

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving - PWGSC / Réception des soumissions
- TPSGC
11 Laurier St. / 11, rue Laurier
Place du Portage, Phase III
Core 0B2 / Noyau 0B2
Gatineau
Québec
K1A 0S5
Bid Fax: (819) 997-9776

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

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

Issuing Office - Bureau de distribution
Electronics, Simulators and Defence Systems Div.
/Division des systèmes électroniques et des systèmes de
simulation et de défense
11 Laurier St. / 11, rue Laurier
8C2, Place du Portage
Gatineau
Québec
K1A 0S5

Title - Sujet Naval Remote Weapon Station	
Solicitation No. - N° de l'invitation W8472-125389/C	Amendment No. - N° modif. 005
Client Reference No. - N° de référence du client W8472-125389	Date 2015-10-16
GETS Reference No. - N° de référence de SEAG PW-\$\$QF-101-25301	
File No. - N° de dossier 101qf.W8472-125389	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-11-06	
Time Zone Fuseau horaire Eastern Standard Time EST	
F.O.B. - F.A.B. Specified Herein - Précisé dans les présentes	
Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input checked="" type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Rancourt, Michael	Buyer Id - Id de l'acheteur 101qf
Telephone No. - N° de téléphone (819) 956-5650 ()	FAX No. - N° de FAX (819) 956-5650
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: See Herein	

Instructions: See Herein

Instructions: Voir aux présentes

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

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This solicitation amendment 5 is to:

- a) make administrative changes to the Request for Proposal (RFP) to correct inconsistencies between documents; and
- b) respond to bidders questions

Administrative Changes

Changes have been made to the RFP to correct inconsistencies between documents. New versions of the affected documents have been attached to this amendment to highlight (in yellow) where these changes have been made, as well as changes made as a result of responses to Questions in this amendment.

The following RFP documents are provided with this amendment and will take precedence over the RFP documents that were previously published:

Volume 1 - Bidders Instructions and Requirements;
Volume 1 - Annex A, Evaluation Procedures and Basis of Selection;
Volume 2 - NRWS Acquisition Resulting Contract; and
Volume 3 - NRWS Repair and Overhaul Resulting Contract.

The following French translated RFP documents have been provided with this amendment and will supersede the French RFP documents released under the original RFP posting:

Les documents suivants de la DP sont fournis avec la présente modification et auront préséance sur les documents de la DP qui ont été publiés dans le cadre de la DP originale

Bidder Questions

Question 1

Reference: Volume 2 Annex B Appendix 3 NRWS Technical Statement of Requirements

(Applicable Reference: 3.2.4.5) How to interpret the term of identification while the target shall be as per STANAG 4512 and the identification definition shall fit STANAG 4347?

Since the target defined by STANAG 4512 (approx. 1.75m x 0.46m) is more than 6 times smaller than the target defined in STANAG 4347 above, how many line pairs/target shall be deemed as identification? What shall be the corresponding, alternate definition of identification?

Answer:

Identification is defined as 6 line pairs/ target, regardless of the target size. There is no alternate definition of identification. The following changes have been made to the solicitation:

1) DELETE Volume 2, Annex B Appendix 3, Technical Statement of Requirements, Article 3.2.4.5 in its entirety, and

REPLACE the above delete text with the following:

3.2.4.5 The NRWS TIC shall allow the Operator a 50 percent probability of identifying a 2.3 by 2.3 metre target, characterized by a temperature difference, target to background, of 2K with a background temperature of 288K at a range of 1,800 metres and a visibility level characterized by an atmospheric IR attenuation factor of 0.2/kilometre in accordance with STANAG 4347.

INSERT the new Volume 2, Annex B Appendix 3, Technical Statement of Requirements, Article 3.2.4.6, below existing Article 3.2.4.5:

3.2.4.6 The NRWS TIC shall allow the Operator a 50 percent probability of identifying a unprotected man standing erect target as described in STANAG 4512, characterized by a temperature difference, target to background, of 2K with a background temperature of 288K at a range of 1,000 metres and a visibility level characterized by an atmospheric IR attenuation factor of 0.2/kilometre in accordance with STANAG 4347.

2) DELETE Volume 1, Annex D, Bid Evaluation Plan, Table 6: Item 22, TSOR Reference 3.2.1, in its entirety

REPLACE the above delete table line item with the following:

No.	Requirement	TSOR Reference	Rating Method	Points Awarded
22	The NRWS TIC shall allow the Operator a 50 percent probability of identifying a 2.3 by 2.3 metre target, characterized by a temperature difference, target to background, of 2K with a background temperature of 288K at a range of 1,800 metres and a visibility level characterized by an atmospheric IR attenuation factor of 0.2/kilometre in accordance with STANAG 4347.	3.2.4.5	1 Point – Range increased by at least 300 metres beyond the mandatory 1800 metres ; or 3 Points – Range increased by at least 600 metres beyond the mandatory 1800 metres.	

3) DELETE Volume 1, Appendix 1 to Annex D, Compliance Matrix, Table 2: TSOR Requirement 3.2.4.5, in its entirety, and

REPLACE the above delete table line item with the following:

TSOR Requirement	Compliance Method
3.2.4.5 The NRWS TIC shall allow the Operator a 50 percent probability of identifying a 2.3 by 2.3 metre target, characterized by a temperature difference, target to background, of 2K with a background temperature of 288K at a range of 1,800 metres and a visibility level characterized by an atmospheric IR attenuation factor of 0.2/kilometre in accordance with STANAG 4347.	C and D and F

INSERT the new Volume 1, Appendix 1 to Annex D, Compliance Matrix, Table 2: TSOR Requirement 3.2.4.6, below existing table line item 3.2.4.5:

TSOR Requirement	Compliance Method
3.2.4.6 The NRWS TIC shall allow the Operator a 50 percent probability of identifying an unprotected man standing erect as described in STANAG 4512, characterized by a temperature difference, target to background, of 2K with a background temperature of 288K at a range of 1,000 metres and a visibility level characterized by an atmospheric IR attenuation factor of 0.2/kilometre in accordance with STANAG 4347.	C and D and F

Question 2

Reference: Volume 1 Annex A NRWS RFP

(Applicable Requirement: Appendix 1, Volume 3, Article 3 Labour Rates) Workload of 50 hours for each year of each labour category does not tie out to values identified in table, i.e. amount for a Senior Specialist using the proposed rate for each year (2017 to 2024) x 300 hours each. Please confirm how annual labour rates will be applied for the purpose of the Financial Calculation.

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Answer:

In addition to the above noted discrepancy, the English version of Volume 1 Annex A, Appendix 1 – Section Volume 3, Article 3 Labour Rates, was incorrectly numbered as Article 3, and both the English and French versions had the table incorrectly labelled as (a) rather than (a). As such, the following changes have been made:

DELETE Volume 1 Annex A, Appendix 1 – Section Volume 3, Article 3 Labour Rates, in its entirety, and

REPLACE the above delete text with the following:

4. Labour Rates

Cost will be calculated using a workload for each year of each labour category:

Rates for Work Arisings	Amount
Amount for a Senior Specialist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$
Amount for a Senior Engineer using the proposed rate for each year (2017 to 2024) x 200 hours each	\$
Amount for a Junior Engineer using the proposed rate for each year (2017 to 2024) x 200 hours each	\$
Amount for a Senior Technologist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$
Amount for a Junior Technologist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$

Total Labour Cost: \$ _____

Question 3

Reference: Volume 1 Annex A NRWS RFP

(Applicable Reference: Appendix 1, Volume 3, Article 4 Allowable Mark Ups) Bidders are expected to provide a Subcontractor Services and Material Mark-up rate (%). For the purpose of the Financial Calculation, will both the Subcontractor Services and Material be calculated using an estimated \$150,000.00 CAD per year or only the Subcontract Services as currently identified?

Answer:

Both the Subcontractor Services and Material Mark-up rates will be calculated for evaluation using an estimated \$150,000.00 CAD per year. Due to the Article numbering error identified in Question 2 above, Allowable Mark-ups was incorrectly numbered as Article 4. The following changes have been made to clarify and correct the Allowable Mark-ups:

DELETE Volume 1 Annex A, Appendix 1 – Section Volume 3, Article 4 Allowable Mark-ups, in its entirety, and

REPLACE the above delete text with the following:

5. Allowable Mark-ups

- a) Cost will be calculated using an estimated NRWS annual Repair volume. Estimated material value per year for calculation purposes is \$150,000.00 CAD :

Subcontractor Services Mark-up

	Year 1	Year 2	Year 3	Optional Year 1	Optional Year 2
Subcontractor Services Mark-up Rate (%)	%	%	%	%	%
Subcontractor Services Cost	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Rate x Cost for each corresponding year (Subcontractor Services total)					

Material Mark-up

	Year 1	Year 2	Year 3	Optional Year 1	Optional Year 2
Material Mark-up Rate (%)	%	%	%	%	%
Material Cost	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Rate x Material Cost for each corresponding year (Material total)					

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b) Total Cost of estimated Repair volume (Years 1 through 5): \$ _____

Question 4

Reference: Volume 1 Annex A NRWS RFP

(Applicable Reference: Annex A Appendix 1) Issue: There are two sections labeled as paragraph "3". Recommendation: Recommend re-numbering paragraphs to avoid confusion.

Answer:

Refer to answers provided for question 2 and 3 above.

Question 5

Reference: Volume 1 Annex A NRWS RFP

(Applicable Requirement: Annex A Appendix 1 - Financial Calculation)
Volume 1 Bidders Instructions and Requirements - Annex A Appendix 1 - Financial Calculation 4 a. indicates installation costs for 14 ships and refers to Volume 2 Annex B Table 2 which indicates 12 Halifax Class ships. In Volume 2 NRWS Resulting Contract Schedule A, it requires "Forty (40) complete NRWS (including cabling) as defined in Annex B Statement of Work and its appendices" which indicates 10 ships with 4 NRWS's. Please clarify and confirm the optional 2 Halifax ships are priced as with installations occurring in 2022.

Answer:

1) DELETE Volume 1 Annex A, Appendix 1 – Section Volume 2, Article 4, Firm Lot Prices for Halifax Class NRWS Installation Costs, in its entirety, and

REPLACE the above delete text with the following:

1. Firm Lot Prices for Halifax Class NRWS Installation Costs
 - a) Cost will be calculated using Volume 2 Annex B Table 2, Implementation Schedule for all Halifax NRWS Installations:

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Installations	Amount
Amount for 2018 Installations (three NRWS Systems)	\$
Amount for 2019 Installations (three NRWS Systems)	\$
Amount for 2020 Installations (two NRWS Systems)	\$
Amount for 2021 Installations (two NRWS Systems)	\$
Amount for 2022 Installations (two NRWS Systems)	\$

Total Cost for Halifax Class NRWS Installation (years 2018 to 2022): \$ _____

2) DELETE Volume 2 Schedule A, Article 4 Firm Lot Prices for Halifax Class NRWS Installation Costs, in its entirety, and

REPLACE the above delete text with the following:

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, and its appendices.

Within the three (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.

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Installation	Firm Lot Prices for HFX Class NRWS Installation Costs <i>(Applies to Schedule A, Article 2 Item N°1, N°6, and should the options be exercised, Schedule A Article 3 Item N°1)</i>				
	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
HFX Class NRWS					

Question 6

Reference: General RFP

(Acquisition and Repair & Overhaul Contract Award) - For the purpose of baselining bidder's proposals, can Canada please identify:

1. Assumption for Acquisition contract award date; and
2. Prerequisite / event to start the Repair and Overhaul contract award.

Answer:

1. As per Volume 1 Part 2, Article 2.2.1 Standard Instructions, Clauses and Conditions, Bids will remain open for acceptance for a period of not less than 365 days from the closing date of the bid solicitation. Canada anticipates awarding the NRWS Acquisition and Repair and Overhaul contracts in Q1 to Q2 of 2016, however contracts can be awarded any time within the bid validity date range.
2. The following change has been made:

DELETE Volume 3, Article 5.1 Period of the Contract, in its entirety, and

REPLACE the above delete text with the following:

5.1 Period of the Contract

The period of the contract begins on the date of contract award and will end three (3) years after acceptance of the First Article Harbour Acceptance Trial Results. The 3 year period beginning upon acceptance of the First Article Harbour Acceptance Trial Results is the start of the Initial Period.

