



**RETURN BIDS TO :
RETOURNER LES SOUMISSION À:**

**Canada Revenue Agency
Agence du revenu du Canada**

Proposal to: Canada Revenue Agency

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

Proposition à : l'Agence du revenu du Canada

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

**Bidder's Legal Name and Address (ensure the Bidder's complete legal name is properly set out)
Raison sociale et adresse du Soumissionnaire (s'assurer que le nom légal au complet du soumissionnaire est correctement indiqué)**

**Bidder MUST identify below the name and title of the individual authorized to sign on behalf of the Bidder –
Soumissionnaire doit identifier ci-bas le nom et le titre de la personne autorisée à signer au nom du soumissionnaire**

Name /Nom

Title/Titre

Signature

Date (yyyy-mm-dd)/(aaaa-mm-jj)
(____)

Telephone No. – No de téléphone
(____)

Fax No. – No de télécopieur

E-mail address – Adresse de courriel

**REQUEST FOR PROPOSAL /
DEMANDE DE PROPOSITION**

Title – Sujet Excise Stamp System	
Solicitation No. – No de l'invitation 1000329938	Date (yyyy-mm-dd) (aaaa-mm-jj) 2018-06-29
Solicitation closes – L'invitation prend fin (yyyy-mm-dd) (aaaa-mm-jj) on – le (2018-08-08) at – à 2:00 P.M. / 14 h	Time zone – Fuseau horaire EDT/HAE Eastern Daylight Time/ Heure Avancée de l'Est
Contracting Authority – Autorité contractante Name – Nom - Tara Sprigings-Ramsey Address – Adresse - 250 Albert St. 8th Floor, Ottawa, On K1A 0L5 Email Address – Adresse de courriel - tara.sprigings-ramsey@cra-arc.gc.ca	
Telephone No. – No de téléphone (613) 286-8382	
Destination - Destination See herein / Voir dans ce document	



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Request for Proposal (RFP)

THIS DOCUMENT CONTAINS A SECURITY REQUIREMENT

Title: Excise Stamp System

Part 1 General Information

1.1 Introduction

The solicitation is divided into seven parts plus appendices 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 solicitation;

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

Part 4 Evaluation and 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

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

Appendix 1: Mandatory Criteria

Appendix 2: Point Rated Criteria

Appendix 3: Financial Proposal

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

Annexes

Annex A: STATEMENT OF WORK

Annex B: BASIS OF PAYMENT

Annex C: SECURITY REQUIREMENTS CHECK LIST (SRCL)

Annex D: CERTIFICATIONS

1.2 Summary

The Canada Revenue Agency (CRA) issued this Request for Proposal (RFP) to establish a contract to provide exclusive rights to a supplier to be the authorized Excise Stamp provider (Producer) to provide an Excise Stamp System that meets the requirements outlined in Annex A Statement of Work (SOW).



The objective of this requirement is for the provision of an Excise Stamp System, including the:

- design, production, storage, distribution, and authentication of Excise Stamps (including Test Stamps);
- supply of a Web-Based Ordering System (WBOS) with e-communications and reporting modules;
- means to authenticate the Excise Stamp through the supply of Verification Tools; and
- accounting for the production, storage, distribution, return, and destruction of Excise Stamps and key materials.

The production, storage and distribution facilities of the Excise Stamp must be located in Canada.

The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws.

The period of the contract will be for six years from contract award.

The contract will contain irrevocable options to extend the term of the contract by up ten additional one year periods under the same conditions.

The contract will contain irrevocable options to add, remove or modify products or services of the goods, services or both.

The contract will contain an irrevocable option to acquire a track and trace system. There are security requirements associated with this requirement.

The requirement is not subject to the provisions of trade agreements.

1.3 Glossary of Terms

TERM	DEFINITION
CRA	Canada Revenue Agency
Day/Month/Year	For purposes of technical evaluation, one (1) month shall equal a minimum of 16.67 billable days (a day equals 7.5 hours) and one (1) year equals a minimum of 200 billable days. Any additional billable days within the same year will not increase the experience gained for the purposes of evaluation.
Project	A set of activities required to produce certain defined outputs, or to accomplish specific goals or objectives, within a defined schedule and resource budget. A project exists only for the duration of time required to complete its stated objectives.
Proposal	A solicited submission by one party to supply certain goods or services. The word "proposal" is used interchangeably with "bid"
Solicitation	An act or instance of requesting proposals/bids on specific products and/or services.



TERM	DEFINITION
Tendering Authority	Canada Revenue Agency

1.4 Debriefings

Bidders may request a debriefing on the results of the solicitation process. Bidders should make the request to the Contracting Authority within ten (10) business days of receipt of the results of the solicitation process. The debriefing may be in writing, by telephone or in person.

1.5 Office of the Procurement Ombudsman (OPO)

The Office of the Procurement Ombudsman (OPO) was established by the Government of Canada to provide an independent avenue for suppliers to raise complaints regarding the award of contracts under \$25,000 for goods and under \$100,000 for services. If you have issues or concerns regarding the solicitation, you have the option of raising them with the CRA, or, you may have the option of raising them with the OPO depending upon the nature of the complaint. You may contact the OPO by telephone at 1-866-734-5169 or by e-mail at boa.opo@boa.opo.gc.ca. You can also obtain more information on the OPO services available to you at their website at www.opo-boa.gc.ca.



Part 2 Bidder Instructions

2.1 Mandatory Requirements

Wherever the words “shall”, “must” and “will” appear in this document or any related document forming a part hereof, the item being described is a mandatory requirement.

Failure to comply or demonstrate compliance with a mandatory requirement will render the bid non-responsive and the bid will receive no further consideration.

2.2.1 Signatures

Bidders MUST sign Page 1 (front page) of the Request for Proposal and any certifications identified in Part 5.

2.2 Standard Instructions, Clauses and Conditions A0000T (2012-07-16)

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

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

The standard instructions and conditions 2003 (2016-04-04) are incorporated by reference into and form part of the bid solicitation.

The following clauses are incorporated by reference:

SACC Reference	Clause Title	Date
A3005T	Status and Availability of Resources	2010-08-16
A3010T	Education and Experience	2010-08-16
A3015T	Certifications	2014-06-26
C3011T	Exchange Rate Fluctuation	2013-11-06

2.2.1 Revisions to Standard Instructions 2003

Standard Instructions - Goods or Services – Competitive Requirements 2003 (2016-04-04) are revised as follows.

Section 01 titled “Integrity Provisions– Bid”, is deleted in its entirety and replaced with the following:

1. The *Supplier Integrity Directive* (SID) dated May 24, 2016, is incorporated by reference into, and forms a binding part of the bid solicitation. The Bidder must comply with the SID, which can be found on the Canada Revenue Agency’s website at <http://www.cra-arc.gc.ca/gncy/prcrmnt/menu-eng.html>.



2. Under the SID, charges and convictions of certain offences against a Supplier, its affiliates or first tier subcontractors, and other circumstances, will or may result in a determination by Public Works and Government Services Canada (PWGSC) that the Supplier is ineligible to enter, or is suspended from entering into a contract with Canada. The list of ineligible and suspended Suppliers is contained in PWGSC's Integrity Database. The SID describes how enquiries can be made regarding the ineligibility or suspension of Suppliers.
3. In addition to all other information required in the bid solicitation, the Bidder must provide the following:
 - a. by the time stated in the SID, all information required by the SID described under the heading "Mandatory Provision of Information"; and
 - b. with its bid, a complete list of all foreign criminal charges and convictions pertaining to itself, its affiliates and its proposed first tier subcontractors that, to the best of its knowledge and belief, may be similar to one of the listed offences in the SID. The list of foreign criminal charges and convictions must be submitted using an Integrity Declaration Form, which can be found at [Declaration form for procurement](#).
4. Subject to subsection 5, by submitting a bid in response to this bid solicitation, the Bidder certifies that:
 - a. it has read and understands the SID (<http://www.cra-arc.gc.ca/gncy/prcrmnt/menu-eng.html>)
 - b. it understands that certain domestic and foreign criminal charges and convictions, and other circumstances, as described in the SID, will or may result in a determination of ineligibility or suspension under the SID;
 - c. it is aware that Canada may request additional information, certifications, and validations from the Bidder or a third party for purposes of making a determination of ineligibility or suspension;
 - d. it has provided with its bid a complete list of all foreign criminal charges and convictions pertaining to itself, its affiliates and its proposed first tier subcontractors that, to the best of its knowledge and belief, may be similar to one of the listed offences in the SID;
 - e. none of the domestic criminal offences, and other circumstances, described in the SID that will or may result in a determination of ineligibility or suspension, apply to it, its affiliates and its proposed first tier subcontractors; and
 - f. it is not aware of a determination of ineligibility or suspension issued by PWGSC that applies to it.
5. Where a Bidder is unable to provide any of the certifications required by subsection 4, it must submit with its bid a completed Integrity Declaration Form, which can be found at [Declaration form for procurement](#).
6. Canada will declare non-responsive any bid in respect of which the information requested is incomplete or inaccurate, or in respect of which the information contained in a certification or declaration is found by Canada to be false or misleading in any respect. If Canada establishes after award of the Contract that the Bidder provided a false or misleading certification or declaration, Canada may terminate the Contract for default. Pursuant to the SID, Canada may also determine the Bidder to be ineligible for award of a contract for providing a false or misleading certification or declaration.

Section 02 titled "Procurement Business Number", is hereby deleted in its entirety and replaced with:

Suppliers should obtain a Business Number (BN) before contract award. Suppliers may register for a BN online at <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/menu-eng.html>.



Section 03 titled "Standard Instructions, Clauses and Conditions", "Pursuant to the Department of Public Works and Government Services Act (S.C. 1996, c.16)," is hereby deleted.

Section 05 titled "Submission of Bids", paragraph 2 (d) is deleted in its entirety and replaced with the following:

(d) send its bid only to the Canada Revenue Agency Bid Receiving Unit or to the address specified in the solicitation in Section 2.3.

Section 05 titled "Submission of Bids" paragraph 4, delete sixty (60) days and replace with (180) days.

Section 06 titled "Late Bids" reference to "PWGSC" is hereby deleted and replaced with CRA.

Section 07 titled "Delayed Bids" all references to "PWGSC" are hereby deleted and replaced with "CRA".

Section 12 titled "Rejection of Bid", delete subsections 1(a) and 1(b) in their entirety.

Section 20 titled "Further Information", Paragraph 2 is hereby deleted and replaced with the following: Enquiries concerning receipt of bids may be addressed to the Contracting Authority identified in the bid solicitation.

Section 21 titled "Code of Conduct for Procurement-bid" is hereby deleted in its entirety.

2.3 Submission of Proposals

When responding, the proposal SHALL be delivered to the Bid Receiving Unit address indicated below by the time and date indicated on Page 1.

BIDDERS ARE TO SUBMIT PROPOSALS TO:

Canada Revenue Agency
Bid Receiving Unit
Ottawa Technology Centre
Receiving Dock
875 Heron Road, Room D-95
Ottawa, ON K1A 1A2
Telephone No: (613) 941-1618

Bidders are hereby advised that the Bid Receiving Unit of CRA is open Monday to Friday inclusive, between the hours of 0730 and 1530, excluding those days that the federal government observes as a holiday.

ELECTRONIC BIDS WILL NOT BE ACCEPTED. Due to the nature of this solicitation, electronic transmissions of a proposal by such means as electronic mail or facsimile is not considered to be practical and therefore will not be accepted.

2.4 Communications - Solicitation Period SACC A0012T (2014-03-01)

All enquiries must be submitted to the Contracting Authority no later than 10 calendar days before the bid closing date. Enquiries received after that time may not be answered.



Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a "proprietary" nature 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.

2.5 Applicable Laws SACC A9070T (2014-06-26)

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

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

2.6 Terms and Conditions

By submitting a bid, the Bidder hereby certifies compliance with and acceptance of all of the articles, clauses, terms and conditions contained or referenced in this Request for Proposal (RFP) and Statement of Work (SOW). Any modifications or conditional pricing by the bidder, including deletions or additions to the articles, clauses, terms and conditions contained or referenced in this RFP and/or SOW document will render the bid non-responsive and the bid will receive no further consideration.

Part 3 Proposal Preparation Instructions

3.1 Bid – Number of Copies CRA MODA0055T (2007-11-30)

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

Section I: Technical Bid (5 hard copies) (and 1 soft copy on CD, DVD or USB key)

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.

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.

**Section II:** Financial Bid (1 hard copy) (and 1 soft copy on CD, DVD or USB key)

Bidders must submit their financial bid in accordance with the format outlined in Appendix 3: Financial Proposal. The total amount of Applicable Taxes must be shown separately.

Section III: Certifications 1 hard copy

Bidders must submit the certifications required under Part 5.

Section IV: Additional Information (1 hard copy)**Bidder's Proposed Sites or Premises Requiring Safeguarding Measures**

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
Postal Code

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.

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

3.2 Bid Format and Numbering System CRA MODA0054T (2007-11-30)

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 recycled-fibre content paper and two-sided printing. Reduction in the size of documents will contribute to CRA's sustainable development initiatives and reduce waste;
- c. the use of colour and glossy formats should be limited as needed to convey specific information
- d. use a numbering system corresponding to that of the bid solicitation;
- e. include the certification as a separate section of the bid.

Part 4 Evaluation and Selection**4.1 General**

A committee composed of representatives of CRA will evaluate the proposals on behalf of the Agency. The services of independent consultants may be called upon to assist in the evaluation of, or in the validation of, specific aspects of the solution proposed. CRA reserves the right to engage any independent consultant, or use any Government resources, which it deems necessary to evaluate any proposal.



Proposals will be evaluated in accordance with the evaluation criteria identified in Appendices 1 and 2 and in conjunction with the Statement of Work (SOW). Bidders are encouraged to address these criteria in sufficient depth in their proposals to permit a full evaluation of their proposals. The onus is on the Bidder to demonstrate that it meets the requirements specified in the solicitation.

Bidders are advised that only listing experience without providing any supporting information to describe where and how such experience was obtained will not be considered to be demonstrated for the purpose of the evaluation. The Bidder should not assume that the evaluation team is necessarily cognizant of or knowledgeable about the experience and capabilities of the Bidder or any of the proposed resource(s); as such, any relevant experience must be demonstrated in the Bidders' written proposal.

4.2 Steps in the Evaluation Process

The selection process to determine the successful Bidder will be carried out as follows:

Notwithstanding Steps 1 and 2 below, in order to expedite the evaluation process, CRA reserves the right to conduct Step 3 - Evaluation of Financial Proposals concurrently with Steps 1 and 2. Should CRA elect to conduct Step 3 prior to the completion of Step 2, the information in the Financial Proposal will not be disclosed to the team evaluating the mandatory and rated sections until the completion of Steps 1 and 2. However, if the Contracting Authority is able to ascertain that a proposal is non-responsive by virtue of incomplete information or an error in the financial proposal, the Contracting Authority will advise the team evaluating the mandatory and rated sections that the proposal is not compliant and should no longer be considered. The concurrent evaluation of the financial proposal does not in any way construe compliance in Steps 1 and 2 despite the statement "All bids meeting the minimum thresholds in Step 2 will proceed to Step 3".

Bids will be ranked in accordance with the Selection Methodology.

Step 1 – Evaluation against Mandatory Criteria

All bids will be evaluated to determine if the mandatory requirements detailed in Appendix 1 "Mandatory Criteria" have been met. Only those bids meeting ALL mandatory requirements will then be evaluated in accordance with Step 2 below.

Step 2 – Evaluation against Point-Rated Criteria

All bids meeting the criteria from Step 1 will be evaluated and scored, in accordance with the point-rated criteria detailed in Appendix 2 "Point-Rated Criteria", to determine the Bidder's Total Technical Merit Score. All bids meeting the minimum thresholds in Step 2 will proceed to Step 3.

Step 3 – Evaluation of Financial Proposals

Only technically compliant bids meeting all of the requirements detailed in Steps 1 and 2 will be considered at this point.



Prices submitted will be evaluated to determine the bid evaluation price as defined in Appendix 3: "Financial Proposal". Once the bid evaluation prices are determined under Step 3, the proposals will proceed to Step 4.

Bidders must provide a price, percentage, or weight, as applicable, for each item identified in the format specified in Appendix 3: Financial Proposal. Ranges (e.g., \$10-\$13) are not acceptable.

Step 4 – Basis of Selection

1. To be declared responsive, a bid must:
 - a. comply with all the requirements of the bid solicitation; and
 - b. meet all mandatory criteria; and
 - c. obtain the required minimum points specified for each criterion for the technical evaluation, and
 - d. obtain the required minimum of 333 points overall for the technical evaluation criteria which are subject to point rating. The rating is performed on a scale of 555 points.
2. Bids not meeting (a) or (b) or (c) and (d) will be declared non-responsive.
3. The selection will be based on the highest responsive combined rating of technical merit and price. The ratio will be 60 % for the technical merit and 40 % for the price.
4. 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 60 %.
5. To establish the pricing score, each responsive bid will be prorated against the lowest evaluated price and the ratio of 40 %.
6. For each responsive bid, the technical merit score and the pricing score will be added to determine its combined rating.
7. 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 award of a contract.

The table below illustrates an example where all three bids are responsive and the selection of the contractor is determined by a 60/40 ratio of technical merit and price, respectively. The total available points equals 135 and the lowest evaluated price is \$45,000 (45).

**Basis of Selection - Highest Combined Rating Technical Merit (60%) and Price (40%)**

Basis of Selection - Highest Combined Rating Technical Merit (60%) and Price (40%)				
		Bidder 1	Bidder 2	Bidder 3
Overall Technical Score		115/135	89/135	92/135
Bid Evaluated Price		\$55,000.00	\$50,000.00	\$45,000.00
Calculations	Technical Merit Score	$115/135 \times 60 = 51.11$	$89/135 \times 60 = 39.56$	$92/135 \times 60 = 40.89$
	Pricing Score	$45/55 \times 40 = 32.73$	$45/50 \times 40 = 36.00$	$45/45 \times 40 = 40.00$
Combined Rating		83.84	75.56	80.89
Overall Rating		1st	3rd	2nd

Step 5 – Selection

The Bidder with the highest ranked responsive bid and having passed all of the Step 4 requirements as described above will be considered the successful Bidder for this requirement and will be recommended for award of a contract.

Step 6 – Conditions Precedent to Contract Award

The Bidder recommended for award of a Contract must meet the requirements provided in Part 5 “Certifications and Additional Information” and Part 6 “Security and Other Requirements” of this RFP.

Step 7 – Contract Entry

The Bidder with the highest ranked responsive bid and meeting all the requirements listed above will be recommended for award of a contract.

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.

5.1 Certifications Precedent to Contract Award

5.1.1 CERTIFICATION FORM

The Bidder hereby certifies the statements and representations made in the bid for the following mandatory and point-rated criteria:

M8a) - The Bidder certifies that all production, storage and distribution facilities of the Excise Stamp will be located in Canada.

M9 - The Bidder certifies that the proposed handheld device meets the requirements of Articles 10.0 to 10.2 inclusive of the SOW

P2 - Project Experience - Quality Assurance Plan

The Bidder certifies that they have the required experience in developing, maintaining and using a Quality Assurance Plan for the provision of security documents.

P4 - Distribution Experience

The bidder certifies that they have the required experience in distributing revenue stamps or equivalent security documents and they have provided a list in their bid of the countries, provinces, and/or states serviced by each distribution centre facility.

P7 - Production Volume - Project Experience:

The Bidder certifies that they have the required experience in Provision of revenue stamps or equivalent security documents.

P8 - Overt and Covert Security Features in Proposed Stamp Design

The Bidder certifies that the proposed security features can be applied to Excise Stamps in single format;

The Bidder certifies that the standard revenue stamp adhesives will not negatively affect the features.

_____	_____	_____	_____
Signature of Duly Authorized Representative	Name of Duly Authorized Representative	Legal Name of Business Entity	Date

5.1.2 Joint Venture Certification

Only complete this certification if a joint venture is being proposed

The Bidder represents and warrants the following:



(a) The bidding entity is a contractual joint venture in accordance with the following definition. A "contractual joint venture" is an association of two or more parties who have entered into a written contract in which they have set out the terms under which they have agreed to combine their money, property, knowledge, skills, time or other resources in a joint business enterprise, sharing the profits and the losses and each having some degree of control over the enterprise.

