Public Works and Government Services Canada
Travaux publics et Services gouvernementaux Canada

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Contents

..... 1

PART 1 - GENERAL INFORMATION 5

1. DRAFT RFP OBJECTIVE 5

2. INTRODUCTION 5

3. SECURITY REQUIREMENTS 5

4. NATIONAL SECURITY EXCEPTION 5

5. NON-DISCLOSURE REQUIREMENT 6

6. REQUIREMENT 6

7. DEBRIEFINGS 6

PART 2 - BIDDER INSTRUCTIONS 7

1. STANDARD INSTRUCTIONS, CLAUSES AND CONDITIONS 7

2. SUBMISSION OF BIDS 7

3. BIDDERS' CONFERENCE 7

4. OPTIONAL SITE VISIT 8

5. BASIS FOR CANADA'S OWNERSHIP OF INTELLECTUAL PROPERTY 8

6. IMPROVEMENT OF REQUIREMENT DURING SOLICITATION PERIOD 8

7. FORMER PUBLIC SERVANT 8

8. ENQUIRIES - BID SOLICITATION 10

9. APPLICABLE LAWS 10

PART 3 - BID PREPARATION INSTRUCTIONS 11

1. BID PREPARATION INSTRUCTIONS 11

2. SECTION I: TECHNICAL BID 11

3. TECHNICAL COMPLIANCE MATRIX: 12

4. SECTION II: FINANCIAL BID 12

5. SACC MANUAL CLAUSES 13

DRAFT

6. SECTION III: CERTIFICATIONS 13
7. SECTION IV: ADDITIONAL INFORMATION 13
PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION 14
1. GENERAL 14
2. PHASE I: FINANCIAL BID 15
3. PHASE II: TECHNICAL BID 16
4. PHASE III: FINAL EVALUATION OF THE BID 17
5. OTHER EVALUATION 17
6. TECHNICAL BID EVALUATION 18
7. MANDATORY TECHNICAL REQUIREMENTS 18
8. RATED REQUIREMENTS 18
9. TWO-STEP TECHNICAL BID EVALUATION 18
9.1 STEP 1 OF THE TECHNICAL BID EVALUATION 18
9.2 STEP 2 OF THE TECHNICAL BID EVALUATION – UAS DEMONSTRATION 19
8. FINANCIAL BID EVALUATION 20
9. MANDATORY AND RATED CRITERIA EVALUATION 20
10. BASIS OF SELECTION 21
PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION 23
1. MANDATORY CERTIFICATIONS REQUIRED WITH THE BID 23
2. CERTIFICATIONS PRECEDENT TO CONTRACT AWARD AND ADDITIONAL INFORMATION 23
PART 6 – SECUIRITY, FINANCIAL AND OTHER REQUIREMENTS 25
1. SECURITY 25
2. FINANCIAL CAPABILITY 25
3. INSURANCE - PROOF OF AVAILABILITY PRIOR TO CONTRACT AWARD 25
PART 7 - RESULTING CONTRACT CLAUSES 26
1. SECURITY REQUIREMENTS 26
1.3. NON-DISCLOSURE REQUIREMENT 26
2. STATEMENT OF WORK 26
2.4 MINIMUM WORK GUARANTEE - ALL THE WORK - TASK AUTHORIZATIONS 27
3. STANDARD CLAUSES AND CONDITIONS 27
4. SUPPLEMENTAL GENERAL CONDITIONS 27
4.2 CONTRACT COST PRINCIPLES – 1031-2 (2008-05-12) 27
5. TERM OF CONTRACT 31
5.1 PERIOD OF THE CONTRACT 31
5.2 DELIVERY DATE 31
5.3 OPTION TO EXTEND THE CONTRACT 31

DRAFT

5.4 OPTION TO PURCHASE OPTIONAL ASSIGNMENTS 31
5.5 OPTION TO PURCHASE OPTIONAL FLYING HOURS 31
5.6 OPTION TO EXTEND THE PERIOD OF THE ASSIGNMENTS 32

6. AUTHORITIES 32

6.1 CONTRACTING AUTHORITY 32
6.2 TECHNICAL AUTHORITY 32
6.3 PROCUREMENT AUTHORITY 33
6.4 CONTRACTOR'S REPRESENTATIVE 33

7. LIMITATION OF EXPENDITURE 33

8. ADDITIONAL WORK REQUIREMENTS (AWRS) 33

8.1 AWRS PRICING OPTIONS 34
8.2 TASK COMPLETION/CLOSURE PROCEDURES: 35
8.3 CONSOLIDATION OF TASK AUTHORIZATIONS FOR ADMINISTRATIVE PURPOSES 35
8.4 CANADA'S OBLIGATION – PORTION OF THE WORK – TASK AUTHORIZATIONS 35

9. PAYMENT 35

9.1 BASIS OF PAYMENT 35
9.2 ECONOMIC PRICE ADJUSTMENT 36
9.3 LIMITATION OF PRICE 36
9.4 MILESTONE PAYMENTS 36

9. INVOICING INSTRUCTIONS 36

10. DELIVERY, INSPECTION AND ACCEPTANCE 37

10.1 ADDRESSING 37
10.2 SHIPPING INSTRUCTIONS AND DELIVERY 37

11. RELEASE DOCUMENT – DISTRIBUTION 37

12. QUALITY CONTROL 38

13. CERTIFICATIONS AND ADDITIONAL INFORMATION 38

14. APPLICABLE LAWS 38

15 PRIORITY OF DOCUMENTS 38

16 DEFENCE CONTRACT 39

17. SACC MANUAL CLAUSES 39

18. ELECTRICAL EQUIPMENT 39

19. PERIODIC USAGE REPORTS 40

20. PROACTIVE DISCLOSURE OF CONTRACTS WITH FORMER PUBLIC SERVANTS 40

21. CONFIRMATION OF CONTRACT AWARD 40

22. CONTRACTUAL DISPUTES 41

PART 8 – INDUSTRIAL AND TECHNOLOGICAL BENFITS REQUIREMENTS 42

FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY - CERTIFICATION 43

DRAFT

List of Annexes

ANNEX A - SRCL

ANNEX B - Statement of Work (SOW)

Appendix B1 – Airworthiness Requirements

Appendix B2 – Contract Data Requirements List (CDRLs)

Appendix B3 – Data Identification Description (DIDs)

Appendix B4 – Contractor's Personnel Accompanying CAF on Missions

Appendix B5 – Government Furnished Resources

Appendix B6 –Acronyms, Abbreviations, and Definitions

Appendix B7 - Tentative Assignments Schedule

ANNEX C - System Performance Specification (SPS)

ANNEX D - Basis of Payment

Appendix D1 – UAS Performance Metric and Performance Log

ANNEX E - DND 626 – Task Authorization

ANNEX F - PWGSC Form 1111

ANNEX G - Bid Compliance Matrix

Appendix G1 to G5 – Technical Bid Evaluation Criteria

ANNEX H - Financial Bid Evaluation Methodology (Not Published with the Draft RFP)

DRAFT

PART 1 - GENERAL INFORMATION

1. Draft RFP Objective

This Draft Request for Proposal is published to further engage industry partners to seek feedback on the contractual and technical requirements of the RFP. The deadline to provide feedback is 9th March 2018. Bidders' questions will be answered during the Bidders' Conference, however, questions received during the draft RFP period may not be answered.

2. Introduction

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

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

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

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

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

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

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

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

Part 8 Industrial and Technical Benefits Requirements

3. Security Requirements

3.1 There are security requirements associated with this requirement. For additional information, consult Part 7 - Security, Financial and Other Requirements, and Part 7 - Resulting Contract Clauses. For more information on personnel and organization security screening or security clauses, Bidders should refer to the Contract Security Program of Public Works and Government Services Canada (http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html) website".

3.2 All bidders must conform to the security requirements by complying with the attached Annex A - Security Requirement Check List (SRCL).

4. National Security Exception

The national security exceptions provided for in the trade agreements have been invoked; therefore, this procurement is excluded from all of the obligations of all the trade agreements.

5. Non-Disclosure Requirement

The Contractor acknowledges and understands the Contract contains information that is sensitive and must be held in confidence without disclosure, except to those individuals who have a need to know solely for the purpose of performing the Contract. By accepting the Contract the Contractor certifies that it will not communicate in any way the existence of the Contract, any of its contents or any related information to anyone, internal or external to the Government of Canada, other than the designated Government of Canada Contraction, Technical or Procurement Authority representatives, its employees who need to know, or persons who have agreed in writing to be bound by the same restrictions of use and disclosure as stated in the Contract and who are also in possession of any required CISD security clearance or any required Controlled Goods Program registration. The Contractor further certifies that it has put in place and will maintain all necessary and appropriate measures, including those set out in any written or oral instructions issued by Canada, to protect such information. A breach of this non-disclosure requirement is a default under the General Conditions. Such breach may also be subject to action pursuant to Canada's Vendor Performance Corrective Measures Policy, the Code of Conduct for Procurement, or other applicable policies.