Question 7

Reference: Volume 2 Annex B NRWS Statement of Work

(Applicable Requirements: 4.5.4.1, 4.5.4.3) In support of these two requirements, can Canada please provide / define the following:

1. The layout of each one of the fleet schools with prospective locations of the training systems within the buildings.
2. Is there a need for the operator console to be separate or 'closed off' from the mount?
3. Dimensions of the proposed locations to plan for cabling lengths, safety zones, and base placement.
4. Confirm that each fleet school will have a weapon (HMG) that is provided for the contractor for installation into the NRWS.

Answer:

The area available at each of the fleet schools is 5 meters by 10 meters with power panels available within 2 meters of the space. There is no requirement for the operator console to be "closed off" from the mount in a separate room. As per Amendment 04: Question 25, all weapons will be provided as Government Furnished Equipment.

Question 8

Reference: Volume 2 Annex B NRWS SOW

Volume 2, Annex B, Statement of Work, paragraphs 5.3 Initial Provision/5.3.1 Sparring/5.3.1.1, The Contractor shall provide quantities of initial Level 1 and 2 spares as follows:

- a. To support each NRWS System that will be implemented in the units itemized in Table 2, of this SOW; and
- b. To support each in-service NRWS System for the first two (2) years of operation.

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QUESTION: The main contract's pricing clause does not require pricing for the spares, therefore, it is interpreted that purchase of spares will be Canada's responsibility after CA However, 5.3.1.1 states the contractor shall provide quantities. Is the requirement to provide a sparing analysis (or Recommended Spares Parts List) determining Level 1 and 2 spares required to support NRWS for the first two years of operation not the actual spares?

If spares are to be provided, please confirm under which Line Item of Schedule A - NRWS Acquisition Pricing the Bidder should include its pricing for spares.

Answer:

As defined in Volume 2, Annex B, Statement of Work, Article 5.3, spares are to be provided. The pricing of spares is to be included under Volume 2, Schedule A Article 2, NRWS Acquisition Requirements line item 1, HFX Class NRWS. For clarity, the following changes have been made:

DELETE Volume 2 Schedule A, Article 3 NRWS Optional Acquisition Requirements, line item 5, in its entirety, and

REPLACE the above delete line item with the following:

3. NRWS Optional Acquisition Requirements

Item N°	Description	QTY	Firm Unit Price (DAP Destination)	Extended Firm Price (DAP Destination)
5	<u>Additional Spares and Special Tools and Test Equipment</u> The provision of additional 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**

Question 9

Reference: Volume 2 Annex B Appendix 3 TSOR

According to open information, the frigates' surveillance operational need is generally addressed by dedicated electro-optical surveillance systems, while the gun E/O suite covers the acquisition, tracking and fire control requirements for engagement purposes. Open information also

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reveals that land RWS may combine these two functionalities due to the limited space available in land vehicles, but most COTS Naval RWS for 50 cal. guns do not.

Can Canada better describe the basis of NRWS surveillance Requirement 3.2.7 that might be redundantly covered by other equipment on the ships and how duplicating the related functionality can benefit the Royal Canadian Navy from the operational and the financial standpoints?

Answer:

The requirement exists due to the standalone nature and independent functionality of the system in the roles of surveillance and fire control in support of the ship's force protection posture in various threat environments.

Question 10

Reference: General RFP

Is the supplier obliged to be registered under the Controlled Goods Program in order to submit a bid? What about subcontractors?

Answer:

Please refer to Volume 2 Article 22.1, Controlled Goods - paragraph 2, for an explanation on the Controlled Goods Program requirement for contract award. Questions on the Controlled Goods Program registration process can be sent to the following:

Toll Free Telephone: 1-866-368-4646

Email: dmc-cgd@tpsgc-pwgsc.gc.ca

Question 11

Reference: Volume 2 Annex B Appendix 3 TSOR

(Applicable Requirement: 3.3.18) Is it PWGSCs intent to have a fully independent, mechanically stabilized EO sensor suite (i.e. a gimbaled sensor) or are you looking for a box solution with electronic stabilization as part of the console?

Answer:

The requirement is not intended to drive a specific solution, as a result the requirement has been rewritten for clarity.

DELETE Volume 2, Annex B, Appendix 3, Technical Statement of Requirements: Reference 3.3.18, in its entirety

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REPLACE the above delete text with the following:

3.3.18 The NRWS EO sensor suite shall be stabilized.

ALL OTHER TERMS AND CONDITIONS OF THE SOLICITATION DOCUMENT REMAIN UNCHANGED.

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NAVAL REMOTE WEAPON STATION (NRWS)

REQUEST FOR PROPOSAL (RFP)

SOLICITATION: W8472-125389/C

VOLUME 1

BIDDER INSTRUCTIONS AND REQUIREMENTS

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PART 1 - GENERAL INFORMATION

1.1 Introduction

The bid solicitation is divided into three (3) volumes plus attachments and annexes, as follows:

1.1.1 RFP Volume 1 - BIDDER INSTRUCTIONS AND REQUIREMENTS

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

Part 2 Bidder Instructions: provides the instructions, clauses and conditions applicable to the bid solicitation;

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

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

Part 5 Certifications: includes the certifications to be provided; and

Part 6 Security, Financial and Other Requirements: includes specific requirements that shall be addressed by bidders.

1.1.2 RFP Volume 2 – NRWS ACQUISITION RESULTING CONTRACT

NRWS Acquisition Resulting Contract Clauses: includes the clauses and conditions that will apply to the resulting NRWS Acquisition contract.

1.1.3 RFP Volume 3 – NRWS REPAIR AND OVERHAUL RESULTING CONTRACT

NRWS Repair and Overhaul Resulting Contract Clauses: includes the clauses and conditions that will apply to the resulting NRWS Repair and Overhaul contract.

1.2 Summary

1.2.1 The Department of National Defence (DND) has identified a requirement for Naval Remote Weapon Station Systems (NRWS). It is intended to award both an Acquisition contract and Repair and Overhaul contract to a single successful Contractor under this solicitation process. The scope is detailed in Volume 2, NRWS Acquisition Resulting Contract, and Volume 3, NRWS Repair and Overhaul Resulting Contract. The following represents a high-level view of the requirements:

1) Acquisition Contract Scope:

The Contractor would be required to provide:

- a) forty (40) NRWS to be designed, built, delivered, installed, Set-To-Work (STW) and fully acceptance tested, including Factory Acceptance Test (FAT), Harbour Acceptance Test (HAT) and Sea Acceptance Test (SAT), for the HALIFAX Class ships;
- b) eight (8) NRWS to be designed, built and Acceptance tested via FAT, stored, maintained, and delivered to Canada for the Queenston Class Ships;

- c) eight (8) optional NRWS to be designed, built, delivered, installed, STW and fully acceptance tested, including FAT, HAT and SAT, for the HALIFAX Class ships;
- d) two (2) Training Facilities NRWS to be designed, built, FAT, delivered, Installed and STW, in two (2) training facilities;
- e) initial Cadre Training (ICT) and Initial Provisioning (IP); and
- f) all associated Deliverables including documents, materiel, and services specified by **Volume 2 Annex B**, Statement of Work.

2) Repair and Overhaul **Contract** Scope:

The Contractor would be required to provide:

- a) all levels of corrective maintenance for NRWS, sub-systems and components;
- b) spare parts provision to support the NRWS equipment R&O throughout its service life and spares for Canadian Forces Supply System (CFSS) to respond to tasks;
- c) provide Technical Investigation and Engineering Study (TIES) services on NRWS, sub-systems, operations, concepts, and other applicable RCN equipment;
- d) provide Field Service Representative (FSR) services to respond to tasks; and
- e) provide project management services.

1.2.2 The period of the Acquisition **contract** and Repair and Overhaul contract are identified in Volume 2 NRWS Acquisition Resulting Contract, and Volume 3 NRWS Repair and Overhaul Resulting Contract.

1.2.3 It is Canada's intent that the successful Contractor provides Industrial and Technological Benefits, including a Value Proposition related to both the NRWS Acquisition and Repair and Overhaul requirements, to maximize business activities for Canadian industry. For the **NRWS Repair and Overhaul resulting** Contract, Canada will only consider proposed Value Propositions on firm work at the time of contract award.

1.2.4 There are security requirements associated with this requirement. For additional information, consult Volume 1 Part 6 - Security, Financial and Other Requirements, and Volume 2 and 3 Resulting Contracts. For more information on personnel and organization security screening or security clauses, bidders should refer to the Industrial Security Program (ISP) of Public Works and Government Services Canada (PWGSC) website.

<http://ssi-iss.tpsgc-pwgsc.gc.ca/index-eng.html>

1.2.5 As per the Integrity Provisions under section 01 of **2003 (2015 -07-03)** Standard Instructions – **Goods or Services Competitive Requirements**, bidders shall provide a list of all owners and/or Directors and other associated information as required.

1.2.6 This procurement is subject to the Controlled Goods Program. The *Defence production Act* defines Canadian Controlled Goods as certain goods listed in Canada's Export Control List, a regulation made pursuant to the Export and Import Permits Act (EIPA).

1.2.7 The Federal Contractors Program (FCP) for employment equity applies to this procurement; see Part 5 - Certifications, and Annex C of Volume 1, titled *Federal Contractors Program for Employment Equity - Certification* .

1.2.8 This requirement is subject to the Agreement on Internal Trade (AIT).

1.2.9 There is a **MANDATORY** site visit associated with this requirement where a personnel security screening is required prior to gaining access to the site. Consult Part 2 – Bidder Instructions.

1.3 Debriefings

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

1.4 Fairness Monitor

Bidders are advised that Canada has retained the services of a Fairness Monitor from Hallux Consulting Inc. for the entire NRWS procurement process.

PART 2 - BIDDER INSTRUCTIONS

2.1 Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual issued by Public Works and Government Services Canada.

(<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>)

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

The 2003 (2015-07-03) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2.1.1 **Article 5, Subsection 4** of 2003, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: 60 days

Insert: 365 days

2.1.2 Mandatory Site Visit

It is **MANDATORY** that the Bidder or a representative of the Bidder visit the work site. Arrangements have been made for the site visit to be held at Canadian Forces base (CFB) Halifax. Each bidder will have the opportunity to visit NRWS installation locations on a Halifax Class Ship for a period of no more than four (4) hours on a date between September 1st to September 4th 2015. Bidders will be scheduled for their four (4) hour ship visit on a first come first serve basis. A maximum of four (4) representatives for each bidder will be permitted to attend. There will be two (2) ship visits per day, with the first visit being held from 0800h to 1200h Atlantic Daylight Time (ADT), and the second visit being held from 1300h to 1700h ADT. Should participation levels exceed the current schedule; arrangements will be made to accommodate all attendees such as the possibility of including a second Halifax Class Ship.

A Request for Visit (RFV) clearance is required prior to gaining authorized access to CFB Halifax. Bidders shall communicate with the Contracting Authority no later than August 12th 2015 at 1400h Eastern Daylight Time, to confirm their attendance and request the RFV form and process instructions. The Contracting Authority will provide the site visit details to all participants prior to the site visit.

The Bidder's Company Security Officer (CSO) shall ensure that their representatives hold a valid security clearance at the required level for the site visit. Failure to comply with the security requirements will result in the representative(s) being denied access to the site.

Bidders will be required to sign an attendance sheet at the site visit. Bidders should confirm in their bid that they have attended the site visit. Bidders who do not attend the mandatory site visit or do not send a representative will not be given an alternative appointment and their bid will be declared non-responsive. Any clarifications or changes to the bid solicitation resulting from the site visit will be included as an amendment to the bid solicitation.

2.2 Submission of Bids

Bids shall be submitted only to Public Works and Government Services Canada (PWGSC) Bid Receiving Unit by the date, time and place indicated on page 1 of the bid solicitation.

