estimated amount of profit in any element where there is a negotiated arrangement (non-competitive) or amendment. The purpose of the audit is to determine whether the actual profit earned on the Contract, during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in the price or rate certification, as required.

If the audit demonstrates that the actual profit is not reasonable and justifiable, as defined above, the Contractor shall repay Canada the amount found to be in excess.
 - d) Any firm priced or firm lot priced element, firm time rate for which the Contractor has provided a "most favoured customer" certification. The purpose of such audit is to determine whether the Contractor has charged anyone else, including the Contractor's most favoured customer, lower prices, rates or multipliers, for like quality and quantity of goods or services. This does not preclude any subsequent assessment for any excess profit.
2. Any payments made pending completion of the audit shall be regarded as interim payments only and shall be adjusted to the extent necessary to reflect the results of the said audit. If there has been any overpayment, the Contractor shall repay Canada the amount found to be in excess.

9. Method of Payment

9.1 Milestone Payments

For Schedule A NRWS Acquisition Pricing Article 2 line items N°1, N°2, N°3, N°4, N°6, and should the options be exercised, Schedule A Article 3 items N°1, N°3 and N°4

Canada will make milestone payments in accordance with the Schedule of Milestones detailed in the Contract and the payment provisions of the Contract if:

- a) an accurate and complete claim for payment using PWGSC-TPSGC 1111, Claim for Progress Payment (Annex E), and any other document required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
- b) all the certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives; and
- c) all work associated with the milestone and as applicable any deliverable required has been completed and accepted by Canada.

9.1.1 Milestone Payments (Task Authorizations)

For all Task Authorizations with Milestone Payments:

- a) Canada will make milestone payments in accordance with the Schedule of Milestones detailed in each applicable Task Authorization and the payment provisions of the Contract, up to ninety (90) 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 total amount for all milestone payments paid by Canada does not exceed ninety (90) percent of the total amount to be paid under each applicable Task Authorization;
 - iii. all the certificates appearing on form PWGSC-TPSGC 1111 have been signed by the respective authorized representatives;
 - iv. all work associated with the milestone and as applicable any deliverables required have been completed and accepted by Canada.
- b) The balance of the amount payable will be paid in accordance with the payment provisions of the Contract upon completion and delivery of the Task Authorization if the Work has been accepted by Canada and a final claim for the payment is submitted.

9.1.2 Transfer of Ownership

Payments made under clauses relating to progress or advance payments will not constitute or result in a transfer of ownership of the raw materials, work-in-process, finished goods or other articles.

9.2 Multiple Payments

For all applicable Task Authorizations, Schedule A NRWS Acquisition Pricing Article 2 item N°5, and should the options be exercised, Schedule A Article 3 items N°2 and N°5

Canada will pay the Contractor upon completion and delivery of units in accordance with the payment provisions of the Contract if:

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

10. Invoicing Instructions

10.1 Invoicing Instructions - Progress Payment Claim

1. The Contractor shall submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment (Annex E). The claim can be submitted electronically via email and shall be in a Portable Document Format (PDF).

Each claim shall show:

- a) all information required on form PWGSC-TPSGC 1111;

- b) all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;
 - c) a list of all expenses;
 - d) the description and value of the milestone claimed as detailed in the Contract.
 - e) for all claims for travel, a copy of the invoices, receipts, vouchers for all direct expenses, travel and living expenses;
 - f) a copy of the monthly progress report.
2. Applicable Taxes shall be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.
3. The Contractor shall prepare and certify one copy of the claim on form PWGSC-TPSGC 1111, and forward it to the Requisition Authority identified under the section entitled "Authorities" of the Contract for appropriate certification after inspection and acceptance of the Work takes place.
- The Requisition Authority will then forward the claim to the Contracting Authority for certification and onward submission to the Payment Office for the remaining certification and payment action.
4. The Contractor shall not submit claims until all work identified in the claim is completed.

11. Shipping

11.1 Delivery of Goods

11.1.1 Schedule A NRWS Acquisition Pricing Article 2 items N°1, N°2, N°5, N°6, and should the options be exercised, Schedule A Article 3 items N°1, N°2, and N°5

1. Goods shall be consigned to the destination specified in the Contract DAP (Halifax Nova Scotia, Esquimalt British Columbia, Gatineau Quebec and Ottawa Ontario), Incoterms® 2010, to the following addresses:
 - a) For shipments to Halifax dock yards and training centers:

7H1 CF Halifax
Halifax, N.S.
Telephone: 902-427-1441
 - b) For shipments to Esquimalt dock yards and training centers:

2B1 CF Esquimalt
Esquimalt, B.C.
Telephone: 250-363-4963
2. The Contractor shall deliver the goods to Canadian Forces (CF) Supply Depots by appointment only. The Contractor or its carrier shall arrange delivery appointments by contacting the Depot Traffic Section at the appropriate location shown above. The consignee may refuse shipments when prior arrangements have not been made.