6. Requirement

6.1 This bid solicitation is being issued to satisfy the requirement of the Department of National Defence of Canada for the Canadian Armed Forces (CAF) Unmanned Aircraft System (UAS) project. The intent is to award a contract to one successful prime bidder that may or may not form alliances with sub-contractor/s to deliver the contact.

6.2 The CAF UAS Services contract will be awarded for a firm period of three years plus two (2) one-year Option Periods. The contract will be for the provision of Intelligence, Surveillance, Target Acquisition, and Reconnaissance (ISTAR) services through the UAS. These services will be obtained through six firm Assignments of nine months each, which will be authorized over the firm period of contract. Optional Assignments and Optional UAS Flying Hours may be purchased by Canada beyond the firm assignments.

6.3 All requirements are detailed in Annex B – Statement of Work (SOW) and Annex C – System Performance Specifications (SPS) including in their associated appendices. The Contractor must grant to Canada the irrevocable option to extend the term of the Contract by up to two additional year periods of one-year each.

6.4 The Contractor must provide Program Management Services, Engineering and Technical Support Services, Materiel provision, Maintenance Services, Airworthiness Support, and Configuration Management Services and Training in accordance with Annex A and B.

7. Debriefings

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

PART 2 - BIDDER INSTRUCTIONS

1. Standard Instructions, Clauses and Conditions

1.1 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* (https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) issued by Public Works and Government Services Canada.

1.2 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.

1.3 The 2003 (*2017-04-27*) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

2. Submission of Bids

2.1 Bids must 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.

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

2.3 Bidders' Conference

3. Bidders' Conference

3.1 A bidders' conference will be held from 12th to 15th February 2018 at:

Stadacona CFB Halifax
2778 Gottingen Street
Halifax, NS B3K 3C8
Canada

3.2 The scope of the requirement outlined in the bid solicitation will be reviewed during the conference and questions will be answered. It is recommended that bidders who intend to submit a bid attend or send a representative. Complete information to this effect has already been published through the CAF UAS RFI through Amendment 002.

3.3 Personnel security screening is required prior to gaining authorized access to the DND site. The Bidder's Company Security Officer (CSO) must ensure that their representatives hold a valid security clearance at the required level for the bidders' conference. Failure to comply with the security requirements will result in the representatives being denied access to the bidders' conference.

3.4 Any clarifications or changes to the bid solicitation resulting from the bidders' conference may be included as an amendment to the bid solicitation. Bidders who do not attend will not be precluded from submitting a bid.

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4. Optional Site Visit

4.1 It is recommended that the Bidder or a representative of the Bidder visit the work site i.e. Arrangements have been made for the site visit to be held at the address noted in the preceding paragraph. The site visit will be held on the first day of the Bidders' Conference.

4.2 Bidders who do not attend or do not send a representative will not be given an alternative appointment but they will not be precluded from submitting a bid. Any clarifications or changes to the bid solicitation resulting from the site visit may be included as an amendment to the bid solicitation.

5. Basis for Canada's Ownership of Intellectual Property

5.1 The Department of National Defence has determined that any intellectual property rights arising from the performance of the Work under the resulting contract will belong to Canada, for the following reasons, as set out in the *Policy on Title to Intellectual Property Arising under Crown Procurement Contracts*:

a. National Security.
b. The Intellectual Property in Foreground Information consists of material subject to copyright, with the exception of computer software and all documentation pertaining to that software.

6. Improvement of Requirement during Solicitation Period

6.1 Should Bidders consider that the specifications or Statement 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 must 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 20 days before the bid closing date. Canada will have the right to accept or reject any or all suggestions.

7. Former Public Servant

Contracts awarded to former public servants (FPS) in receipt of a pension or of a lump sum payment must bear the closest public scrutiny, and reflect fairness in the spending of public funds. In order to comply with Treasury Board policies and directives on contracts awarded to FPSs, Bidders must provide the information required below before contract award. If the answer to the questions and, as applicable the information required have not been received by the time the evaluation of bids is completed, Canada will inform the Bidder of a time frame within which to provide the information. Failure to comply with Canada's request and meet the requirement within the prescribed time frame will render the bid non-responsive.

7.1 **Definitions**

For the purposes of this clause,"former public servant" is any former member of a department as defined in the *Financial Administration Act*, R.S., 1985, c. F-11, a former member of the Canadian Armed Forces or a former member of the Royal Canadian Mounted Police. A former public servant may be:

a. an individual;

b. an individual who has incorporated;

c. a partnership made of former public servants; or

d. a sole proprietorship or entity where the affected individual has a controlling or major interest in the entity.

"lump sum payment period" means the period measured in weeks of salary, for which payment has been made to facilitate the transition to retirement or to other employment as a result of the implementation of various programs to reduce the size of the Public Service. The lump sum payment period does not include the period of severance pay, which is measured in a like manner.

"pension" means a pension or annual allowance paid under the *Public Service Superannuation Act* (PSSA), R.S., 1985, c. P-36, and any increases paid pursuant to the *Supplementary Retirement Benefits Act*, R.S., 1985, c. S-24 as it affects the PSSA. It does not include pensions payable pursuant to the *Canadian Forces Superannuation Act*, R.S., 1985, c. C-17, the *Defence Services Pension Continuation Act*, 1970, c. D-3, the *Royal Canadian Mounted Police Pension Continuation Act* , 1970, c. R-10, and the *Royal Canadian Mounted Police Superannuation Act*, R.S., 1985, c. R-11, the *Members of Parliament Retiring Allowances Act*, R.S. 1985, c. M-5, and that portion of pension payable to the *Canada Pension Plan Act*, R.S., 1985, c. C-8.

Former Public Servant in Receipt of a Pension

As per the above definitions, is the Bidder a FPS in receipt of a pension? **Yes** ( ) **No** ( )

If so, the Bidder must provide the following information, for all FPSs in receipt of a pension, as applicable:

a. name of former public servant;

b. date of termination of employment or retirement from the Public Service.

By providing this information, Bidders agree that the successful Bidder's status, with respect to being a former public servant in receipt of a pension, will be reported on departmental websites as part of the published proactive disclosure reports in accordance with Contracting Policy Notice: 2012-2 and the Guidelines on the Proactive Disclosure of Contracts.

Work Force Adjustment Directive

Is the Bidder a FPS who received a lump sum payment pursuant to the terms of the Work Force Adjustment Directive? **Yes** ( ) **No** ( )
If so, the Bidder must provide the following information:

a. name of former public servant;

b. conditions of the lump sum payment incentive;

c. date of termination of employment;

d. amount of lump sum payment;

e. rate of pay on which lump sum payment is based;

f. period of lump sum payment including start date, end date and number of weeks;

g. number and amount (professional fees) of other contracts subject to the restrictions of a work force adjustment program.

For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to a FPS who received a lump sum payment is $5,000, including Applicable Taxes.

8. Enquiries - Bid Solicitation

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

8.2 Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by Bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the 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.

9. Applicable Laws

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

9.2 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.

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PART 3 - BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

1.1 Canada requests that Bidders provide their bid in separately bound sections as follows:

Section I: Technical Bid (2 hard copies and 2 soft copies on USB)

Section II: Financial Bid (2 hard copies and 2 soft copies on USB)

Section III: Certifications (1 hard copy)

Section IV: Additional Information (2 hard copies and 2 soft copies on USB key)

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.

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

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

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

1.5 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:

a) use 8.5 x 11 inch (216 mm x 279 mm) paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content; and

b) 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.

2. Section I: Technical Bid

2.1 In their technical bid, 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.

2.2 The technical bid 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.

2.3 The technical bid must fully demonstrate compliance with Annex B and Annex C and their respective appendices. Bidders must explain and demonstrate how they propose to meet the requirements and how they will carry out the Work.

2.4 The definition of mandatory requirements is as follows:

MANDATORY REQUIREMENTS. A mandatory requirement is identified specifically with the word "shall", "must", "will", "mandatory" or the phrase "Canada requires".

2.5. The technical bid must include a description of the proposed equipment, complete with necessary information (e.g. technical brochures, part numbers, drawings, specifications, test reports) to demonstrate compliance with the requirements. References to Web sites are not acceptable.