(b) The name of the joint venture is: _____(if applicable).

(c) The members of the contractual joint venture are (the Bidder is to add lines to accommodate the names of all members of the joint venture, as necessary):

(d) The Business Numbers (BN) of each member of the contractual joint venture are as follows (the Bidder is to add lines for additional BNs, as necessary):

(e) The effective date of formation of the joint venture is: _____

(f) Each member of the joint venture has appointed and granted full authority to _____ (the "Lead Member") to act on behalf of all members as its representative for the purposes of executing documentation relating to the Contract issued subsequent to contract award, including but not limited to Contract Amendments and Task Authorizations.

(g) The joint venture is in effect as of the date of bid submission.

This Joint Venture Certification must be signed by each member of the joint venture.

The Joint Venture Certification shall be effective throughout the entire period of the Contract, including any exercised option period, if exercised.

The CRA has the right to request documentation from the Bidder evidencing the existence of the contractual joint venture.

Signature of an authorized representative of each member of the joint venture

(the Bidder is to add signatory lines as necessary):



Signature of Duly Authorized Representative	Name of Duly Authorized Representative	Legal Name of Business Entity	Date
Signature of Duly Authorized Representative	Name of Duly Authorized Representative	Legal Name of Business Entity	Date

5.2 Certifications Precedent to Contract Award and Associated Information

The certifications listed below should be completed and submitted with the bid but may be submitted afterwards. If any of these required certifications is not completed and submitted as requested, the Contracting Authority will inform the Bidder of a time frame within which to provide the information. Failure to comply with the request of the Contracting Authority and to provide the certification within the time frame provided will render the bid non responsive and the bid will receive no further consideration.

5.2.1 Integrity Provisions – Associated Information

By submitting a bid, the Bidder certifies that the Bidder and its Affiliates are in compliance with the provisions as stated in Section 01 Integrity Provisions - Bid of Standard Instructions 2003. The associated information required within the Integrity Provisions will assist Canada in confirming that the certifications are true.

5.2.2 Employment Equity

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](https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#)" list (<https://www.canada.ca/en/employment-social-development/programs/employment-equity/federal-contractor-program.html#>) 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.

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 employees (combined work force includes: permanent full-time, permanent part-time and temporary employees [temporary employees only includes those who have worked 12 weeks or more during a calendar year and who are not full-time students]).
- 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 HRSDC-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 Federal Contractors Program for Employment Equity - Certification. (Refer to the Joint Venture section of the Standard Instructions)



5.2.3 Former Public Servant CRA Mod A3025T 2014-06-26

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. 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.

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.

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.

5.2.4 Vendor Reporting Information

The following information should be provided to enable CRA compliance with paragraph 221(1)(d) of the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.) and report payments made to contractors under applicable services contracts (including contracts involving a mix of goods and services) on a T1204 Government Service Contract Payments slip.

For the purpose of this clause:

“Legal Name” means the name of the company, corporation or other entity constituted as a legal person under which this person exercises its rights and performs its obligations.

“Operating Name” means the name that is legally protected and used in the course of its business by a company, corporation or other entity legally constituted as a legal person, or by the individual.

The Bidder is requested to provide the following:

Legal Name: _____

Operating Name: _____



Address: _____

Payment/T1204 Address (if different) Payment address is same as above

City: _____

Province: _____

Postal Code: _____

Telephone: _____

Fax: _____

Type of Business (Select only one)

Corporation

Partnership

Sole Proprietor

Non-Profit Organization

US or International Co.

All registered companies (excluding Non-Profit organizations and US or International companies) must provide their Goods and Services Tax (GST) or Business Number (BN). Additional details on how to obtain a BN can be found at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/menu-eng.html>

If the services will be rendered by an individual, please provide the Social Insurance Number (SIN).

Goods and Services Tax (GST) Number: _____

Business Number (BN): _____

If a SIN number is being provided, the information should be placed in a sealed envelope marked "Protected".

Social Insurance Number (SIN): _____

N/A

Reason: _____



Note: If you select "N/A", then you must give a reason.

Date: _____

Name: _____

Signature: _____

(Signature of duly authorized representative of business)

Title: _____

(Title of duly authorized representative of business)



Part 6 Security and Other Requirements

6.1 Security Requirements

1. Before award of a contract, the following conditions must be met:
 - (a) the Bidder must hold a valid organization security clearance as indicated in Part 7 - Model Contract;
 - (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work site(s) must meet the security requirements as indicated in Part 7 - Model Contract;
 - (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 - Model Contract;
 - (e) the Bidder must provide the address(es) of proposed site(s) or premises of work performance and document safeguarding as indicated in Part 3 - Section IV Additional Information

2. Bidders are reminded to obtain the required security clearance promptly. Any delay in the award of a contract to allow the successful Bidder to obtain the required clearance will be at the entire discretion of the Contracting Authority.

**Appendix 1: Mandatory Criteria****Evaluation Procedures**

Bids will be evaluated in accordance with the steps outlined in Part 4 Evaluation and Selection and all the mandatory evaluation criteria detailed below. The Bidder must provide supporting documentation in its proposal as requested by CRA, in order to demonstrate that each technical mandatory requirement has been met. To assist with the evaluation process, it is preferred that the Bidder complete the table included below, to indicate where in its proposal the information can be located. Bids that fail to meet all mandatory requirements will be declared non-responsive and the bid will receive no further consideration.

All responses will be assessed as a “Pass “or “Fail”.

All Article references relate to the SOW.

“Revenue Stamps or Equivalent Security Documents” is defined as:

Any type of document that incorporates at least two (2) Overt Security Features and two (2) Covert Security Features that can be used to authenticate the document as original, including but not limited to, high security print and advanced holography, whose primary purpose is to prevent forgery, tampering, or counterfeiting.

Examples include: banknotes, passports, driver’s licenses, stamps, vouchers, etc.

Mandatory Requirements:

<i>The Bidder’s proposal MUST demonstrate that the following mandatory criteria are met:</i>		
<i>A. Mandatory Requirements</i>	Bidder Response (Yes/No)	Location in Bid (Page Number or N/A)
M. 1 The Bidder(s) MUST <u>sign</u> Page 1 (front page) of the Request for Proposal.		
M.2 The Bidder must provide a response to each of the Mandatory Technical Requirements in Appendix 1.		
M.3 The Bidder must provide a response for each of the Rated Requirements (P1-P11) provided in Appendix 2.		
M.4 The Bidder must complete Appendix 3: Financial Proposal		
M.5 Environmental Policy		
The Bidder must include a copy of the Bidder’s corporate environmental policy statement printed on corporate letterhead and signed by an authorized officer of the company. A copy of		



a current certification to an environmental management system, such as ISO 14001, will be acceptable as an alternative.		
B. Mandatory Technical Requirements	Bidder Response (Yes/No)	Location in Bid (Page Number or N/A)
<p><u>M.6 Visual Representation (Article 6.0)</u></p> <p>The Bidder must provide a colour visual representation of the proposed Excise Stamp Cigarettes 25 in all Jurisdiction colours outlined in Article 6.1.5 of the SOW.</p> <p>The colour visual representation must also include a description of and details on the following features (with an exception of the Bidder's Authentication Feature that is known only to the Bidder):</p> <ul style="list-style-type: none"> a) All Overt Features b) A minimum of four (4) Overt Security Features (Article 6.1.6 of the SOW) c) A minimum of four (4) Covert Security Features (Article 6.1.7 of the SOW) d) Substrate Specifications (weight, calliper, opacity, fluorescence) (Article 6.1.2 of the SOW) e) Stamp size (Article 6.1.1 of the SOW) f) Anti-counterfeiting features (as required in the SOW) (Article 6.1.6 of the SOW.) g) Bending and application specifications (Article 6.1.11 of the SOW) h) Durability features (Article 6.1.10 of the SOW) i) For each <u>Overt</u> Security Feature included in the visual representation, the Bidder must confirm it will not be affected by any Jurisdiction's current background colour (Article 6.1.5 of the SOW). j) Unique Identifier (Article 6.1.6 of the SOW) 		
<p><u>M.7a) Production, Storage and Distribution Facility Located in Canada (Article 5.1.1)</u></p> <p>The Bidder must certify by an authorized officer of the company that all production, storage and distribution facilities of the Excise Stamp will be located in Canada. Refer to section 5.1.1 Certification Form.</p> <p>The Bidder must confirm that they have production, storage and distribution facilities for the Excise Stamp located in Canada prior to contract award.</p> <p>At the time of bid closing, the Bidder must demonstrate the ownership or lease of existing production, storage and distribution facilities in Canada, by one of the following:</p>		



<p>a) Providing the addresses of the facilities and the related ownership or lease documentation. OR</p> <p>b) Submitting a letter from an authorized officer of the Bidder's company that states that the Bidder has plans to secure a production facility in Canada (proof that a contract or lease is in place for the purchase or rental of a production facility in Canada). This must be provided prior to contract award. OR</p> <p>c) Proof of partnership with a Canadian company that currently has existing production facilities in Canada. A letter from an authorized officer of the Bidder's company outlining the partnership agreement and the address of the production facility in Canada must be provided.</p>		
<p><u>M.7b) Production, Storage and Distribution Facility Located in Canada (Article 5.1.1)</u></p> <p>At the time of bid closing, the Bidder must demonstrate one of the following:</p> <p>a) Proof that appropriate equipment for the production of the Excise Stamp is:</p> <ul style="list-style-type: none">i. owned, leased or rented and is in Canada or will be in Canada and operational so as to ensure that the deliverables in the SOW (Article 5.1.2) will be met; <p style="text-align: center;">OR</p> <ul style="list-style-type: none">ii. contained in an agreement to buy, lease or rent and will be in Canada and operational so as to ensure that the deliverables in the SOW (Article 5.1.2) will be met.		
<p><u>M.8 Verification Tools – Handheld (Article 7.1)</u></p> <p>The Bidder must propose and certify that they will provide a handheld device that meets the requirements of Articles 10.0 to 10.2 of the SOW. The Bidder must provide the name and model number of the proposed hand held device. Refer to section 5.1.1 Certification Form.</p>		
<p><u>M.9 Data Storage (Article 7.5)</u></p> <p>The Bidder must clearly provide a description of how the Bidder will manage all data input, processing, storage, accessing and electronic back-ups exclusively in Canada. <u>(as identified in Articles 7.5 of the SOW)</u></p>		



M.10 Project Experience - Security Features

The Bidder must include a detailed description of at least two (2) distinct clients/customers that demonstrates the Bidder has provided them with Revenue Stamps or Equivalent Security Documents containing at least two (2) Overt Security Features and at least two (2) Covert Security Features, as defined within the SOW. The Bidder must have provided these products in each of two (2) of the past three (3) years from the date of closing of the RFP.

Note: The CRA, at their sole discretion, reserves the right to contact in writing (by email) the reference contact who has knowledge of the project for verification purposes only. Should discrepancies exist between the information submitted by the bidder and the information provided by the reference contact, the information provided by the reference contact will take precedence

Project Experience #1

Organization Name:

Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable) :

Total length of Contract Term (years, months)

Description of Services provided for Revenue Stamps or Equivalent Security Documents containing at least two (2) Overt Security Features and two (2) Covert Security Features.

Reference contact name:

Reference contact email:

Project Experience #2

Organization Name:

Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):

Total length of Contract Term (years, months)

Description of Services provided for Revenue Stamps or Equivalent Security Documents containing at least two (2) Overt Security Features and two (2) Covert Security Features.

Reference contact name:

Reference contact email:



<p><u>M.11 Project Experience Production Volume</u></p> <p>The Bidder must include a detailed description of one (1) client/customer which demonstrates that the Bidder has produced a minimum of 300 million Revenue Stamps or Equivalent Security Documents per year in two (2) of the last three (3) years from the date of closing of the RFP, in a minimum of one Jurisdiction, for this client/customer</p> <p>Project Experience #1</p> <p>Organization Name:</p> <p>Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable)::</p> <p>Total length of Contract Term (years, months)</p> <p>Description of Services Provided that demonstrate production of a minimum of 300 million Revenue Stamps or Equivalent Security Documents:</p> <p>Reference contact name:</p> <p>Reference contact email:</p>		
<p><u>M.12 Project Experience Web-Based Ordering Systems</u></p> <p>The Bidder must include a detailed description which demonstrates that they have provided a Web-Based Ordering System (WBOS) to at least one (1) client/customer to handle a minimum of 300 million Revenue Stamps or Equivalent Security Documents per year in two (2) of the last three (3) years from the date of closing of the RFP, in a minimum of one jurisdiction.</p> <p>Project Experience #1</p> <p>Organization Name:</p> <p>Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):</p> <p>Total length of Contract Term (years, months)</p> <p>Description of Services Provided for Web-Based Ordering System:</p> <p>Reference contact name:</p> <p>Reference contact email:</p>		
<p><u>M.13 Minimum Order Size and Packaging (Articles 8.7 to 8.7.2)</u></p> <p>The Bidder must include a proposal for a minimum order quantity for Excise Stamps in single format (as identified in Articles 8.7 to 8.7.2 of the SOW).</p>		



<p>The Bidder must include a proposal for CRA consideration on how they will meet the following concern: The minimum order requirement is <u>not</u> meant to set a packaging size for Stamps, as very large Stamp Users may find packaging at the minimum order quantity inefficient and impractical for high speed application equipment. Under the previous SOW, nearly 98% of Stamps were ordered by larger Stamp Users.</p>		
<p><u>M.14 Technology Change (Article 14.5)</u> The Bidder must provide the process and plan for the identification, assessment and integration of new technological advances to maintain a technological sophistication and advantage to the Excise Stamp System so as to mitigate erosion to the integrity of the Excise Stamp System. (As identified in Article 14.5 of the SOW)</p>		
<p><u>M.15 Contingency Plan for a Compromise to the Excise Stamp System (Article 14.6)</u> The Bidder must provide a Contingency Plan to address attacks to the integrity of the Excise Stamp System, including but not limited to the counterfeiting of the Excise Stamp, and the unauthorized access to the WBOS, its Modules or its databases.</p>		

**Appendix 2: Point Rated Criteria**

Technical bids will be assessed separately against the evaluation criteria identified below. Point-rated criteria not addressed in the bid will result in a score of zero being assigned against that particular criterion.

All Article references relate to the SOW.

Requirements for certifications in this Appendix will be met with a signed certification by an authorized officer of the company that the information or requirements have been met. Refer to section 5.1.1 Certification Form.

“Revenue Stamps or Equivalent Security Documents” is defined as:

Any type of document that incorporates at least two (2) Overt Security Features and two (2) Covert Security Features that can be used to authenticate the document as original, including but not limited to, high security print and advanced holography, whose primary purpose is to prevent forgery, tampering, or counterfeiting.

Examples include but are not limited to: banknotes, passports, driver's licenses, stamps, vouchers.

Bidders will be eliminated if they do not obtain a minimum pass rate of 70% for specific sections.

Bidders must meet the overall minimum pass point requirement of 60%. Bidders will be eliminated if they do not obtain a minimum pass point of 60%. Therefore, Bidders will require 333 points out of a maximum of 555 points.

Points Summary: Point Rated Criteria	Points	Minimum Pass Rate
Subtotal for P.1 – Quality Assurance Plan	100	70%
Subtotal for P.2 – Project Experience – Quality Assurance	30	n/a
Subtotal for P.3 – Business Continuity and Disaster Recovery Plan	100	70%
Subtotal for P.4 – Distribution – Experience	25	n/a
Subtotal for P.5 – Distribution – Plan	50	70%
Subtotal for P.6 – Schedule of Work	80	70%
Subtotal for P.7 – Project Experience – Provision of Revenue Stamps	30	n/a
Subtotal for P.8 – Overt and Covert Security Features in Proposed Stamp Design	20	n/a
Subtotal for P.9 – Web-Based Ordering System and its Modules	80	70%
Subtotal for P.10 – Technology Change	30	n/a
Subtotal for P.11 – Additional Services	10	n/a



Points Summary: Point Rated Criteria	Points	Minimum Pass Rate
Subtotal for P.12 – Track and Trace	0	n/a
TOTAL FOR POINT RATED CRITERIA (Total Technical Merit Score)	555	
Minimum pass mark required (60%)	333	



	<u>Point-Rated Technical Evaluation Criteria</u>	<i>Location in Bid (Page Number)</i>	<i>Points</i>	<i>Points Awarded</i>
P.1	<p><u>Quality Assurance Plan (Article 11.0)</u></p> <p>The Bidder will receive points for providing a detailed Quality Assurance Plan (descriptions and supporting flow chart) with the following key elements:</p> <p>1. Quality Planning</p> <p>The Contractor must provide the processes, procedures, controls, records and verification required, <u>including a supporting flow chart</u>, for each of the following elements:</p> <p>a) Production Process must:</p> <ol style="list-style-type: none"> 1) Minimize, identify and control losses/ diversion of key raw materials; 2) Identify and control key production plates, electronic files, software etc. used in the control and production of the Stamp; 3) Minimize, identify and control losses of work-in-progress (WIP); 4) Minimize, identify and control losses of Stamps during production and delivery to storage; 5) Minimize, identify and control defects to ensure that each and every Stamp is properly produced and conforms to the approved Stamp Design ensuring every Stamp carries all required Overt Features, Overt Security Features and Covert Security Features; 		<p>(Maximum 100 points)</p> <p>Points will be assigned as follows:</p> <p>3 Points – for each key element addressed (Max 75 points)</p> <p>AND</p> <p>1 Point for each element addressed in the supporting flow chart (Max 25 points)</p>	



	<p>6) Provide production controls for thresholds and/or tolerances for Stamps produced in order to identify Stamps that do not meet the SOW's specifications and requirements;</p> <p>7) Record, control, and maintain detailed accounting information on all valid, Invalid, and duplicate Stamps produced, such that there will be no missing or unaccounted for Stamps; and</p> <p>8) Provide a process and controls for safeguarding, handling and destroying Stamps and Invalid Stamps.</p> <p>b) Storage Process must:</p> <p>9) Identify and control all Stamps, ensuring that the quality and integrity of the Stamp is maintained; all Stamps are accounted for and stored appropriately and securely.</p> <p>c) Distribution Process must:</p> <p>10) Identify and control all Stamps, ensuring that the quality and integrity of the Stamp is maintained;</p> <p>11) Ensure delivery is to service standards under Article 9.2; and</p> <p>12) Ensure all distribution and communication processes and procedures with the CRA and/or Stamp Users are according to the SOW's specifications and requirements.</p> <p>2. Quality Management</p> <p>The Contractor must provide a description of the Quality assurance tests to ensure the Quality Management of all Excise Stamps produced or released that provide the following key elements:</p> <p>13) All Security Features are applied and function as required, and Invalid Stamps are identified;</p> <p>14) Stamps meet the stated tolerances / thresholds to distinguish Excise Stamps that are acceptable for</p>			
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	<p>dissemination to Users from those that are not (stamp size, cutting, printing) to ensure consistency in the application of the Excise Stamp by Stamp Users; and</p> <p>15) Ease of identification for the Public and for Enforcement Agencies of valid Excise Stamps.</p> <p>3. Quality Control</p> <p>The Contractor must provide operational techniques used for problem identification, problem analysis and problem correction that provide the following key elements:</p> <p>16) Duplicate, Invalid or missing Excise Stamps process, including quality of deliverables not meeting the SOW's specifications and requirements;</p> <p>17) Failure to follow the procedures for handling unaccounted for Stamps and/or work in progress as indicated in the Contractor's proposal (including diversion of key raw materials);</p> <p>18) Lost orders of Stamps or Verification Tools;</p> <p>19) Lost or unauthorized release of CRA or Stamp User information;</p> <p>20) Stamps being unavailable for distribution or late delivery of Stamps;</p> <p>21) Return of Stamps from Stamp Users due to defects;</p> <p>22) Delivery of incorrect quantities, Jurisdictions of Stamps, Types of Stamps or Verification Tool(s);</p> <p>23) Delivery to the incorrect destination;</p> <p>24) Training and/or technical assistance that does not meet specified requirements or fails to resolve any applicable issues; and</p> <p>25) Lack of responsiveness of the Contractor's Representative and Contract Manager.</p>			
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<p>P.2</p>	<p><u>Project Experience - Quality Assurance Plan:</u></p> <p>The Bidder will receive points for demonstrating and certifying that they have experience in developing, maintaining and using a Quality Assurance Plan for the provision of security documents in each of two (2) of the last three (3) years. Refer to section 5.1.1 Certification Form.</p>		<p>(Maximum 30 points)</p> <p>Points will be assigned as follows:</p> <p>0 Points – The Bidder’s proposal does not provide a project example.</p> <p>10 Points – The Bidder’s proposal provides one (1) Project example.</p> <p>20 Points – The Bidder’s proposal provides two (2) Project examples.</p> <p>30 Points – The Bidder’s proposal provides three (3) Project examples.</p>	
<p>P.3</p>	<p><u>Business Continuity and Disaster Recovery Plan</u></p> <p>The Bidder will receive points for providing a Business Continuity and Disaster Recovery Plan (Plan) for the production, storage and distribution of Excise Stamps that provides the following key elements:</p> <ol style="list-style-type: none"> 1) Includes a detailed description of the processes and strategies in place to address all potential disruptions or business complications due to (at a minimum): material shortages, major equipment breakdown, fire, flood, and labour issues / strike actions. 		<p>(Maximum 100 points)</p> <p>Points will be assigned as follows:</p> <p>0 Points – The Bidder’s proposal does not address any of the key elements.</p>	