11.1.2 Schedule A NRWS Acquisition Pricing Article 2 items N°3 and N°4

For hard copy versions of contract reports and publication deliverables (including manuals), Goods shall be consigned to the destination specified in the Contract (refer to Annex B Appendix 1 Contract Data Requirements list), DAP (Gatineau PQ or Ottawa ON), Incoterms® 2010.

11.1.3 Delivery of Training

For Schedule A NRWS Acquisition Pricing Article 2 items N°7, N°8, and should the options be exercised, Schedule A Article 3 items N°3 and, N°4

Delivery of Training shall be in accordance with Annex B Statement of Work - Naval Remote Weapon Station System.

11.2 Canadian Customs Documentation

General

1. The Contractor shall provide two (2) copies of the Canada Customs Invoice (CCI) or two (2) copies of the commercial invoice marked "For Customs Purposes Only".
2. For shipments from the United States and Mexico that are of American, Mexican or Canadian origin, as defined by the North American Free Trade Agreement (NAFTA), and for shipments from Israel that are Israeli in origin, as defined by the Canada-Israel Free Trade Agreement (CIFTA), the Contractor shall provide proof of origin of the goods. This proof shall be in the form of a NAFTA or CIFTA Certificate of Origin for goods valued at C\$1,600 or more, or a simple statement on the invoice for goods valued at C\$1,600 or less. In either case, the document shall include an original signature and shall reference the contract number. For contracts valued at C\$250,000 or more, the proof of origin will not be required.

Completion of Documents

The CCI or commercial invoice shall include the following information:

- a) complete description of the goods being shipped, including the applicable United States "Schedule B" codes or United States Harmonized Tariff Schedule codes;
- b) value and terms of sale for each item (e.g. sale, loan, warranty, Incoterms® 2010), including value of repairs, warranty repairs or replacement costs;
- c) the Contract number and financial codes (use Field 3 on the CCI form);
- d) country of origin of goods;
- e) when a NAFTA/CIFTA Certificate of Origin has been prepared, the "Description" field of the CCI or commercial invoice shall include a statement confirming that it has been completed and is attached to that invoice.

Distribution of Documents

1. The Contractor shall attach the following to shipping container No. 1 of all shipments using a waterproof envelope marked "Canada Customs Documentation":
 - a) one (1) copy of the CCI or one (1) copy of the commercial invoice as applicable, and;

b) one (1) copy of the NAFTA Certificate of Origin (if applicable).

2. The second copy of each of the above-mentioned forms shall be attached to the shipping documents.
3. A copy of the CIFTA Certificate of Origin shall be faxed to 1-800-306-1811 or emailed to DCBSCustoms@forces.gc.ca.

11.3 Packaging Requirement using Specification D-LM-008-036/SF-000

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

11.4 Marking

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

11.5 Labelling

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

11.6 Wood Packaging Materials

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

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

D-98-08 - Entry Requirements for Wood Packaging Materials Produced in All Areas Other Than the Continental United States

D-01-05 - The Canadian Wood Packaging Certification Program (CWPCP)

11.7 Palletization

1. For all shipments exceeding 0.566 m³ or 15.88 kg (20 ft³ or 35 lbs), except for those shipped by courier, the following applies:
 - a) The Contractor shall strap, and if necessary wrap, shipments on standard 1.22 m x 1.02m (48 in. x 40 in.) wood pallets. The four-way forklift entry pallet shall be supplied at no charge to Department of National Defence. Total height, including pallet, shall not exceed 1.19 m (47 in.). The pallet load shall not extend further than 2.54 cm (1 in.) from any edge of the pallet.
 - b) The Contractor shall group items by stock number (on the same pallet) within consolidated shipments. Pallet loads composed of more than one stock number shall be marked as "**Mixed Items**".