3. Technical Compliance Matrix:

3.1 The bidders must submit a technical bid in accordance with Annex G – Bid Compliance Matrix.

3.2 A completed Compliance Matrix attached hereto at Annex G that explicitly addresses all the technical requirements on a paragraph by paragraph basis, using the same numbering system must be submitted. The response to each paragraph will be the following:

3.3 A compliance statement ("Compliant" or "Non-compliant"). A "Compliant" statement will be interpreted as meaning full agreement with the requirement, whereas a Non-compliant statement will be interpreted as meaning not in full agreement with the requirement and the offer will be deemed non-responsive and not given any further consideration. For mandatory requirements, statements such as "Read", "Comply with Intent", "Partial Compliance", "Noted" or the like will be considered as non-responsive.

3.4 Additional information demonstrating how the bidder will meet the requirements, without cross referencing to other statements in the Compliance Matrix.

3.5 Paragraphs, elements and subparagraphs that convey information rather than a requirement only marked with "Noted and Understood".

3.6 Bidders must submit Proof of Compliance as described in Annex G – Bid Compliance Matrix.

3.7 Bidders must provide bid page number reference where they have provided Proof of Compliance and substantiation as to how they meet the requirement.

4. Section II: Financial Bid

4.1 Bidders should submit their financial bid information within the tables provided in the Annex D - Basis of Payment.

4.2 Bidders must submit prices for all items in the Basis of Payments in their respective cells. Bidders should insert $0.00 for any item it does not intend to charge because the price is already included in other prices set out in the proposal.

4.3 Bidders must submit Hourly labour rates for Additional Work Requirements (AWRs) work. The labour rates must be fully loaded and must not include travel and living expenses. They must include General and Administration expenses, Overheads, Canadian customs duties, excise taxes, and profit. All applicable taxes shall be extra.

4.4 Electronic Payment of Invoices – Bid

4.4.1 If you are willing to accept payment of invoices by Electronic Payment Instruments, complete Annex "X" Electronic Payment Instruments, to identify which ones are accepted.

4.4.2 If Annex "X" Electronic Payment Instruments is not completed, it will be considered as if Electronic Payment Instruments are not being accepted for payment of invoices.

4.4.3 Acceptance of Electronic Payment Instruments will not be considered as an evaluation criterion.

5. SACC Manual Clauses

A9130T (2014-11-27), Controlled Goods Program – Bid
B1000T (2014-06-26), Condition of Material – Bid

6. Section III: Certifications

Bidders must submit the certifications and additional information required under Part 5.

7. Section IV: Additional Information

7.1 Bidder's Proposed Sites or Premises Requiring Safeguarding Measures

7.1.1 As indicated in Part 6 under Security Requirements, the Bidder must provide the full addresses of the Bidder's and proposed individuals' sites 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

7.1.2 The Company Security Officer must ensure through the Contract Security Program that the Bidder and proposed individuals hold a valid security clearance at the required level, as indicated in Part 6 – Security, Financial and Other Requirements.

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

Canada will use the Phased Bid Compliance Process (PBCP) described below:

1. General

1.1 Notwithstanding any review by Canada at Phase I or II of the Phased Bid Compliance Process, Bidders are and will remain solely responsible for the accuracy, consistency and completeness of their Bids and Canada does not undertake, by reason of this review, any obligations or responsibility for identifying any or all errors or omissions in Bids or in responses by a Bidder to any communication from Canada. THE BIDDER ACKNOWLEDGES THAT THE REVIEWS IN PHASE I AND II OF THIS PHASED BID COMPLIANCE PROCESS ARE PRELIMINARY AND DO NOT PRECLUDE A FINDING IN PHASE III THAT THE BID IS NON-RESPONSIVE, EVEN FOR MANDATORY REQUIREMENTS WHICH WERE SUBJECT TO REVIEW IN PHASE I OR II AND NOTWITHSTANDING THAT THE BID HAD BEEN FOUND RESPONSIVE IN SUCH EARLIER PHASE. CANADA MAY DEEM A BID TO BE NON-RESPONSIVE TO A MANDATORY REQUIREMENT AT ANY PHASE. THE BIDDER ALSO ACKNOWLEDGES THAT ITS RESPONSE TO A NOTICE OR COMPLIANCE ASSESSMENT REPORT CAR (EACH DEFINED BELOW) IN PHASE I OR II MAY NOT BE SUCCESSFUL IN RENDERINGITS BID RESPONSIVE TO THE MANDATORY REQUIREMENTS THAT ARE THE SUBJECT OF THE NOTICE OR CAR, AND MAY RENDER ITS BID NON-RESPONSIVE TO OTHER MANDATORY REQUIREMENTS.

1.2 Without prejudice to its other rights, Canada shall have the right, in its absolute discretion, but shall not be obliged, to request and accept any time, before or after the solicitation closing date, and consider as part of the Bid, any document and materials from Bidders to clarify the Bid or to correct deficiencies or errors in the Bid that are not significant in Canada's absolute discretion, including all matters of form or error in computation or failure to confirm by signing or similarly verifying acceptance. This shall not limit Canada's right to request or accept any information after the bid solicitation closing in circumstances where the bid solicitation expressly provides for this right.

1.3 The PBCP does not limit Canada's rights under Standard Acquisition Clauses and Conditions (SACC) 2003 (2017-04-27) 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, or in the circumstances described in subsection (c).

1.4 Canada will send any Notice or CAR by any method Canada chooses, in its absolute discretion. The Bidder must submit its response by the method stipulated in the Notice or CAR. Responses are deemed to be received by Canada at the date and time they are delivered to Canada by the method and at the address specified in the NOTICE or CAR. An email response permitted by the Notice or CAR is deemed received by Canada on the date and time it is received in Canada's email inbox at Canada's email address specified in the CAR. A Notice or CAR sent by Canada to the Bidder at any address provided by the Bidder in or pursuant to the Bid is deemed received by the Bidder on the date it is sent by Canada.

2. Phase I: Financial Bid

2.1 After the closing date and time of this bid solicitation, Canada will examine the Bid to determine whether it includes a Financial Bid and whether any Financial Bid includes all information required by the solicitation. Canada's review in Phase I will be limited to identifying whether any information that is required under the bid solicitation to be included in the Financial Bid is missing from the Financial Bid. This review will not assess whether the Financial Bid meets any standard or is responsive to all solicitation requirements.

2.2 Canada's review in Phase I will be performed by officials of the Department of Public Works and Government Services.

2.3 If Canada determines, in its absolute discretion that there is no Financial Bid or that the Financial Bid is missing all of the information required by the bid solicitation to be included in the Financial Bid, then the Bid will be considered non-responsive and will be given no further consideration.

2.4 For Bids other than those described in c), Canada will send a written notice to the Bidder ("Notice") identifying where the Financial Bid is missing information. A Bidder whose Financial Bid has been found responsive to the requirements that are reviewed at Phase I, will not receive a Notice. Such Bidders shall not be entitled to submit any additional information in respect of their Financial Bid.

2.5 The Bidders who have been sent a Notice shall have the time period specified in the Notice (the "Remedy Period") to remedy the matters identified in the Notice by providing to Canada, in writing, additional information or clarification in response to the Notice. Responses received after the end of the Remedy Period will not be considered by Canada, except in circumstances and on terms expressly provided for in the Notice.

2.6 In its response to the Notice the Bidder will be entitled to remedy only that part of its Financial Bid which is identified in the Notice. For instance, where the Notice states that a required line item has been left blank, only the missing information may be added to the Financial Bid, except that, in those instances where the addition of such information will necessarily result in a change to other calculations previously submitted in its Financial Bid, (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. All submitted information must comply with the requirements of this solicitation.

2.7 Any other changes to the Financial Bid submitted by the Bidder will be considered to be new information and will be disregarded. There will be no change permitted to any other Section of the Bidder's Bid. Information submitted in accordance with the requirements of this solicitation in response to the Notice will replace, in full, only that part of the original Financial Bid as is permitted above, and will be used for the remainder of the bid evaluation process.

2.8 Canada will determine whether the Financial Bid is responsive to the requirements reviewed at Phase I, considering such additional information or clarification as may have been provided by

the Bidder in accordance with this Section. If the Financial Bid is not found responsive for the requirements reviewed at Phase I to the satisfaction of Canada, then the Bid shall be considered non-responsive and will receive no further consideration.

2.9 Only Bids found responsive to the requirements reviewed in Phase I to the satisfaction of Canada, will receive a Phase II review.

3. Phase II: Technical Bid

3.1 Canada's review at Phase II will be limited to a review of the Technical Bid to identify any instances where the Bidder has failed to meet any Eligible Mandatory Criterion. This review will not assess whether the Technical Bid meets any standard or is responsive to all solicitation requirements. Eligible Mandatory Criteria are all mandatory technical criteria that are identified in this solicitation as being subject to the Phased Bid Compliance Process. All Mandatory technical criteria are identified in the solicitation as being subject to the Phased Bid Compliance Process, will not be evaluated until Phase III.