	<p>2) Provides a projected timeline to deal with the immediate aftermath of the event.</p> <p>3) Provides documented and certified evidence that the Plan has been tested or audited by a third party of ISO certification and therefore is sufficient to meet all potential risks.</p> <p>4) Has a documented updating process.</p> <p>5) Provides for a communications strategy to disseminate the Plan to the pertinent sections of the Bidder's organization related to secure documents and/or revenue stamps.</p>		<p>20 Points – The Bidder's proposal addresses 1 of the key elements.</p> <p>40 Points – The Bidder's proposal addresses 2 of the key elements.</p> <p>60 Points – The Bidder's proposal addresses 3 of the key elements.</p> <p>80 Points – The Bidder's proposal addresses 4 of the key elements.</p> <p>100 Points – The Bidder's proposal addresses all 5 elements.</p>	
<p>P.4</p>	<p><u>Distribution – Experience</u></p> <p>a. The Bidder will receive points for the description and certification of their experience (in two of the last three years) in distributing revenue stamps or equivalent security documents to multiple countries, provinces, and/or states.</p> <p>The Bidder must indicate in their description if this distribution is from a single facility in one country, province, or state to multiple countries, provinces, and/or</p>		<p>(Maximum 25 points)</p> <p>Points will be assigned as follows:</p> <p>5 points - distributed Revenue Stamps or Equivalent Security Documents to</p>	



<p>states or if each country, province, and state is serviced by its own distribution facility.</p> <p>b. The Bidder must provide a list of countries, provinces, and/or states serviced by each distribution facility and include a certification. Refer to section 5.1.1 Certification Form.</p> <p>Note: The CRA, at their sole discretion, reserves the right to contact in writing (by email) the reference contact who has knowledge of the project for verification purposes only. Should discrepancies exist between the information submitted by the bidder and the information provided by the reference contact, the information provided by the reference contact will take precedence</p> <table border="1" data-bbox="390 748 1073 1133"> <tr> <td>a) Project Experience #1</td> </tr> <tr> <td>Organization Name:</td> </tr> <tr> <td>Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):</td> </tr> <tr> <td>Experience in distributing revenue stamps:</td> </tr> <tr> <td>Reference contact name:</td> </tr> <tr> <td>Reference contact email:</td> </tr> <tr> <td>b. List of countries, provinces, and/or states serviced by each distribution facility with certification. Refer to section 5.1.1 Certification Form.</td> </tr> </table>	a) Project Experience #1	Organization Name:	Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):	Experience in distributing revenue stamps:	Reference contact name:	Reference contact email:	b. List of countries, provinces, and/or states serviced by each distribution facility with certification. Refer to section 5.1.1 Certification Form.		<p>destinations from a distribution facility within the same province or state.</p> <p>10 points - distributed Revenue Stamps or Equivalent Security Documents from a distribution facility in one province or state to multiple destinations in other provinces or states within the same country.</p> <p>15 points - distributed Revenue Stamps or Equivalent Security Documents from a distribution facility in one country to a destination in one other country.</p> <p>20 points - distributed Revenue Stamps or Equivalent Security Documents from a distribution facility in one country to destinations in at least two other countries.</p>	
a) Project Experience #1										
Organization Name:										
Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):										
Experience in distributing revenue stamps:										
Reference contact name:										
Reference contact email:										
b. List of countries, provinces, and/or states serviced by each distribution facility with certification. Refer to section 5.1.1 Certification Form.										



			25 points - distributed Revenue Stamps or Equivalent Security Documents from a distribution facility in one country to destinations in at least five other countries.	
P.5	<u>Distribution - Plan</u> The Bidder will receive points for providing a plan on how they will fulfill the delivery requirements for Excise Stamps (Article 9.0). Points will be assigned for each of the following key elements. To receive points the Bidder must include descriptions including but not limited to logistics, procedures, protocols, limitations, restrictions, and security requirements for: <ol style="list-style-type: none">1) Secure delivery services supplied by the Bidder (includes using a third party). Describe if you are proposing different levels of Secured Delivery Services, for example: depending on the quantity and/or underlying value of Excise Stamps.2) Delivery services obtained by the Stamp User for pick-up at the Bidder's Distribution Facilities.3) Distribution of the Excise Stamps to CRA-approved addresses both within Canada and internationally.4) Meeting the CRA delivery standards outlined in the SOW, including instances where the CRA delivery standards will be amended by mutual written agreement between the Stamp User and the Bidder.5) Stamp Return process		(Maximum 50 points) Points will be assigned as follows: 10 Points – for each key element addressed. (maximum 5 elements)	



P.6	<u>Schedule of Work</u> The Bidder will receive points for providing a Schedule of Work that indicates how the Bidder plans to provide an operational Excise Stamp System that meets the Implementation Date (Article 5.1.2) and provides the following key elements: <ol style="list-style-type: none">1) Provides specific timelines;2) Addresses all key milestones;3) Covers any associated activity (key activities that the Bidder may identify in addition to those in Article 5.1.2 or a subset of the key milestones)4) Identifies the parties (including third parties) who will be responsible for each milestone or activity;5) Acknowledges any interdependencies between milestones and/or activities;6) Identifies the approval process for accepting completion of each milestone and/or activity;7) Explains how any potential delays will be managed; and8) Provides for subsequent remedial measures based on failure to meet stated deadlines.		(Maximum 80 points) Points will be assigned as follows: 10 points – for each key element addressed. (maximum 8 elements)	
P.7	<u>Production Volume - Project Experience:</u> Experience in Provision of Revenue Stamps or Equivalent Security Documents Under the Mandatory Requirement M.11 , the Bidder must demonstrate the provision of a minimum of 300 million Revenue Stamps or Equivalent Security Documents products per year in each of two (2) of the last three (3) years.		(Maximum 30 points) Points will be assigned as follows: 0 points = 300 million to 600 million Revenue Stamps or Equivalent Security	



<p>The Bidder will receive points for providing one (1) project example that demonstrates the provision of 600 million or more Revenue Stamps or Equivalent Security Documents products per year in each of two (2) of the last three (3) years. A certification is also required. Refer to section 5.1.1 Certification Form.</p> <p>Additional points will be assigned if over 1.2 billion Revenue Stamps or Equivalent Security Documents in two (2) of the last three (3) years have been supplied under two (2) distinct customers' contracts. The minimum supply volume per contract must be no less than 300 million Revenue Stamps or Equivalent Security Documents.</p> <p>Note: The CRA, at their sole discretion, reserves the right to contact in writing (by email) the reference contact who has knowledge of the project for verification purposes only. Should discrepancies exist between the information submitted by the bidder and the information provided by the reference contact, the information provided by the reference contact will take precedence.</p> <table border="1" data-bbox="390 967 1075 1370"> <thead> <tr> <th data-bbox="390 967 1075 1019">Project Experience</th> </tr> </thead> <tbody> <tr> <td data-bbox="390 1019 1075 1068">Organization Name:</td> </tr> <tr> <td data-bbox="390 1068 1075 1149">Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):</td> </tr> <tr> <td data-bbox="390 1149 1075 1198">Total length of Contract Term (years, months)</td> </tr> <tr> <td data-bbox="390 1198 1075 1295">Description of Services Provided that demonstrates the production of a minimum of 300 million Revenue Stamps or Equivalent Security Documents per contract.</td> </tr> <tr> <td data-bbox="390 1295 1075 1328">Reference contact name:</td> </tr> <tr> <td data-bbox="390 1328 1075 1370">Reference contact email:</td> </tr> </tbody> </table>	Project Experience	Organization Name:	Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):	Total length of Contract Term (years, months)	Description of Services Provided that demonstrates the production of a minimum of 300 million Revenue Stamps or Equivalent Security Documents per contract.	Reference contact name:	Reference contact email:	<p>Documents in each of two (2) of the last three (3) years.</p> <p>5 points = 600 million to 900 million Revenue Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years.</p> <p>10 points = 900 million to 1.2 billion Revenue Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years.</p> <p>15 points = 1.2 billion to 1.5 billion Revenue Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years.</p> <p>20 points = 1.5 billion to 2 billion Revenue Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years.</p> <p>25 points = over 2 billion Revenue</p>	
Project Experience									
Organization Name:									
Dates of Contract Term (Start and end dates. The anticipated end date is also acceptable):									
Total length of Contract Term (years, months)									
Description of Services Provided that demonstrates the production of a minimum of 300 million Revenue Stamps or Equivalent Security Documents per contract.									
Reference contact name:									
Reference contact email:									



	<p>A certification is provided for the Project Experience. Refer to section 5.1.1 Certification Form.</p>		<p>Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years.</p> <p>An additional 5 points if over 1.2 billion Revenue Stamps or Equivalent Security Documents in each of two (2) of the last three (3) years has been provided to two distinct customers.</p>	
<p>P.8</p>	<p><u>Overt and Covert Security Features in Proposed Stamp Design</u></p> <p>1) The Bidder will receive points for proposing and describing a minimum four (4) Overt Security Features and four (4) Covert Security Features which must include the following key elements for each feature. (As described in Article 6.1.6 and 6.1.7 of the SOW):</p> <ul style="list-style-type: none"> a. A description as to how the proposed feature is effective and adds to the integrity of the Excise Stamp; b. A description as to how the feature is difficult to reproduce and/or counterfeit. c. Certification by an authorized officer of the company is required, that the security features 		<p>(Maximum 20 points)</p> <p>Points will be assigned as follows:</p> <p>0 Points – The Bidder’s proposal does not address any of the key elements.</p> <p>2.5 Points for each Overt Security Feature and 2.5 points for each Covert Security Feature that addresses all the key elements 1 (a) to (c)</p>	



	<p>can be applied to Excise Stamps in single format (Refer to section 5.1.1 Certification Form) ; and</p> <p>d. Certification by an authorized officer of the company is required, that standard revenue stamp adhesives will not negatively affect the features. (Refer to section 5.1.1 Certification Form.)</p> <p>2) The Bidder will receive additional points for proposing and describing additional Overt Security Features and/or Covert Security Features proposed beyond the minimum of four (4) Overt Security Features and four (4) Covert Security Features.</p>		<p>– maximum 20 points.</p> <p>5 points for each additional Overt Security Feature or Covert Security Feature that addresses all the key elements 1 (a) to (c). (Maximum 20 points)</p>	
<p>P.9</p>	<p><u>Web-Based Ordering System and its Modules</u></p> <p>The Bidder will receive points for a Web-Based Ordering System (WBOS) that provides the following key elements:</p> <ol style="list-style-type: none"> 1) Meets the requirement outlined in Article 7.2 to 7.2.5; 2) Handles orders for Test Stamps and Excise Stamps originating from Stamp Users and handles orders for Verification Tools originating from Stamp Users (Level 1 only) and the CRA (Level 2 only); 3) Is accessible and functions through the publicly accessible internet and is secure, with closed access limited to CRA Approved Persons; 4) Is located in Canada, with supporting databases located in Canada only; 5) Is available in both of Canada’s Official languages (French and English); 6) Is available internationally, twenty-four (24) hours a day, 365 days a year, and 97 percent of that time each month; 7) Provides a Reporting module and meets the requirements outlined in Article 7.3; and 		<p>(Maximum 80 Points)</p> <p>Points will be assigned as follows:</p> <p>0 Points – The Bidder’s proposal does not address any of the key elements.</p> <p>10 Point – The Bidder’s proposal addresses 1 of the key elements.</p> <p>20 Points – The Bidder’s proposal</p>	



	<p>8) Provides an E-communications module and meets the requirements outlined in Article 7.4.</p>		<p>addresses 2 of the key elements.</p> <p>30 Points – The Bidder’s proposal addresses 3 of the key elements.</p> <p>40 Points – The Bidder’s proposal addresses 4 of the key elements.</p> <p>50 Points – The Bidder’s proposal addresses 5 of the key elements.</p> <p>60 Points – The Bidder’s proposal addresses 6 of the key elements.</p> <p>70 Points – The Bidder’s proposal address 7 of the key elements.</p> <p>80 Points – The Bidder’s proposal addresses all 8 of the key elements.</p>	
<p>P.10</p>	<p><u>Technology Change</u></p> <p>The Bidder will receive points for providing a process and plan to maintain a technological sophistication and advantage to the Excise Stamp</p>		<p>(Maximum 30 points)</p> <p>Points will be assigned as follows:</p>	



	<p>System so as to mitigate erosion to the integrity of the Excise Stamp System. The Bidder will receive points if the process and plan addresses the following:</p> <ol style="list-style-type: none"> 1) Excise Stamp security features – overt and covert. 2) Web-Based Ordering System and its modules. 3) Verification Tools and methods to verify an Excise Stamp's authenticity. 		<p>0 Points – The Bidder's proposal does not address any of the key elements.</p> <p>10 Point – The Bidder's proposal addresses 1 of the key elements.</p> <p>20 Points – The Bidder's proposal addresses 2 of the key elements.</p> <p>30 Points – The Bidder's proposal addresses 3 of the key elements.</p>	
<p>P.11</p>	<p><u>Additional Services</u></p> <p>The Bidder will receive points for proposing services that enhance the Excise Stamp System, in addition to those already provided for in the SOW, which it wishes to offer at no additional cost to either the CRA or the Stamp Users.</p> <p>In order to receive points for each additional service proposed, the Bidder is asked to provide a detailed description of how the additional service enhances the Excise Stamp System.</p> <p>Possible areas for consideration:</p>		<p>(Maximum 10 points)</p> <p>Points will be assigned as follows:</p> <ul style="list-style-type: none"> • 0 points – no additional services offered. • 2 points will be assigned for each 	



	<p>a) Mitigation of the risk of the Excise Stamp being counterfeited.</p> <p>b) Assisting the general public with the Excise Stamp (outreach).</p> <p>c) Assisting members of the distribution chain who deal with excisable goods requiring an Excise Stamp.</p> <p>d) Achieving additional efficiencies in the delivery or application of the Excise Stamp.</p> <p>e) Assisting government agencies and/or the general public in authenticating the Excise Stamp.</p>		<p>additional service that is proposed. (up to a maximum of 5 additional services)</p>	
	Total Technical Merit Score		Total 555 Points	
P.12	<p>For information purposes only (responding to this item is not mandatory and will not be evaluated and rated as part of the bid evaluation) (Article 19.0)</p> <p>Please describe how Track and Trace requirements could be incorporated into the proposed Excise Stamping Regime, including:</p> <ul style="list-style-type: none"> • Complete, concise, and detailed information on the Track and Trace capability of the Bidder's proposal; • Estimated schedule for implementation; • Service standards; and • Performance metrics. 			



Appendix 3: Financial Proposal

Bidders must submit their financial bid in accordance with the Tables 1 and 2 below: .

Bidders must submit firm rates in Canadian funds, applicable taxes excluded, for the provision of the services outlined in Annex A “Statement of Work”. Rates must not include delivery costs. Delivery costs are extra and paid by the Stamp users as described in article 9.0 Stamp Delivery and Returns and 10.3 Distribution of Verification Tools in Annex A, Statement of Work.

The rates specified include all of the requirements defined in Annex A, “Statement of Work” and Annex B: “Basis of Payment”

1. **The Implementation Period** is considered from Contract Award to the Implementation Date. The implementation date will be considered the start of Year 1. Stamp pricing is not required for the Implementation Period.
2. **Verification Tools Lease** - The all-inclusive firm unit price will be for the entire Lease Period that starts on the day the Verification Tools are accepted and ends in accordance with the term of the contract including any exercised option periods.

Bidders must complete the firm unit prices in the underlined cells in Tables 1 and 2.

Table 1: Pricing Schedule: Determination of a Bidder’s Overall Evaluation Price (Contract Period - Years 1-6)

Financial Evaluation Components	Years 1-6)
Excise Stamp	
A1: Firm Unit Price	\$ _____
B1: Estimated Quantity for Evaluation Purposes	11,000,000,000
C1: Weight Factor	1
Cost D: A1 x B1 x C1	
Verification Tools (Level 1) – Lease (see item 2 above) A2:	
Firm Unit Price	\$ _____
B2: Estimated Quantity for Evaluation Purposes	100
C2: Weight Factor	1
Cost E: A2 x B2 x C2	
Total Cost F= D + E	



Table 2: Pricing Schedule: Determination of a Bidder’s Overall Evaluation Price (Option Years 7-16)

Evaluation Components	Bidders Proposed firm all inclusive unit price (taxes extra)									
	Option Year 7	Option Year 8	Option Year 9	Option Year 10	Option Year 11	Option Year 12	Option Year 13	Option Year 14	Option Year 15	Option Year 16
Excise Stamp – A1= Firm Unit Price	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
B1=Estimated Quantity for Evaluation Purposes	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000
C1= Weight Factor	.90	.85	.80	.75	.75	.75	.75	.75	.75	.75
Cost G = A1 x B1 x C1										
Verification Tools -Lease (Level 1) A2= Firm Unit Price	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
B2= Estimated Quantity for Evaluation Purposes	20	20	20	20	20	20	20	20	20	20
C2= Weight Factor	.90	.85	.80	.75	.75	.75	.75	.75	.75	.75
Cost H = A2 x B2 x C2										
Total Cost I = G+H										
Sum Total Cost J = Sum of I for Years 7-16										
Total Bid Evaluation price K = J + F										



PART 7 Model Contract

THIS DOCUMENT CONTAINS A SECURITY REQUIREMENT

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

7.1 Revision of Departmental Name

Reference to the Minister of Public Works and Government Services or to Public Works and Government Services Canada contained in any term, condition or clause of the contract shall be interpreted as a reference to the Commissioner of Revenue or the Canada Revenue Agency, as the case may be, with the exception of the following clauses:

- a) Standard Clauses and Conditions; and
- b) Security Requirements.

7.2 Agency Restructuring

In cases where the Contracting Authority's department or agency is being reconfigured, absorbed by another government department or agency, or disbanded entirely, the Commissioner may, by giving notice to the Contractor, designate another Contracting Authority for all or part of the Contract.

7.3 Requirement

The Contractor must perform the Work in accordance with the Statement of Work (SOW) at Annex A, attached hereto and forming part of the Contract

7.4 Period of Contract

The period of the Contract is from __xxx2018__ to __xx2024__ inclusive.

7.5 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to ten additional one year period(s) 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.

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

7.6 Option to add, remove or modify the Goods, Services or Both

The Contractor grants to Canada the irrevocable option to add, remove or modify the goods, services or both described Annex A: Statement of Work of the Contract under the same terms and conditions and at the prices and/or rates stated in the Contract.

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



7.6.1 Option to acquire a Track and Trace System

The Contractor grants to Canada the irrevocable option to acquire a Track and Trace System to be proposed by the Contractor upon request by CRA (as described under Article 19 of the Statement of Work in Annex A) and to be incorporated into Annex A: Statement of Work of the Contract under the same terms and conditions and at the prices outlined in the Contractor's proposal and approved by CRA or revised by mutual agreement of the CRA and the Contractor.

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

7.7 Standard Clauses and Conditions SACC A0000C (2012-07-16)

All clauses and conditions identified in the Contract by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual issued by Public Works and Government Services Canada (PWGSC).