- c) Individual items exceeding 1.22 m (48 in.) in length or 453.6 kg (1000 lbs) shall be secured to larger pallets or shall have 10.16 cm x 10.16 cm (4 in. x 4 in.) skids securely fastened to the bottom of the item. Skids shall be separated by a minimum of 71.12 cm (28 in.).

2. Any exception requires the prior approval of the Contracting Authority.

11.8 Incomplete Assemblies

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

11.9 Excess Goods

The quantity of goods to be delivered by the Contractor is specified in the Contract. The Contractor remains liable for any shipment in excess of that quantity whether the excess quantity is shipped voluntarily or as a result of an error by the Contractor. Canada will not make any payment to the Contractor for goods shipped in excess of the specified quantity. Canada will not return the said goods to the Contractor unless the Contractor agrees to pay for all the costs related to the return, including but not limited to administrative, shipping and handling costs. Canada will have the right to deduct such costs from any invoice submitted by the Contractor.

11.10 Delivery of Dangerous Goods / Hazardous Products

1. The Contractor shall mark dangerous goods/hazardous products material which is classed as dangerous / hazardous as follows:

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

2. The Contractor shall provide bilingual Material Safety Data Sheets, indicating the NATO Stock Number as follows:

- a) two (2) hard copies:
 - (i) one (1) copy to be enclosed with the shipment, and
 - (ii) one (1) copy to be mailed to:

National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, Ontario K1A 0K2

Attention: DSCO 5-4-2

- b) one (1) copy sent by email to the following address: MSDS-FS@FORCES.GC.CA in word processing format (i.e. MS Word or WordPerfect).

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

4. The Contractor shall ensure they adhere to all levels of regulations regarding dangerous goods/hazardous products as set forth by federal, provincial and municipal laws and by-laws.
5. The Contractor shall contact the consignee (i.e. Supply Depot Traffic Section) at least 48 hours before shipping dangerous goods/hazardous products in order to schedule a receiving time.

11.11 Transportation of Dangerous Goods/Hazardous Products

The Contractor shall obtain the authorization from the Department of Transport to transport dangerous goods/hazardous products before the carrier may accept a charter involving the transportation of dangerous goods/hazardous products.

11.12 Labelling

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

11.12.1 Dangerous Goods / Hazardous Products - Labelling and Packaging Compliance

1. The Contractor shall ensure proper labelling and packaging in the supply and shipping of dangerous goods/hazardous products to the Government of Canada.
2. The Contractor will be held liable for any damages caused by improper packaging, labelling or carriage of dangerous goods/hazardous products.
3. The Contractor shall clearly mark all merchandise labels with the percentage of volume that is a hazardous item. Failure to do so will result in the Contractor being held responsible for damages caused in the movement of goods/products by government vehicles or government personnel.
4. The Contractor shall adhere to all applicable laws regarding dangerous goods/hazardous products.

11.13 Inspection and Acceptance

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

12. Quality Assurance

12.1 ISO 9001:2008 Quality Management Systems - Requirements (QAC Q)

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

ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid. It is not intended that the Contractor be registered to ISO 9001; however, the Contractor's quality management system shall address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause 1.2 of ISO 9001 are acceptable.

Assistance for Government Quality Assurance (GQA)

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

The QAR shall have the right of access to any area of the Contractor's or subcontractor's facilities where any part of the Work is being performed. The QAR shall be afforded unrestricted opportunity to evaluate and verify Contractor conformity with quality system procedures and to validate product conformity with the requirements of the Contract. The Contractor shall make available for reasonable use by the QAR the equipment necessary for all validation purposes. Contractor personnel shall be made available for operation of such equipment as required.

When the QAR determines that GQA is required at a subcontractor's facilities, the Contractor shall provide for this in the purchasing document and forward copies to the QAR, together with relevant technical data as the QAR may request.

The Contractor shall notify the QAR of non-conforming product received from a subcontractor when the product has been subject to GQA.

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

12.2 Quality Assurance Authority (DND)

For all Canadian Bidders:

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

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

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

Atlantic - Halifax 902-427-7224 or 902-427-7150
Quebec - Montreal 514-732-4410 or 514-732-4477
Quebec - Quebec City 418-694-5998, ext. 5996
National Capital Region - Ottawa 819-939-0168
Ontario - Toronto 416-635-4404, ext. 6081 or 2754
Ontario - London 519-964-5757
Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
Alberta - Calgary 403-410-2320, ext. 3830
Alberta - Edmonton 780-973-4011, ext. 2276
British Columbia - Vancouver 604-225-2520, ext. 2460

British Columbia - Victoria 250-363-5662

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

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

Quality control, inspection and test records that substantiate conformity to the specified requirements, including records of corrective actions, shall be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and shall be made available to the QAR upon request.