3.2 Canada will send a written notice to the Bidder (Compliance Assessment Report or "CAR") identifying any Eligible Mandatory Criteria that the Bid has failed to meet. A Bidder whose Bid has been found responsive to the requirements that are reviewed at Phase II will receive a CAR that states that its Bid has been found responsive to the requirements reviewed at Phase II. Such Bidder shall not be entitled to submit any response to the CAR.

3.3 A Bidder shall have the period specified in the CAR (the "Remedy Period") to remedy the failure to meet any Eligible Mandatory Criterion identified in the CAR by providing to Canada in writing additional or different information or clarification in response to the CAR. Responses received after the end of the Remedy Period will not be considered by Canada, except in circumstances and on terms expressly provided for in the CAR.

3.4 The Bidder's response must address only the Eligible Mandatory Criteria listed in the CAR as not having been achieved, and must include only such information as is necessary to achieve such compliance. Any additional information provided by the Bidder which is not necessary to achieve such compliance will not be considered by Canada, except that, in those instances where such a response to the Eligible Mandatory Criteria specified in the CAR will necessarily result in a consequential change to other parts of the Bid, the Bidder shall identify such additional changes, provided that its response must not include any change to the Financial Bid.

3.5 The Bidder's response to the CAR should identify in each case the Eligible Mandatory Criterion in the CAR to which it is responding, including identifying in the corresponding section of the original Bid, the wording of the proposed change to that section, and the wording and location in the Bid of any other consequential changes that necessarily result from such change. In respect of any such consequential change, the Bidder should include a rationale explaining why such consequential change is a necessary result of the change proposed to meet the Eligible Mandatory Criterion. It is not up to Canada to revise the Bidder's Bid, and failure of the Bidder to do so in accordance with this subparagraph is at the Bidder's own risk. All submitted information must comply with the requirements of this solicitation.

3.6 Any changes to the Bid submitted by the Bidder other than as permitted in this solicitation, will be considered to be new information and will be disregarded. Information submitted in accordance with the requirements of this solicitation in response to the CAR will replace, in full, only that part of the original Bid as is permitted in this Section.

3.7 Additional or different information submitted during Phase II permitted by this section will be considered as included in the Bid, but will be considered by Canada in the evaluation of the Bid at Phase II only for the purpose of determining whether the Bid meets the Eligible Mandatory Criteria. It will not be used at any Phase of the evaluation to increase or decrease any score that the original Bid would achieve without the benefit of such additional or different information. For instance, an Eligible Mandatory Criterion that requires a mandatory minimum number of points to achieve compliance will be assessed at Phase II to determine whether such mandatory minimum score would be achieved with such additional or different information submitted by the Bidder in response to the CAR. If so, the Bid will be considered responsive in respect of such Eligible Mandatory Criterion, and the additional or different information submitted by the Bidder shall bind the Bidder as part of its Bid, but the Bidder's original score, which was less than the mandatory minimum for such Eligible Mandatory Criterion, will not change, and it will be that original score that is used to calculate any score for the Bid.

3.8 Canada will determine whether the Bid is responsive for the requirements reviewed at Phase II, considering such additional or different information or clarification as may have been provided by the Bidder in accordance with this Section. If the Bid is not found responsive for the requirements reviewed at Phase II to the satisfaction of Canada, then the Bid shall be considered non-responsive and will receive no further consideration.

3.9 Only Bids found responsive to the requirements reviewed in Phase II to the satisfaction of Canada, will receive a Phase III evaluation.

4. Phase III: Final Evaluation of the Bid

4.1 In Phase III, Canada will complete the evaluation of all Bids found responsive to the requirements reviewed at Phase II. Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical and financial evaluation criteria.

4.2 A Bid is non-responsive and will receive no further consideration if it does not meet all mandatory evaluation criteria of the solicitation. Evaluation Procedures

5. Other Evaluation

5.1 Bids will be assessed in accordance with the entire requirement of the bid solicitation including financial evaluation.

5.2 In order to be deemed responsive, bidder's proposals must comply with all General Conditions as laid out in the 2030 (2016-04-04), General Conditions – Goods (Higher

Complexity) and 2035 (2016-04-04), General Conditions - Services (Higher Complexity) and Supplemental General Conditions associated with this RFP.

6. Technical Bid Evaluation

6.1 Compliance with all of the Mandatory Technical Requirements is mandatory. Non-compliance to any mandatory technical requirements will render the bid non-responsive.

6.2 Mandatory technical requirements will be evaluated against the evaluation criteria specified in Appendix G1 - Technical Evaluation Criteria.

6.3 Technical bids will be evaluated for Compliant/Non-compliant assessment. Bids must meet all mandatory requirements. If any of the Mandatory Requirements are not met, the bid will be deemed non-responsive and will not be further evaluated.

6.4 Bids satisfying all Mandatory requirements will proceed to be evaluated against the Technical Point Rated Criteria.

6.5 Mandatory and point rated technical evaluation criteria are included in Annex G.

6.6 Bids that are deemed technically compliant, will be assessed in accordance with Appendix G2 - UAS Demonstration Criteria.

7. Mandatory Technical Requirements

7.1 Bids must meet all mandatory requirements in order to be deemed compliant. Bids not meeting any of the mandatory requirements will be deemed non-responsive.

7.2 Some of the mandatory requirements will also be rated. See the Evaluation Criteria for further details. These requirements are identified as Rated Mandatory Requirements.

8. Rated Requirements

8.1 Rated requirements are not mandatory requirements but are desirable requirements. The rated requirements will be scored in accordance with the bid evaluation criteria included in the RFP. Bids not satisfying the rated requirements will not be deemed non-responsive.

8.2 If a bid meets the rated requirements, it will be awarded points in accordance with the rating methodology of the evaluation criteria.

9. Two-Step Technical Bid Evaluation

9.1 Step 1 of the Technical Bid Evaluation

9.1.1 Step one of the bid evaluation process will entail evaluation of the technical bids submitted through

Hard/soft copies.

9.1.2 All bids will be evaluated in accordance with the technical mandatory and rated criteria as described in the RFP.

9.1.3 Once the evaluation team has completed evaluation of the technical bids, the bids will be ranked based on rated score. Compliant bid with the highest rating will be deemed as the 'Highest Combined Rating of Technical Merit, Price and Value Proposition.

9.1.4 Bid with the Highest Combined Rating of Technical Merit, Price and Value Proposition will proceed to 2nd step of evaluation process.

9.2 Step 2 of the Technical Bid Evaluation – UAS Demonstration

9.2.1 Bidder with the Highest Combined Rating of Technical Merit, Price and Value Proposition proposal will be invited to demonstrate to Canada, at the location of its choice (excluding locations where security cannot be guaranteed (e.g. active theatres of operation) or where visa issues are probable), and at their own expense, that its proposed UAS is compliant with the identified mandatory and rated criteria.

9.2.2 When contacted by the Contracting Authority, the bidder must provide a UAS Demonstration Plan within five calendar days, which must outline the sequencing of the UAS demonstration. Specifically, the plan must indicate at which times during the UAS demonstration each applicable evaluation table requirement is anticipated to be observable.

9.2.3 The Bidder will conduct the UAS demonstration no later than fifteen calendar days after notice from the Contracting Authority (CA). The Bidder will not be responsible to cover the costs related to travel, accommodations and living expenses of the Evaluation Team witnesses to the UAS demonstration.

9.2.4 The Bidder will be responsible for all administration, coordination and logistics related to the UAS demonstration, with the exception of travel arrangements for the Evaluation Team.

9.2.5 The Bidder must provide a working area with electrical outlets and internet connectivity for the Evaluation Team.

9.2.6 Personal information of evaluation team members, for the purpose of obtaining visit clearances, will be made available to the bidder upon request.

9.2.7 Canada will allow a total of 72 hours for the UAS demonstration. Repeated attempts will be permitted if necessary, as long as the problem encountered is remedied such that the complete demonstration requirements are met within the 72-hour timeline. Failure to achieve a successful demonstration within the 72 hours allocated will result in bid being deemed non-responsive. Periods of weather prohibitive to flight operations will not count towards the 72-hour total.

9.2.8 The UAS Demonstration does not have to follow the same order as indicated in Appendix G3, to the extent possible.

9.2.9 Bidders successfully demonstrating all mandatory requirements will be deemed complaint with the mandatory and rated criteria.

9.2.10 Bidders must demonstrate the rated requirements that it had included in its proposal.

9.2.11 In the event, bidder fails to demonstrate the UAS successfully, its bid will be deemed non-responsive and the bid will be eliminated from the evaluation process.