Due to the nature of the bid solicitation, bids transmitted by facsimile to PWGSC will not be accepted.

2.3 Enquiries - Bid Solicitation

All enquiries shall be submitted in writing to the Contracting Authority no later than fifteen (15) calendar days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature shall 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 question(s) or may request that the Bidder do so, so that the proprietary nature of the question(s) is eliminated and the enquiry can be answered to all bidders. Enquiries not submitted in a form that can be distributed to all bidders may not be answered by Canada.

2.4 Applicable Laws

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

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

2.5 Improvement of Requirement During Solicitation Period

Should bidders consider that the **Volume 2 Annex B, and Volume 3 Annex C** Statements of Work contained in the bid solicitation could be improved technically or technologically, bidders are invited to make suggestions, in writing, to the Contracting Authority named in the bid solicitation. Bidders shall clearly outline the suggested improvement as well as the reason for the suggestion. Suggestions that do not restrict the level of competition nor favour a particular bidder will be given consideration provided they are submitted to the Contracting Authority at least twenty (20) calendar days before the bid closing date. Canada will have the right to accept or reject any or all suggestions.

2.6 Technical Data Package

During the solicitation period, DND publications that are referenced and are not commercially available can be issued to Bidders under separate cover upon request from the Bidder. It is imperative that the Bidder's request for bid solicitation documentation be made as soon as possible to ensure timely receipt of the associated publications. Bidders are required to submit their request to the Contracting Authority:

Michael Rancourt
Public Works and Government Services Canada (PWGSC)

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Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

Defence and Major Projects Sector (DMPS)
Electronics, Simulators, and Defence Systems Division (QF)
11 Laurier Street, Place du Portage, Phase III, 8C2-8
Gatineau, QC, K1A 0S5
Tel: 819-956-3930
michael.rancourt@tpsgc-pwgsc.gc.ca

2.7 Condition of Material

Material supplied shall be new and conform to the latest issue of the applicable drawings, specifications and/or part numbers that are in effect on the bid solicitation closing date.

PART 3 - BID PREPARATION INSTRUCTIONS

3.1 Bid Preparation Instructions

3.1.1 Canada requests that bidders provide their bid in separately bound sections as follows:

PART A: NRWS Acquisition and Repair and Overhaul Bid Section

- Section I: **Technical**
Five (5) hard copies and five (5) soft copies on CD/USB
- Section II: **Management**
Five (5) hard copies and five (5) soft copies on CD/USB
- Section III: **Financial**
One (1) hard copy and one (1) soft copy on CD/USB
- Section IV: Certifications
One (1) hard copy and one (1) soft copy on CD/USB
- Section V: Additional Information
One (1) hard copy and one (1) soft copy on CD/USB

PART B: NRWS Industrial and Technological Benefits and Value Proposition Bid Section

The Bidder is requested to submit the following sections **for the** Acquisition and Repair and Overhaul Value Proposition under a single proposal.

- Section I: Business Plan
Seven (7) hard copies and five (1) soft copy on CD
- Section II: ITB Management Plan
Seven (7) hard copies and five (1) soft copy on CD
- Section III: Regional Development Plan
Seven (7) hard copies and one (1) soft copy on CD
- Section IV: Small and Medium Business Plan
Seven (7) hard copies and one (1) soft copy on CD
- Section V: Transactions and Commitments
Seven (7) hard copies and one (1) soft copy on CD

3.1.2 If there is a discrepancy between the wording of the soft copy and the hard copy, the wording of the hard copy will have priority over the wording of the soft copy.

3.1.3 To facilitate Canada's evaluation of submitted bids, Canada requests that Bidders do not "cross reference" between Parts A and B and that information is included as requested in each part, even if repetition results.

3.1.4 **Prices shall only appear in Part A - Section III financial bid, and Part B - Industrial and Technological Benefits and Value Proposition Bid Section. Prices shall not be indicated in any other Bid Sections.**

3.1.5 Canada requests that Bidders follow the format instructions described below in the preparation of their bid:

- (a) where possible, use 8.5 x 11 inch (216 mm x 279 mm) paper; and
- (b) use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process Policy on Green Procurement (<http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>).

To assist Canada in reaching its objectives, bidders should:

- 1) use paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content; and
- 2) where possible, use an environmentally-preferable format including black and white printing instead of colour printing, printing double sided/duplex, using staples or clips instead of cerlox, duotangs or binders.

3.2 Requirements for Bidder's Proposal Part A – NRWS Acquisition and Repair and Overhaul Bid Section


3.2.1 Section I – Technical

- a) Bidders should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability and describe their approach in a thorough, concise and clear manner for carrying out the work.
- b) Bidders should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests that bidders address and present topics in the order of the evaluation criteria under the same headings. To avoid duplication, bidders may refer to different sections of their bids by identifying the specific paragraph and page number where the subject topic has already been addressed.
- c) Bidders shall demonstrate their compliance with the following sections of the bid solicitation by providing substantial information describing completely and in detail how the requirement is met or addressed. Bidders shall provide with their technical section, a document indicating clearly where the substantial information for each of the sections identified below can be found:
 - Volume 1, Annex D Table 6: Point-Rated Requirements - Area 5, Volume 2 – Annex B Appendix 3 TSOR Requirements;
 - Volume 1, Annex D Table 7: Point-Rated Requirements - Area 6, Volume 2 – Annex B, Appendix 3 TSOR Requirements;
 - Volume 1 Appendix 1 to Annex D Table 2: Mandatory TSOR Requirements; and
 - Volume 1 Appendix 1 to Annex D Table 3: Mandatory Computer Based Trainer Specification Requirements.

3.2.2 **Section II: Management**

- a) **Bidders** shall describe their capability and experience.
- b) **Bidders** should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests that bidders address and present topics in the order of the evaluation criteria under the same headings. To avoid duplication, bidders may refer to different sections of their bids by identifying the specific paragraph and page number where the subject topic has already been addressed.
- c) Bidders shall demonstrate their compliance with the following sections of the bid solicitation by providing substantial information describing completely and in detail how the requirement is met or addressed. Bidders shall provide with their management bid, a document indicating clearly where the substantial information for each of the sections identified below can be found:
 - Volume 1 Annex D, Table 1: **Mandatory Bid Requirements**;
 - Volume 1 Annex D, Table 2: **Point-Rated Requirements** – Area 1 Bidder Experience;
 - Volume 1 Annex D, Table 3: **Point-Rated Requirements** - Area 2, **Volume 2 – Annex B** SOW Section 3.0, Project Management;
 - Volume 1 Annex D, Table 4: **Point-Rated Requirements** - Area 3, **Volume 2 – Annex B** SOW Section 4.0, System Engineering;
 - Volume 1 Annex D, Table 5: **Point-Rated Requirements** - Area 4, **Volume 2 – Annex B** SOW Section 5.0, Integrated Logistic Support; and
 - Volume 1 Appendix 1 to Annex D, Table 1: **Mandatory SOW Requirements**.

3.2.3 **Section III: Financial**

- a) Bidders shall submit their financial **section** in accordance with the entire solicitation.
- b) Bidders shall submit their pricing using the format in Volume 2 – NRWS Acquisition Resulting Contract Schedule A, NRWS Acquisition Pricing, and Volume 3 – NRWS Repair and Overhaul Resulting Contract, Schedule A, Repair and Overhaul Pricing.
- c) Exchange Rate Fluctuation Risk Mitigation
 - i. The Bidder may request Canada to assume the risks and benefits of exchange rate fluctuations. If the Bidder claims for an exchange rate adjustment, this request shall be clearly indicated in the bid at time of bidding. The Bidder shall submit Volume 1, Annex B [PWGSC-TPSGC 450](#) , Claim for Exchange Rate Adjustments with its bid, indicating the Foreign Currency Component (FCC) in Canadian dollars for each line item for which an exchange rate adjustment is required.
 - ii. The FCC is defined as the portion of the price or rate that will be directly affected by exchange rate fluctuations. The FCC should include all related taxes, duties and other costs paid by the Bidder and which are to be included in the adjustment amount.

- iii. The total price paid by Canada on each invoice will be adjusted at the time of payment, based on the FCC and the exchange rate fluctuation provision in the contract. The exchange rate adjustment will only be applied where the exchange rate fluctuation is greater than 2% (increase or decrease).
- iv. At time of bidding, the Bidder shall complete columns (1) to (4) on Volume 1 Annex B PWGSC-TPSGC 450, for each line item where they want to invoke the exchange rate fluctuation provision. Where bids are evaluated in Canadian dollars, the dollar values provided in column (3) should also be in Canadian dollars, so that the adjustment amount is in the same currency as the payment.
- v. Alternate rates or calculations proposed by the Bidder will not be accepted for the purposes of this exchange rate fluctuation provision.

3.2.4 Section IV: Certifications

Bidders shall submit the certifications in **Volume 1, Part 5 - Certifications**.

3.2.5 Section V: Additional Information

For Bidder's Proposed Site(s) or Premises Requiring Safeguarding Measures for Volume 2 - NRWS Acquisition Resulting Contract, and Volume 3 – NRWS Repair and Overhaul Resulting Contract:

- a) As indicated in **Volume 1 - Part 6 Article 6.1**, the Bidder shall provide the full address(es) of the Bidder's and proposed individual(s)' site(s) or premises for which safeguarding measures are required for Work Performance:

Street Number / Street Name, Unit / Suite / Apartment Number
City, Province, Territory / State
Postal Code / Zip Code
Country

- b) The Company Security Officer (CSO) shall ensure through the Industrial Security Program (ISP) that the Bidder and proposed individual(s) hold a valid security clearance at the required level, as indicated in **Volume 1, Part 6 – Security, Financial and Other Requirements**

3.3 **Requirements for Bidder's Proposal Part B – NRWS Industrial and Technological Benefits and Value Proposition Bid Section**

- a) **Bidders** should demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements. Bidders should demonstrate their capability and describe their approach in a thorough, concise and clear manner for carrying out the work.
- b) **Bidders** should address clearly and in sufficient depth the points that are subject to the evaluation criteria against which the bid will be evaluated. Simply repeating the statement contained in the bid solicitation is not sufficient. In order to facilitate the evaluation of the bid, Canada requests that bidders address and present topics in the order of the evaluation criteria under the same headings. To avoid duplication, bidders may refer to different sections of their bids by identifying the specific paragraph and page number where the subject topic has already been addressed.

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Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

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- c) Bidders shall demonstrate their compliance with the following sections of the bid solicitation by providing substantial information describing completely and in detail how the requirement is met or addressed. **Bidders shall provide a document** indicating clearly where the substantial information for each of the sections identified below can be found:
- Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 2 – ITB MANDATORY REQUIREMENTS;
 - Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 3 – MINIMUM ASSESSMENT VALUES; and
 - Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 4 – RATED EVALUATION.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

4.1 Evaluation Procedures

- a) Bids will be assessed in accordance with the entire requirement of the bid solicitation, including PART A: NRWS Acquisition and Repair and Overhaul Bid Section, and PART B: NRWS Industrial and Technological Benefits and Value Proposition Bid Section.
- b) An evaluation team composed of representatives of Canada will evaluate the bids.

4.2 Evaluation Overview

Canada is conducting a two-step bid evaluation process for this requirement. For details on the two-step **Bid Evaluations** process, refer to Volume 1 - Bidders Instructions and Requirements, Annex A - Evaluation Procedures and Basis of Selection.

4.2.1 Technical and Management Evaluation

Mandatory and point rated technical and management evaluation criteria are included in Volume 1 Annex D, Bid Evaluation Plan.

4.2.2 Industrial and Technological Benefits and Value Proposition Evaluation

Industrial and Technological Benefits and Value Proposition evaluation criteria are included in Volume 1, Annex F Industrial and Technological Benefits (ITB) Value Proposition Evaluation Plan.

4.2.3 Financial Evaluation

- a) The price of the bid will be evaluated in accordance with the Resulting Contract Clauses of Volume 2 and Volume 3, in Canadian dollars, Applicable Taxes extra.
- b) Bids submitted in foreign currency will be converted to Canadian currency for evaluation purposes. The rate given by the Bank of Canada in effect on the bid solicitation closing date will be applied as a conversion factor to the bids submitted in foreign currency.
- c) For details on the financial evaluation, refer to Volume 1 - Bidders Instructions and Requirements, Annex A - Evaluation Procedures and Basis of Selection.