The Manual is available on the PWGSC Website: <https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>

The following Clauses are incorporated by reference:

SACC Reference	Clause Title	Date
A2000C Or A2001C	Foreign Nationals (Canadian Contractor) Or Foreign Nationals (Foreign Contractor)	2006-06-16 2006-06-16
A3015C	Certifications	2014-06-26
A9065C	Identification Badge	2006-06-16
A9068C	Site Regulations	2010-01-11
A9113C	Handling of Personal Information	2014-11-27
B9028C	Access to Facilities and Equipment	2007-05-25
C6000C	Limitation of Price	2011-05-16
C2000C	Taxes-Foreign-based Contractor	2007-11-30
G1005C	Insurance	2008-05-12
H1001C	Multiple Payments (Excise Stamps)	2008-05-12
H3028C	Advance Payment (Verification Tool Lease)	2010-01-11

7.8 General Conditions

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

Section 01 titled "Interpretation" the definition of "Canada", "Crown", "Her Majesty" or "the Government" is hereby amended to read: "Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada as represented by the Canada Revenue Agency (CRA).



Section 02 titled "Standard Clauses and Conditions" is hereby amended to delete the phrase "Pursuant to the Department of Public Works and Government Services Act, S.C. 1996, c. 16," The remainder of Section 02 remains unchanged.

Section 16 titled "Payment Period" will not apply to payment made by credit cards.

Section 17 titled "Interest on Overdue Accounts" will not apply to payment made by credit cards.

Section 22 titled "Confidentiality",

Subsection 5 is hereby amended to delete Public Works and Government Services (PWGSC) and insert Canada Revenue Agency (CRA).

Subsection 6 is hereby amended to delete "PWGSC Industrial Security Manual and its supplements", and insert "Security Requirements for the Protection of Sensitive Information" issued by the CRA, Security and Internal Affairs Directorate (SIAD). The remainder of Section 22 remains unchanged.

Section 41 titled "Integrity Provisions- Contract" is hereby deleted in its entirety and replaced with:

The Supplier Integrity Directive (SID) incorporated by reference into the bid solicitation is incorporated into, and forms a binding part of the Contract. The Contractor must comply with the provisions of the SID, which can be found on the Canada Revenue Agency's website at <http://www.cra-arc.gc.ca/gncy/prcrmnt/menu-eng.html>.

Section 45 titled "Code of Conduct for Procurement—Contract" is hereby deleted in its entirety.

7.9 Supplemental General Conditions

4001	Hardware Purchase, Lease and Maintenance	2015-04-01
4002	Software Development or Modification Services	2010-08-16
4003	Licensed Software	2010-08-16
4004	Maintenance and Support Services for Licensed Software	2013-04-25
4006	Contractor to Own Intellectual Property Rights in Foreground Information	2010-08-16
4010	Services - Higher Complexity	2012-07-16

7.10 Security Requirements

7.10.1 A. Security Requirements – Canada Location - Protected Information

The production, storage and distribution of the Excise Stamp must be located in Canada. The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws.

Document Safeguarding and/or Production Capabilities – with Computer Systems

1. The Contractor personnel requiring access to Protected information, assets or sensitive work site(s) must each hold a valid Reliability screening, granted by the Security and Internal Affairs Directorate (SIAD) of the Canada Revenue Agency (CRA) or the Canadian and International Industrial Security Directorate (CIISD) of Public Works and Government Services Canada (PWGSC).



2. The Contractor must not remove any Protected information or assets from the identified and approved work site(s), and the Contractor must ensure that its personnel are made aware of and comply with this restriction.
3. Processing of material only at the **Protected (B)** level is permitted under the Contract. The work must be done either on a separate stand-alone computer system at the Contractor's site or on a restricted directory that is only accessible to Contractor personnel who have the need-to-know for the performance of the Contract.
4. Subcontracts which contain security requirements are not to be awarded without the prior written permission of CRA.
5. The Contractor must comply with the provisions of the:
 - Security Requirement Check List (SRCL), attached as Annex C of the Contract; and
 - Security Requirements for Protection of Sensitive Information issued by CRA, Security and Internal Affairs Directorate.

These may be viewed at <http://www.cra-arc.gc.ca/gncy/prcrmnt/menu-eng.html>

7.10.2 B. Security Requirements – Canada Location - Classified Information

The production, storage and distribution of the Excise Stamp must be located in Canada. The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws.

Document Safeguarding and/or Production Capabilities – with Computer Systems

1. The Contractor personnel requiring access to Classified information, assets or sensitive work site(s) must each hold a valid personnel security screening at the level of **(Secret)** granted by the Security and Internal Affairs Directorate (SIAD) of the CRA or the Canadian and International Industrial Security Directorate (CIISD) of Public Works and Government Services Canada (PWGSC).
2. The Contractor must not remove any Classified information or assets from the identified and approved work site(s), and the Contractor must ensure that its personnel are made aware of and comply with this restriction.
3. Processing of Classified material on computer systems at the Contractor's site is not permitted under the Contract until CRA has issued written approval. After approval has been granted, these tasks may be performed at the level of **Secret**.
4. Subcontracts which contain security requirements are not to be awarded without the prior written permission of CRA.
5. The Contractor must comply with the provisions of the:
 - Security Requirement Check List (SRCL), attached as Annex C of the contract; and
 - Security Requirements for Protection of Sensitive Information issued by CRA, Security and Internal Affairs Directorate.



These may be viewed at <http://www.cra-arc.gc.ca/gncy/prcrmnt/menu-eng.html>

7.10.3 Contractor’s Sites or Premises Requiring Safeguarding Measures

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
Postal Code

7.11 Authorities

7.11.1 Contracting Authority A1024C (2007-05-25)

The Contracting Authority for the Contract is:

Name:

Telephone Number:

Fax Number:

E-mail address: @cra-arc.gc.ca

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

7.11.2 Project Authority A1022C (2007-05-25)

To be completed at the time of Contract award.

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

The Project Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for the overall governance and direction of the technical content of the work under the Contract/ Statement of Work.



Technical matters may be discussed with the Project Authority, however the Project Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

7.11.3 Technical Authority A1030C (2007-05-25)

To be completed at the time of Contract award.

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

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

7.11.4 Contractor's Representative

Name:

Address:

Telephone Number:

Fax Number:

E-mail Address:

7.12 Contractor Identification Protocol

The Contractor must be responsible for ensuring that each of its employees, officers, directors, agents, and subcontractors (hereinafter referred to as "Contractor Representative") complies with the following self-identification requirements:

A Contractor Representative who attends a Government of Canada meeting whether internal or external must identify themselves as being a representative of the Contractor prior to the commencement of the meeting to ensure that each meeting participant is aware of the fact that the individual is not a government employee;

During the performance of any Work at a Government of Canada site, each Contractor Representative must be clearly identified at all times as being a Contractor Representative; and



If a Contractor Representative requires the use of the Government of Canada's e-mail system in the performance of the Work, then the individual must clearly identify themselves as a non-government employee in all electronic mail in the signature block as well as under "Properties".

This identification protocol must also be used in all other correspondence, communication and documentation.

7.13 Travel and Living Expenses

The CRA will not cover any travel and living expenses.

7.14 Delivery

Deliverables must be received by the Project Authority at the place and time specified herein.

7.15 Work Location

The work location will be at the following premises:

(TBD - Insert complete address(es))

7.16 Inspection and Acceptance

All deliverables for the CRA under the Contract shall be subject to inspection and acceptance by the **Project and Technical Authority (TBD)** at destination.

All excise stamp deliveries under the Contract shall be subject to inspection and acceptance by Stamp Users at the stated delivery destination.

7.17 Basis of Payment

See Annex B - Basis of Payment.

7.18 Ordering and Delivery Process

The ordering process is described in the Statement of Work under Article 7.0 Deliverables: Verification Tools and Web-based Ordering Systems (WBOS) and its Modules.

The delivery process is described in the Statement of Work under Article 9.0 Stamp Delivery and Returns and 10.3 Distribution of Verification Tools.

7.19 Invoicing

The Contractor must invoice the CRA Approved Persons directly for the Excise Stamps and Verification Tools. When the delivery services are supplied by the Contractor, the Contractor must prepay delivery costs. Prepaid delivery costs must be shown as a separate item on the invoice, supported by a certified copy of the prepaid delivery bill of lading.



7.20 Accountability

The CRA requires that the Contractor maintain detailed accounting information and internal controls for all Stamps produced, stored and distributed. All Stamps shall be accounted for and controlled and there shall be no lost, missing or unaccounted for Stamps.

If unique materials and/ or electronic files are used in the production or creation of the Stamp/Security Feature, they must be controlled and accounted for.

Any discrepancies are the responsibility of the Contractor. The Contractor shall remit to the CRA the value of all unaccounted Stamps within 30 calendar days of written demand by the CRA.

The total value of all unaccounted for Excise Stamps shall be determined as follows:

a) Tobacco

The value of all unaccounted for Excise Stamps for Tobacco will be determined by the following formula

A x B X C where

- A = Quantity of unaccounted or lost Excise Stamps;
- B= Quantity of tobacco products represented by the Stamp (by type) e.g. 20, 25; and
- C = The applicable excise duty rates found in Schedule 1, 2 or 3 of the *Excise Act, 2001*.

b) Cannabis

The value of all unaccounted for Excise Stamps for Cannabis will be determined by the following formula:

A x B X 5 where

- A = Quantity of unaccounted or lost Excise Stamps; and
- B = rate of excise on 1 gram of cannabis in Section 1(a) of Schedule 7 to the *Excise Act, 2001*
- Five (5) represents the penalty provision of five (5) times the amount of applicable lost duty.

7.21 Quality - Orders Delivered

If Excise Stamps or Verification Tool orders are found to be:

- delivered or packaged incorrectly; or
- defective or damaged; or
- have quality or approved stamp design issues

The Contractor must allow the Stamp User to return any order or portion thereof for credit or refund (as selected by the Stamp User, pick-up and delivery costs will be paid by the Contractor),



7.22 Certifications

The continuous compliance with the certifications provided by the Contractor in its bid and the ongoing cooperation in providing associated information are conditions of the Contract. Certifications are subject to verification by Canada during the entire period of the contract. If the Contractor does not comply with any certification, fails to provide the associated information, or it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

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

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

7.23 Confidentiality Document

The Contractor, as a person engaged by or on behalf of Her Majesty the Queen in right of Canada must sign the certification appearing in Annex D stating that the Contractor has read Section 211 and 221 of the *Excise Act, 2001*, Sections 239 and 241 of the *Income Tax Act* and Sections 295 and 328 of the *Excise Tax Act* and understands that the Contractor is subject to and agrees to comply with those provisions. The above referenced Sections of the Acts are available <http://laws.justice.gc.ca/eng/>(and <http://laws-lois.justice.gc.ca/eng/acts/e-15/>).

The Contractor will use the services of any persons it requires in order to carry out its responsibilities under the Contract. If the Contractor employs such persons or contracts for their services, the Contractor will also pay their remuneration and all related expenses. The Contractor will also engage such persons whose services are to be utilized, on behalf of Her Majesty the Queen in right of Canada, for the purposes of Section 211 of the *Excise Act, 2001*, Sections 241 of the *Income Tax Act* and Sections 295 of the *Excise Tax Act*. Each person so engaged will be required by the Contractor, as a pre-condition to assisting the Contractor in carrying out its responsibilities under the Contract, to sign the certification appearing in Annex D attached hereto, stating that they have read the provisions of Section 211 and 221 of the *Excise Act, 2001*, Sections 239 and 241 of the *Income Tax Act* and Sections 295 and 328 of the *Excise Tax Act* and understands that they are subject to such provisions.

The Contractor must provide copies of all executed acknowledgement documents to the Contracting Authority designated herein prior to any work commencing under the Contract.

7.24 Joint Venture (NOTE to bidders: to be deleted at contract award if not applicable)

If the Contract is awarded to a joint venture, all members of the joint venture will be jointly and severally or solidarily liable for the performance of the Contract.

In the case of a contractual joint venture, no dispute, claim or action for damages, whether based in contract, or in tort, or any other theory of law, howsoever arising from the Request for Proposal, Contract, or any other related or subsequently issued documents including without limitation Task Authorizations, Contract Amendments, may be commenced, or brought against the CRA, including without limitation any



of its officers, employees or agents unless each member of the joint venture is a party to such dispute, claim, or action (as the case may be).

The Contractor shall obtain the prior written approval of the Contracting Authority to any change in the membership of a contractual joint venture after Contract Award. Any change in the membership of a contractual joint venture after Contract Award without the prior written approval of the Contracting Authority shall be deemed to be default under the Contract.

The joint venture represents and warrants that it has appointed and granted full authority to (name to be inserted at Contract Award), the "Lead Member", to act on behalf of all members as its representative for the purposes of executing documentation relating to the Contract, including but not limited to Contract Amendments and Task Authorizations.

In the event of a contractual joint venture, all payments due and owing to the joint venture shall be made by the Canada Revenue Agency to the Lead Member of the joint venture. Any such payment to the Lead Member of the joint venture shall be deemed to be payment to the joint venture and shall act as a release from all the members of the joint venture.

By giving notice to the Lead Member the Canada Revenue Agency will be deemed to have given notice to all the members of the joint venture.

7.25 Proactive Disclosure of Contracts with Former Public Servants CRA Mod A3025C 2013-03-21

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.

7.26 Applicable Laws SACC A9070C (2014-06-26)

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

7.27 Priority of Documents SACC A9140C (2007-05-25)

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.

1. the Articles of Agreement;
2. the supplemental general conditions;
 - 4001 Hardware Purchase, Lease and Maintenance 2015-04-01
 - 4002 Software Development or Modification Services 2010-08-16
 - 4003 Licensed Software 2010-08-16
 - 4004 Maintenance and Support Services for Licensed Software 2013-04-25
 - 4006 Contractor to Own Intellectual Property Rights in Foreground Information 2010-08-16
 - 4010 Services - Higher Complexity 2012-07-16
3. the general conditions (services, higher complexity 2035 (2016-04-04));
4. Annex A: Statement of Work;
5. Annex B: Basis of Payment;



6. Annex C: Security Requirements Check List;
7. Annex D: Certifications;
8. The Contractor's proposal dated **(insert date of bid)**, as **amended on (insert date(s) of amendment(s), if applicable)**.

7.28 Training and Familiarization of Contractor Personnel

7.28.1 Training of Contractor Personnel

Any training required by a new or replacement resource will be the responsibility of the Contractor, including training the resource for newly implemented software. The Contractor will assume all associated costs, including training pertaining to familiarization during the start-up of the Contract and Contract period for staff replacements. Training of the resource during the start-up period must take place without a reduction in service level. Time spent on such training will not be billed to, nor paid by, CRA.

7.28.2 Familiarization Period

Prior to the completion of the Contract, it may be necessary for another resource to undertake a period of familiarization and training before the completion date. The Contractor will be required to familiarize the incoming resource according to the process described above or through the use of another approach negotiated with and acceptable to CRA.

7.29 Alternative Dispute Resolution

NEGOTIATION FOLLOWED BY MANDATORY MEDIATION, THEN, IF NECESSARY BY ARBITRATION OR LITIGATION

The parties agree to meet, negotiate in good faith, and attempt to resolve, amicably, any dispute arising out of or related to the contract or any breach thereof.

If the parties are unable to resolve the dispute through negotiations within 10 working days, the parties agree to attempt to resolve the dispute through mediation by submitting the dispute to a sole mediator selected jointly by the parties. All costs shall be shared equally between the disputing parties.

If a dispute cannot be settled within a 15 calendar day period after the mediator has been appointed, or if the parties are unable to select a mediator within 15 calendar days of the date of provision of notice by one party to the other of the intention to proceed to mediation, or such longer period as agreed to by the parties, the parties shall have the right to resort to any remedies permitted by law, including but not limited to arbitration or litigation.

All defences based on the passage of time shall be tolled pending the termination of the mediation.

7.29.1 Procurement Ombudsman

The parties understand that the Procurement Ombudsman appointed pursuant to Subsection 22.1 (I) of the Department of Public Works and Government Services Act will, on request and consent of the parties, participate in these meetings to resolve any such dispute, and subject to their consent to bear the cost of such process, provide to the parties a proposal for an alternative dispute resolution process to resolve their dispute. The Office of the Procurement Ombudsman may be contacted by telephone at 1-866-734-5169 or by e-mail at boa.opo@boa.opo.gc.ca.



7.29.2 Contract Administration

The parties understand that the Procurement Ombudsman appointed pursuant to Subsection 22.1 (I) of the Department of Public Works and Government Services Act will review a complaint filed by [the supplier or the contractor or the name the entity awarded the contract] respecting administration of the contract if the requirements of Subsection 22.2(1) of the Department of Public Works and Government Services Act and Sections 15 and 16 of the Procurement Ombudsman Regulations have been met, and the interpretation and application of the terms and conditions and the scope of the work of the contract are not in dispute. The Office of the Procurement Ombudsman may be contacted by telephone at 1-866-734-5169 or by e-mail at boa.opo@boa.opo.gc.ca.



Annexes

The following Annexes apply to and form part of the Contract:

ANNEX A: STATEMENT OF WORK

ANNEX B: BASIS OF PAYMENT

ANNEX C: SECURITY REQUIREMENTS CHECK LIST (SRCL)

ANNEX D: CERTIFICATIONS



Annex A - Statement of Work

Excise Stamp System

- 1.0 TITLE**
- 2.0 OBJECTIVES**
- 3.0 BACKGROUND**
- 4.0 DEFINITIONS**
- 5.0 SCOPE**
- 6.0 DELIVERABLE: EXCISE STAMP**
- 7.0 DELIVERABLES: VERIFICATION TOOLS, AND WEB-BASED ORDERING SYSTEMS (WBOS) AND ITS MODULES**
- 8.0 PRODUCTION**
- 9.0 STAMP DELIVERY AND RETURNS**
- 10.0 VERIFICATION TOOLS**
- 11.0 QUALITY CONTROL AND ACCOUNTABILITY**
- 12.0 BUSINESS CONTINUITY AND DISASTER RECOVERY PLANS**
- 13.0 REPORTING**
- 14.0 STAMP DESIGN CHANGES AND TECHNOLOGY ENHANCEMENTS**
- 15.0 GOVERNANCE AND PROJECT MANAGEMENT**
- 16.0 INSPECTION AND ACCEPTANCE**
- 17.0 TIMELINESS OF DELIVERABLES**
- 18.0 EXPIRATION OF CONTRACT AND TRANSITION**
- 19.0 TRACK AND TRACE – OPTIONAL**



1.0 TITLE

Excise Stamp System

2.0 OBJECTIVE

The objective of this requirement is for the provision of an Excise Stamp System, including the:

- design, production, storage, distribution, and authentication of Excise Stamps (including Test Stamps);
- supply of a Web-Based Ordering System (WBOS) with e-communications and reporting modules;
- means to authenticate the Excise Stamp through the supply of Verification Tools; and
- accounting for the production, storage, distribution, return, and destruction of Excise Stamps and key materials.

The production, storage and distribution facilities of the Excise Stamp must be located in Canada. The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws. The Excise Stamp System supports the administration and enforcement of the [Excise Act, 2001](#), as revised from time to time.

3.0 BACKGROUND

The CRA currently has in place a contract for an authorized provider to design, produce, store and distribute Excise Stamps that incorporate overt and covert security features. The current contract for the supply of an Excise Stamp System is set to expire on September 30, 2019. This statement of work (SOW) describes the work required to supply an Excise Stamp System with an implementation date of October 1, 2019 (this date may change).

The Excise Stamps are distributed by the Contractor to CRA Approved Persons in Canada and worldwide. The Excise Stamp is an integral component of the Excise Stamping Regime, supporting the administration and enforcement of the *Excise Act, 2001*.

The Excise Stamping Regime under the *Excise Act, 2001* was initiated to address the issue of contraband tobacco and to safeguard the Government of Canada's health initiatives. The regime was designed to be flexible in order to address issues as they arise, including but not limited to new products, changes in packaging, changes in consumer habits, new government initiatives, and the evolving nature of the illicit tobacco and contraband threat. Given these factors, which are beyond the control of the CRA, the absolute number of Excise Stamps required to be supplied may fluctuate and thus be different from any numbers presented in this SOW.