OR, for all foreign (non-Canadian) Bidders:

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

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

If the Contractor has not been contacted by the QAR performing GQA in the Contractor's facility or area within forty-five (45) working days of award of the Contract, the Contractor shall notify the Contracting Authority.

Where no official arrangements for mutual GQA have been concluded, the Department of National Defence will arrange for the GQA services to be conducted by a National Quality Assurance Authority acceptable to the Director of Quality Assurance. If the GQA services shall be provided on a cost-recovery basis, the costs for the services shall be accrued against the Contract and be discharged through separate invoicing.

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

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

Quality control, inspection and test records that substantiate conformity to the specified requirements, including records of corrective actions, shall be retained by the Contractor for three (3) years from the date of completion or termination of the Contract and shall be made available to the QAR upon request.

12.3 Release Documents (DND)

For all Canadian Bidders:

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

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

For return of repair and overhaul material to the Canadian Forces Supply System Upgrade, use forms DND 2227/DND 2228 in lieu of DND form CF 1280.

OR, for all U.S.A. Bidders:

Material shall be released for shipment using a DD Form 250, Material Inspection and Receiving Report, or a release document containing the same information and acceptable to the Quality Assurance Representative. The Contractor shall prepare the release document(s).

OR, for all non-Canadian and non - U.S.A Bidders:

Material shall be released for shipment using a Certificate of Conformity in accordance with NATO STANAG 4107 which shall be prepared by the Contractor.

12.4 Release Documents - Distribution

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

- a) One (1) copy mailed to consignee marked: "Attention: Receipts Officer";
- b) Two (2) copies with shipment (in a waterproof envelope) to the consignee;
- c) One (1) copy to the Contracting Authority;
- d) One (1) copy to:
 - National Defence Headquarters
 - Mgen George R. Pearkes Building
 - 101 Colonel By Drive
 - Ottawa, ON K1A 0K2
 - Attention: (TBD)
- e) One (1) copy to the Quality Assurance Representative;
- f) One (1) copy to the Contractor; and
- g) For all non-Canadian contractors, one (1) copy to:

DQA/Contract Administration

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

E-mail: ContractAdmin.DQA@forces.gc.ca.

13. Priority Rating

For all Bidders based in the United States:

Canada is a participant in the United States Defense Priorities and Allocations System and this defence contract is eligible for a priority rating. The Defence Priorities and Allocations Officer, Public Works and Government Services Canada, shall advise the Contractor as to the appropriate priority rating within sixty (60) days of the date of the Contract.

13.1 Priority Rating - Canadian-based Contractors

For all Canadian based Bidders:

1. The Contract concerns a Canadian defence requirement and therefore is eligible to be assigned a "U.S. Priority Rating" for any materials/services imported from the United States which may be required in the performance of the Work. Accordingly, the Contractor shall:
 - a) make an application to the Defence Priorities and Allocations Officer, Public Works and Government Services Canada (PWGSC), either by e-mail at: DGAPrioritesdedefense.ACQBDefencePriorities@pwgsc-tpsgc.gc.ca ; or by facsimile: 819-956-1459; and
 - b) include this clause in subcontracts with Canadian-based contractors, and quote the PWGSC Contract Number indicated in the Contract.
2. Failure to comply with the above may impact on the Contractor's delivery commitments. Therefore, the Contractor is responsible for any breach of the Contract that arises from such a failure.

14. Certifications

14.1 Compliance

The continuous compliance with the certifications provided by the Contractor in its bid and the ongoing cooperation in providing associated information are conditions of the Contract. Certifications are subject to verification by Canada during the entire period of the Contract. If the Contractor does not comply with any certification, fails to provide the associated information, or if 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.