4.3 Basis of Selection

The basis of selection for this procurement is the **responsive** proposal representing **Best Value** for Canada.

The methodology and application of the Best Value basis of selection is detailed in Volume 1 - Bidder Instructions and Requirements, Annex A - Evaluation Procedures and Basis of Selection.

PART 5 – CERTIFICATIONS

Bidders shall provide the required certifications and additional information to be awarded a contract.

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

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

5.1 Certifications Required with the Bid

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

5.1.1 Declaration of Convicted Offences

As applicable, pursuant to subsection Declaration of Convicted Offences of section 01 of the Standard Instructions, the Bidder must provide with its bid, a completed Declaration Form, to be given further consideration in the procurement process.

(<http://www.tpsgc-pwgsc.gc.ca/ci-if/formulaire-form-eng.html>)

5.1.2 Status and Availability of Resources

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

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

Name (please print)

Signature

Date

5.1.3 Education and Experience

The Bidder certifies that all the information provided in the résumés and supporting material submitted with its bid, particularly the information pertaining to education, achievements, experience and work history, has been verified by the Bidder to be true and accurate.

Furthermore, the Bidder warrants that every individual proposed by the Bidder for the requirement is capable of performing the Work described in the resulting contract.

Name (please print)

Signature

Date

5.2 Certifications Precedent to Contract Award and Additional Information

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

5.2.1 Integrity Provisions – List of Names

Bidders who are incorporated, including those bidding as a joint venture, must provide a complete list of names of all individuals who are currently directors of the Bidder.

Bidders bidding as sole proprietorship, as well as those bidding as a joint venture, must provide the name of the owner(s).

Bidders bidding as societies, firms or partnerships do not need to provide lists of names.

5.2.2 Federal Contractors Program for Employment Equity - Bid Certification

By submitting a bid, the Bidder certifies that the Bidder, and any of the Bidder's members if the Bidder is a Joint Venture, is not named on the Federal Contractors Program (FCP) for employment equity "FCP Limited Eligibility to Bid" list available from Employment and Social Development Canada (ESDC) - Labour's website.

(http://www.labour.gc.ca/eng/standards_equality/eq/emp/fcp/list/inelig.shtml)

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

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

The Bidder shall provide the Contracting Authority with a completed Volume 1, Annex C, titled Federal Contractors Program for Employment Equity - Certification, before contract award. If the Bidder is a Joint Venture, the Bidder shall provide the Contracting Authority with a completed Annex C Federal Contractors Program for Employment Equity - Certification for each member of the Joint Venture.

5.2.3 Welding Certification for NRWS Installation - Bid

1. Welding shall be performed by a welder certified by the Canadian Welding Bureau and in accordance with the requirements of the following Canadian Standards Association (CSA) standards:

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101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

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- a) CSA W47.1-09 (R2014), Certification of Companies for Fusion Welding of Steel (division level 2); and
 - b) **if applicable** CSA W47.2-11, Certification of Companies for Fusion Welding of Aluminum **division level 2**.
2. Before contract award and within ten (10) calendar days of the written request by the Contracting Authority, the successful Bidder shall submit evidence demonstrating its certification to the welding standards.

PART 6 - SECURITY, FINANCIAL AND OTHER REQUIREMENTS

6.1 Security Requirements

1) At the date of Contract Award(s), the following conditions shall be met:

For Volume 2 – NRWS Acquisition Resulting Contract:

- (a) the Bidder shall hold a valid organization security clearance as indicated in Volume 2, NRWS Acquisition Resulting Contract and Annex A, Security Requirement Checklist;
- (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work site(s) shall meet the security requirements as indicated in Volume 2, NRWS Acquisition Resulting Contract and Annex A, Security Requirement Checklist;
- (c) the Bidder shall provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites;
- (d) the Bidder's proposed location of work performance and document safeguarding shall meet the security requirements as indicated in Volume 2, NRWS Acquisition Resulting Contract and Annex A, Security Requirement Checklist; **and**
- (e) the Bidder shall provide the address(es) of proposed site(s) or premises of work performance and document safeguarding as indicated in **Volume 1** Part 3 - Section V Additional Information.

For Volume 3 – NRWS Repair and Overhaul Resulting Contract:

- (a) the Bidder shall hold a valid organization security clearance as indicated in Volume 3, NRWS Repair and Overhaul Resulting Contract and Annex A, Security Requirement Checklist;
- (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work site(s) shall meet the security requirements as indicated in Volume 3, NRWS Repair and Overhaul Resulting Contract and Annex A, Security Requirement Checklist;
- (c) the Bidder shall provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites;
- (d) the Bidder's proposed location of work performance and document safeguarding shall meet the security requirements as indicated in Volume 3, NRWS Repair and Overhaul Resulting Contract and Annex A, Security Requirement Checklist; **and**
- (e) the Bidder shall provide the address(es) of proposed site(s) or premises of work performance and document safeguarding as indicated in **Volume 1** Part 3 - Section V Additional Information.

2. For additional information on security requirements, bidders should refer to the Industrial Security Program (ISP) of Public Works and Government Services Canada website.

(<http://ssi-iss.tpsgc-pwgsc.gc.ca/index-eng.html>)

6.2 Financial Capability

- 1) **Financial Capability Requirement:** The Bidder shall have the financial capability to fulfill this requirement. To determine the Bidder's financial capability, the Contracting Authority may, by written notice to the Bidder, require the submission of some or all of the financial information detailed below during the evaluation of bids. The Bidder shall provide the following information to the Contracting Authority within fifteen (15) working days of the request or as specified by the Contracting Authority in the notice:
 - a) Audited financial statements, if available, or the unaudited financial statements (prepared by the Bidder's outside accounting firm, if available, or prepared in-house if no external statements have been prepared) for the Bidder's last three fiscal years, or for the years that the Bidder has been in business if this is less than three years (including, as a minimum, the Balance Sheet, the Statement of Retained Earnings, the Income Statement and any notes to the statements).
 - b) If the date of the financial statements in (a) above is more than five months before the date of the request for information by the Contracting Authority, the Bidder shall also provide, unless this is prohibited by legislation for public companies, the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement), as of two months before the date on which the Contracting Authority requests this information.
 - c) If the Bidder has not been in business for at least one full fiscal year, the following shall be provided:
 - i) the opening Balance Sheet on commencement of business (in the case of a corporation, the date of incorporation); and
 - ii) the last quarterly financial statements (consisting of a Balance Sheet and a year-to-date Income Statement) as of two months before the date on which the Contracting Authority requests this information.
 - d) A certification from the Chief Financial Officer or an authorized signing officer of the Bidder that the financial information provided is complete and accurate.
 - e) A confirmation letter from all of the financial institution(s) that have provided short-term financing to the Bidder outlining the total of lines of credit granted to the Bidder and the amount of credit that remains available and not drawn upon as of one month prior to the date on which the Contracting Authority requests this information.
 - f) A detailed monthly Cash Flow Statement covering all the Bidder's activities (including the requirement) for the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement shall detail the Bidder's major sources and amounts of cash and the major items of cash expenditures on a monthly basis, for all the Bidder's activities. All assumptions made should be explained as well as details of how cash shortfalls will be financed.
 - g) A detailed monthly Project Cash Flow Statement covering the first two years of the requirement that is the subject of the bid solicitation, unless this is prohibited by legislation. This statement shall detail the Bidder's major sources and amounts of cash and the major items of cash expenditures, for the requirement, on a monthly basis. All assumptions made should be explained as well as details of how cash shortfalls will be financed.

- 2) If the Bidder is a **Joint Venture**, the financial information required by the Contracting Authority shall be provided by each member of the **Joint Venture**.
- 3) If the Bidder is a subsidiary of another company, then any financial information in 1. (a) to (f) above required by the Contracting Authority shall be provided by the ultimate parent company. Provision of parent company financial information does not by itself satisfy the requirement for the provision of the financial information of the Bidder, and the financial capability of a parent cannot be substituted for the financial capability of the Bidder itself unless an agreement by the parent company to sign a Parental Guarantee, as drawn up by Public Works and Government Services Canada (PWGSC), is provided with the required information.
- 4) **Financial Information Already Provided to PWGSC:** The Bidder is not required to resubmit any financial information requested by the Contracting Authority that is already on file at PWGSC with the Contract Cost Analysis, Audit and Policy Directorate of the Policy, Risk, Integrity and Strategic Management Sector, provided that within the above-noted time frame:
 - a) the Bidder identifies to the Contracting Authority in writing the specific information that is on file and the requirement for which this information was provided; and
 - b) the Bidder authorizes the use of the information for this requirement.

It is the Bidder's responsibility to confirm with the Contracting Authority that this information is still on file with PWGSC.
- 5) **Other Information:** Canada reserves the right to request from the Bidder any other information that Canada requires to conduct a complete financial capability assessment of the Bidder.
- 6) **Confidentiality:** If the Bidder provides the information required above to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as permitted by the Access to Information Act, R.S., 1985, c. A-1, Section 20(1) (b) and (c).
- 7) **Security:** In determining the Bidder's financial capability to fulfill this requirement, Canada may consider any security the Bidder is capable of providing, at the Bidder's sole expense (for example, an irrevocable letter of credit from a registered financial institution drawn in favour of Canada, a performance guarantee from a third party or some other form of security, as determined by Canada).

6.3 Controlled Goods Requirement

1. As the resulting contract will require the production of or access to controlled goods that are subject to the Defence Production Act, R.S. 1985, c. D-1, bidders 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 and registration is carried out as follows:
 - a) When the bid solicitation includes controlled goods information or technology, the Bidder shall be registered, exempt or excluded under the CGP before receiving the bid solicitation. Requests for technical data packages or specifications related to controlled goods should be made in writing to the Contracting Authority identified in the bid solicitation and shall contain the CGP registration number or written proof of exemption or

exclusion of the Bidder and of any other person to whom the Bidder will give access to the controlled goods.

- b) When the bid solicitation does not include controlled goods information or technology but the resulting contract requires the production of or access to controlled goods, the successful Bidder and any subcontractor who will be producing or accessing controlled goods shall be registered, exempt or excluded under the CGP before examining, possessing or transferring controlled goods.
- c) When the successful Bidder 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 successful Bidder and any subcontractor shall, within seven (7) working days from receipt of written notification of 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 successful Bidder has provided proof, satisfactory to the Contracting Authority, that the successful Bidder and any subcontractor are registered, exempt, or excluded under the CGP.

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

- 2. Bidders are advised that all information on the Application for Registration (or exemption) Form will be verified and errors or inaccuracies may cause significant delays and/or result in denial of registration or exemption.