Cannabis for recreational purposes is to be legalized in Canada, effective date is October 17, 2018. The taxation and regulation of cannabis products will be governed by the *Excise Act, 2001*. Accordingly, the Excise Stamping Regime will now accommodate this new product. The Contractor must produce an Excise Stamp for application to cannabis products. Currently, there is only one Excise Stamp required (no denominations) for cannabis. In the future, if this requirement was to change, the Contractor must be able to accommodate this, at no additional cost.



Currently, there are approximately 70 different Stamp Users for tobacco located in approximately 100 different delivery locations (86 in Canada and 14 international). Most of the Canadian delivery sites are located in the provinces of Ontario and Québec. About 43% of all Excise Stamps for tobacco are delivered outside of Canada, including a major manufacturer in Mexico that supplies a significant portion of tobacco products to the Canadian market. Currently, annual production of Excise Stamps is approximately 1.5 billion.

Initially, there are expected to be an estimated 200 Excise Stamp Users for cannabis all located in Canada. Within five years that number could be approximately 1,000. Currently, annual production of Excise Stamps for cannabis is expected to be approximately 300 million, however this is only an estimate as this is a new market.

All data provided in this SOW regarding Stamp production is being provided to respondents purely for informational purposes. The data above represents the best information currently available to the CRA. The inclusion of this data in this SOW does not represent a commitment that the CRA's future Stamp requirements will be consistent with this data.

4.0 DEFINITIONS

The following definitions apply to terms used throughout this document.

“Authenticate” means to verify that the Excise Stamp under examination is legitimate.

“Authorized / submitted in writing” means an e-mail delivered to the CRA or to the Contractor.

“Canada's Official Languages” are English and French.

“CRA” means the Canada Revenue Agency.)

“CRA Approved Person” means a:

- Stamp User; or
- Person authorized by CRA to possess and use Verification Tools and/or have access to the WBOS Reporting Module. This specifically includes officials from: CRA, Royal Canadian Mounted Police, Canada Border Services Agency, and provincial or territorial revenue or enforcement authorities.

“CRA Stamp Desk” means the CRA group that authorizes and controls the Excise Stamp and Verification Tool orders.

“CRA Stamp Desk Manager” means the CRA designated person responsible for the day-to-day operations of the CRA Stamp Desk.

“Contractor” means the person, entity or entities named in the Contract to supply goods, services or both to the CRA and who is authorized under the *Excise Act, 2001* to supply an Excise Stamp.

“Covert Security Feature” (also referred to as “Covert Feature”) means a feature on the Excise Stamp, which:

- is invisible or disguised in such a way that the information or feature contained therein is



- not readily apparent upon unaided visual inspection;
- is difficult and/or costly to reproduce and/or counterfeit; and
- requires additional action to identify (i.e. authentication using a Verification Tool).

“**Delivery**” and “**Distribution**” are interchangeable terms and include all forms of delivery, pickup or the transfer of title of Test Stamps, Excise Stamps and/or Verification Tools from the Contractor, as described in the SOW.

“**Delivery Cost**” means the direct actual costs for the Contractor to deliver Test Stamps, Excise Stamps or Verification Tools to Stamps Users. Direct actual costs may include but is not limited to freight charges, brokerage charges, insurance, and must not include the addition of any profit or surcharge on the part of the Contractor.

“**Excise Stamp**” has the same definition as under section 2 of the *Excise Act, 2001*.

“**Excise Stamping Regime**” means the administration and enforcement by the Government of Canada of the Excise Stamp provisions of the *Excise Act, 2001* and its regulations, including the:

- Excise Stamp System;
- CRA Stamp Desk;
- accountability provisions;
- verification and enforcement activities; and
- penalties and fines. (*régime de timbres d'accise*)

“**Excise Stamp System**” means the entire system supplied by the Contractor needed to:

- design, produce, store, distribute, and authenticate the Stamps;
- report and receive information to and from the CRA;
- account for the Stamps;
- return Stamps; and
- destroy returned Stamps.

“**Implementation Date**” means the date as specified in the Contract when the Excise Stamps (for certainty, not including Test Stamps), may be released to Stamp Users.

“**Implementation Period**” means the period from Contract award to the Implementation Date.

“**Invalid Stamp**” means any stamp that does not meet the definition of Excise Stamp. Examples of Invalid Stamps include, but are not limited to:

- any unauthorized stamp;
- any stamp on which an Overt Security Feature is not visible or apparent;
- any damaged or defective stamp such that the Covert Security Features contained therein cannot be authenticated or identified;
- any damaged or defective stamp such that the Overt Security Features or Overt Security Features cannot be identified.

“**Jurisdiction**” means the intended federal, provincial, territorial or other market indicated on the Excise Stamp.

“**Minister**” means the Minister of National Revenue.



“Overt Feature” means a feature on the Excise Stamp, which:

- is visible and readily apparent upon unaided visual inspection, and
- indicates (but is not limited to):
 - type of Excise Stamp;
 - duty paid status
 - unique identifier; and
 - Jurisdiction.

“Overt Security Feature” means a feature on the Excise Stamp, which is:

- visible and readily apparent upon unaided visual inspection; and
- difficult and/or costly to reproduce and/or counterfeit, including but not limited to:
 - texture;
 - colour shifting; or
 - hologram.

“Project Authority” means the CRA designated person responsible for the overall governance and direction of the technical content of the work under the Contract/ Statement of Work.

“Prototype Stamp” means a production test run of the Stamp Design provided by the Contractor based on the CRA approved Stamp Design for consideration and/or approval by the Minister as the Excise Stamp.

“Redesigned Stamp” means a CRA requested or CRA approved change to a Stamp Design other than a colour change or a change in or addition of a Jurisdiction.

“Security Features” means Overt Security Features and/or Covert Security Features.

“Stamp” means collectively Test Stamps and Excise Stamps.

“Stamp Design” means the physical representation of the Contractor's proposed Excise Stamp that includes Overt Features, Overt Security Features, and Covert Security Features.

“Stamp User” means a person approved and authorized by the CRA to order, possess and use an Excise Stamp.

“Technical Authority” means the CRA designated person responsible for all matters concerning the technical content of the work under the Contract/ Statement of Work.

“Testing Phase” means the period of time from Delivery by the Contractor to approval by the CRA of a Prototype or initial concept of a deliverable under the SOW.

“Test Stamp” means a document with all the design features of a CRA approved Excise Stamp design with the word “Test” printed on it. Throughout the term of the Contract “Test Stamps” will be used by Stamp Users to calibrate and test Stamp application equipment and/or processes and are not intended for the duty paid market.

“Track and Trace” means a systematic monitoring and re-creation of the route or movement taken by items through the supply chain.)



“Type of Stamps” means Excise Stamps distinguished by the type and quantity of product. The current Types of Stamps are (subject to change)

- Cigarettes – 20
- Cigarettes – 25
- Cigarettes – 200
- Tobacco / Tabac – 50
- Tobacco / Tabac – 100
- Tobacco / Tabac – 150
- Tobacco / Tabac – 200
- Tobacco / Tabac – 250
- Tobacco / Tabac – 400
- Cigars / Cigares
- Raw Leaf / En feuilles
- Cannabis

“Verification Tools” means handheld devices that can verify an Excise Stamp’s authenticity.



5.0 SCOPE

5.1.1 SCOPE

The underlying legislation, the *Excise Act, 2001* and its regulations (the Act) referred to herein may be revised from time to time. For purposes of this SOW the Act governs the authority to issue, possess and use Excise Stamps. The Contractor is authorized under the Act and as such has the legal authority to design, produce and supply Excise Stamps.

The Contractor must provide an Excise Stamp System that provides for the following:

- a) The production and storage facilities for the Excise Stamp must be in Canada;
- b) All distribution of the Excise Stamp must originate from the Contractor's Canadian Distribution facilities;
- c) The production and Delivery of Excise Stamps in quantities that meet the needs of Stamp Users and the requirements of the SOW based on the Type of Stamp and the Jurisdiction;
- d) The provision of a Web-Based Ordering System (WBOS) with an e-communications Module and Reporting Module that includes administration, maintenance, technical support and training in its use to Stamp Users and CRA Approved Persons;
- e) A WBOS that processes and records orders of Stamps and Verification Tools;
- f) The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws;
- g) Verification Tools in sufficient quantities with maintenance, training, and technical support to meet the needs of Stamp Users, the CRA, enforcement agencies, provincial and territorial authorities and any other persons authorized by the CRA (CRA Approved Persons);
- h) Ongoing enhancements and technological improvements to the design and security features of the Excise Stamp over the term of the contract;
- i) Ongoing enhancements and technological improvements to the WBOS, its modules and Verification Tools over the term of the contract;
- j) Technical advice and assistance to the CRA and Stamp Users concerning the application of the Stamp;
- k) The provision of reports on the implementation progress, production, storage, inventory, distribution, accounting, ad hoc and incident reporting; and
- l) The provision of deliverables as outlined within the SOW.

The period of the contract will be for six years from contract award and includes irrevocable options to extend the term of the contract by up to ten additional one year periods under the same conditions. During the contract period including any exercised option periods, the Contractor must maintain a technological sophistication and advantage for each deliverable so as to mitigate erosion to the integrity of the Excise Stamp System.

5.1.2 Schedule of Work

The detailed Schedule of Work proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor.

The Contractor's detailed Schedule of Work must provide details of the key tasks, activities, milestones and deliverable dates involved with each phase of the project. All references to "days" shall be calendar days, unless specified elsewhere in the SOW.



The Schedule of Work must account for the completion of the following deliverables:

Stamps (See Articles 6.2 to 6.3)

- a) Design, deliver and receive CRA approval for the Prototype Stamp that meets the requirements of the contract – no later than 180 days before Implementation Date. This includes:
 - o Delivery and approval of a visual representation of the proposed Excise Stamp
 - o Delivery and approval of 100 Prototype Stamps.
- b) Based on the CRA approved Prototype Stamp, produce adequate quantities of Test Stamps – no later than 150 days before the Implementation Date;
- c) Commence distribution of CRA approved Test Stamp orders for the Testing Phase – no later than 150 days before the Implementation Date;
- d) Revision of Excise Stamp design, if required:
 - o receive CRA approval for any redesigns of Stamp;
 - o produce adequate quantities based on the CRA approved redesign of the Stamp;
 - o make available to Stamp Users the CRA approved redesigned Test Stamps and retest as needed to ensure that the Test Stamps meet the requirements of the Contract and can be applied effectively by Stamp Users while meeting the requirements of the Contract and the *Excise Act, 2001* – no later than 90 days before the Implementation Date;
 - o Repeat these steps until a Test Stamp has been successfully tested and meets the requirements of the SOW,
- e) Receive final CRA approval for the design of the Excise Stamp, based on the results of the Test Stamp phase - no later than 60 days before the Implementation Date;
- f) Based on the final CRA approved Stamp design, produce an adequate inventory of Test Stamps and Excise Stamps that meets the requirements of the Contract for all Types and Jurisdictions (see Article 8.5) – no later than 30 days before the Implementation Date;
- g) Commence distribution of CRA approved Stamp orders – on the Implementation Date.

Verification Tools (see Article 7.1)

- h) Develop and receive CRA approval for prototype Verification Tools that meet the requirements of the contract – no later than 180 days before the Implementation Date;
- i) Test Verification Tools with Prototype Stamp – no later than 180 days before Implementation Date;
- j) Based on the final CRA approved Excise Stamp design, test and receive CRA approval for the Verification Tools – no later than 60 days before the Implementation Date;
- k) Make sufficient numbers of Verification Tools available to meet the requirements of the contract – no later than 30 days before the Implementation Date;
- l) Commence Distribution of CRA approved Verification Tool orders – on the Implementation Date.

Web Based Ordering System - WBOS (see Articles 7.2 to 7.2.7)

- m) Develop and receive preliminary CRA approval for a WBOS that meets the requirements of the contract – no later than 180 days before the Implementation Date;
- n) Make the WBOS available to the CRA and Stamp Users, for training, testing, and to permit Stamp Users to order Test Stamps - no later than 150 days before the Implementation Date;
- o) Receive final CRA approval for the WBOS, including any changes since the preliminary approval, based on the results of the Testing Phase - no later than 60 days before the Implementation Date;



- p) Make the WBOS available, for training and implementation purposes, to the CRA and Stamp Users (see Article 7.8) - no later than 30 days before the Implementation Date;
- q) Make the WBOS available to Stamp Users and the CRA for the placement and authorization of Excise Stamp orders – on the Implementation Date;
- r) Commence the processing of orders in the WBOS and the distribution of Excise Stamps and Verification Tools - on the Implementation Date.

Reporting Module (see Article 7.3)

- s) Develop and receive preliminary CRA approval of the Reporting Module for the WBOS that meets the requirements of the contract – no later than 150 days before the Implementation Date;
- t) After the Testing Phase by the CRA, receive CRA approval for a Reporting Module that meets the requirements of the contract – no later than 60 days before the Implementation Date;
- u) Make available, to CRA Approved Persons, access to the WBOS Reporting module and any applicable training (see Article 7.8) – no later than the Implementation Date;

E-communications Module (see Article 7.4)

- v) Develop and receive preliminary CRA approval of the e-communications Module for the WBOS that meets the requirements of the contract – no later than 90 days before the Implementation Date;
- w) After the Testing Phase by the CRA and Stamp Users, receive CRA approval for an e-communications Module that meets the requirements of the contract – no later than 60 days before the Implementation Date;
- x) Make available, to CRA Approved Persons, access to the WBOS e-communications Module and any applicable training (see Article 7.8) – no later than 30 days before the Implementation Date;

Training (see Article 7.8)

- y) Develop and receive preliminary CRA approval for the training plan and materials for the WBOS that meet the requirements of the contract – no later than 180 days before the Implementation Date;
- z) Develop and receive preliminary CRA approval for the training plan and materials for the Reporting Module of the WBOS that meet the requirements of the contract – no later than 150 days before the Implementation Date
- aa) Develop and receive preliminary CRA approval for the training plan and materials for the e-communications Module of the WBOS that meet the requirements of the contract – no later than 90 days before the Implementation Date
- bb) Develop and receive CRA approval for the updated training plan and materials for the WBOS, e-communications Module, Reporting module and the Verification Tools that meet the requirements of the contract – no later than 60 days before the Implementation Date;
- cc) Make training available for the WBOS and the e-communications Module - no later than 30 days before the Implementation Date;
- dd) Make available, to CRA Approved Persons, access to the WBOS Reporting Module and any applicable training – no later than the Implementation Date;
- ee) Make available training on the use of the Verification Tools no later than the Implementation Date.

Technical Assistance (see Article 7.7)

ff) Provide technical assistance to the CRA and Stamp Users to facilitate the application of Stamps – no later than 150 days before the Implementation Date (and continuing throughout the period of the Contract);

Other

gg) Throughout the contract period, provide ongoing maintenance, upgrades and enhancements to the Excise Stamp System (see Article 14.0) to maintain its dependability and integrity.

hh) Provide weekly progress reports to the CRA Technical Authority until such time as the CRA confirms in writing that the Excise Stamp System is fully operational to its satisfaction.

ii) Provide exception reports if any critical event occurs or if a delivery date will not be met.

Appendix A1 provides a visual representation of the Schedule of Work. In the case of any discrepancy between Appendix A1 and the list delineated in Article 5.1.2 of the SOW (above), the latter shall prevail.

6.0 DELIVERABLE: EXCISE STAMP**6.1 EXCISE STAMPS**

The Contractor must produce, store and distribute Excise Stamps that meet the following requirements (Test Stamps must meet the same design features required for the Excise Stamp as outlined in this Article):

6.1.1 Size

The Excise Stamp outer dimensions must measure 2 cm by 4 cm with a tolerance of no more than +/- 0.3 mm.

The CRA, at its sole discretion, will have the option to include additional Excise Stamp sizes for other types of products and/or packages.

6.1.2 Substrate – Optically Dull

The substrate for the Excise Stamp must be an ungummed, uncoated security paper with the following specifications:

Property	Orientation	Minimum	Target	Maximum
Basis Weight (g/m ²)	N/A	71	75	79
Calliper (Non-watermarked areas, µm)	N/A	89	94	99
Opacity (contrast ratio, %)	N/A	89	91	
Fluorescence (UV, 250-380nm)	BOTH SIDES		none	

6.1.3 Overt Features

Each Excise Stamp must be designed to include the following Overt Features:

- Type of Excise Stamp;
- Jurisdiction, including Jurisdiction code and background colour; and



- Duty Paid status

Please note that these requirements may change, subject to operational requirements or applicable legislative and regulatory amendments.

6.1.4 Types of Stamps

Each Excise Stamp must indicate the type and/or quantity of product to which it is intended to be affixed. The current Types of Stamps are:

- Cigarettes – 20
- Cigarettes – 25
- Cigarettes – 200
- Tobacco / Tabac – 50
- Tobacco / Tabac – 100
- Tobacco / Tabac – 150
- Tobacco / Tabac – 200
- Tobacco / Tabac – 250
- Tobacco / Tabac – 400
- Cigars / Cigares
- Raw Leaf / En feuilles
- Cannabis

Please note:

The Types of Stamps may change, subject to the future requirements of the CRA, and may include:

- other excisable products
- other quantities of excisable products

6.1.5 Jurisdictions

Each Excise Stamp for each Type of Stamp must indicate the Jurisdiction for which it is intended. The current regulated background colours for Excise Stamps are:

	Tobacco		Cannabis	
Jurisdiction	Jurisdiction Code	Colour	Jurisdiction Code	Colour
Canada	CAN	Pantone Peach 713U	CAN	Pantone Peach 713U
Newfoundland & Labrador	CAN	Pantone Peach 713U	NL	Pantone Orange 804
Prince Edward Island	NS	Opaque Pantone Purple U	PE	Pantone Green 334
Nova Scotia	NS	Opaque Pantone Purple U	NS	Opaque Pantone Purple U



New Brunswick	NB	Pantone Burgundy 207	NB	Pantone Burgundy 207
Quebec	QC	Pantone Blue 543	QC	Pantone Blue 543
Ontario	ON	Opaque Process Yellow	ON	Opaque Process Yellow
Manitoba	MB	Pantone Grey 430U	MB	Pantone Gray 430U
Saskatchewan	SK	Pantone Green 802	SK	Pantone Green 802
Alberta	AB	Pantone Red 485	AB	Pantone Red 485
British Columbia	BC	Pantone Green 333	BC	Pantone Green 333
Yukon	CAN	Pantone Peach 713U	YT	Process Magenta C
Northwest Territories	CAN	Pantone Peach 713U	NT	Pantone Wild Expanse 7586-C
Nunavut	CAN	Pantone Peach 713U	NU	Pantone Blue 301

Please note:

1. Other Jurisdictions may be added or colours amended, as required by the CRA.

6.1.6 Overt Security Features

Excise Stamps must contain at least four (4) Overt Security Features and a unique identifier to assist in the unaided visual identification of the Excise Stamps. All Excise Stamps must have identical Overt Security Features other than the unique identifier and they must be the same for all Types of Stamps and Jurisdictions.

Two (2) of the Overt Security Features must be anti-copy line work and an intaglio latent image with texture that must be detectable by the general public.

The unique identifier sequence must not repeat itself during the term of the contract including exercised option periods.

6.1.7 Covert Security Features

Excise Stamps must contain a minimum of four (4) Covert Security Features. All Excise Stamps must have identical Covert Security Features and they must be the same for all Types of Stamps and Jurisdictions.

All Covert Security Features and related technology of the Verification Tools must be kept confidential between the Contractor and the CRA and must not be provided to any other entity, unless authorized in writing by the CRA.



6.1.8 Alterability

Excise Stamps must be designed so that if the Excise Stamp is altered or reproduced through photocopying, digital scanning or other means (i.e. counterfeited), the resulting copy will not be capable of being authenticated as a valid Excise Stamp through the use of a Verification Tool at any level.

6.1.9 Authentication requirement by the Contractor

The Contractor must authenticate any Excise Stamp or item bearing the likeness of the Excise Stamp upon request of the CRA and at no additional cost. The Contractor must also provide court testimony attesting to an Excise Stamp's authenticity, at no cost to the CRA, when requested.