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

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

15. Applicable Laws

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

16. Priority of Documents

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

- (a) the Articles of Agreement, including all Schedules;
- (b) the supplemental general conditions 4001 (2015-04-01) Hardware Purchase, Lease and Maintenance;
- (c) the supplemental 4002 (2010-08-16) Software Development or Modification Services;
- (d) the supplemental 4003 (2010-08-16) Licensed Software;
- (e) the supplemental 4006 (2010-08-16) Contractor to Own Intellectual Property Rights in Foreground Information;
- (f) the General Conditions 1031-2 (2012-07-16) Contract Cost Principles;
- (g) the General Conditions 2030 (2015-07-03), General Conditions - Higher Complexity – Goods;
- (h) Annex A, Security Requirement Checklist;
- (i) Annex B, Statement of Work – Naval Remote Weapon Station System, and its' appendices;
- (j) Annex C, Industrial and Technological Benefits (ITB) Terms and Conditions;
- (k) Annex D, DND 626, Task Authorization Form;
- (l) Annex E, PWGSC-TPSGC 1111, Claim for Progress Payment;
- (m) Annex F, Insurance Requirements;
- (n) the signed Task Authorizations (including all of its annexes, if any); and
- (o) the Contractor's bid dated (*to be inserted at contract award*).

17. Defence Contract

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

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

18. Foreign Nationals

For All Canadian Bidders:

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

For All Foreign Bidders:

The Contractor shall comply with Canadian immigration legislation 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 Canadian Embassy, Consulate or High Commission in the Contractor's country to obtain instructions, information on Citizenship and Immigration Canada's requirements and any required documents. The Contractor is responsible to ensure that foreign nationals have the required information, documents and authorizations before performing any work under the Contract in Canada. The Contractor is responsible for all costs incurred as a result of non-compliance with immigration requirements.

19. Canadian Forces Site Regulations

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

20. Access to Facilities and Equipment

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

21. Insurance – Specific Requirements

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

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

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

22. Controlled Goods

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

22.1 Controlled Goods Program

1. As the Contract requires production of or access to controlled goods that are subject to the Defence Production Act R.S. 1985, c. D-1, the Contractor and any subcontractor are advised

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

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

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

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

23. Liquidated Damages (Industrial and Technological Benefits and Value proposition requirements)

1. If the Contractor fails to deliver the Industrial and Technological Benefits and / or the Value proposition requirements within the time specified in the Contract, the Contractor agrees to pay to Canada liquidated damages in the amount of \$ (TBD) for each calendar day of delay. The total amount of the liquidated damages shall not exceed (TBD) percent of the contract price.
2. Canada and the Contractor agree that the amount stated above is their best pre-estimate of the loss to Canada in the event of such a failure, and that it is not intended to be, nor is it to be interpreted as, a penalty.
3. Canada will have the right to hold back, drawback, deduct or set off from and against the amounts of any monies owing at any time by Canada to the Contractor, any liquidated damages owing and unpaid under this section.
4. Nothing in this section shall be interpreted as limiting the rights and remedies which Canada may otherwise have under the Contract.

24. Welding Certification for Installation

1. The Contractor shall ensure that welding is performed by a welder certified by the Canadian Welding Bureau (CWB) in accordance with the requirements of the following Canadian Standards Association (CSA) standards:
 - a) CSA W47.1-09 (R2014), Certification of Companies for Fusion Welding of Steel (division level 2); and
 - b) CSA W47.2-11, Certification of Companies for Fusion Welding of Aluminum (division level 2).

2. In addition, welding shall be done in accordance with the requirements of the applicable drawings and specifications.
3. Before the commencement of any fabrication work, and upon request from the Inspection Authority, the Contractor shall provide approved welding procedures and/or a list of welding personnel it intends to use in the performance of the Work. The list shall identify the CWB welding procedure qualifications attained by each of the personnel listed and shall be accompanied by a copy of each person's current CWB welding certification.

25. Limitation of Contractor's Liability for Damages to Canada

1. This section applies despite any other provision of the Contract and replaces the section of the general conditions entitled "Liability". Any reference in this section to damages caused by the Contractor also includes damages caused by its employees, as well as its subcontractors, agents, and representatives, and any of their employees.
2. Whether the claim is based in contract, tort, or another cause of action, the Contractor's liability for all damages suffered by Canada caused by the Contractor's performance of or failure to perform the Contract is limited to \$(Contract Value, and will be populated at Contract Award). This limitation of the Contractor's liability does not apply to:
 - a) any infringement of intellectual property rights; or
 - b) any breach of warranty obligations.
3. Each Party agrees that it is fully liable for any damages that it causes to any third party in connection with the Contract, regardless of whether the third party makes its claim against Canada or the Contractor. If Canada is required, as a result of joint and several liability, to pay a third party in respect of damages caused by the Contractor, the Contractor shall reimburse Canada for that amount.