VOLUME 1 - ANNEX A

Evaluation Procedures and Basis of Selection

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EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical, management, financial, ITB and the VP evaluation criteria. For the purposes of this solicitation, Canada will utilize a two-step evaluation process as more fully described herein.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

1.1 Evaluation Overview and Underlying Principles

- (a) Canada is conducting a two-step bid evaluation process for this requirement. Step 1 consists of an evaluation of a Bidder's bid and, if necessary, the release of a Preliminary Evaluation Report to all Bidders. Step 2 consists of an evaluation of the remaining bid sections and, if issued, Bidders responses to the Preliminary Evaluation Report. Only those bids deemed to be responsive at the completion of Step 1 will be evaluated at Step 2.
- (b) **Notwithstanding the limited review which Canada may conduct for certain parts of the solicitation during Step 1, Bidders are and will remain solely responsible for the accuracy and completeness of their bids and Canada does not undertake, by reason of this review, any obligations or responsibility for identifying errors or omissions in bids submitted nor does Canada undertake to identify any or all such errors or omissions. BIDDERS ARE AND WILL REMAIN SOLELY RESPONSIBLE FOR ENSURING CONSISTENCY OF THE INFORMATION SUBMITTED IN THEIR BIDS AT ALL TIMES. WITHOUT LIMITING THE FOREGOING, BIDDERS ARE AND WILL REMAIN SOLELY RESPONSIBLE FOR ENSURING THAT ANY INFORMATION PROVIDED IN RESPONSE TO A PRELIMINARY EVALUATION REPORT IS CONSISTENT WITH ANY OTHER INFORMATION ORIGINALLY SUBMITTED IN THEIR BID IN RESPONSE TO OTHER REQUIREMENTS. FAILURE TO DO SO MAY PREJUDICE THE EVALUATION OF PREVIOUSLY SUBMITTED INFORMATION AND/OR RENDER THE BID NON-RESPONSIVE.**
- (c) Notwithstanding that this solicitation divides the bid into two parts (Part A: **NRWS Acquisition and Repair and Overhaul Bid Section**, and Part B: **NRWS Industrial and Technological Benefits and Value Proposition Bid Section**), Canada may consider information submitted for one part in its evaluation of the other part. It is the Bidder's responsibility to ensure consistency amongst all parts of its bid.
- (d) This two-step bid evaluation process shall not limit Canada's rights under *SACC 2003 (2015-07-03) Standard instructions – Goods or Services – Competitive Requirements* nor Canada's right to request or accept any information during the solicitation period or after bid solicitation closing in circumstances where the bid solicitation expressly provides for this right.

1.2 Bid Evaluation: Step 1

1.2.1 Canada will conduct an initial review of each Section as described below.

PART A: NRWS Acquisition and Repair and Overhaul Bid Section

(i) Section I: **Technical**

Bidder responses to the following solicitation requirement documents will be reviewed:

- a) Volume 1, Annex D Table 6: Point-Rated Requirements - Area 5, Volume 2 – Annex B, Appendix 3 TSOR Requirements;
- b) Volume 1, Annex D Table 7: Point-Rated Requirements - Area 6, Volume 2 – Annex B, Appendix 3 TSOR Requirements;
- c) Volume 1 Appendix 1 to Annex D Table 2: Mandatory TSOR Requirements; and
- d) Volume 1 Appendix 1 to Annex D Table 3: Mandatory Computer Based Trainer Specification Requirements.

Review Parameters:

Canada will conduct a full review and evaluation of all mandatory requirements and point-rated requirements in accordance with the procedures of Annex D to:

1. Determine if a Bidder’s submission in respect of mandatory requirements having a pass/fail is considered by Canada to be responsive. A bid will be considered by Canada to be non-responsive if the bid fails to achieve a compliant “Yes” rating on a mandatory pass/fail requirement.
2. Determine the Bidder’s score for all point-rated requirements.
3. Determine if a Bidder’s submission in respect of point-rated requirements having a minimum pass standard is considered by Canada to be responsive. A bid will be considered by Canada to be non-responsive if the bid fails to achieve the mandatory minimum pass standard.

The mandatory minimum pass standards for Volume 1, Annex D Table 6, Table 7, and an example of the calculation to be used, are set out in the Table below:

Table	Annex /SOW	Minimum Pass	Sample calculation
6	Point-Rated Requirements - Area 5, Volume 2 – Annex B, Appendix 3 TSOR Requirements	58 of 147 available points	Points awarded will be indicated in the "Points Awarded" column
7	Point-Rated Requirements - Area 6, Volume 2 – Annex B, Appendix 3 TSOR Requirements;	No Minimum Pass Standard	Points awarded will be indicated in the "Points Awarded" column

4. Identify any instances where a Bidder has failed to submit a required certification or proof of compliance or where a submitted document lacks the requisite signature(s) **only** for the above-noted documents and those documents which must otherwise be submitted with the Technical Bid.

(ii) Section II: Management

Bidder responses to the following solicitation requirement documents will be reviewed:

- a) Volume 1 Annex D, Table 1: Mandatory Bid Requirements;

- b) Volume 1 Annex D, Table 2: **Point-Rated Requirements** – Area 1 Bidder Experience;
- c) Volume 1 Annex D, Table 3: **Point-Rated Requirements - Area 2, Volume 2 -** SOW Section 3.0, Project Management;
- d) Volume 1 Annex D, Table 4: **Point-Rated Requirements - Area 3, Volume 2 -** SOW Section 4.0, System Engineering;
- e) Volume 1 Annex D, Table 5: **Point-Rated Requirements - Area 4, Volume 2 -** SOW Section 5.0, Integrated Logistic Support; and
- f) Volume 1 Appendix 1 to Annex D, Table 1: **Mandatory SOW Requirements**.

Review Parameters:

Canada will conduct a full review and evaluation of all mandatory requirements and point-rated requirements in accordance with the procedures of Annex D to:

1. Determine if a Bidder’s submission in respect of mandatory requirements having a pass/fail is considered by Canada to be responsive. A bid will be considered by Canada to be non-responsive if the bid fails to achieve a compliant “Yes” rating on a mandatory pass/fail requirement.
2. Determine the Bidder’s score for all point-rated requirements.
3. Determine if a Bidder’s submission in respect of point-rated requirements having a minimum pass standard is considered by Canada to be responsive. A bid will be considered by Canada to be non-responsive if the bid fails to achieve the mandatory minimum pass standard.

The mandatory minimum pass standards for Volume 1, Annex D Table 2, 3, 4, 5 and an example of the calculation to be used, are set out in the Table below:

Table	Annex /SOW	Minimum Pass	Sample calculation
1	Mandatory Bid Requirements	Pass/Fail	Will be indicated by “yes” or “no” in the Compliant column
2	Point-Rated Requirements – Area 1 Bidder Experience	18 of 46 available points	Points awarded will be indicated in the "Points Awarded" column
3	Point-Rated Requirements - Area 2, Volume 2 - SOW Section 3.0, Project Management	24 of 61 available points	Points awarded will be indicated in the "Points Awarded" column

Table	Annex /SOW	Minimum Pass	Sample calculation
4	Point-Rated NRWS Project Requirements - Area 3, Volume 2 - SOW Section 4.0, System	18 of 46 available points	Points awarded will be indicated in the "Points

	Engineering		Awarded" column
5	Point-Rated NRWS Project Requirements - Area 4, Volume 2 - SOW Section 5.0, Integrated Logistic Support	9 of 22 available points	Points awarded will be indicated in the "Points Awarded" column

4. Identify any instances where a Bidder has failed to submit a required certification or proof of compliance or where a submitted document lacks the requisite signature(s) **only** for the above-noted documents and those documents which must otherwise be submitted with the Technical Bid.

(iii) Section III: **Financial**

Bidder responses to the following solicitation requirement documents will be reviewed:

- a) Volume 2 - NRWS Acquisition Resulting Contract Schedule A, NRWS Acquisition Pricing; and
- b) Volume 3 – NRWS Repair and Overhaul Resulting Contract Schedule A, NRWS Repair and Overhaul Pricing.

Review Parameters:

A full review of the Financial Bid is not conducted at Step 1. Canada's initial review will be limited to identifying whether required data is missing from the bid or whether GST/HST amounts are not shown separately. In instances where a different price for the same item is provided in more than one location within the Financial Bid, Canada will identify this discrepancy and the Bidder must confirm which price applies.

Where a required line item has been left blank, only the missing information may be added to the Financial Bid for Step 2, except that, in those instances where the addition of such information will necessarily result in a change to other pricing or cost information previously submitted as a result of calculations required by the solicitation (for example, the calculation to determine a total price), such necessary adjustments shall be identified by the Bidder and only these adjustments shall be made. **Any other changes to the Bid shall be considered to be new information and will be disregarded.**

Canada will also identify any instances where a Bidder has failed to submit a required certification or proof of compliance or where a submitted document lacks the requisite signature(s) **only** for the above-noted documents and those documents which must otherwise be submitted with the Financial Bid.

(iv) Section IV - Certifications and Section V - Additional Information

Canada will identify any instances where a Bidder has failed to submit a required certification or proof of compliance or where a submitted document lacks the requisite signature(s) **only** for the certifications required to be submitted with the bid. The Bidder remains responsible for ensuring that any certifications which are required to be submitted prior to the close of the solicitation period or at any other time, are submitted as required.

PART B: NRWS Industrial and Technological Benefits and Value Proposition Bid Section

For Section I Business Plan, Section II ITB Management Plan, Section III Regional Development Plan, Section IV Small and Medium Business Plan, and Section V Transactions and Commitments, bidder responses to the following solicitation requirement documents will be reviewed:

- a) Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 2 – ITB MANDATORY REQUIREMENTS;
- b) Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 3 – MINIMUM ASSESSMENT VALUES; and
- c) Volume 1 Annex F, Industrial and Technological Benefits (ITB) Value proposition Evaluation Plan, Article 4 – RATED EVALUATION.

Review Parameters:

Canada will conduct a full review and evaluation of all mandatory requirements and point-rated requirements in accordance with the procedures of Volume 1 Annex E to:

1. Determine if a Bidder's submission in respect of mandatory requirements is considered by Canada to be responsive using the "Method to Confirm" criteria in Volume 1 Annex F Article 2. A bid will be considered by Canada to be non-responsive if the bid fails to satisfy the "Method to Confirm" criteria on a mandatory requirement.
2. Determine if a Bidder's submission in respect of the evaluation of Plans (Company Business, ITB Management, Regional Development, and Small and Medium Business) is considered by Canada to be responsive. A bid will be considered by Canada to be non-responsive if the bid fails to achieve the minimum assessment value in Volume 1 Annex F Article 3.

The Bidder must achieve a minimum final plans assessment value of thirty-two (32) points out of a possible sixty-four (64) points to be considered responsive.

3. Determine the Bidder's score for all point-rated requirements in Volume 1 Annex F Article 4.
 4. Identify any instances where a Bidder has failed to submit a required certification or proof of compliance or where a submitted document lacks the requisite signature(s) **only** for the above-noted documents and those documents which must otherwise be submitted with the Technical Bid.
- 1.2.2 After this initial review, if any bid is determined to be non-responsive in accordance with the review parameters noted above, the Contracting Authority will provide each Bidder with a "Preliminary Evaluation Report" (or "Report") listing only the instances where the bid is non-responsive to the requirements of the bid solicitation (and, for mandatory point-rated requirements, the score for such requirement) and the applicable solicitation references.
- 1.2.3 Bidders whose bids are considered to be non-responsive will be invited by the Contracting Authority to submit additional or different information to demonstrate to Canada, in accordance with the solicitation, that the bid is compliant with the solicitation requirements. **Except as expressly permitted above, information submitted for any other line item or category will not be considered nor will submitted information be used to evaluate any other section of a Bidder's bid or the solicitation requirement.**

- 1.2.4 For Bidders whose bids are considered to be responsive, the Report will only identify that they are responsive for the mandatory requirements evaluated; scores will not be provided.
- 1.2.5 All Bidders are requested to provide written confirmation of receipt of the Report to the Contracting Authority. Bidders who do not confirm receipt will be deemed to have received the Report as of the date issued by Canada.
- 1.2.6 Only non-responsive Bidders shall submit further information in response to the Report.
- 1.2.7 Submitted information must be based on the NRWS solution proposed by the Bidder at bid closing. A Bidder responding to a request for information must not modify, alter or substitute any of the proposed hardware or software to correct a non-responsive issue. All submitted information must otherwise comply with the requirements of this solicitation. Failure to comply with these requirements will result in the additional or different information being returned to the Bidder without further consideration.
- 1.2.8 Information submitted by non-responsive Bidders in response to the Report and accepted by Canada will be deemed to replace, in full, **only** the non-responsive information or response in the Bidder's original bid as identified in the Report and will be used for the remainder of the bid evaluation process.
- 1.2.9 **The Bidder's response to the Report must follow the Bid Preparation Instructions (such as, for example, separating financial information from other information as required).** Canada requests that Bidders clearly indicate, for each response, which non-responsive requirement identified in the Report is being responded to.
- 1.2.10 Responses to the Report must be submitted to the Contracting Authority on or before the date and time specified in the Report. Failure to do so will result in the bid being deemed non-responsive and the bid will receive no further consideration.
- 1.2.11 Any adjustments to a non-responsive bid are at the Bidder's sole discretion and will be made solely by the Bidder. Canada will not provide information about any other bid or any information as to how a Bidder should complete its response, if any, to the Report. **Bidders are and will remain solely responsible for the accuracy and completeness of their bids and Canada does not undertake, by reason of this review, any obligations or responsibility for identifying errors or omissions in bids submitted nor does Canada undertake to identify any or all such errors or omissions. BIDDERS ARE AND WILL REMAIN SOLELY RESPONSIBLE FOR ENSURING CONSISTENCY OF THE INFORMATION SUBMITTED IN THEIR BIDS AT ALL TIMES. WITHOUT LIMITING THE FOREGOING, BIDDERS ARE AND WILL REMAIN SOLELY RESPONSIBLE FOR ENSURING THAT ANY INFORMATION PROVIDED IN RESPONSE TO A PRELIMINARY EVALUATION REPORT IS CONSISTENT WITH ANY OTHER INFORMATION ORIGINALLY SUBMITTED IN THEIR BID IN RESPONSE TO OTHER REQUIREMENTS. FAILURE TO DO SO MAY PREJUDICE THE EVALUATION OF PREVIOUSLY SUBMITTED INFORMATION AND/OR RENDER THE BID NON-RESPONSIVE.**
- 1.2.12 For those instances where a Bidder chooses not to submit additional or different information for a requirement identified as non-responsive in the Report, the Bidder must submit a response indicating "No Change" for such requirement and the original response for that item will continue to apply. If a Bidder does not respond to a requirement identified as non-responsive, the Bidder will be deemed to have provided a "No Change" response and the original response for that item will continue to apply.