9.2.12 The Contraction Authority will then contact the next bidder with the 2nd Highest Combined Rating of Technical Merit, Price and Value Proposition and invite them to demonstrate the proposed UAS in accordance with the mandatory criteria.

9.2.13 If deemed compliant with the UAS demonstration criteria, bidder's proposal will be re-validated against the demonstration results. The bid rating score may require adjusting in accordance with the score achieved.

9.2.14 in light of the final score achieved during the UAS demonstration process, if the proposal does not remain to be the 'Highest Combined Rating of Technical Merit, Price and Value Proposition' proposal anymore, the original rating obtained of the proposal during the Step 1 evaluation will be adjusted according to the outcome of the UAS demonstration rating achieved.

9.2.15 Bidder with the next Highest Combined Rating of Technical Merit, Price and Value Proposition will proceed to 2nd step of evaluation process.

9.2.16 In the event, the demonstration criteria is successfully met, the bid will be recommended for the contract award.

9.2.17 If none of the bidders can successfully demonstrate compliance with the UAS demonstration criteria, the RFP will be re-tendered.

8. Financial Bid Evaluation

8.1 Bidders must submit firm prices DDP Incoterms 2010, Canadian customs duties and excise taxes included, and the applicable taxes excluded.

8.2 The financial bids will be evaluated in Canadian currency. Pricing submitted in foreign currency will be converted to Canadian dollars based on the exchange rate provided by the Bank of Canada at 16:30 Hrs. Eastern Time (EST) on the date of RFP closing.

8.3 Exchange rate fluctuation protection is not offered for this requirement. Any request for exchange rate fluctuation protection will not be considered and will render the bid non-responsive.

8.4 The bid price will be evaluated using the Financial Bid Evaluation Methodology in Annex H.

8.5 Bid Evaluated Price will be determined using the Financial Bid Evaluation Methodology in Annex H. Estimated level of effort (LOE) per labour category is used solely for the financial bid evaluation purposes, and is not guaranteed work under the resulting contract.

9. Mandatory and Rated Criteria Evaluation

9.1 To be declared responsive, a proposal must:

(a) comply with all the requirements of the bid solicitation;

(b) meet all mandatory criteria.

(c) Bids not meeting (a) and (b) will be declared non-responsive.

10. Basis of Selection

10.1 The selection will be based on the highest combined rating of technical merit, price and the value proposition. The ratio will be 30% for the technical merit, 55% for the price and 15% for the Value Proposition.

10.2 To establish the technical merit score, the overall technical score for each responsive bid will be determined as follows: total number of points obtained / maximum number of points available multiplied by the ratio of 30%.

10.3 To establish the pricing score, each responsive bid will be prorated against the lowest evaluated price and the ratio of 55%.

10.4 To establish the Value Proposition score, each responsive bid will be evaluated in accordance with the ITB Evaluation Plan i.e. Part 8C.

10.5 For each responsive bid, the technical merit score and the pricing score will be added to determine its combined rating.

10.6 Neither the responsive bid obtaining the highest technical score nor the one with the lowest evaluated price will necessarily be accepted. The responsive bid with the highest combined rating of technical merit and price will be recommended for a contract award.

10.7 The table below illustrates an example where all three bids are responsive and the selection of the Contractor is determined by a 70/30 ratio of technical merit and price, respectively. The total available points equals 2000 and the lowest evaluated price is $45,000 (45).

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Basis of Selection - Highest Combined Rating Technical Merit (30%), Price (55%, and (15%) VP)

		Bidder 1	Bidder 2	Bidder 3
Overall Technical Score		180/200	175/200	190/200
Bid Evaluated Price		$55,000	$45,000	$65,000
Calculations	**Technical Merit Score**	180 x 30/200 = 27.00	175 x 30/200 = 26.25	190 x 30/200 = 28.50
	Pricing Score	45/55 x 55 = 45	45/45 x 55 = 55	45/65 x 55 = 38.07
Value Proposition (VP) Score		12	10	13
Combined Rating		57	65	51.07
Ranking		**2nd**	**1st**	**3rd**

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PART 5 – CERTIFICATIONS AND ADDITIONAL INFORMATION

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

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

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

1. Mandatory Certifications Required with the Bid

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

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 (http://www.tpsgc-pwgsc.gc.ca/ci-if/formulaire-form-eng.html), to be given further consideration in the procurement process.

2. Certifications Precedent to Contract Award and Additional Information

The certifications and additional information listed below should be 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 provided will render the bid non-responsive.

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.

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

(http://www.labour.gc.ca/eng/standards_equity/eq/emp/fcp/list/inelig.shtml) available from Employment and Social Development Canada (ESDC) - Labour's website.

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.

2.3 Certifications, Declarations and Proof Documents

2.3.1 Bidders must provide the following documents in their technical bids as these are mandatory to finalize the bid evaluation process. Should any of these documents are missing in the bid submission, the Contracting Authority will request them from the bidder. The bidder must provide the missing documents within the three calendar days. Failure to provide any of these documents may render the bid non-responsive.

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PART 6 – SECUIRITY, FINANCIAL AND OTHER REQUIREMENTS

1. Security

At the date of bid closing, the following conditions must be met:

(a) the Bidder must hold a valid organization security clearance as indicated in Part 7 - Resulting Contract Clauses;

(b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work sites must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;

(c) the Bidder must 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 must meet the security requirements as indicated in Part 7 - Resulting Contract Clauses;

(e) the Bidder must provide the addresses of proposed sites or premises of work performance and document safeguarding as indicated in Part 3 - Section IV Additional Information.

2. For additional information on security requirements, Bidders should refer to the Contract Security Program of Public Works and Government Services Canada (http://www.tpsgc-pwgsc.gc.ca/esc-src/introduction-eng.html) website.

2. Financial Capability

SACC Manual clause A9033T (2012-07-16) Financial Capability

3. Insurance - Proof of Availability Prior to Contract Award

The Bidder must provide a letter from an insurance broker or an insurance company licensed to operate in Canada stating that the Bidder, if awarded a contract as a result of the bid solicitation, can be insured in accordance with the Insurance Requirements specified in Annex _____ .
If the information is not provided in the bid, the Contracting Authority will so inform the Bidder and provide the Bidder with a time frame within which to meet the requirement. Failure to comply with the request of the Contracting Authority and meet the requirement within that time period will render the bid non-responsive.

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PART 7 - RESULTING CONTRACT CLAUSES

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

1. Security Requirements

1.1 There is a security requirement applicable to the Contract. The Contractor must conform to the security requirements by complying with the attached Annex A - Security Requirement Check List (SRCL).

1.2 The national security exceptions provided for in the trade agreements have been invoked; therefore, this procurement is excluded from all of the obligations of all the trade agreements.

1.3. Non-Disclosure Requirement

The Contractor acknowledges and understands the Contract contains information that is sensitive and must be held in confidence without disclosure, except to those individuals who have a need to know solely for the purpose of performing the Contract. By accepting the Contract the Contractor certifies that it will not communicate in any way the existence of the Contract, any of its contents or any related information to anyone, internal or external to the Government of Canada, other than the designated Government of Canada Contraction, Technical or Procurement Authority representatives, its employees who need to know, or persons who have agreed in writing to be bound by the same restrictions of use and disclosure as stated in the Contract and who are also in possession of any required CISD security clearance or any required Controlled Goods Program registration. The Contractor further certifies that it has put in place and will maintain all necessary and appropriate measures, including those set out in any written or oral instructions issued by Canada, to protect such information. A breach of this non-disclosure requirement is a default under the General Conditions. Such breach may also be subject to action pursuant to Canada's Vendor Performance Corrective Measures Policy, the Code of Conduct for Procurement, or other applicable policies.

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

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

1.5 The Company Security Officer must ensure through the Contract Security Program that the Contractor and individuals hold a valid security clearance at the required level.

2. Statement of Work

2.1 The Contractor must perform the Work in accordance with Annex B - Statement of Work (SOW), Annex C - System Performance Specifications (SPS) and the technical and management portions of the Contractor's proposal entitled _____, dated _____.

2.2 All Work under this contract, excluding the program management deliverables defined in the SOW, will be authorized through DND Form 626 – Task Authorization.

2.3 The administration of the Task Authorization process will be carried out by Directorate of Maritime Procurement 3-5 within Department of National Defence. This process includes monitoring, controlling and reporting on expenditures of the contract with task authorizations to the Contracting Authority.

2.4 Minimum Work Guarantee - All the Work - Task Authorizations

2.4.1 In this clause,

a. "Maximum Contract Value" means the amount specified in the "Limitation of Expenditure" clause set out in the Contract; and

b. "Minimum Contract Value" means _____ (*applicable percentage of the Maximum Contract Value or a fixed dollar amount will be entered at the time of contract award*).