SCHEDULE A – NRWS Acquisition Pricing

Customs duties are excluded and Goods and Services Tax or Harmonized Sales Tax is extra, if applicable. Should a discrepancy exist between the unit and extended unit prices, the unit pricing shall govern.

1. Currency

All prices provided in Schedule A, NRWS Acquisition Pricing, are provided in the following currency: _____

2. NRWS Acquisition Requirements

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
1	<u>HFX Class NRWS</u> Forty (40) complete NRWS (including cabling) as defined in Annex B Statement of Work and its appendices.	40		
2	<u>Queenston Class NRWS</u> Eight (8) complete NRWS as defined in Annex B Statement of Work and its appendices.	8		
3	<u>Project Management, System Engineering and ILS (excluding Manuals, ICT, Installation, and Computer Based Trainers)</u> Manage and execute the Work for delivery of the Naval Remote Weapon Station (NRWS) requirement, associated Data Item Deliverables, and all other associated Work, in accordance with the Contract and all its Schedules, Annexes, and Appendices.	LOT	N/A	
4	<u>Manuals</u> Generate and deliver the manuals as defined in Annex B Statement of Work and its appendices.	LOT	N/A	
5	<u>Computer Based Trainers</u> Four (4) complete Compute based Trainers, as defined in Annex B Statement of Work and its appendices.	4		

NRWS Acquisition Requirements (continued)

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
6	<u>Training Facilities NRWS</u> Two (2) complete Training Facilities NRWS, as defined in Annex B Statement of Work and its appendices.	2		
7	<u>NRWS Operator Initial Cadre Training</u> Two (2) Operator Initial Cadre training sessions as defined in Annex B Statement of Work and its appendices.	2		
8	<u>NRWS Maintainer Initial Cadre Training</u> Two (2) Maintainer Initial Cadre training sessions as defined in Annex B Statement of Work and its appendices.	2		

3. NRWS Optional Acquisition Requirements

Pricing for NRWS Optional Acquisition Requirement items 1 through 4 below, shall be equal to, or greater than the pricing of the corresponding NRWS Acquisition Requirements in Schedule A Article 2, items 1, 5, 7 & 8.

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
1	<u>Optional HFX Class NRWS</u> Eight (8) additional complete NRWS as defined in Annex B Statement of Work and its appendices.	Up to 8*		
2	<u>Optional Computer Based Trainers</u> Ten (10) additional Computer based Trainers, as defined in Annex B Statement of Work and its appendices.	Up to 10*		

NRWS Optional Acquisition Requirements (continued)

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
3	<u>Optional NRWS Operator Initial Cadre Training</u> Four (4) additional sessions each of Operator Initial Cadre training as defined in Annex B Statement of Work and its appendices.	Up to 4*		
4	<u>Optional NRWS Maintainer Initial Cadre Training</u> Four (4) additional sessions each of Operator Initial Cadre training and Maintainer Initial Cadre Training as defined in Annex B Statement of Work and its appendices.	Up to 4*		
5	<u>Optional Spares and Special Tools and Test Equipment</u> The provision of spares and special tools and test equipment in support of the NRWS requirement, as defined in Annex B, Statement of Work, and its Appendices.	As Required	TBN**	TBN**

* Optional requirements can be exercised on multiple orders, but not to exceed the option quantity.

** TBN (To Be Negotiated)

4. Firm Lot Prices for Halifax Class NRWS Installation Costs

The lot prices in Schedule A Article 4 include all installation labour costs, material incidental costs and equipment costs to install one (1) Halifax Class NRWS System as defined in Annex B, Statement of Work – Naval Remote Weapon Station System, and its appendices.

Within the 3 month installation delivery window for the NRWS Systems, it is anticipated each HFX ship during Installation activities may not be accessible for a single period up to 3 consecutive days.

The period a ship installation begins (delivery and receipt of the NRWS System to the dock yard) determines the Installation year cost to be used.