1.2.13 Deleted

1.3 Preliminary Evaluation Report : Step 1

Once a Preliminary Evaluation Report is issued:

- (a) Canada will conduct a final review of the non-responsive requirements listed in the “Preliminary Evaluation Report” provided to each Bidder, taking into account the additional or different information submitted, to determine if these requirements have been met as required in the solicitation. Should one or more of the requirements initially evaluated as non-responsive continue to be evaluated as non-responsive after review of the additional or different information, the bid will be deemed non-responsive and will not be given any further consideration. The bid will also be evaluated as non-responsive if the additional or different information submitted renders non-responsive any other mandatory requirements, including point rated criteria having a minimum pass standard.
- (b) Bids that have demonstrated responsiveness at the conclusion of the final review of all mandatory requirements, including minimum assessment values or point rated criteria having a minimum pass standard, will continue to be evaluated at Step 2. For point rated criteria having a minimum pass standard, if the additional or different information provided by a Bidder renders the criteria responsive, those criteria will be deemed responsive; however, **the original score received will not be changed and shall remain the final score for the bid.**

1.4 Financial Bid Evaluation: Step 2

Canada will conduct a full review and evaluation of the Financial Bids for those Bidders whose bids have demonstrated responsiveness at the conclusion of the final review of all mandatory requirements, including minimum assessment values and point rated criteria having a minimum pass standard.

2. Basis of Selection

2.1 Conclusion of Step 1 and Step 2

To be declared responsive at the conclusion of Step 1 and Step 2 a bid must:

- a) comply with all the requirements of the bid solicitation;
- b) meet all mandatory criteria;
- c) achieve the minimum assessment values and minimum pass standard for point rated criteria having a minimum pass standard;
- d) meet all Industrial Technological Benefits requirements; and
- e) meet all Value Proposition requirements.

Bids not meeting all of the foregoing requirements will be declared non-responsive, and receive no further consideration.

2.2 Combined Rating for Best Value

- a) Best Value is defined as the optimal combination of price, technical merit, quality, and the balance of overall benefits to **Canada** as set out in the bid solicitation evaluation criteria.

For each responsive bid, the best value calculation will be determined as follows:

$$\frac{\text{Lowest Compliant Bid Price}}{\text{Bidder's Total Evaluated Bid Price}} \times 52 + \frac{\text{Technical Point Rated Score}}{\text{Maximum Score Available for Bid}} \times 38 + \frac{\text{Value Proposition Point Rated Score}}{\text{Maximum Score Available for Bid}} \times 10$$

= Total Weighted Score

- b) When a calculation includes a decimal answer, calculations will be rounded to the nearest hundredth value.

Example:

(i) 7.254 to the nearest hundredth = 7.25

(ii) 7.255 to the nearest hundredth = 7.26

- c) Following the completion of the evaluations in Step 1 and Step 2, the compliant Bidder with the highest overall Total Weighted Score (Best Value) for both the NRWS Acquisition and the NRWS Repair and Overhaul will be recommended for the award of both contracts.
- d) Refer to Volume 1 Annex A Appendix 1 for the price evaluation procedure that will be used to determine Total Evaluated Bid Price for each Bidder.

2.3 Evaluation Examples

Two (2) bids were received in response to a competitive solicitation. The following bids were evaluated:

Bidder A

Bidder A was deemed non responsive since they did not meet the point rated minimum pass standard for Project Management, achieving only 23 points out of a possible 61 points for this area. Bidder A submitted missing information under the 2 step process (Preliminary Evaluation Report) which satisfied the bid evaluation team, resulting in a responsive bid. While the missing documents proved compliance with the requirement, the Bidder retains the original bid price and non responsive point rated score, therefore the overall total evaluated score was 590 points out of a possible 1000 points. Bidder A achieved a total Value proposition score of 70 out of a possible 100 points. Bidder A's total bid price is \$600,000.00 and is the lowest of the two (2) responsive bids received.

$$\frac{\$600,000.00}{\$600,000.00} \times 52 + \frac{590}{1000} \times 38 + \frac{70}{100} \times 10 = 81.42$$

Bidder B

Bidder B submitted a responsive bid and achieved a total technical score of 85 points out of a possible 100 points. Bidder B achieved a total Value proposition score of 75 out of a possible 100 points. Bidder B's total bid price is \$800,000.00

$$\frac{\$600,000.00}{\$800,000.00} \times 52 + \frac{850}{1000} \times 38 + \frac{75}{100} \times 10 = 78.8$$

Therefore, Bidder A's bid represents best value for Canada and will be recommended for the award of both the Acquisition contract, and Repair and Overhaul Contract

Annex A Appendix 1 – Financial Calculation

All tables to be filled out by Canada

Bidder: _____

Volume 2 NRWS Acquisition Resulting Contract - Schedule A NRWS Acquisition Pricing

1. Evaluation is in Canadian Currency in accordance with Volume 1.
2. NRWS Acquisition Requirements
 - a) Total NRWS Acquisition Requirements Subtotal for Items N°1 through 8: \$ _____
3. NRWS Optional Acquisition Requirements
 - a) Total NRWS Optional Acquisition Requirements Subtotal for Items N°1 through 4 (items N°5 is not part of the evaluation): \$ _____
4. Firm Lot Prices for Halifax Class NRWS Installation Costs
 - a) Cost will be calculated using Volume 2 Annex B Table 2, Implementation Schedule for all Halifax NRWS Installations:

Installations	Amount
Amount for 2018 Installations (three NRWS Systems)	\$
Amount for 2019 Installations (three NRWS Systems)	\$
Amount for 2020 Installations (two NRWS Systems)	\$
Amount for 2021 Installations (two NRWS Systems)	\$
Amount for 2022 Installations (two NRWS Systems)	\$

Total Cost for Halifax Class NRWS Installation (years 2018 to 2022): \$ _____

5. Firm NRWS Rates for Work Arisings
 - a) Cost will be calculated using an estimated level of effort for each year of each labour category :

Rates for Work Arisings	Amount
Amount for a Senior Engineer using the proposed rate for each year (2017 to 2024) x 100 hours each	\$
Amount for a Junior Engineer using the proposed rate for each year (2017 to 2024) x 100 hours each	\$
Amount for a Senior Technician using the proposed rate for each year (2017 to 2024) x 75 hours each	\$
Amount for a Junior Technician using the proposed rate for each year (2017 to 2024) x 75 hours each	\$

Total Cost for Work Arisings: \$ _____

6. Firm Lot Prices for Daily NRWS System Storage Fees
 - a) Cost will be calculated using a Storage estimate of 30 days for 1 NRWS System for each year :

Storage Fees	Amount
Amount for 1 NRWS System for Years 2017 to 2022 (30 days per year)	\$

Total NRWS Storage Cost: \$ _____

Volume 3 NRWS Repair and Overhaul Resulting Contract - Schedule A NRWS Repair and Overhaul Pricing

1. Evaluation is in Canadian Currency in accordance with Volume 1.
2. Definitions (Not Applicable to Price Calculation)
3. Project Management
 - a) Cost will be calculated using an annual calculation:

Project Management	Amount
Project management for Year 1 (monthly Fixed Fee x 12 months)	\$
Project management for Year 2 (monthly Fixed Fee x 12 months)	\$
Project management for Year 3 (monthly Fixed Fee x 12 months)	\$
Project management for Optional Year 1 (monthly Fixed Fee x 12 months)	\$
Project management for Optional Year 2 (monthly Fixed Fee x 12 months)	\$

Total Project Management Cost for 5 years: \$ _____

4. Labour Rates

- b) Cost will be calculated using a workload for each year of each labour category :

Rates for Work Arisings	Amount
Amount for a Senior Specialist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$
Amount for a Senior Engineer using the proposed rate for each year (2017 to 2024) x 200 hours each	\$
Amount for a Junior Engineer using the proposed rate for each year (2017 to 2024) x 200 hours each	\$
Amount for a Senior Technologist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$
Amount for a Junior Technologist using the proposed rate for each year (2017 to 2024) x 300 hours each	\$

Total Labour Cost : \$ _____

5. Allowable Mark-ups

- a) Cost will be calculated using an estimated NRWS annual Repair volume. Estimated material value per year for calculation purposes is \$150,000.00 CAD :

Subcontractor Services Mark-up

	Year 1	Year 2	Year 3	Optional Year 1	Optional Year 2
Subcontractor Services Mark-up Rate (%)	%	%	%	%	%
Subcontractor Services Cost	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Rate x Cost for each corresponding year (Subcontractor Services total)					

Material Mark-up

	Year 1	Year 2	Year 3	Optional Year 1	Optional Year 2
Material Mark-up Rate (%)	%	%	%	%	%
Material Cost	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Rate x Material Cost for each corresponding year (Material total)					

b) Total Cost of estimated Repair volume (Years 1 through 5): \$ _____

Total Evaluated Price

Volume 2 NRWS Acquisition Resulting Contract - Schedule A NRWS Acquisition Pricing	
Annex A Appendix 1 Article 2 (a) - Total for NRWS Acquisition Requirements	\$
Annex A Appendix 1 Article 3 (a) - Total for NRWS Optional Acquisition Requirements	\$
Annex A Appendix 1 Article 4 (a) - Total Cost for Halifax Class NRWS Installation	\$
Annex A Appendix 1 Article 5 (a) - Total Cost for Work Arisings	\$
Annex A Appendix 1 Article 6 (a) - Total NRWS System Storage Cost	\$
Volume 3 NRWS Repair and Overhaul Resulting Contract - Schedule A NRWS Repair and Overhaul Pricing	
Annex A Appendix 1 Article 3 (a) - Total Project Management Cost for 5 years	\$
Annex A Appendix 1 Article 4 (a) - Total Labour Cost	\$
Annex A Appendix 1 Article 5 (b) - Total Cost of estimated repair volume (Years 1 through 5)	\$

Total Evaluated Bid Price: \$ _____

Solicitation No. - N° de l'invitation
W8472-125389/C
Client Ref. No. - N° de réf. du client
W8472-125389

Amd. No. - N° de la modif.
File No. - N° du dossier
101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

NAVAL REMOTE WEAPON STATION (NRWS)

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, **Article 3** 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, **Article 3** 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, **Article 3** 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, **Article 3** 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, **Article 3** 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 **Annex B** 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 **Annex B**, 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 **Requisition** 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 **an Annex D**, DND626 amendment form.
- 8) The Contractor shall not commence **Work** until an authorized Task Authorization (**or Annex D** 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 Annex D**, 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 issued by Public Works and Government Services Canada.