2.4.2 Canada's obligation under the Contract is to request Work in the amount of the Minimum Contract Value or, at Canada's option, to pay the Contractor at the end of the Contract in accordance with paragraph 2.3.3. In consideration of such obligation, the Contractor agrees to stand in readiness throughout the Contract period to perform the Work described in the Contract. Canada's maximum liability for work performed under the Contract must not exceed the Maximum Contract Value, unless an increase is authorized in writing by the Contracting Authority.

2.4.3 In the event that Canada does not request work in the amount of the Minimum Contract Value during the period of the Contract, Canada must pay the Contractor the difference between the Minimum Contract Value and the total cost of the Work requested.

2.4.4 Canada will have no obligation to the Contractor under this clause if Canada terminates the Contract in whole or in part for default.

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.

2035 (2016-04-04), General Conditions – Higher Complexity - Services apply to and form part of the Contract.

4. Supplemental General Conditions

4.1 4007 (2010-08-16), Canada to Own Intellectual Property Rights in Foreground Information

4.2 Contract Cost Principles – 1031-2 (2008-05-12)

4.2.1 **General Principle**

The total cost of the Contract must be the sum of the applicable direct and indirect costs which are, or must be reasonably and properly incurred and/or allocated, in the performance of the Contract, less any applicable credits. These costs must be determined in accordance with the Contractor's cost accounting practices as accepted by Canada and applied consistently over time.

4.2.2 **Definition of a Reasonable Cost**

1. A cost is reasonable if the nature and amount do not exceed what would be incurred by an ordinary prudent person in the conduct of a competitive business.

2. In determining the reasonableness of a particular cost, consideration will be given to:

    a. whether the cost is of a type generally recognized as normal and necessary for the conduct of a contractor's business or performance of the Contract;

    b. the restraints and requirements by such factors as generally accepted sound business practices, arm's length bargaining, federal, provincial and local laws and regulations, and contract conditions;

    c. the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, the Government and public at large;

    d. significant deviations from the established practices of the Contractor which may unjustifiably increase the contract costs; and

    e. the specifications, delivery schedule and quality requirements of the particular contract as they affect costs.

4.2.3 **Direct Costs**

There are three categories of direct costs:

a. "Direct Material Costs" meaning the cost of materials which can be specifically identified and measured as having been used or to be used in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.

    i. These materials may include, in addition to materials purchased solely for the performance of the Contract and processed by the Contractor, or obtained from subcontractors, any other materials issued from the Contractor's general stocks.

    ii. Materials purchased solely for the performance of the Contract or subcontracts must be charged to the Contract at the net laid-down cost to the Contractor before cash discounts for prompt payment.

    iii. Materials issued from the Contractor's general stocks must be charged to the Contract in accordance with the method as used consistently by the Contractor in pricing material inventories.

b. "Direct Labour Costs" meaning the costs of the portion of gross wages or salaries incurred for the Work, which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by Canada.

c. "Other Direct Costs" meaning those applicable costs, not falling within the categories of direct material or direct labour, but which can be specifically identified and measured as having been incurred or to be incurred in the performance of the Contract and which are so identified and measured consistently by the Contractor's cost practices as accepted by Canada.

4.2.4 Indirect Costs

1. "Indirect Costs (overhead)" meaning those costs which, though necessarily having been incurred during the performance of the Contract for the conduct of the Contractor's business in general, cannot be identified and measured as directly applicable to the performance of the Contract.

2. These Indirect Costs may include, but are not necessarily restricted to, such items as:

    a. indirect materials and supplies;

    b. indirect labour;

    c. fringe benefits (the Contractor's contribution only);

    d. public services expenses: expenses of a general nature such as power, heat, light, operation and maintenance of general assets and facilities;

    e. fixed/period charges: recurring charges such as property taxes, rentals and reasonable depreciation costs;

    f. general and administrative expenses: including remuneration of executive and corporate officers, office wages and salaries and expenses such as stationery, office supplies, postage and other necessary administration and management expenses;

    g. selling and marketing expenses associated with the goods, services or both being acquired under the Contract;

    h. general research or development expenses as considered applicable by Canada.

    (*) For supplies of similar low-value, high-usage items the costs of which meet the above definition of Direct Material Costs but for which it is economically expensive to account for these costs in the manner prescribed for direct costs, then they may be considered to be indirect costs for the purposes of the Contract.

4.2.5 Allocation of Indirect Costs

Indirect Costs must be accumulated in appropriate indirect cost pools, reflecting a contractor's organizational or operational lines and these pools subsequently allocated to contracts in accordance with the following two principles:

a. the costs included in a particular indirect cost pool should have a similarity of relationship with each contract to which that indirect cost pool is subsequently distributed; further, the costs included in an indirect cost pool should be similar enough in their relationship to each other that the allocation of the total costs in the pool provides a result which would be similar to that achieved if each cost within that pool were separately distributed;

b. the allocation basis for each indirect cost pool should reflect, as far as possible, the causal relationship of the pooled costs to the contracts to which these costs are distributed.

4.2.6 Credits

The applicable portion of any income, rebate, allowance, or any other credit relating to any applicable direct or indirect cost, received by or accruing to the Contractor, must be credited to the Contract.

4.2.7 Non-applicable Costs

Despite that the following costs may have been or may be reasonably and properly incurred by the Contractor in the performance of the Contract, they are considered non-applicable costs to the Contract:

a. allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges;

b. legal, accounting and consulting fees in connection with financial reorganization, security issues, capital stock issues, obtaining of patents and licenses and prosecution of claims against Canada;

c. losses on investments, bad debts and collection charges;

d. losses on other contracts;

e. federal and provincial income taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes;

f. provisions for contingencies;

g. premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the Contractor;

h. amortization of unrealized appreciation of assets;

i. depreciation of assets paid for by Canada;

j. fines and penalties;

k. expenses and depreciation of excess facilities;

l. unreasonable compensation for officers and employees;

m. specific product development or improvement expenses not associated with the product being acquired under the Contract;

n. advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;

o. entertainment expenses;

p. donations except those to charities registered under the *Income Tax Act*;

q. dues and other memberships other than regular trade and professional associations;

r. fees, extraordinary or abnormal for professional advice in regard to technical, administrative or accounting matters, unless approval from the Contracting Authority is obtained.

s. compensation in the form of dividend payments or calculated based on dividend payments;

t. compensation calculated, or valued, based on changes in the price of corporate securities, such as stock options, stock appreciation rights, phantom stock plans or junior stock conversions; or, any compensation in the form of a payment made to an employee in lieu of an employee receiving or exercising a right, option, or benefit.

5. Term of Contract

5.1 Period of the Contract

5.1.1 The Contract period of the contract is from date of contract until _____ (date to be filled in at Contract award.

5.2 Delivery Date

5.2.1 The complete delivery of all firm Assignments must be fully delivered in accordance with the delivery dates mentioned in their respective DND 626 – Task Authorizations.

5.3 Option to Extend the Contract

5.3.1 The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two additional one-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 the Basis of Payment.

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

5.4 Option to Purchase Optional Assignments

5.4.1 The Contractor grants to Canada the irrevocable option to purchase up to six (6) additional assignments under the same conditions and at the prices and/or rates stated in the Contract.

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

5.5 Option to Purchase Optional Flying Hours

5.5.1 The Contractor grants to Canada the irrevocable option to purchase up 1000 Optional Flying Hours in each assignments under the same conditions and at the prices and/or rates stated in the Contract.

5.5.2 The Contracting Authority may exercise this option at any time by sending a written notice to the Contractor at least ten calendar days before the expiry date of the Contract. The option may only be exercised by the Contracting Authority and will be evidenced for administrative purposes only, through a task amendment.

5.6 Option to Extend the Period of the Assignments

5.6.1 Canada reserves the right to extend the period of an assignment in the event a mission is extended.

5.6.2 The Contractor grants to Canada the irrevocable option to extend the period of the assignment/s under the same conditions and at the prices and/or rates stated in the Contract.

5.6.2 The Contracting Authority may exercise this option at any time by sending a written notice to the Contractor before the completion date of the assignment. The option may only be exercised by the Contracting Authority and will be evidenced for administrative purposes only, through a task amendment.