Installation	Firm Lot Prices for HFX Class NRWS Installation Costs (Applies to Schedule A, Article 2 Item N°1, N°6, and should the options be exercised, Schedule A Article 3 Item N°1)					Overflow Years	
	2018 April 1, 2017 to March 31, 2018	2019 April 1, 2018 to March 31, 2019	2020 April 1, 2019 to March 31, 2020	2021 April 1, 2020 to March 31, 2021	2022 April 1, 2021 to March 31, 2022	2023 April 1, 2022 to March 31, 2023	2024 April 1, 2023 to March 31, 2024
HFX Class NRWS							

5. Firm NRWS Rates for Work Arisings

Category	2017 April 1, 2016 to March 31, 2017	2018 April 1, 2017 to March 31, 2018	2019 April 1, 2018 to March 31, 2019	2020 April 1, 2019 to March 31, 2020	2021 April 1, 2020 to March 31, 2021	2022 April 1, 2021 to March 31, 2022	2023 April 1, 2022 to March 31, 2023	2024 April 1, 2023 to March 31, 2024
Senior Engineer								
Junior Engineer								
Senior Technician								
Junior Technician								

6. Firm Lot Prices for Daily NRWS Storage Fees

NRWS Storage	Firm Lot Prices for Daily NRWS Storage Fees <i>(Applies to Schedule A, Article 2 Item N°1, N°2, N°6 and should the options be exercised, Article 3 Item N°1)</i>						Overflow Years	
	2017 April 1, 2016 to March 31, 2017	2018 April 1, 2017 to March 31, 2018	2019 April 1, 2018 to March 31, 2019	2020 April 1, 2019 to March 31, 2020	2021 April 1, 2020 to March 31, 2021	2022 April 1, 2021 to March 31, 2022	2023 April 1, 2022 to March 31, 2023	2024 April 1, 2023 to March 31, 2024
HFX Class NRWS								
Training Facilities NRWS				N/A	N/A	N/A	N/A	N/A
Queeston Class NRWS						N/A	N/A	N/A

SCHEDULE B – NRWS Payment Milestones

1. NRWS Acquisition Requirements

The schedule of milestones for which claims will be made on Schedule A, NRWS Acquisition Pricing Article 2 items 1 through 8, are as follows:

No.	Milestone	Percentage of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
1	Description Contract Kick- Off Meeting / System Requirement Review	0.50%		Authorized Contract Kick- Off Minutes IAW SOW Para 3.7.3.4. System Specification IAW SOW Para 4.2.4 and Authorization IAW SOW Para 4.2.5
2	Preliminary Design Review (PDR)	4.00%		PDR Documentation Package, with content IAW SOW Para 4.3.1.2, and Authorization IAW SOW Para 4.3.1.4
3	Critical Design Review (CDR)	5.00%		CDR Documentation Package, with content IAW SOW Para 4.3.2.2, and Authorization IAW SOW Para 4.3.2.4
4	Integrated Logistic Support (ILS) Conference	2.50%		Authorized ILS Conference Minutes IAW SOW Para 5.2.3.6. and ILS Conference Documentation Package, with content IAW SOW Para 5.2.3.2, and Authorization IAW SOW Para 5.2.3.5

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No.	Milestone	Percentage of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
5	Initial Provisioning (IP) Conference.	2.50%		Authorization of the IP Conference Minutes and IP Conference Documentation Package, IAW SOW Para 5.3.3.6
6	Functional Audit	2.00%		All functional deviations identified during the Functional Audit corrected IAW SOW Para 4.7.3.4
7	Physical audit	2.00%		All functional and physical deviations identified during the Physical Configuration Audit corrected IAW SOW Para 4.7.3.6 and acceptance of the Product Configuration Documentation IAW SOW Para 4.7.3.7
8	Training Facilities NRWS Factory Acceptance Test	1.00%		Acceptance of First Article FAT Test Report IAW SOW Para 4.6.7.2
9	Training Facilities STW	2.50%		Acceptance of Training Facilities NRWS Acceptance Test Reports IAW SOW Para 4.5.4.2 and SOW Para 4.5.4.4
10	Conduct all Operator Initial Cadre Training (ICT) and delivery of Computer Based Trainers	2.00%		All Operator ICT sessions completed
11	Conduct all Maintainer Initial Cadre Training (ICT)	2.00%		All Maintainer ICT sessions completed
12	First Article Factory Acceptance Test (FAT) for NRWS System 1	2.50%		Acceptance of First Article FAT Test Report IAW SOW Para 4.6.7.2
13	First Article Harbour Acceptance Test (HAT) for NRWS System 1	3.50%		Acceptance of First Article HAT Test Report IAW SOW Para 4.6.7.3
14	First Article Sea Acceptance Test (SAT) for NRWS System 1	7.50%		Acceptance of First Article SAT Test Report IAW SOW Para 4.6.7.4
15	Technical Data Package (TDP) Delivery	3.50%		Delivery TDP with content IAW SOW Para 4.8.2.1 and Authorization IAW CDRL NRWS-TD-002