Excise Stamps must include an additional feature that only the Contractor can authenticate such as materials or processes used to produce the Excise Stamps. This additional feature must be documented and securely stored by the Contractor, and must not be provided to any other entity, unless authorized in writing by the CRA. It is permissible for this feature to require analysis for authentication by the Contractor at no additional cost.

The Contractor must be able to support authentication of this additional feature and provide findings to the CRA or in a court during legal proceedings, at no cost to the CRA, when requested.

6.1.10 Performance of Excise Stamps

Excise Stamps must be adequately durable such that normal distribution and industrial handling, storage, and application do not compromise, damage or degrade the integrity of the Excise Stamp and its Security Features.

To seal packages of excisable products, Excise Stamps must be flexible and be able to be applied to non-linear surfaces without any compromise or degradation to the integrity of the Excise Stamp and its Security Features.

Security Features must be able to be authenticated by Verification Tools through clear wrap over the individual packaging (e.g. cellophane overwrap), provided that Excise Stamps are applied in accordance with the Contractor's reasonable recommendations as accepted by the CRA and the *Excise Act, 2001* and its regulations.

6.1.11 Bending and Application Specifications

Covert and Overt Security Features must not be compromised by the required bending of the Excise Stamp to permit its application so that it seals a package, as required by the regulations to the *Excise Act, 2001*.

Currently, Excise Stamps are applied to packages either flat or bent (most often in an "L" shape). The current bending zone is anywhere after 23mm from the left side of the Excise Stamp. As well, some Stamp Users perforate the Excise Stamp to assist in the opening of their packaging.



Currently, Stamp Users apply the Excise Stamp both manually and by machine at speeds of up to 400 Stamps per minute.

6.1.12 Delivery Format

Excise Stamps and Test Stamps must be produced for delivery in pre-cut single Stamp format without adhesive (dry), organized in stacked bundles.

6.1.13 Additional Services

The Contractor may enter into contractual arrangements with the Stamp Users for additional services such as but not limited to filling stamp dispensing cartridges, applying a Stamp User's adhesive to Stamps, putting Stamps into a roll (reel) format. Where a Stamp User contracts the Contractor for any additional services related to the Excise Stamp, title in the Stamps will be deemed to pass to the Stamp User, prior to the services being performed.

For certainty: where additional services are contracted with the Contractor:

- a) the Contractor will still have possession of the Stamps; and
- b) the responsibility for accounting for these Excise Stamps will pass to the Stamp User, prior to the contracted services being performed.

The Contractor cannot offer to replace any Excise Stamps lost or damaged during the provision of any additional services or processes. This will place the Stamp User in the same position of responsibility and risk whether they contract with the Contractor or with a third party to perform the additional services.

6.2 Stamp Design, Prototypes, Testing and Approval Process Overview

The activities required for Stamp Design, testing and approval include:

- a) Design and delivery, for CRA approval, of a colour visual representation and full description of a proposed Excise Stamp in the Canada Jurisdiction colour.
- b) Development and production, for CRA approval, of 100 Prototype Stamps, based on the CRA approved colour visual representation and description.
- c) Based on the CRA approved Excise Stamp Design, production of Test Stamps for the Stamp Users, at no additional cost, and distribution thereof to Stamp Users. The number of Test Stamps needed for the initial implementation period of the Contract is estimated to be 4.5 million Test Stamps. The actual amount may be more or less than this estimate.
- d) Revision of the design of the Excise Stamp for CRA approval, if required, to meet the application needs of the Stamp Users, while respecting the requirements of the SOW and the Stamp application regulations of the *Excise Act, 2001*.
- e) Provision of delivery services for the Test Stamps as negotiated with the Stamp Users during the Testing Phase. The costs of delivery are the responsibility of the Stamp Users.
- f) Design and delivery of Verification Tools acceptable to the CRA for testing of the Stamps in accordance with the requirements of the SOW (See Article 7.1 on Verification Tools).



- g) Receipt of final written approval of the Excise Stamp design from Minister of National Revenue.
- h) Provision of technical advice to the CRA and Stamp Users concerning the application of the Stamps.

6.2.1 Stamp Design

The Contractor must provide to the CRA a colour visual representation, for approval, with a description of the proposed Excise Stamp that details the following features:

- a) all Overt Features;
- b) size (length, width, thickness);
- c) substrate specifications with a sample of the substrate;
- d) tolerances for size;
- e) Overt Security Features, including a description if necessary (e.g. floating lines, colour shift); and
- f) Covert Security Features, including a description of each (except for the Contractor's authentication feature).

6.2.2 Prototype Stamp Approval Process

Once the CRA has approved the colour visual representation and description of the proposed Excise Stamp, the Contractor must provide to the CRA a quantity of 100 Prototype Stamps in single format for the purpose of the CRA reviewing and approving the Stamp Design, including all Security Features, unique identifiers, and Types of Stamp (Jurisdiction, type / quantity of product). The first set of Prototype Stamps will be "Canada", "Cigarettes – 20", in the applicable Pantone Peach 713U colour. The CRA will not accept the Prototype Stamp, as designed and produced, if it does not meet the CRA's requirements as outlined in this Contract.

The prototype Verification Tool will be used to verify specific Security Features on the Prototype Stamp (See Article 7.1).

Once a Prototype Stamp is approved by the CRA, the Contractor will commence production of Test Stamps based on the approved Prototype Stamp. The Jurisdiction for which Test Stamps must be provided is Canada. Test Stamps will be disseminated through the WBOS to Stamp Users for the purpose of calibrating and testing stamp application equipment and/or processes. This will permit the testing of the WBOS and its Modules.

Each Type of Stamp for each Jurisdiction that is included in the Contract or added during the period of the contract must be approved and produced in accordance with the Prototype (Article 6.2.2) and testing approval process (Article 6.3), unless otherwise specified in writing by the CRA. The CRA and the Contractor will determine the order for producing the remaining Prototype Stamps (Jurisdiction, type) during the planning phase for implementation of the Contract.

The approved Stamp Design may be revised during the Testing Phase with the approval of the CRA. The CRA will provide in writing its acceptance of the final design for the Excise Stamp. The Contractor must, throughout the period of the Contract, ensure that the production of all Stamps meets the approved Stamp Design and specifications.



6.2.3 Additional Stamp Designs

At the present time, the CRA requires a single design for all of its Stamps. The CRA, at its sole discretion, will have the option to include additional Stamp designs and/or sizes for new excisable products or new types of packaging.

6.3 Issuance of Test Stamps and Approval Process

The Contractor must produce and supply Test Stamps for Stamp Users throughout the period of the Contract, at no additional cost. The Delivery Costs of the Test Stamps are the responsibility of the Stamp Users.

During the implementation period of the SOW, the Contractor must produce and distribute Test Stamps, on an as-and-when requested basis. It is expected that during the initial Implementation Period of the Contract, approximately 4.5 million Test Stamps may be needed.

The CRA will review and test whether the Test Stamps meet the performance requirements and specifications of the SOW. Test Stamps are to be used by the Stamp Users to calibrate their stamp application equipment and/or to test application processes. Excise Stamps produced under this Contract cannot be used by the Stamp Users until the Implementation Date. As such, there may be staggered or delayed requests for Test Stamps by the Stamp Users throughout the Implementation Period. See Article 14.4 for Test Stamp inventory after the Implementation Date.

Test Stamps are not to be returned or taken back once issued by the Contractor.

6.3.1 Design Changes and Test Stamps

Excise Stamp design changes must be approved by the CRA and must meet the requirements of the SOW, including the application and performance testing steps. The approved CRA Redesigned Stamp must be used in the production of all Stamps, and previous Stamp Designs will cease to be used.

When a design change to the Excise Stamp is approved by the CRA, an additional production run, including the distribution of an adequate number of Test Stamps with the design change, must be undertaken by the Contractor. The redesigned stamps must be made available at no additional cost during the period of the Contract. The CRA will review and test whether the Test Stamps meet the performance requirements and specifications of the SOW.

7.0 DELIVERABLES: VERIFICATION TOOLS AND WEB-BASED ORDERING SYSTEMS (WBOS) AND ITS MODULES

7.1 Verification Tools design, testing and approval

The Contractor must provide the CRA with prototype Verification Tools for testing and acceptance purposes and must demonstrate to the CRA that they meet the defined performance and operational requirements set forth in the SOW at the required level specified in Articles 10.1 and 10.2.



The testing of the prototype Verification Tools will be performed by the CRA by verifying that a series of prototype Excise Stamps and Test Stamps can be authenticated with 100% accuracy. The test will be conducted on the prototype Level 1 and 2 Verification Tools.

Based on the test results, the Contractor must provide the CRA with a final version of the Verification Tool for testing and acceptance purposes and must demonstrate to the CRA that they meet the defined performance and operational requirements set forth in the SOW at the required level specified in Articles 10.1 and 10.2.

The CRA will notify the Contractor in writing of its acceptance of the Verification Tools.

Notwithstanding the written acceptance of the Verification Tool of each level, the Contractor must, throughout the period of the Contract, ensure that the Verification Tools meet the specifications contained in the SOW. The Contractor must maintain and enhance the Verification Tool to:

- a) meet design changes to the Excise Stamp; and
- b) incorporate technological advancements as they become available in order to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

7.2 Web-Based Ordering System design, testing and approval

The Contractor must present to the CRA, for testing and approval, an intuitive and user-friendly WBOS that must be able to handle a minimum of 6,000 orders per year representing at least 1.8 billion Stamps.

The WBOS must handle orders for:

- a) Stamps originating from Stamp Users and subsequently reviewed and approved/denied by the CRA; and
- b) Verification Tools originating from Stamp Users (Level 1 only) and the CRA (Level 2 only), to be approved by the CRA.

Key principles:

- Only CRA approved Stamp Users will have access to the WBOS.
- All orders for Test Stamps, Excise Stamps and Verification Tools must originate through the WBOS.
- Only CRA approved Stamp Users will be authorized to place orders for Stamps and Verification Tools - Level 1.
- The CRA Stamp Desk and the Contractor are not authorized to place or revise orders except as noted below:
 - Only the CRA Stamp Desk will be authorized to place orders for Verification Tools - Level 2.
- All orders must be filled as authorized.
- In rare circumstances the Contractor may, with the approval of the CRA, return a CRA authorized order back to the CRA Stamp Desk for reconsideration; the Contractor may not cancel an order.



Flow of Stamp and Verification Tools – Level 1 Orders

Stamp Users:

- Place an order through the WBOS
- Order is sent to the CRA Stamp Desk

CRA Stamp Desk:

- Receives order
- Verifies eligibility of Stamp User
- Authorizes or denies order
- CRA authorized order is sent to the Contractor
- Denied orders are cancelled in the WBOS and the Stamp User is notified

Contractor:

- Receives CRA authorized order
- Fills CRA authorized order
- If necessary, returns CRA approved orders back to the CRA Stamp Desk for reconsideration on the mutual agreement of the CRA Stamp Desk Manager and the Contractor's Contract Manager.
- Delivers order to Stamp User through:
 - Own contracted delivery service
 - Stamp User's contracted delivery service
- Invoices Stamp Users for the cost of the order (as per Contract), including Delivery Costs where the Contractor supplies delivery service

Stamp Users:

- Receive and verify Stamp order
- For Test Stamps, test application equipment and packaging, and destroy Test Stamps when tests are complete
- Apply Excise Stamps to the excisable products
- Distribute excise products to the duty paid market
- Pay the cost of Excise Stamps and, if applicable, Delivery Costs, to the Contactor

CRA authorized officers:

- Perform inspections and enforcement actions using Verification Tools

7.2.1 The Contractor must present to CRA for approval a Web-Based Ordering System (WBOS) that must incorporate the following roles and responsibilities:

Contractor:

- Administration and maintenance of the WBOS
- Administration and control of the CRA Stamp Desk System Authorization Administrator Profiles in the WBOS
- Filling of Excise Stamp and Verification Tool orders as authorized by the CRA Stamp Desk
- Under certain conditions, return of CRA authorized Stamp or Verification Tool orders to the CRA Stamp Desk for reconsideration



CRA Stamp Desk:

- Creation of the WBOS profiles for Stamp Users in order to place Test Stamp, Excise Stamp and Verification Tools – Level 1_orders, incorporating any system limits on order capabilities that may be deemed necessary
- System will provide for types of Stamp Users (for ease of reporting), currently the two types will be tobacco and cannabis
- Verification and approval of the eligibility of Stamp Users
- Administration and control of the CRA approved authority profiles in the WBOS for Stamp Users and reviewers
- Creation of the WBOS profiles for CRA Approved Persons for the:
 - issuance of Verification Tools - Level 2
 - tracking and issuance of Verification Tools - Level 2
 - limited access to specific reports in the WBOS
- Only acceptance or denial of orders (never amendment, adjustment or partial approval)
- Only party to set up and authorize requests for Verification Tool - Level 2
- Authorizations and release of Test Stamp, Excise Stamp and Verification Tool – Level 1 orders to the Contractor for processing

Stamp User:

- Receipt of access to Test Stamps, Excise Stamps, Verification Tools – Level 1_and the WBOS as part of their licensing or registration process
- Requesting of Order Originator profiles in the WBOS for their authorized representatives
- Ordering of Test Stamps, Excise Stamps and Verification Tools - Level 1 by Order Originator using the WBOS
 - Note:
 - Only Order Originators authorized by the CRA may place an order for Test Stamps, Excise Stamps and Verification Tools - Level 1
 - Orders for Test Stamps, Excise Stamps and Verification Tools - Level 1 must only be placed through the WBOS.

Reviewer:

- Provide access by CRA Approved Persons to the WBOS to review and/or access a limited number of reports
 - Note: Access to the WBOS is limited to CRA Approved Persons

7.2.2 The Contractor must present to CRA for approval a Web-Based Ordering System and administration protocols that respect the following profiles:

- Primary System Administrator – Contractor responsibility
 - sets the authority for the CRA Stamp Desk profiles
 - System Authorization Administrator
 - Order Authorization Manager
- System Authorization Administrator – CRA responsibility
 - sets the authority and creates accounts for Stamp Users, the Order Originator and Review Profiles
 - assign Stamp User account to type of producer (currently tobacco or cannabis)
 - creates accounts for CRA Approved Persons for Verification Tools - Level 2
 - creates orders for Verification Tools - Level 2



- Order Authorization Manager – CRA
 - approves changes to the WBOS for CRA access
 - approves WBOS access profiles created by System Authorization Administrator
 - approves Verification Tools – Level 2 orders created by System Authorization Administrator
- Order Authorization Officer – CRA
 - reviews and approves/denies Test Stamp, Excise Stamp and Verification Tool – Level 1 orders
- Order Originator – Stamp User
 - places orders for Stamps
 - places orders for Verification Tools – Level 1
- View only – CRA Approved Persons
 - access to certain screens and/or reports in support of authorized verification duties.
- Limited View Only - Enforcement Profile
 - access to the Stamp history report triggered by the Stamp's unique identifier.

7.2.3 The Contractor must supply a Web-Based Ordering System that provides for:

- a) the CRA Stamp Desk to create Order Originator accounts;
- b) the CRA Stamp Desk to limit the Order Originator from viewing specific Types of Stamps and Jurisdictions of Excise Stamps and to set limits on quantities of Excise Stamps;
- c) only an Order Originator Profile to place orders. The CRA and the Contractor must not have the ability to originate Stamp orders;
- d) the Order Originator to cancel a Stamp order prior to the CRA approving or denying the order;
- e) the Order Originator to place an order using a maximum of two screens in the WBOS;
- f) the Order Originator to place an order for Verification Tools - Level 1;
- g) the Order Originator to choose to and actually receive confirmations for their:
 - a. orders placed
 - b. orders approved or denied
 - c. orders shipped
 - d. orders received
- h) the Order Originator to access real-time reports for their orders (only for periods selected), for orders:
 - a. placed
 - b. approved
 - c. denied or cancelled
 - d. shipped
 - e. received
- i) the CRA Stamp Order Desk to:
 - a. receive and review Stamp orders or Verification Tool – Level 1 orders from the Order Originator
 - b. approve or deny the order
- j) The Order Authorization Officer to enter an order for Verification Tools – Level 2
 - a. Order Authorization Manager to approve or deny an order for a Verification Tool – Level 2
- k) approved CRA orders to be sent to the Contractor for processing (filling and distribution of orders)



- l) Contractor to return CRA approved orders back to the CRA Stamp Desk for reconsideration on the mutual agreement of the CRA Stamp Desk Manager and the Contractor's Contract Manager.

7.2.4 Numbering and Tracking of Stamp Orders

The WBOS must record and maintain the following minimum information for each Stamp order placed in an electronic format that is machine readable by any commercially available standard spreadsheet software that is acceptable to the CRA:

- a) unique identifier for each transaction;
- b) the CRA order number;
- c) the Stamp User's account number and the Order Originator's identification code (ID);
- d) the date ordered;
- e) ID of the CRA Authorization Officer and decision rendered (approved or denied);
- f) the distribution date;
- g) the delivery address or details of pick up by a Stamp User's delivery service;
- h) whether it is the Contractor's or the Stamp User's Delivery Service;
- i) the date Stamps are received by the Stamp User;
- j) the quantity of Stamps by Type of Stamp and Jurisdiction; and
- k) the unique identifiers of all Stamps delivered.

7.2.5 Testing

The Contractor must supply a WBOS for CRA testing and approval as per the Schedule of Work in Article 5.1.2.

The CRA will test the WBOS for the:

- functionality as outlined in Articles 7.2 to 7.2.4 of the SOW;
- ability to switch between Canada's Official languages;
- intuitiveness of screens;
- ease of use; and
- respect of systems controls and protocols as outlined in the Contractor's submission and the SOW.

7.2.6 Approval

The CRA will approve the WBOS in writing if it passes the testing outlined in 7.2.5. If it does not pass, the Contractor will be given five (5) business days to remedy the issue(s) according to the procedures listed in Article 16.0 Inspection and Acceptance.

7.2.7 Enhancements and Future Changes

During the period of the Contract, the CRA may request enhancements to the WBOS at no additional cost.

During the period of the Contract, the Contractor must advise the CRA in advance, in writing, of any plans for enhancements or changes or replacements to the WBOS, including the Reporting and E-communications Modules. These enhancements, changes or replacements are to be reviewed, tested and approved as outlined in the SOW prior to implementation.



The Contractor must, during the period of the Contract, maintain and enhance the WBOS, including the Reporting and E-communications Modules, to:

- a) meet design and enhancement changes to the Excise Stamp System;
- b) ensure the security of CRA and Stamp User information; and
- c) incorporate technological advancements as they become available to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

7.3 Web-Based Ordering System Reporting Module – design, testing and approval

The Contractor must supply for CRA testing and approval a Reporting Module that supports the WBOS as per the Schedule of Work in Article 5.1.2.

The types of reports that must be supplied are outlined in Article 13.0.

The CRA will test the reports and Reporting Module for:

- functionality and accuracy;
- ability to switch between Canada's Official languages;
- ease of use; and
- impacts on the WBOS or internal controls in place.

The CRA will approve the Reporting Module in writing if all the required reports and reporting functionality are met. During the period of the Contract, the CRA may request enhancements to the Reporting Module at no additional cost.

During the period of the Contract, the Contractor must advise the CRA in advance and in writing of any plans for enhancements, changes or replacements to the reports or Reporting Module. These enhancements, changes or replacements are to be reviewed, tested and approved, as outlined in the SOW, prior to implementation.

The Contractor must, during the period of the Contract, maintain and enhance the Reporting Module to:

- a) meet design and enhancement changes to the Excise Stamp System; and
- b) incorporate technological advancements as they become available to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

7.4 E-communications Module within the Web-Based Ordering System – design, testing and approval

The Contractor must supply for CRA testing and approval an E-communications Module within the WBOS as per the Schedule of Work in Article 5.1.2. Conceptually, this would be a closed MS Outlook-type system for the use of the Contractor, the CRA and Stamp Users.

The CRA will approve the E-communications Module in writing if all the required functionality and performance standards are met. During the period of the Contract, the CRA may request enhancements to the E-communications Module at no additional cost.