<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>

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, **apply to and form part of the Contract;**
- 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, **apply to and form part of the Contract.**

5. Security Requirements

- 5.1 **The following security requirements 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 Statement of Work, Table 2 NRWS Implementation Schedule. The NRWS System installations and Training Facilities NRWS installations shall be completed within three (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 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, 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 **three (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 **three (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 **W**ork 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: _____

Solicitation No. - N° de l'invitation
W8472-125389/C
Client Ref. No. - N° de réf. du client
W8472-125389

Amd. No. - N° de la modif.
File No. - N° du dossier
101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

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 through 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 through N°8, 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 B NRWS Payment 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, Claim for Progress Payment (Annex E), 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 Schedule B, NRWS Payment 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 (Annex E), 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, Claim for Progress Payment (Annex E), have been signed by the respective authorized representatives; and
 - 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, 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, **Claim for Progress Payment (Annex E)**;
 - 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; **and**
 - 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, Claim for Progress Payment (Annex E)**, 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 **W**ork 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 QC 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.

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; and
- 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 **forty-eight (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 **Annex B**, 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 90003:2014 "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 OK2
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) **if applicable,** 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 Computer 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>Additional Spares and Special Tools and Test Equipment</u> The provision of additional 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**, and its appendices.

Within the **three (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 <i>(Applies to Schedule A, Article 2 Item N°1, N°6, and should the options be exercised, Schedule A Article 3 Item N°1)</i>				
	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
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 System 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>					
		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
1 NRWS System							

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

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, and delivery of Computer Based Trainers	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

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

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

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

Solicitation No. - N° de l'invitation
W8472-125389/C
Client Ref. No. - N° de réf. du client
W8472-125389

Amd. No. - N° de la modif.
File No. - N° du dossier
101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

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NAVAL REMOTE WEAPON STATION (NRWS)

REQUEST FOR PROPOSAL (RFP)

SOLICITATION: W8472-125389/C

Volume 3

NRWS REPAIR AND OVERHAUL RESULTING CONTRACT

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Annex E	Industrial and Technological Benefits (ITB) Terms and Conditions

ARTICLES OF AGREEMENT

1. Requirement

The Contractor shall perform the Work in accordance with Annex C - **Repair and Overhaul Technical Statement of Work**.

This requirement is broken down into the following categories of **Work**:

1.1 Category 1

1.1.1 Free Flow Repair

This activity covers maintenance of an item in order to return it to a serviceable condition involving only the correction of specific defects.

Free flow is requested on a "when required" basis. A contract amendment will be issued to implement the Free Flow once the **Selection Notice and Priority Summary (SNAPS)** list is created.

1.1.2 Disposal

This activity covers all disposal related aspects of removing existing systems from service as well as the physical disposal of assets, when authorized by the Procurement Authority, utilizing a DND 626 Task Authorization Form (Annex D). It includes disposal options analysis, the preparation of disposal plans, identification of surplus equipment and disposal of equipment/systems and fleet, ensuring that safety and environmental requirements are addressed. It also includes the contract management activities, if any, of the disposal activity contracted.

1.2 Category 2

Category 2 consists of Engineering Tasks such as a Mobile Repair Party (MRP), Field Service Representative (FSR), Technical Investigation and Engineering Studies (TIES) and Special Investigation and Technical Studies (SITS).

1.2.1 Mobile Repair Parties

When authorized by the Requisition Authority, utilizing a DND 626, the **Contractor's MRP** shall comply with the procedures set forth in the latest issue of the *Canadian Forces Technical Order (CFTO)* C-02-005-011/AM-000, Mobile Repair Parties Manned by Contractor Personnel.

Tasks associated with MRP may include, but not limited to:

- a) Provide on-site assistance/expertise when problems encountered are beyond the capability of in-house expertise at the Fleet Maintenance Facility;
- b) Provide on-site assistance when problems encountered are beyond the capabilities of ship staff;
- c) Provide on-site assistance during Installation and Check-Out of systems; and
- d) Assist ship personnel during Harbour Acceptance Test.

1.2.2 Field Service Representative

When authorized by the Requisition Authority, utilizing a DND 626, FSR will support either onboard a ship or at DND facilities on an "as and when requested basis."

Tasks associated with FSR may include, but not limited to:

- a) Unsatisfactory Condition Report (UCR) investigations;
- b) Pre-Installation Failures;
- c) Measure system performance;
- d) Provide detailed findings as a result or investigation of work;
- e) Make recommendations on maintenance practice and procedures; and
- f) Provide technical and engineering assistance to FMF;

1.2.3 Technical Investigation and Engineering Support

When authorized by the Requisition Authority, utilising a DND 626, the Contractor shall undertake TIES and shall provide relevant data to these investigations.

This activity includes the provision of system and equipment maintenance support and management services. It includes the requirement analysis and planning to ensure current reliability and availability specifications can be met, the scheduling of maintenance, the identification of spares and support, as well as the development of policies and maintenance procedures and training. It also includes the contract management activities; the validation/acceptance of deliverables when the maintenance activity is contracted as well as prototyping and integration.

1.2.4 Special Investigation and Technical Studies

When authorized by the Requisition Authority, utilising a DND 626, the Contractor shall undertake SITS studies and shall provide relevant data to these investigations.

The scope of Work normally covered under special investigation and technical studies is to cater to equipment not meeting specification standards or due to repetitive failures.

This excludes studies and/or investigations, which have or will have fleet fitment application.

1.3 Category 3

This activity covers In-Service Support Sparing. When authorized by the Procurement Authority, utilizing a DND 626, the contractor shall establish a spare parts provision to support the NRWS equipment R&O throughout its service life. The contractor held inventory will be charged as and when issued.

1.4 Category 4

This activity covers Project Management activities which includes, but not limited to, scope management, quality management, cost management, configuration management, risk management and updates to NRWS technical documentation.

2. Task Authorization Process

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**. 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 Category;
 - 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 and price support information detailed in Schedule A NRWS Repair and Overhaul Pricing, Article 4 Labour Rates, and Article 5, Allowable Mark-ups;
 - 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 **three (3) months**, the Contractor may be requested to submit a completion plan identifying milestones against which progress can be measured.
- 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 Requisition 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 \$40,000.00 or less. 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 \$40,000.00. 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 DND_626 amendment form.

8) The Contractor shall not commence Work until an authorized Task Authorization (or DND_626 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 DND_626 amendment form, as the case may be) has been received will be done at the Contractor's own risk.

2.1 Canada's Obligation - Portion of the Work - Task Authorizations

Canada's obligation with respect to the portion of the Work under the Contract that is performed through task authorizations is limited to the total amount of the actual tasks performed by the Contractor.

2.2 Periodic Usage Reports - Contracts with Task Authorizations

The Contractor shall compile and maintain records on its provision of services to the federal government under authorized Task Authorizations issued under the Contract.

The data shall be submitted to the Contracting Authority in accordance with the reporting requirements of Annex C - Repair and Overhaul Technical Statement of Work. If services are not provided during a given period, the Contractor shall still provide a "nil" report.

The data shall be submitted to the Contracting Authority no later than ten (10) calendar days after the end of the reporting period.

Reporting Requirement- Details

For each authorized task, the report shall contain:

- a) the authorized task number or task revision number(s);
- b) a title or a brief description of each authorized task;
- c) the total estimated cost specified in the authorized Task Authorization (TA) of each task, exclusive of Applicable Taxes;
- d) the total amount, exclusive of Applicable Taxes, expended to date against each authorized task;
- e) the start and completion date for each authorized task; and
- f) the active status of each authorized task, as applicable.

- g) the amount (exclusive of Applicable Taxes) specified in the contract (as last amended, as applicable) as Canada's total liability to the contractor for all authorized TAs; and
- h) the total amount, exclusive of Applicable Taxes, expended to date against all authorized TAs.

3. 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.

3.1 General Conditions

- a) 1031-2 (2012-07-16), Contract Cost Principals, apply to and form part of the Contract; and
- b) 2035 (2015-07-03), General Conditions - Higher Complexity - Services, apply to and form part of the Contract.

3.2 Supplemental General Conditions

- a) 4004 (2013-04-25), Maintenance and Support Services for Licensed Software, apply to and form part of the Contract; and
- b) 4012 (2012-07-16), Goods - Higher Complexity, apply to and form part of the Contract.

4. Security Requirements

- 4.1 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).

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

4.3 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)*

4.4 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.

5. Term of Contract

5.1 Period of the Contract

The period of the contract begins on the date of contract award and will end three (3) years after acceptance of the First Article Harbour Acceptance Trial Results. The 3 year period beginning upon acceptance of the First Article Harbour Acceptance Trial Results is the start of the Initial Period.

5.2 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two (2) additional one (1) year periods under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in Schedule A, **Repair & Overhaul** Pricing.

Canada may exercise this option at any time by sending a written notice to the Contractor at any time before the Contract expiry date. The option may only be exercised by the Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

6. Authorities

6.1 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.

6.2 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.

6.3 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.

6.4 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.

6.5 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.

6.6 Contractor's Representative

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-mail: _____

7. **Basis of Payment**

7.1 Category 1, 2 and 3 Basis of Payment, Limitation of Expenditure – Cumulative Total of all Task Authorizations (TA)

1. Canada's total liability to the Contractor under the Contract for all authorized 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.

7.2 Category 4 Basis of Payment – Firm Price for Project Management Monthly Fee

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid a firm price of \$ _____ (to be inserted at contract award), applicable taxes are extra.

7.3 Cash Flow – Estimates and Reporting

DND's intent is to procure goods and services as per the following cash flow during the **Initial Period of the Contract** (values to be inserted at contract award).

Initial Period				Optional Periods		Total
Fiscal Year (FY)	Year 1	Year 2	Year 3	Optional Year 1	Optional Year 2	
TOTAL						
GST/HST						
GRAND TOTAL						

The Contractor shall:

- a) advise on the adequacy of the remaining funding, four **(4) calendar** months prior to the estimated date of completion of the Contract; or
- b) if at any time the Contractor considers that the contracted cash flow may be exceeded, the Contracting Authority shall be promptly notified.

7.4 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 the Basis of Payment, including time charged.
 - b) The accuracy of the Contractor's time recording system.
 - c) The estimated amount of profit in any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier, for which the Contractor has provided the appropriate certification. The purpose of the audit is to determine whether the actual profit earned on a single contract if only one exists, or the aggregate of actual profit earned by the Contractor on a series of negotiated contracts containing one or more of the prices, time rates or multipliers mentioned above, during a particular period selected, is reasonable and justifiable based on the estimated amount of profit included in earlier price or rate certification(s).
 - d) Any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier 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.
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.

8. Invoicing Instructions

8.1 Monthly Payment

Canada will pay the Contractor on a monthly basis for work performed during the month covered by the PWGSC-TPSGC 1111 claim for progress payment (Annex B) in accordance with the payment provisions of the Contract if:

- a) an accurate and complete progress payment claim 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; **and**
- c) the Work performed has been accepted by Canada.

8.2 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**, 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; **and**
 - 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.

8.3 Progress Payment Claim

1. The Contractor shall submit a claim for payment using form **PWGSC-TPSGC 1111**.

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) task authorization number;

-
- d) engineering or technical support classification;
 - e) approved travel expenses and supporting documentation; and
 - f) details of items repaired including:
 - i. NSN
 - ii. description of item
 - iii. labour hours
 - iv. material costs
 - v. other applicable costs
 - vi. work order numbers
 - vii. stock holding code change notification document number
 - g) DND financial codes for all categories of Work;
 - i. All claims for Category 1 Work shall reflect this code: N 001574.04.017F 0113, FC 2183KD, GL 4201.

Each claim shall be supported by:

- a) a copy of time sheets to support the time claimed (if applicable);
 - b) a copy of the invoices, receipts, vouchers for all direct expenses, travel and living expenses (if applicable);
 - c) a copy of the monthly progress report (if applicable).
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.