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No.	Milestone	Percentage of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
16	Final In-Service Manuals Delivery	2.00%		Final In-Service Manuals, with content IAW SOW Para 5.6.1, and Authorization IAW SOW Para 5.6.4
17	Recurring article NRWS System FAT (NRWS System 2)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
18	Recurring article NRWS System HAT (NRWS System 2)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
19	Recurring article NRWS System SAT (NRWS System 2)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
20	Recurring article NRWS System FAT (NRWS System 3)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
21	Recurring article NRWS System HAT (NRWS System 3)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
22	Recurring article NRWS System SAT (NRWS System 3)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
23	Recurring article NRWS System FAT (NRWS System 4)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
24	Recurring article NRWS System HAT (NRWS System 4)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
25	Recurring article NRWS System SAT (NRWS System 4)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
26	Recurring article NRWS System FAT (NRWS System 5)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5

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No.	Milestone	Percentage of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
27	Recurring article NRWS System HAT (NRWS System 5)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
28	Recurring article NRWS System SAT (NRWS System 5)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
29	Recurring article NRWS System FAT (NRWS System 6)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
30	Recurring article NRWS System HAT (NRWS System 6)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
31	Recurring article NRWS System SAT (NRWS System 6)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
32	Recurring article NRWS System FAT (NRWS System 7)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
33	Recurring article NRWS System HAT (NRWS System 7)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
34	Recurring article NRWS System SAT (NRWS System 7)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
35	Recurring article NRWS System FAT (NRWS System 8)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
36	Recurring article NRWS System HAT (NRWS System 8)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
37	Recurring article NRWS System SAT (NRWS System 8)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7

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No.	Milestone	Percentage of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
38	Recurring article NRWS System FAT (NRWS System 9)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
39	Recurring article NRWS System HAT (NRWS System 9)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
40	Recurring article NRWS System SAT (NRWS System 9)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
41	Recurring article NRWS System FAT (NRWS System 10)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5
42	Recurring article NRWS System HAT (NRWS System 10)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.6
43	Recurring article NRWS System SAT (NRWS System 10)	1.50%		Acceptance of Recurring Article HAT Test Report IAW SOW Para 4.6.7.7
44	Queenston Class FAT (both NRWS Systems ship sets)	2.00%		Acceptance of Recurring Article FAT Test Report IAW SOW Para 4.6.7.5 for two NRWS Systems for Queenston Class
45	Queenston Class delivery (both NRWS Systems ship sets)	5.00%		Delivery of all NRWS for Queenston class to delivery locations IAW SOW Table 2
46	Contract Completion Meeting	0.50%		Authorized Contract Completion Meeting Minutes IAW SOW Para 3.7.3.4
47	final acceptance of all deliverables	2.50%		Completion of all actions required to close the Contract IAW SOW Para 3.7.1.6 d.

2. NRWS Optional Acquisition Requirements

Should items 1, 3 or 4 of Schedule A Article 3, NRWS Optional Acquisition Requirements be exercised, the schedule of milestones for which claims will be made, are as follows:

No.	Milestone	% of total contract value	Milestone Value (populated at Contract Award)	Supporting docs & Deliverable
1	First Article Factory Acceptance Test (FAT) for Optional NRWS 1 to 4			Acceptance of First Article FAT Test Report IAW SOW Para 4.6.7.2
2	First Article Harbour Acceptance Test (HAT) for Optional NRWS 1 to 4			Acceptance of First Article HAT Test Report IAW SOW Para 4.6.7.3
3	First Article Sea Acceptance Test (SAT) for Optional NRWS 1 to 4			Acceptance of First Article SAT Test Report IAW SOW Para 4.6.7.4
4	First Article Factory Acceptance Test (FAT) for Optional NRWS 5 to 8			Acceptance of First Article FAT Test Report IAW SOW Para 4.6.7.2
5	First Article Harbour Acceptance Test (HAT) for Optional NRWS 5 to 8			Acceptance of First Article HAT Test Report IAW SOW Para 4.6.7.3
6	First Article Sea Acceptance Test (SAT) for Optional NRWS 5 to 8			Acceptance of First Article SAT Test Report IAW SOW Para 4.6.7.4
7	Conduct all Optional Operator Initial Cadre Training (ICT)			All Operator ICT sessions completed
8	Conduct all Optional Maintainer Initial Cadre Training (ICT)			All Maintainer ICT sessions completed

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