The E-communications Module profiles must be included as part of the general WBOS profile for the following:

- Stamp Users: Order Originators
- CRA: System Authorization Administrator, Order Authorization Manager, Order Authorization Officer and Project Authority
- Contractor: Primary Systems Administrator, Contractor's Representative and Contract Manager

The E-communications Module must permit messages, including attachments similar to Microsoft Word, Microsoft Excel and Adobe Portable Document Format files to be sent between these profiles. Additions and deletions to the profiles will be by CRA approval. The E-Communications Module must include up-to-date malware detection processes such that all attachments are reviewed prior to sending to ensure that they are free of detectable malware. Any attachments with detectable malware must be rejected by the Module.

During the period of the Contract, the Contractor must advise the CRA in advance, in writing, of any plans for enhancements, changes or replacements to the E-communications Module. These enhancements, changes or replacements are to be reviewed, tested and approved, as outlined in the SOW, prior to implementation.

The Contractor must, during the period of the Contract, maintain and enhance the E-communications Module to:

- a) meet design changes and enhancements to the Excise Stamp System; and
- b) incorporate technological advancements as they become available, in order to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

7.5 Availability and Support for the WBOS and its Modules

The Contractor must supply a Web Based Ordering System that is:

- accessible and functions through the publicly accessible internet;
- at a minimum, compatible with Microsoft Internet Explorer 11 and Edge browsers or more recent;
- operational without the installation of local client software or browser plug-in;
- secure, with closed access limited to CRA Approved Persons;
- located in Canada, with supporting databases located in Canada only;
- available in both of Canada's Official languages;
- available internationally, twenty-four (24) hours a day, 365 days a year, and 97 percent of that time each month; and
- maintained with minimal disruption to users and where possible providing advance notice of any service disruption.

The Contractor must provide a toll-free number to report WBOS, E-communications Module or Reporting Module issues. The toll-free number must provide service in English and French and must be available, at a minimum, twelve (12) hours each day, from 7 a.m. to 7 p.m., Eastern Time, Monday to Friday, not including statutory holidays observed in Canada.



If the WBOS and/or one of its Modules becomes unavailable for a period of more than four (4) consecutive hours, the Contractor must advise the CRA immediately of what corrective measures are being taken.

The Contractor must ensure that the WBOS, E-communications Module and Reporting Module are available 24 hours a day, 7 days a week, 365 days a year unless prearranged with the CRA in advance for downtime due to maintenance. Downtime for maintenance must not exceed 1 percent of the time each month.

7.6 Web-based Ordering System and its Modules – Security

The Contractor must only receive and process orders authorized by the CRA through the Contractor supplied WBOS.

See Articles 7.2 to 7.2.4 for the underlying ordering process.

The Web Based Ordering System (WBOS) and its Reporting and E-communications Modules must conform to Government of Canada security requirements, as articulated in the Policy on Government Security (PGS) 2012 (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=16578>), other affiliated Treasury Board Secretariat (TBS) policies, and to Government of Canada cryptography requirements and recommendations, specifically as articulated in guidance documentation from the Communications Security Establishment (<https://www.cse-cst.gc.ca/en/publication/list/Cryptography>). Although the Contractor is free to propose any system that meets these requirements, the system must provide the following elements or those with which they are compatible:

- Secure Electronic Signatures, as per the *Personal Information Protection and Electronic Documents Act* (PIPEDA, S.C. 2000, c. 5) and its regulations (SOR 2005-30);
- Structured forms and choreographed workflow; and
- To the extent possible, integration with and/or leveraging of existing CRA security infrastructure, including the Public Key Infrastructure (PKI).

Electronic orders must be protected for confidentiality, integrity and authenticity during transmission between the Stamp Users and the CRA, and between the CRA and the Contractor from the moment of submission and throughout the retention period. The Contractor must monitor information system security controls on an ongoing basis to ensure their continued effectiveness.

The Contractor must conduct regular (no less than four times a year) third party Vulnerability Assessments (VA), including a VA scan and/or penetration testing, on the applications providing the services delivered to the CRA. VA Scans must include the latest vulnerability criteria available from industry, including the CRA. VA Scans must be performed with no Stamp User data included. The Contractor must remediate any vulnerabilities or deficiencies identified in these assessments within a timeframe commensurate with their severity. Critical vulnerabilities or deficiencies impacting the confidentiality, integrity and availability (CIA) of CRA data or services must be addressed within 48 hours.

The CRA shall be permitted to request the VA scan reports and supporting VA metadata upon request.



The Contractor must develop, document and execute a patch management process for systems and devices required to process, transmit and store CRA data. The Contractor must monitor the patches and security notifications from vendors and then apply mitigations as soon as reasonably possible. Patches addressing vulnerabilities that impact the confidentiality, integrity and availability (CIA) of CRA data or services must be applied within 48 hours. If a patch for a critical vulnerability cannot be applied within 48 hours, CRA IT Security must be alerted and agree to the proposed course of action to address mitigation of risk.

The Contractor must employ (centrally managed) malicious code and spam protection mechanisms at information system entry and exit points to detect and eradicate malicious code. The mechanisms must be updated whenever new releases are available.

The Contractor must, during the period of the contract, maintain and enhance the WBOS and its Modules to:

- a) meet design and enhancement changes to the Excise Stamp System and supporting processes;
- b) meet counterfeiting trends and other threats including but not limited to cyber-threats;
- c) meet CRA authentication standards including but not limited to password complexity and security; and
- d) incorporate technological advancements as they become available to maintain a technological security, sophistication and advantage so as to mitigate erosion to the confidentiality, integrity and availability (CIA) of the Excise Stamp System and CRA data

The Contractor must develop, document and execute an incident handling process for security incidents that includes preparation, detection and analysis, containment, eradication, recovery and future mitigation actions. The Contractor must inform the CRA within 24 hours in the event of any security incidents including but not limited to information breaches.

The Contractor must have the infrastructure in place to handle single point ordering and confirmation of orders. The Contractor must provide confirmation of orders within one (1) hour of the CRA approving the order. The method of confirmation must be electronic, using the WBOS provided by the Contractor.

The electronic ordering method(s) must conform to the legislation and policies that apply during the period of the Contract, including any option periods exercised.

The Contractor must provide full onsite access to the databases of the WBOS and its Modules and account management, including but not limited to account creations and changes to individuals or parties authorized by the CRA to audit and verify the processes of the Contractor. The databases or any portion thereof must be transferable to an electronic format that is machine readable by any commercially available standard spreadsheet software that is acceptable to the CRA.

The WBOS database and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws. All information collected under this SOW must be protected and must not be shared except as authorized by this SOW or Canadian legislation.

The information, in a hardcopy or electronic format, and any database storing all information related to Stamp Users, Stamp Design or Stamp orders, must be maintained



solely in Canada.

7.7 Technical Assistance

Throughout the Contract period, the Contractor must provide technical advice and assistance to Stamp Users or the CRA (in English and French), at no additional cost, in order to assist them in implementing the application of the Test Stamp or the Excise Stamp, and for any future redesigns and enhancements.

7.8 Training

The Contractor must provide training throughout the period of the Contract, including the necessary start-up training for the WBOS, E-communications and Reporting Modules, and Verification Tools, at no additional cost. This includes any training required during the contract period for changes, enhancements or replacements to the existing systems, processes, tools or Stamp Redesigns.

All training must be given by qualified technical staff with an advanced knowledge of the training material, tools, software, processes, etc. Training manuals and information provided by the Contractor must be available in both of Canada's Official Languages.

8.0 PRODUCTION

8.1 Production Requirements

The Contractor must produce in, store and supply from Canada, the quantity, Type of Stamps and Jurisdiction of Excise Stamps and Test Stamps as required by the CRA.

To "**produce in Canada**" means that the following must be performed as a minimum at a Canadian location:

- application of inks, covert and overt security features, including unique identifiers, to a substrate;
- cutting of the substrate into the final individual Test Stamps and Excise Stamps; and
- packaging of Stamps for distribution.

The Contractor must assure a continuous supply of Stamps and protect against Stamp shortages caused by incidents including but not limited to material shortages, major equipment breakdown, fire, flood, and labour issues or strike actions.

The Contractor must ensure that they comply with the CRA's personnel and facility security requirements, which are detailed in Annex C: SRCL and Security Guide.

8.2 Inspection of facilities by the CRA

The CRA reserves the right to inspect the Contractor's facilities, as governed by the SOW. The Contractor must provide access to the CRA for any type of inspection and verification, at all facilities and/or areas specifically relating to the production, storage and distribution of the Stamp, including materials used.



8.3 Inspection of Excise Stamp System by the CRA

The CRA reserves the right to inspect and perform audit activities on the Excise Stamp System at the Contractor's site(s), with reasonable notification to the Contractor. The inspections can include an audit of any portion of the Excise Stamp System, including but not limited to books and records, processes, the communication of data and any data repositories maintained on the machinery and equipment at the site, and the adherence to security measures for the production, storage and distribution of the Stamps.

If the Contractor keeps books and records outside of Canada they must request permission to do so. Books or records kept outside of Canada must not contain information related to Stamp Users, Stamp Design or Stamp orders. Permission to maintain books and records, in either of Canada's Official languages, outside of Canada will only be granted provided that the Contractor agrees to:

- 1) Assume the cost of two CRA representatives for the purpose of performing an audit/ compliance review and to ensure that the Contractor's government will authorize CRA to conduct the audit/compliance review in that country; or
- 2) Assume the cost of providing to the CRA, in Canada, all requested books and records, and one employee fully knowledgeable in the Contractor's operations, so that the CRA may conduct an audit or compliance review in Canada.

8.4 Storage

The Contractor must store all Stamps, primary production materials (e.g., substrates, inks, security features, etc.), Stamp Designs, work-in-progress and Verification Tools in a secure manner, in Canada. As part of the facility inspection and verification processes, the CRA may, in writing, require improvements to storage security and the Contractor must respond in writing with their proposed corrective measures within thirty (30) days. Which may be approved by the CRA, these measures must be implemented within thirty (30) days of the approval.

8.5 Inventory

The Contractor must maintain ninety (90) days of Excise Stamp inventories by Type of Stamp and Jurisdiction, based on historical information, CRA information, or other analytic methods.

The Contractor must maintain, throughout the Contract period, an adequate inventory of Test Stamps to permit a new Stamp User to order Test Stamps to test their stamp application equipment or application processes. The Contractor will determine the necessary inventory level based on historical information, CRA information, or other analytic methods.

The CRA may conduct an audit of the Contractor's inventory at any time.

8.6 Accounting of Stamps

The Contractor must account for all Stamps produced, stored and distributed. See Contract Article 7.19 for Accountability Provisions.

Stamps identified as damaged or unusable must be accounted for, stored, and secured until



destroyed, as authorized by the CRA.

The method of accounting for the Stamps proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor. CRA may conduct an audit of the Contractor's accounting of Stamps at any time.

8.7 Minimum Order Requirement

The Contractor must propose a minimum order quantity in their technical submission for the CRA's approval.

8.7.1 Orders

The CRA requires a minimum order quantity for Stamps by Jurisdiction and Type of Stamp (e.g. 500, Cigarettes 20, Nova Scotia). It is not permitted to combine Test Stamps and/or Excise Stamps of different Jurisdictions and/or Types in order to meet the minimum order quantity.

The minimum order quantity will:

- standardize and simplify ordering in the WBOS
- assist the Contractor, Stamp Users and the CRA in accounting for and controlling the Stamps
- mitigate cost for accounting for, controlling, handling and shipping the Stamps
- assist the smaller Stamp Users by minimizing the number of Stamps they may need to account for in their inventory

Under the Contract awarded in 2008, the minimum order quantity could not exceed 500 Excise Stamps by Jurisdiction and Type of Stamp.

8.7.2 Packaging

The minimum order quantity may affect the Contractor's choice in packaging sizes.

Note: the minimum order requirement is not meant to set a packaging size for Stamps, as very large Stamp Users may find packaging at the minimum order quantity inefficient and impractical for high speed application equipment. Under the previous SOW, nearly 98% of Stamps were ordered by larger Stamp Users.

Variances in packaging sizes must not affect the unit price of the Excise Stamp under this Contract.

9.0 STAMP DELIVERY AND RETURNS

9.1 Delivery Options

The Contractor must provide the following options for delivery to Stamp Users:

- a) Secured Delivery Services supplied by the Contractor (Stamps to be delivered to Stamp Users to specific addresses both within Canada and internationally); and



- b) Delivery services supplied by the Stamp User (Stamps to be picked-up at the Contractor's distribution location).

“Secured Delivery Services” means the network required to deliver the Stamp from the Contractor to Stamp Users that minimizes the risk of loss or any potential diversions and damages. All distribution of the Excise Stamp must originate from the Contractor's Canadian Distribution facilities.

Different levels of Secured Delivery Services may be suitable based on the quantity and underlying value of Excise Stamps, and risks associated with delivery routes and locations. Order sizes can vary widely, historically they have ranged from 500 Stamps (single Type) to tens of millions of Stamp (multiple Types).

The Contractor's proposed Secured Delivery Services may be revised by mutual agreement of the CRA and the Contractor. Changes can only be made through a contract amendment issued by the Contracting Authority.

The Contractor will be accountable for the Stamps until the Stamp User accepts possession or takes delivery of the Stamps. A Stamp User is deemed to take possession or Delivery at the earliest date when any of the following occur:

- a) the Contractor delivers the Stamps to the Stamp User's authorized specified delivery location; **or**
- b) the Stamp User takes possession of the Stamps at the Contractor's Distribution location through their delivery service; **or**
- c) the Stamp User contracts with the Contractor for additional services, including but not limited to filling stamp-dispensing cartridges, applying the Stamp User's adhesive to Stamps, putting Stamps into a roll (reel) format. (Article 6.1.13).

Any reasonable restrictions or protocols the Contractor imposes on access to the Contractor's Distribution facilities for a Stamp User's delivery service must be made available in writing to Stamp Users and the CRA.

The cost of delivery, whether through the Contractor or the Stamp User's Delivery Service, is the responsibility of the Stamp User. The cost of the delivery, if supplied by the Contractor, must be at cost and not subject to an additional surcharge or profit markup.

9.1.1 Shipping Documentation

In addition to General Conditions 2030 17 (2008-05-12) Shipment Documentation, the Contractor must provide the following information (as applicable) on the packing slip or shipping label:

- Purchase Order Number
- Box Sequencing number (if more than one box is shipped)
- Accompanying Purchase Order, including the following details by Box/Container:
 - Box/Container Sequence
 - Quantity by Type of Stamp and Jurisdiction and/or Test Stamps
 - Material/Product codes, if used.
 -



9.2 Delivery Timelines and Authentication of Stamps

The Contractor must process orders within two (2) business days of CRA approving the order.

For deliveries in Canada, the Contractor must deliver to the correct address, or make available at the Contractor's Distribution Facilities for a Stamp User's Delivery Service to pick up, the required quantities of the correct Stamps within five (5) business days of the CRA approving the order.

For international deliveries, the Contractor must:

- a) deliver to the correct address the required quantities of the correct Stamps in a commercially reasonable timeframe from when the CRA approves the order; or
- b) make available at the Contractor's Distribution Facilities for a Stamp User's Delivery Service to pick up the required quantities of the correct Stamps within five (5) business days of the CRA approving the order.

The above delivery timeline may be amended by written mutual agreement between the Stamp User and the Contractor. A copy of any agreement, or any amendment thereto or cancellation thereof must be provided to the CRA within thirty (30) days of it being made.

The Contractor must account for all Stamps distributed and ensure that all Stamps have the approved Stamp Design.

9.3 Stamp Return Process

The Contractor must allow each Stamp User to return for credit or refund, (as selected by the Stamp User and including Delivery Costs), any order or portion thereof that:

- the Contractor
 - delivered or packaged incorrectly; or
 - delivered damaged;
- have a production defect; or
- are returned at the request of the CRA as a result of a Stamp Design change.

In the cases above the Contractor will be responsible to organize and pay shipping costs to return the Stamps. The Contractor will be accountable for the returned Stamps from time they take possession of the Stamps.

The Contractor must provide to the CRA the following minimum information for each order or portion thereof that is returned, whether for credit or refund:

- the Stamp User's account number;
- the originating order number;
- Type of Stamps;
- return quantity;
- Jurisdiction of Stamps;
- reason for the return;
- the unique identifiers of the Stamps; and
- any additional details that the Contractor deems appropriate for the CRA.

The return process must include confirmation from the Contractor to the CRA and the Stamp



User of the Stamp User's request for return for items such as:

- return quantity; and
- pick-up date and location.

Stamps returned must not be re-issued to another Stamp User and must be destroyed in a manner authorized by the CRA. The status of the destroyed Stamps must also be updated in the WBOS.

The Stamp return process proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor.

10.0 VERIFICATION TOOLS

Verification Tools must ensure the confidentiality, integrity and availability of CRA data and services.

The CRA will require Verification Tools in the form of dedicated hand-held devices. If future advancements provide an alternative technology for authenticating an Excise Stamp, the CRA may consider it for acceptance.

Verification Tools must conform to Government of Canada security requirements, as articulated in the Policy on Government Security (PGS) 2012 (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=16578>), and other affiliated Treasury Board Secretariat (TBS) policies.

Verification Tools remain the property of the Contractor and will be issued to Stamp Users, the CRA and CRA Approved Persons as a lease. The Contractor must supply, maintain, and provide support services for the following types of Verification Tools:

- Verification Tool - Level 1 for a period of one (1) year after the termination of this Contract.
- Verification Tool - Level 2 for a period of five (5) years after the termination of this Contract.

10.1 Verification Tools - Level 1

The Contractor must make available to Stamp Users on a lease basis, at the price set out in this Contract, a Verification Tool - Level 1. Each Verification Tool must authenticate at least one Covert Security Feature, but must not disclose the feature.

Verification Tools - Level 1 must be a hand-held device. The lease will include any applicable future enhancements, upgrades or replacements including any cost to recall the Verification Tools to affect these.

Note:

Stamps Users are not required to possess or use Verification Tools – Level 1, and as such, the actual number required under this SOW is not definitively known. Based on historical usage, five (5) hand-held devices have been consistently used by Stamp Users.



The Contractor must manage and keep records on all Verification Tools - Level 1 produced, distributed, returned or destroyed.

The Verification Tool - Level 1 must be maintained, upgraded and/or replaced as needed to meet advancements in technology, the Excise Stamp Design or Regime changes such as new products.

The method for the Stamp Users to request a Verification Tool – Level 1 is outlined in Articles 7.2 to 7.2.4.

The Verification Tool – Level 1 must, at a minimum:

- a) detect at least one Covert Security Feature;
- b) indicate whether or not the Stamp is authentic;
- c) authenticate through clear covers such as cellophane;
- d) authenticate the feature(s) when the Stamp is applied to a package as required by the regulations to the *Excise Act, 2001*;
- e) not disclose any covert information contained therein;
- f) possess a unique permanent identification number;
- g) not permit the storage or retention of information authenticated or obtained from the Stamp;
- h) be password protected;
- i) for hand-held devices:
 - i. be sealed to protect internal software and technologies, and must self-destroy if unauthorized entry occurs;
 - ii. be able to perform an authentication within two (2) seconds of the Verification Tool being applied to the Stamp;
 - iii. have an internal power supply for use in field work:
 1. Provide a minimum of 2,000 authentications on a single charge (typical daily usage will be less than 100 authentications); and
 2. Have a recharge time of less than 3 hours;
 - iv. Operation:
 1. Withstand a fall of 2 meters;
 2. Have an operational temperature range of at least -20C to +40C;
 3. Withstand humidity such that there is no condensation buildup inside the device;
 - v. have a maximum weight of 500 grams;

10.2 Verification Tools - Level 2

The Contractor must provide to the CRA, on an as-and-when requested basis and at no additional cost, Verification Tool - Level 2 leases. Each Verification Tool must authenticate Covert Security Features, but must not disclose the feature.

Verification Tools - Level 2 must be a hand-held device. The lease will include any applicable future enhancements, upgrades or replacements including any cost to recall the Verification Tools to affect these.

Note:

The number of Verification Tools - Level 2 leases is estimated to be approximately 500 in total for initial years of the contract. This estimate may change.



The Contractor must manage and keep records on all Verification Tools - Level 2 produced, distributed, returned or destroyed.

The Verification Tool - Level 2 must be maintained, upgraded and/or replaced as needed to meet advancements in technology, the Excise Stamp Design, or Regime changes such as new products.

The method for the Stamp Users to request a Verification Tool – Level 2 is outlined in Articles 7.2 to 7.2.4.