6. Authorities

6.1 Contracting Authority

The Contracting Authority for the Contract is:

Ricky Anand
Public Services and Procurement Canada
Acquisitions Branch
Electronics, Munitions and Tactical Systems Procurement Directorate (EMTSPD)

Place du Portage, Phase III
11 rue Laurier
Gatineau, QC
K1A 0SK

Telephone: 819-420-1755
E-mail address: Ricky.Anand@pwgsc.gc.ca

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

6.2 Technical Authority

The Technical Authority for the Contract is:

TBD

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

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6.3 Procurement Authority

The Procurement Authority for the Contract is:

TBD

The Procurement Authority is the representative of the department or agency for whom the Work is being carried out under the Contract. The Procurement Authority is responsible for all matters concerning the administration of the Contract. The Contractor may discuss administrative matters identified in the Contract with the Procurement Authority; however the Procurement Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

6.4 Contractor's Representative

To be filled in at Contract Award.

7. Limitation of Expenditure

Canada's total liability to the Contractor under the Contract must not exceed $ _____. *(The amount will be filled in before the contract award)* Customs duties are included and Applicable Taxes are extra.

No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must 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 contract funds provided are inadequate for the completion of the Work, whichever comes first.

If the notification is for inadequate contract funds, the Contractor must 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. Additional Work Requirements (AWRs)

Should there be any requirement beyond the established scope of this contract:

1. The Technical Authority through Contracting Authority will provide the Contractor with a description of the task using the Form DND 626 - Task Authorization Form.

2. The Task Authorization (TA) will contain the 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 TA will also include the applicable basis (bases) and methods of payment as specified in the Contract.

3. The Contractor must provide Procurement and Contracting Authority, within 15 calendar days of its receipt, the proposed total estimated cost for performing the task and a breakdown of that cost, established in accordance with the Basis of Payment specified in the Contract.

1. The Contractor must not commence work until a TA authorized by the Contracting Authority has been received by the Contractor. The Contractor acknowledges that any work performed before a TA has been received will be done at the Contractor's own risk.

2. The administration of the Task Authorization process will be carried out by Directorate of Maritime Procurement 3-5 within Department of National Defence. This process includes monitoring, controlling and reporting on expenditures of the contract with task authorizations to the Contracting Authority.

8.1 AWRs Pricing Options

8.1.1 **Firm Price:** For AWRs, the Contractor must submit a "Firm Price" excluding travel and living expenses to the Procurement Authority when the scope of Work is clearly understood by both parties and no changes are anticipated in the scope of the Work. Where a firm price has been established, the Contractor will be obliged to complete the Work for the specified firm price. Travel and living expenses will be paid based on actual expenditure incurred by the Contractor in accordance with the Basis of Payment.

8.1.2 **Ceiling Price:** For AWRs, the Contractor may submit a "Ceiling Price" quote excluding trave and living expenses to the Procurement Authority when the scope of the Work cannot be clearly defined. The term Ceiling Price is the maximum price that is to be paid to the Contractor and beyond which the Contractor will not receive additional compensation for the defined Work and in return for which the Contractor is obligated to complete the Work. No additional funds will be made available. When the "Ceiling Price" approach is used both parties agree prior to the Work authorization that the price is subject to downward revision on completion of the task, based on the actual cost and verification of the actuals. Travel and living expenses will be paid based on actual expenditure incurred by the contractor IAW the Basis of Payment.

Each Task Authorization for must clearly state whether the price is a "Firm Fixed Price" or a "Ceiling Price".

8.1.3 **Limitation of Expenditure Price:** When it is not possible for the Contractor to submit a "Firm Price" or a "Ceiling Price" as described above, the Contractor may submit a "Limitation of Expenditure" quote.

a. The "Firm Price", "Ceiling Price" and/or the "Limitation of Expenditure" quote must be based on the rates in Canadian Funds. All proposed prices and cost estimates must be supported by a detailed cost breakdown.

b. For a Task which is subject to a "Limitation of Expenditure" as described in Sub-article c. above, the Contractor must notify the proper authority in writing as to the inadequacy of its "Limitation of Expenditure" when:

- the resources required for its timely completion reaches 75% of the authorized Task funding; or
- if during the execution of the authorized Tasking it appears to the Contractor that the Scope of Work is greater than had been anticipated and that the funds provided for a Task are inadequate.

c. When providing the notification described in Sub-article e above, the Contractor must, as a minimum, identify;

- estimated labour hours and schedule forecast to complete;
- work around plan; and
- risk assessment.

A revised proposal and proper justification for the requested amendment must be submitted to the proper approval Authority for consideration. Under no circumstance is the authorized level of expenditure to be exceeded. Canada is under no obligation to pay for any Work that exceeds the authorized funding limitation.

d. All amounts charged on a "Ceiling price" or "Limitation of Expenditure" basis must be subject to Government audit before or after payment of an invoice.

8.2 Task Completion/Closure Procedures:

The Contractor must monitor all Tasks issued under the Contract. If at any time the Contractor believes that a specific Task has been completed or has been inactive for a period of at least one (1) month, the Contractor must proceed as follows to request closure:

8.2.1 The Contractor must determine the final costs to Canada, itemized as necessary for each individual Task being considered for closure;

8.2.2 The Contractor must submit a letter to the PA (one copy each to RA and CA) requesting closure of the Task with reference to reports or letters concerning the Task as applicable;

8.2.3 In cases where authorized funds were not all expended to complete specific Tasks, these funds are considered returned to the Contract funding baseline for re-issuance/re-distribution as necessary.

8.3 Consolidation of Task Authorizations for Administrative Purposes

For administrative purposes, the contract will be amended by the Contracting Authority from time to time to reflect all TAs issued and approved to date under the contract.

8.4 Canada's Obligation – Portion of the Work – Task Authorizations

8.4.1 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 authorized tasks performed by the Contractor.

8.4.2 Canada reserves the right, at any time, to acquire the requested Work by other means including by selecting other suppliers. For example, Canada may decide to acquire the requested Work by other means when the Contractor provides a written proposal that has been rejected by Canada.

9. Payment

9.1 Basis of Payment

In consideration of the Contractor satisfactorily completing all of its obligations under this Contract, the contractor will be paid firm prices, fixed rates, and/or firm labour rates in accordance with Annex D – Basis of Payment. The following terms shall apply:

Incoterms 2010	Delivery Duty Paid (DDP)
Transportation/ Shipping charges:	Included for the UAS and Spares and all other material required to support the contract.
Canadian Customs/Duties:	Included
Applicable Taxes:	Extra

9.2 Economic Price Adjustment

In the event, the contract period is extended beyond the optional periods, the Labour Rates for the extended period/s will be calculated during the last month of the preceding year for which the Contract had firm prices and will be the firm prices from that preceding year adjusted on account of fluctuations in the Canadian economy over the most recent consecutive 12 months period for which economic indicators are available. The adjusted Labour Rates for the coming year shall remain fixed for that period. In the Contract, a "year" is a period from Contract Starting Date Anniversary to next Contract Starting Date Anniversary minus 1 day.

9.3 Limitation of Price

C6000C (2011-05-16) Limitation of Price

9.4 Milestone Payments

9.4.1 H3010C (2016-08-16), Milestone Payments - Not subject to holdback

9.4.2 Payment for Assignments (Firm and Optional), Optional Flying Hours, Training, and AWRs will be made upon delivery and acceptance, unless otherwise noted in the task authorization.

9.5 The Contractor accepts to be paid using the following Electronic Payment Instrument(s):

a. Direct Deposit (Domestic and International);

b. Electronic Data Interchange (EDI);

c. Wire Transfer (International Only);

d. Large Value Transfer System (LVTS) (Over $25M)

(Contractor chosen payment instrument will be selected at the time of contract award)

9. Invoicing Instructions

9.1 The Contractor must submit a claim for payment using form PWGSC-TPSGC 1111, Claim for Progress Payment. Each claim must show:

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

b. all applicable information detailed under the section entitled "Invoice Submission" of the general conditions;

c. the description and value of the milestone claimed as detailed in the Contract.

9.2 Applicable Taxes must be calculated on the total amount of the claim before the holdback is applied. At the time the holdback is claimed, there will be no Applicable Taxes payable as it was claimed and payable under the previous claims for progress payments.

9.3 The Contractor must not submit claims until all work identified in the claim is completed.

9.4 Invoices must be distributed as follows:

(a) The original invoice (hard copy) and one (1) e-copy must be forwarded to the Procurement Authority identified under the section entitled “Authorities” of the Contract.
(b) An e-copy must be sent to the consignee.

(c) One (1) e-copy must be forwarded to the Contracting Authority and the Technical Authority identified under the section entitled “Authorities” of the Contract.

10. Delivery, Inspection and Acceptance

10.1 Addressing

Address labeling shall be clearly marked on a minimum of two (2) locations on each package and/or container. The following shall be observed:

(a) Complete name of the consignee

(b) Complete shipping address

(c) Clear description of contents

(d) Complete name of the consignee representative

10.2 Shipping Instructions and Delivery

The Contractor must ship the goods prepaid DDP - Delivered Duty Paid to the destination as identified in the DND Form/s 626 - Task Authorization. Unless otherwise directed, delivery must be in accordance with industry standards and made by the most economical means.