9. Shipping

9.1 Shipping Instructions (Department of National Defence)

- 1. Delivery will be FCA Free Carrier at Contractor's facility, Incoterms 2010. The Contractor shall load the goods onto the carrier designated by the Department of National Defence (DND). Onward shipment from the delivery point to the consignee will be Canada's responsibility.
- 2. Before shipping the goods, the Contractor shall contact the following DND Inbound Logistics Coordination Center by facsimile or e-mail, to arrange for shipment, and provide the information detailed at paragraph 3.

Solicitation No. - N° de l'invitation
W8472-125389/C
Client Ref. No. - N° de réf. du client
W8472-125389

Amd. No. - N° de la modif.
File No. - N° du dossier
101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

For all Bidders located between Kingston inclusive and westward to the Ontario/Manitoba border:

Inbound Logistics Central Area (ILCA)
Telephone: 1-866-371-5420 (toll free)
Facsimile: 1-866-419-1627 (toll free)
E-mail: ILCA@forces.gc.ca

For all Bidders located in Manitoba, Saskatchewan, Alberta, British Columbia, and the National Capital Region inclusive to east of Kingston:

Inbound Logistics Coordination Center (ILCC)
Telephone: 1-877-877-7423 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

For all Bidders located in Quebec:

Inbound Logistics Quebec Area (ILQA)
Telephone: 1-866-935-8673 (toll free), or
1-514-252-2777, ext. 4673, 2852
Facsimile: 1-866-939-8673 (toll free), or
1-514-252-2911
E-mail: 25DAFCTrafficQM@forces.gc.ca

For Bidders located in Atlantic (New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador):

Inbound Logistics Atlantic Area (ILAA)
Telephone: 1-902-427-1438
Facsimile: 1-902-427-6237
E-mail: BlogILAA@forces.gc.ca

For Bidders located in the United States (U.S.):

Inbound Logistics Coordination Center (ILCC):
Telephone: 1-877-447-7701 (toll free)
Facsimile: 1-877-877-7409 (toll free)
E-mail: ILHQOttawa@forces.gc.ca

For Bidders located in United Kingdom (UK) and Ireland:

Inbound Logistics United Kingdom (ILUK):
Telephone: 011-44-1895-613023, or 011-44-1895-613024, or
Facsimile: 011-44-1895-613047
E-mail: CFSUEDetUKMovements@forces.gc.ca

In addition, the Contractor shall send to ILUK the completed form "Shipping Advice and Export Certificate" by e-mail to: CFSUEDetUKMovements@forces.gc.ca.

The shipment of any items above the value of 600 GBP (pound sterling) being exported from the United Kingdom and Ireland will be cleared by DND using Her Majesty's Customs & Excise (HMCE) New Export Systems (NES). The Contractor shall comply with HMCE requirements by registering with HMCE or by having a freight forwarder complete the entry. A printed copy

of the NES entry Export Declaration clearly displaying the Declaration Unique Consignment Reference Number shall be provided by the Contractor and attached to the consignment. The Contractor shall ensure that this procedure is carried out for all stores whether they be initial purchase or repair and overhaul export items. HMCE will authorize Canadian Forces Support Unit (Europe) to ship the goods only if the procedure has been adhered to completely and properly by the Contractor.

For Bidders located in a country other than Canada, the U.S., the UK and Ireland:

Inbound Logistics Europe Area (ILEA):
Telephone: +49-(0)-2451-717199 or 717200
Facsimile: +49-(0)-2451-717189
Email: ILEA@forces.gc.ca

3. The Contractor shall provide the following information to the DND Inbound Logistics contact when arranging for shipment:
 - a) the Contract number;
 - b) consignee address (if multiple addresses, items shall be packaged and labeled separately with each consignee address);
 - c) description of each item;
 - d) the number of pieces and type of packaging (e.g. carton, crate, drum, skid);
 - e) actual weight and dimensions of each piece type, including gross weight;
 - f) full details of dangerous material, as required for the applicable mode of transportation, signed certificates for dangerous material as required for shipment by the International Maritime Dangerous Goods Code, or International Air Transport Association regulations or the applicable Canadian *Dangerous Goods Shipping Regulations* and a copy of the material safety data sheet.

Additional for all Foreign non-Canadian Bidders (g) (h) and (i):

 - g) copy of the commercial invoice (in accordance with clause C2608C, section 4, of the *Standard Acquisition Clauses and Conditions Manual*) or a copy of the Canada Border Services Agency form CI1 Canada Customs Invoice (PDF 429KB) - (Help on File Formats);
 - h) Schedule B codes (for exports) and the Harmonized Tariff Schedule codes (for imports);
 - i) North American Free Trade Agreement Certificate of Origin (in accordance with clause C2608C, section 2) for the U.S. and Mexico only;
4. Following receipt of this information by Canada, Canada will provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, the marking of each piece with a Transportation Control Number and customs documentation.
5. The Contractor shall not ship goods before receiving shipping instructions from the DND Inbound Logistics contact.
6. If the Contractor delivers the goods at a place and time that are not in accordance with the given delivery instructions or fail to fulfill reasonable delivery instructions given by Canada, the Contractor shall reimburse Canada any additional expenses and costs incurred.

7. If Canada is responsible for delays in delivering the goods, ownership and risk will be transferred to Canada upon expiry of either thirty (30) days following the date on which a duly completed shipping application is received by Canada or by its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.

9.2 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.
3. The Contractor shall not employ commercial customs brokers to custom clear the goods provided under the Contract, unless authorized by the Canadian Material Support Group / Customs, at National Defence Headquarters, telephone: 1-855-210-5149, facsimile: 1-800-306-1811 or 613-971-7333.

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 2000), 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.

9.3 Customs Duties - Department of National Defence – Importer

1. As the goods to be supplied under the Contract are defence supplies, customs duties on importation to Canada may be remitted under the Tariff Item Number 9982.00.00 of the Schedule to the *Customs Tariff*.
2. Remission of customs duties payable may be granted under the Tariff Item Number 9982.00.00 when the total contract value of the defence supplies is C\$250,000 or more. This reflects the import value of the goods plus the duty that would be applicable in the absence of the *Customs Tariff*.
3. The Department of National Defence (DND) will be responsible for prearranging remission on importation or for paying customs duties on importation and applying to Canada Border Services Agency for a refund. DND is also responsible for applying to Public Works and Government Services Canada in good time for the certification required by the *Customs Tariff*.

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

The Contractor shall prepare all deliveries 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.

9.5 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.

9.6 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)

9.7 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.

9.8 Incomplete Assemblies

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

9.9 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.

9.10 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.

9.11 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.

9.12 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.

9.12.1 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.

9.13 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 **Annex C Repair and Overhaul Technical** 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.

10. Quality Assurance

10.1 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".

10.2 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

Solicitation No. - N° de l'invitation
W8472-125389/C
Client Ref. No. - N° de réf. du client
W8472-125389

Amd. No. - N° de la modif.
File No. - N° du dossier
101qfW8472-125389

Buyer ID - Id de l'acheteur
101qf
CCC No./N° CCC - FMS No./N° VME

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 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.

10.3 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.

10.4 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.

11. 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.

11.1 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.

12. Certifications

12.1 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.

12.2 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.

13. **Applicable Laws**

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

14. **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 Schedule A;
- (b) the supplemental general conditions 4004 (2013-04-25) Maintenance and Support Services for Licensed Software;
- (c) the supplemental general conditions 4012 (2012-07-16) Goods – Higher Complexity;
- (d) the general conditions 1031-2 (2012-07-16) contract Cost Principals;
- (e) the general conditions 2035 (2015-07-03) General Conditions – Higher Complexity - Services;
- (f) Annex A, Security Requirement Checklist;
- (g) Annex B, PWGSC-TPSGC 1111, Claim for Progress Payment;
- (h) Annex C, Repair and Overhaul Technical Statement of Work – Naval Remote Weapon Station, and its' appendix;
- (i) Annex D, DND 626, Task Authorization Form;
- (j) Annex E, Industrial and Technological Benefits (ITB) Terms and Conditions;
- (k) the signed Task Authorizations (including all of its annexes, if any);
- (l) the Contractor's bid dated (*to be inserted at contract award*).

15. **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.

16. **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.

17. 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.

18. 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.

19. Insurance

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

20. 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.

20.1 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.

21. 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 Repair and Overhaul 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 Repair and Overhaul Pricing, are provided in the following currency:

2. Definitions

- a. Hourly Rate means a firm hourly rate to be charged for each hour worked and prorated for any period less than an hour.
- b. Laid-Down Cost is the cost incurred by a supplier to acquire a specific product or service for resale to the government. This includes the supplier's invoice price (less trade discounts), plus any applicable charges for incoming transportation, foreign exchange, customs duty and brokerage, but excludes the GST/HST.
- c. Markup includes applicable internal handling charges and general and administrative expenses plus profit.
- d. Firm (Fixed) Price is a method of pricing in which the total amount payable is a fixed lump sum or is an amount determinable in accordance with fixed unit prices. In such cases, both parties agree prior to the award of the contract as to the payable there under.
- e. Project Management: In addition to the activities detailed in the Annex C Repair and Overhaul Technical Statement of Work – Naval Remote Weapon Station System para 3.5 Project Manager will perform generic support activities related to program issues and repair activity such as hosting team meetings, managing daily activities, providing guidance to R&O team, managing communication with customer, preparing program reviews, reporting or analyzing technical data, providing support to contractual and financial teams, resolution of technical issues, monitor system data and overall trends, supervision of touch labour activities and prioritizing flow through and managing and assigning resources as required.

3. Project Management

The performance of the Project Management work under the terms of the contract will be paid on a firm fixed monthly fee.

Item	Initial Period			Optional Years	
	Firm Fixed Monthly Fee Year 1	Firm Fixed Monthly Fee Year 2	Firm Fixed Monthly Fee Year 3	Firm Fixed Monthly Fee Optional Year 1	Firm Fixed Monthly Fee Optional Year 2
Program Management					

4. Labour Rates

For performance of all categories of Work, under the terms of the Contract, the Contractor will be paid for the actual hours worked using the following firm labour rates. Rates are inclusive of profit:

Labour Category	Initial Period			Optional Years	
	Hourly Rate Year 1	Hourly Rate Year 2	Hourly Rate Year 3	Hourly Rate Optional Year 1	Hourly Rate Optional Year 2
Senior Specialist					
Senior Engineer					
Junior Engineer					
Senior Technologist					
Junior Technologist					

5. Allowable Mark-ups

5.1 Material

5.1.1 In-Service Support Spares

- a) The purchase of In-Service Support Spares, when request by Canada, shall be negotiated with the Contractor.

The Contractor certifies that the In-Service Support Spares prices proposed:

- i) are not in excess of the lowest price charged anyone else, including the Bidder's most favoured customer, for the like quality and quantity of the goods, services or both;
 - ii) does not include an element of profit on the sale in excess of that normally obtained by the Bidder on the sale of goods, services or both of like quality and quantity; and
 - iii) does not include any provision for discounts to selling agents.
- b) The Contractor will provide at least one of the following supporting criteria for the purchase of In-Service Support Spares:
- i) latest company official published price lists or catalogues; and / or
 - ii) prices paid by others, such as other governments, Crown corporations, hospitals, universities and large private sector corporations or companies.

5.1.2 All other materials require in the conduct of work

The Contractor shall be paid a Material Mark-up applied on actual laid down cost. Rates are inclusive of profit:

	Initial Period			Optional Years	
	Year 1 Percentage	Year 2 Percentage	Year 3 Percentage	Optional Year 1 Percentage	Optional Year 2 Percentage
Material Mark-up	%	%	%	%	%

5.2 Subcontractor Services

The Contractor shall be paid a Subcontractor Mark-up applied on actual laid down cost for all work using a subcontractor. Rates are inclusive of profit:

	Initial Period			Optional Years	
	Year 1 Percentage	Year 2 Percentage	Year 3 Percentage	Optional Year 1 Percentage	Optional Year 5 Percentage
Subcontractor Mark-up	%	%	%	%	%

6. Travel and Living Expenses - National Joint Council Travel Directive

For any contractor travel required for work related to Categories 1, 2 and 3 :

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

All travel shall have the prior authorization of the Project Authority.

All payments are subject to government audit.