11. Release Document – Distribution

The Contractor must 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;

e. One (1) copy to:
National Defence Headquarters
Mgen George R. Pearkes Building
101 Colonel By Drive

Ottawa, ON K1A OK2
Attention:

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 OK2
E-mail: ContractAdmin.DQA@forces.gc.ca.

12. Quality Control

D5515C (2010-01-11) Quality Assurance Authority (Department of National Defence) - Foreign-based and United States Contractor

13. Certifications and Additional Information

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

14. Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in _____. (*Insert the name of the province or territory as specified by the Bidder in its bid, if applicable*)

15 Priority of Documents

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

a. the Articles of Agreement;
b. Security Requirement Check List
c. Annex D – Basis of Payment;
d. Annex B - Statement of Work
e. Annex C - System Performance Specifications
f. the general conditions 2035 (2016-04-04), General Conditions - High Complexity - Services;
g. the supplemental general conditions 4007 (2010-08-16), Canada to Own Intellectual Property Rights in Foreground Information

h. the Contractor's bid dated _____

16 Defence Contract

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

17. SACC Manual Clauses

A2000C	(2006-06-16)	Foreign Nationals (Canadian Contractors)
A9062C	(2011-05-16)	Canadian Forces Site Regulations
A9065C	(2006-06-16)	Identification Badge
A9117C	(2007-11-30)	T1204 - Direct Request by Customer Department
A9131C	(2014-11-27)	Controlled Goods Program - Contract
B4019C	(2015-02-25)	United States Military Specifications and Standards
B4059C	(2008-05-12)	Government Supplied Technical Documents
B4060C	(2011-05-16)	Controlled Goods
B6802C	(2007-11-30)	Government Property
B7500C	(2006-06-16)	Excess Goods
C0705C	(2010-01-11)	Discretionary Audit
C2606C	(2008-05-12)	Custom Duties and Excise Taxes - Exemption
C2611C	(2007-11-30)	Custom Duties – Contractor Importer
C2800C	(2013-01-28)	Priority Rating
C2801C	(2017-08-17)	Priority Rating: Canadian-based contractors
D2000C	(2007-11-30)	Marking
D2001C	(2007-11-30)	Labeling
D2025C	(2013-11-06)	Wood Packaging Materials
D0050C	(2007-05-25)	End User Certificate
D3010C	(2014-06-26)	Delivery of Dangerous Goods/Hazardous Products
D5510C	(2014-06-26)	Quality Assurance Authority (Department of National Defence) - Canadian-based Contractor, or
D5545C	(2010-08-16)	ISO 9001:2008 - Quality Management Systems - Requirements (Quality Assurance Code C)
D5604C	(2008-12-12)	Release Documents (Department of National Defence) - Foreign-based Contractor, or
D5605C	(2010-01-11)	Release Documents (Department of National Defence) - United States-based Contractor, or
D5606C	(2012-07-16)	Release Documents (Department of National Defence) - Canadian-based Contractor
D6010C	(2007-11-30)	Palletization
D9002C	(2007-11-30)	Incomplete Assemblies
G1005C	(2008-05-12)	Insurance

18. Electrical Equipment

All electrical equipment supplied under the Contract must be certified or approved for use in accordance with the Canadian Electrical Code<http://www.csa.ca/cm/ca/en/normes/produits/electricite>, Part 1, National<http://www.csa.ca/cm/ca/en/normes/produits/electricite> Electrical Code or equivalent, before delivery, by a certification organization accredited by the Standards Council of Canada, American National Standard Institute (ANSI) or equivalent.

19. Periodic Usage Reports

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

19.2 The Contractor must provide this data in accordance with the reporting requirements detailed below. If some data is not available, the reason must be indicated. If services are not provided during a given period, the Contractor must still provide a "NIL" report.

19.3 The data must be submitted on a quarterly basis to the Contracting Authority.

19.4 The quarterly periods are defined as follows:

a. 1st quarter: April 1 to June 30;
b. 2nd quarter: July 1 to September 30;
c. 3rd quarter: October 1 to December 31; and
d. 4th quarter: January 1 to March 31.

19.5 The data must be submitted to the Contracting Authority no later than twenty calendar days after the end of the reporting period.

19.6 A detailed and current record of all authorized tasks must be kept by the contractor. For each authorized task, the record must contain the following but not limited to:

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, GST or HST extra;
d. the total amount, GST or HST extra, expended to date against each authorized task;
e. the start and completion date for each authorized task;
f. the active status of each authorized task, as applicable; and
g. total funds committed and expended including and excluding taxes.

19.7 For all authorized tasks, the Contractor must keep record of:

a. the amount (applicable taxes extra) specified in the contract (as last amended, as applicable) as Canada's total liability to the contractor for all authorized TAs; and
b. the total amount including the applicable taxes extra, expended to date against all authorized TAs.
c.

20. Proactive Disclosure of Contracts with Former Public Servants

By providing information on its status, with respect to being a former public servant in receipt of a *Public Service Superannuation Act* (PSSA) pension, the Contractor has agreed that this information will be reported on departmental websites as part of the published proactive disclosure reports, in accordance with Contracting Policy Notice: 2012-2 of the Treasury Board Secretariat of Canada.

21. Confirmation of Contract Award

The Contractor was notified of contract award by _____ on _____. The Work specified in the notice, if any, must not be duplicated.

22. Contractual Disputes

The following procedures for the settlement of any disputes which may arise throughout the life of this Contract shall prevail:

22.1 Disputes arising from this Contract will in the first instance be resolved by the Contracting Authority and the Contractor's Contract Administrator within fifteen (15) working days or such additional time as may be agreed to by both parties.

22.2 Failing resolution under (1) above, the Manager, Defence Communications Division, Electronics, Munitions and Tactical Systems Procurement Directorate (EMTSPD), Land and Aerospace Equipment Procurement and Support Sector (LAEPS) and the Contractor's Representative Supervisor will attempt to resolve the dispute within an additional fifteen (15) working days.

22.3 Failing resolution under (1) or (2), the Senior Director of LAEPS and the Contractor's equivalent Senior Management will attempt to resolve the dispute within an additional thirty (30) working days.

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PART 8 – INDUSTRIAL AND TECHNOLOGICAL BENFITS REQUIREMENTS

1. Part 8A – ITB TERMS AND CONDITIONS

2. Part 8B – BIDDER INSTRUCTIONS

3. Part 8C – ITB EVALUATION PLAN

Note: Above noted documents are included in the DRAFT RFP and are attached with this document for bidders review and feedback.

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ANNEX 1 to PART 5 OF THE BID SOLICITATION

FEDERAL CONTRACTORS PROGRAM FOR EMPLOYMENT EQUITY - CERTIFICATION

I, the Bidder, by submitting the present information to the Contracting Authority, certify that the information provided is true as of the date indicated below. The certifications provided to Canada are subject to verification at all times. I understand that Canada will declare a bid non-responsive, or will declare a contractor in default, if a certification is found to be untrue, whether during the bid evaluation period or during the contract period. Canada will have the right to ask for additional information to verify the Bidder's certifications. Failure to comply with any request or requirement imposed by Canada may render the bid non-responsive or constitute a default under the Contract.

For further information on the Federal Contractors Program for Employment Equity visit Employment and Social Development Canada (ESDC)-Labour's website.

Date :_____(YYYY/MM/DD) (If left blank, the date will be deemed to be the bid solicitation closing date.)

Complete both A and B.

A. Check only one of the following:

( ) A1. The Bidder certifies having no work force in Canada.

( ) A2. The Bidder certifies being a public sector employer.

( ) A3. The Bidder certifies being a federally regulated employer being subject to the *Employment Equity Act.*

( ) A4. The Bidder certifies having a combined work force in Canada of less than 100 permanent full-time and/or permanent part-time employees.

A5. The Bidder has a combined workforce in Canada of 100 or more employees; and

( ) A5.1. The Bidder certifies already having a valid and current Agreement to Implement Employment Equity (AIEE) in place with ESDC-Labour.

OR

( ) A5.2. The Bidder certifies having submitted the Agreement to Implement Employment Equity (LAB1168) to ESDC-Labour. As this is a condition to contract award, proceed to completing the form Agreement to Implement Employment Equity (LAB1168), duly signing it, and transmit it to ESDC-Labour.

B. Check only one of the following:

( ) B1. The Bidder is not a Joint Venture.

OR

( ) B2. The Bidder is a Joint Venture and each member of the Joint Venture must provide the Contracting Authority with a completed annex Federal Contractors Program for Employment Equity - Certification. (Refer to the Joint Venture section of the Standard Instructions)