Verification Tools - Level 2 used at the administration and enforcement levels must, at a minimum:

- a) detect Covert Security Features;
- b) indicate whether or not the Stamp is authentic;
- c) authenticate through clear covers such as cellophane;
- d) authenticate the feature(s) when the Stamp is applied to a package as required by the regulations to the *Excise Act, 2001*;
- e) not disclose any covert information contained therein;
- f) indicate the authentication of Covert Security Features and provide useful information concerning production, packaging and delivery;
- g) each possess a unique permanent identification number;
- h) not permit the storage or retention of information authenticated or obtained from the Stamp;
- i) be password protected;
- j) for hand-held devices:
 - i. be sealed to protect internal software and technologies which must self-destroy if unauthorized entry occurs;
 - ii. be able to perform an authentication within two (2) seconds of the Verification Tool being applied to the Stamp;
 - iii. have an internal power supply for use in field work:
 1. Provide a minimum of 2,000 authentications on a single charge (typical daily usage will be less than 100 authentications); and
 2. Have a recharge time of less than 3 hours;
 - iv. Operation
 1. Be able to withstand a fall of 2 meters;
 2. Have an operational range of at least -20C to +40C;
 3. Be able to withstand humidity such that there is no condensation buildup inside the device; and
 - v. have a maximum weight of 500 grams.

10.3 Distribution of Verification Tool

Once notified in writing by the CRA of CRA's acceptance of the Verification Tools, the Contractor must make the Verification Tools available and provide support to the CRA, CRA Approved Persons and Stamp Users during the period of the Contract. For the Verification Tool ordering process, see Article 7.2.

The Contractor must deliver the Verification Tool - Level 1 to the Stamp User, as ordered by the



Order Originator and authorized by the CRA in the WBOS, within five (5) business days.

The Contractor must deliver Verification Tool - Level 2 to the CRA or CRA Approved Persons, as ordered by the CRA Order Authorization Officer and authorized by the Order Authorization Manager in the WBOS, within five (5) business days.

The method of delivery for the Verification Tools will be at the discretion of the Contractor. The Delivery Cost for the Verification Tool - Level 1, if any, may be borne by the Stamp User at cost. There will be no Delivery Costs to the CRA or CRA Approved Persons for the Verification Tool - Level 2.

The Contractor must arrange with the CRA, CRA Approved Users and Stamp Users to have the Verification Tools returned/removed at the end of the Contract period except as provided below. The return delivery cost for the Verification Tool - Level 1, if any, may be borne by the Stamp User at cost. There will be no return delivery costs for the CRA or CRA Approved Persons for the Verification Tool - Level 2.

A quantity of five (5) Verification Tools – both at the Level 1 and Level 2 is to remain with the CRA at the end of this contract for a period of five (5) years to support future enforcement actions and litigation.

10.4 Maintenance, Warranty and support of Verification Tools

The Contractor must maintain and support all Verification Tools that have been issued, throughout the Contract period and for five (5) years after the expiry date of this Contract.

The Contractor must provide maintenance and technical support for any software and hardware products required for the operation of the Verification Tools. **Technical issues pertaining to Verification Tools must be resolved within seven (7) calendar days of being reported.**

The CRA, CRA Approved Persons, and Stamp Users will be notified by the Contractor of any software or hardware updates to the Verification Tools, and said updates will be made at no additional cost. Should this require that the Verification Tools be returned to the Contractor, the Contractor shall assume the Delivery Costs for the return to the CRA, CRA Approved Persons, or Stamp Users.

The Contractor must provide a toll-free number to report Verification Tool issues. The toll-free number must provide service in English and French and must be available, at a minimum, twelve (12) hours each day, from 7 a.m. to 7 p.m., Eastern Time, Monday to Friday, not including statutory holidays observed in Canada.

11.0 QUALITY CONTROL AND ACCOUNTABILITY

11.1 Quality Assurance Plan

The Contractor must have a Quality Assurance Plan (Plan) defining the procedures that the Contractor will implement throughout the entire Excise Stamp System so as to ensure the specifications and requirements of this SOW, as well as the integrity of the Excise Stamp System, have been, and will continue to be met and maintained. The quality assurance plan proposed by the Contractor in their technical proposal will be reviewed and incorporated into the



resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor.

1. Quality Planning

The Contractor's Plan must include the following processes, procedures, controls, records and verification required, including a supporting flow chart, for each of the following elements:

a) Production Process must:

- 1) Minimize, identify and control losses/ diversion of key raw materials;
- 2) Identify and control key production plates, electronic files, software etc. used in the control and production of the Stamp;
- 3) Minimize, identify and control losses of work-in-progress (WIP);
- 4) Minimize, identify and control losses of Stamps during production and delivery to storage;
- 5) Minimize, identify and control defects to ensure that each and every Stamp is properly produced and conforms to the approved Stamp Design ensuring every Stamp carries all required Overt Features, Overt Security Features and Covert Security Features;
- 6) Provide production controls for thresholds and/or tolerances for Stamps produced in order to identify Stamps that do not meet the SOW's specifications and requirements;
- 7) Record, control, and maintain detailed accounting information on all valid, Invalid, and duplicate Stamps produced, such that there will be no missing or unaccounted for Stamps;
- 8) Provide a process and controls for safeguarding, handling and destroying Stamps and Invalid Stamps.

b) Storage Process must:

- 9) Identify and control all Stamps, ensuring that the quality and integrity of the Stamp is maintained; all Stamps are accounted for and stored appropriately and securely.

c) Distribution Process must:

- 10) Identify and control all Stamps, ensuring that the quality and integrity of the Stamp is maintained;
- 11) Ensure delivery is to service standards under Article 9.2; and
- 12) Ensure all distribution and communication processes and procedures with the CRA and/or Stamp Users are according to the SOW's specifications and requirements.

2. Quality Management

The Contractor must perform Quality assurance tests that ensure the Quality Management of all Excise Stamps produced or released such as:

- 13) All Security Features are applied and function as required, and Invalid Stamps are identified;
- 14) Stamps meet the stated tolerances / thresholds to distinguish Excise Stamps that are acceptable for dissemination to Users from those that are not (stamp size, cutting, printing) to ensure consistency in the application of the Excise Stamp by Stamp Users; and
- 15) Ease of identification for the Public and for Enforcement Agencies of valid Excise Stamps.



3. Quality Control

The Contractor must perform operational control techniques for problem identification, problem analysis and problem correction for items such as:

- 16) Duplicate, Invalid or missing Excise Stamps process, including quality of deliverables not meeting the SOW's specifications and requirements;
- 17) Failure to follow the procedures for handling unaccounted for Stamps and/or work in progress as indicated in the Contractor's proposal (including diversion of key raw materials);
- 18) Lost orders of Stamps or Verification Tools;
- 19) Lost or unauthorized release of CRA or Stamp User information;
- 20) Stamps being unavailable for distribution or late delivery of Stamps;
- 21) Return of Stamps from Stamp Users due to defects;
- 22) Delivery of incorrect quantities, Jurisdictions of Stamps, Types of Stamps or Verification Tool(s);
- 23) Delivery to the incorrect destination;
- 24) Training and/or technical assistance that does not meet specified requirements or fails to resolve any applicable issues; and
- 25) Lack of responsiveness of the Contractor's Representative and Contract Manager.

11.2 Corrective Measures

The corrective measures proposed as part of the quality control processes identified in this SOW, as proposed by the Contractor in their technical proposal, will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor.

During the period of the Contract, if the Contractor proposes additional corrective measures that are approved by the CRA and the corrective measures are successful, the corrective measures may be incorporated into the SOW at the sole discretion of the CRA and at no additional cost.

11.3 Testing of Stamps

The CRA reserves the right to test any Stamp or run of Stamps to determine if the Stamps meet the specifications for the approved Stamp Design, as outlined in the Contract.

When requested in writing by the CRA, the Contractor must provide to the CRA, for testing and verification, within five (5) business days, Stamps in the quantity specified by the CRA from CRA-selected production runs, at no additional cost.

11.4 Testing of Verification Tools

The CRA reserves the right to test any Verification Tool to ensure it meets the defined performance and operational requirements at the specified level.

The CRA will advise the Contractor in writing if it has determined that the Verification Tool performance or operational requirements at any level are not met. The Contractor must take corrective action to ensure the specifications are met within the timeframe allotted by the CRA. Any extension to the timeframe allotted will be at the sole discretion of the CRA. Any time



extension must be provided in writing from the CRA Technical Authority and specify the new due date.

11.5 Creation and Maintenance of Stamp Database

The Contractor must maintain a database of Stamp information, by Type of Stamp, Jurisdiction and unique identifier that provides information including but not limited to:

- date Stamps produced;
- quantities produced;
- quantities delivered or distributed to each Stamp User;
- quantities of Stamps in transit and delivery method used;
- quantities stored and location of storage facilities;
- quantities recalled or returned by each Stamp User;
- quantities damaged and not delivered;
- quantities destroyed, under supervision or with authorization of the CRA; and
- an unalterable audit trail of users, including the history of changes made by users as well as changes in authorized users.

The Contractor must provide full onsite access to the database to individuals or parties authorized by the CRA to audit and verify the processes of the Contractor. The database or any portion thereof must be transferable to an electronic format that is machine readable by any commercially available standard spreadsheet software that is acceptable to the CRA.

The WBOS databases and processing units must be located solely within Canada to ensure that they are governed by Canadian privacy laws. All information collected under this SOW must be protected and must not be shared, except as authorized by this SOW or Canadian legislation.

The information, in a hardcopy or electronic format, and any databases storing all information related to Stamp Users, Stamp Design or Stamp orders, must be maintained solely in Canada.

12.0 BUSINESS CONTINUITY AND DISASTER RECOVERY PLANS

The Contractor must have a written business continuity and disaster recovery plan for the production, storage, and Distribution of Stamps. The plan must assure that the Distribution of Stamps to Stamp Users will not be interrupted in the event of unforeseen production problems including but not limited to major equipment breakdown, material supply issues, fire, weather conditions, flood, or strike actions.

At a minimum, the Contractor must maintain ninety (90) days of Excise Stamp inventories by Type of Stamps and Jurisdiction based on historical orders, CRA information, or other analytic methods. Permission for any temporary decrease in inventory numbers must be requested in advance and in writing, with appropriate reasons for CRA approval. Failure to meet inventory levels must not occur for a total of more than thirty (30) days in a calendar year.

The Contractor must maintain, throughout the Contract period, an adequate inventory of Test Stamps to permit a new Stamp User to order Test Stamps to test their stamp application



equipment or application processes. The Contractor must determine the necessary inventory level based on historical information, CRA information, or other analytic methods. Any inability to meet Test Stamp orders must be addressed and must not occur for a total of more than thirty (30) days in a calendar year.

The CRA may conduct an audit of the Contractor's inventory at any time.

The Business Continuity and Disaster Recovery plan proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement of the CRA and the Contractor.

13.0 REPORTING

The Contractor must supply a Reporting Module as part of the WBOS so that the CRA and CRA Approved Persons may directly request reports related to Stamps Users, Stamp orders and the distribution of Stamps.

All reports must:

- a) allow the CRA to select any date periods;
- b) have a Report title;
- c) have a Report date; and
- d) be transferable to an electronic format that is machine readable by any commercially available standard spreadsheet software that is acceptable to the CRA.

13.1 Reports

The Contractor must supply to the CRA Technical Authority (TA in the Article 13 series), at no additional cost, reports as outlined in the SOW in electronic, web-based or paper formats.

13.1.1 Real-time Standard Reports

The Contractor must supply a Reporting Module in the WBOS from which the TA and CRA Approved Persons may derive Real-time standard reports from information within the WBOS, with the flexibility to request parameters to report on, including but not limited to information outlined in Articles 11.5 and 13.1.9.

“Real-time” means information on transactions being available immediately upon processing by the WBOS.

13.1.2 Scheduled Reports

The Contractor must provide to the TA scheduled reports during the implementation phase as determined by specific Articles of the SOW. These will primarily be required for new Stamp Designs or for system changes or enhancements, etc.

13.1.3 On Demand Reports

The Contractor must provide to the TA ad hoc reports upon request in the format requested. The reports must be supplied within five (5) business days of the request and at no additional cost.



Examples of such reports are: inventory numbers, production information, training provided, analysis of potential reproductions or counterfeits of Test Stamps and/or Excise Stamps, etc.

13.1.4 Occurrence-driven Reports

The Contractor must deliver, in writing to the TA, a report within two (2) business days of learning of a specific occurrence or event that may have compromised the integrity of the Excise Stamp System. The reports must include details of the occurrence, including description, date, time and location. Events that could trigger an occurrence-driven report include, but are not limited to:

- unaccounted for Stamps;
- Invalid Stamps;
- destruction of Stamps and Invalid Stamps by the Contractor;
- inventories of Excise Stamps by Type of Stamps and Jurisdiction are not adequate to meet ninety (90) days' worth of orders;
- inventories of Test Stamps not adequate to meet the Contractor's determined level of inventory to meet orders based on historical information, TA information, or other analytic methods;
- late or non-delivery of Stamps; and
- any other issues related to fulfilling of production or order needs, including quality issues and corresponding corrective action taken or recommended.

13.1.5 Unaccounted for Stamps Report

The Contractor must send to the TA, in writing, a report detailing all of the information pertaining to unaccounted for valid and Invalid Stamps on a monthly basis. Should the quantity of Stamps involved exceed twenty-five thousand (25,000), the Contractor must submit a report to the TA within two (2) business days of determination that the Stamps are unaccounted for.

For quantities of unaccounted Stamps that exceed one hundred thousand (100,000) in a single occurrence or within a period of one (1) calendar month, the Contractor must notify the TA in writing within one (1) business day of determination that the Stamps are unaccounted for.

The report must include the following:

- quantity of unaccounted for Stamps;
- Type of Stamps and Jurisdiction;
- unique identifier (if applicable);
- description of events and problems;
- likelihood that Stamps would be in a condition that would allow them to be applied to excisable products;
- destination of the unaccounted for Stamps, if known;
- prognosis for recovery of the unaccounted for Stamps;
- impact on future production, distribution, or the supply chain;
- diagnosis of the problem, and whether other Stamps are in danger of being unaccounted for;
- what steps are required and what will be done to remedy the problem;
- corrective measures being implemented to minimize the risks of re-occurrence; and
- the date when the corrective action, if any, will be completed.



13.1.6 Invalid Stamps Report

The Contractor must send, in writing to the TA, a report detailing all of the information pertaining to Invalid Stamps at the Contractor's site if the quantity of Stamps involved exceeds twenty-five thousand (25,000). This communication must include the following:

- Unique identifier (if applicable);
- Type of Stamps and Jurisdiction (or Test Stamps);
- affected Stamp User's order number, if applicable;
- reason(s) for the damaged or invalidated Stamps;
- impact on future production, distribution, and supply chain;
- any other information related to the Invalid Stamps; and
- remedial action taken.

13.1.7 Compromised Stamps Report

The Contractor must send to the TA, in writing, a report, within two (2) business days of learning of the occurrence, which details all information pertaining to any Stamps for which Overt or Covert Security Features have been compromised. This communication must include the following:

- quantity of compromised Stamps;
- unique identifier;
- Type of Stamps and Jurisdiction (or Test Stamps);
- compromised feature(s);
- method of detection;
- location of compromised Stamps;
- impact on future production, distribution, and supply chain; and
- corrective measures proposed.

13.1.8 Destruction of Valid and Invalid Stamps

The Contractor must notify the TA, in writing, of any destruction of Stamps, prior to the action being performed. The TA must authorize in writing the destruction process and have the option to witness the destruction of any or all valid and Invalid Stamps. The Contractor must submit destruction records that include the following:

- date of destruction;
- quantity of each Type of Stamps and Jurisdiction destroyed (or Test Stamps)
- reason for destruction;
- unique identifiers; and
- Stamp User who returned the Stamps.

13.1.9 Late or non-delivery of Stamps Report

The Contractor must send a report to the TA, within two (2) business days, in writing, that details all of the information pertaining to any late or non-delivery of Stamps. The report must include the following:

- affected Stamp User, delivery location and order number;
- quantity, Type of Stamps and Jurisdiction of affected Stamps;
- description of events and problems;



- impact on distribution methods or processes;
- diagnosis of problems, and whether other orders are at risk of being late or not delivered;
- remedial action taken; and
- corrective measures implemented to minimize chances of re-occurrence.

13.2 Retention of Documents and Files

The Contractor must retain all records created under this Contract until the expiry of six (6) years after the end of the Contract. If requested by the TA, the Contractor must transfer the data required to be maintained under the SOW in a machine readable format acceptable to the CRA.

The Contractor must ensure that all equipment and software necessary to make electronic records intelligible are available during the retention period.

The Contractor may request, in writing, the destruction of specified records covered by this Article earlier than the period outlined in this Article.

14.0 STAMP DESIGN CHANGES AND TECHNOLOGY ENHANCEMENTS

The Contractor must, during the period of the Contract, maintain and enhance the Excise Stamp Design to:

- a) meet design changes and enhancements to the Excise Stamp System;
- b) meet counterfeiting trends; and
- c) incorporate technological advancements as they become available to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

14.1 Contractor's Authentication Feature

All Excise Stamp Design changes must be approved by the CRA prior to implementation by the Contractor. The only exception to this requirement is when a change to the Contractor's Authentication Feature (refer to Article 6.1.9) is made by the Contractor. If the Contractor's Authentication Feature is changed, the Contractor must test the Excise Stamp and the Verification Tools to ensure adherence to the SOW requirements. Once the tests have been performed successfully, the Contractor must proceed with the change and notify the CRA in writing of the change to the additional feature (but not disclose the feature) and certify that the tests of the Excise Stamp and the Verification Tools have been successfully completed.

14.2 CRA Requested Design Change

The CRA reserves the right to change the Stamp Design at any given time at no additional cost, up to a maximum of five (5) times during the initial term of the Contract. Should the CRA exercise one or more option periods, the CRA reserves the right to make one (1) Excise Stamp Design change during each option period at no additional cost. If no Excise Stamp Design change is requested during any given period, the right to one unused design change will be carried forward to future periods.



If the CRA requires additional Excise Stamp Design changes in excess of the maximum number prescribed, then the pricing of the Excise Stamp design change will be negotiated at the time of the requested change to the satisfaction of the CRA.

Each time the CRA changes one (1) or more Security Features, the Contractor must perform the steps identified in Article 6.2. Some steps may be waived, however, any such waiver is at the discretion of the CRA and must be in writing. In addition, should new or upgraded Verification Tools be required to authenticate the Security Features of the Redesigned Stamp, replacement Verification Tools must be provided to the CRA and Stamp Users at no additional cost. Replacement or upgrade activities must be done within seven (7) calendar days of notification if the Verification Tools are located in Canada and fourteen (14) calendar days if located outside of Canada.

The Stamp Design change process proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement by the CRA and the Contractor. For certainty Articles 14.3 and 14.5 are not Stamp Design changes under this Article.

14.3 CRA Requested Change – Jurisdiction

The Excise Stamp's design must meet CRA's requirements and be flexible enough to be modified and to include any additional information required by amendments to federal legislation and/or to the laws of a province in relation to Excise Stamps or to accommodate changes in any colour specifications required by those laws. The CRA must pre-approve the modifications needed to meet provincial or territorial requirements. Any changes will be at no additional cost and these changes will be considered outside of the limit of Design Changes in 14.2.

The CRA reserves the right to change the background colours or Overt Features of its Stamps at no additional cost and at no increase in the cost of the Stamps as determined in the Contract. For any change under this Article, the Contractor must perform the steps identified in Article 6.2. Some steps of that Article may be waived, however any such waiver is at the discretion of the CRA and must be in writing.

14.4 Test Stamp Inventory

The Contractor must maintain, throughout the Contract period, an adequate inventory of Test Stamps to permit a new Stamp User to order Test Stamps to test their stamp application equipment or application processes. The Contractor will determine the necessary inventory level based on historical information, CRA information, or other analytic methods.

14.4.1 Test Stamps for Stamp Design Change or Redesign

When there is a Stamp Design change or Redesign, the Contractor must produce an adequate inventory of Test Stamps to permit Stamp Users to order Test Stamps to test or calibrate their stamp application equipment or application processes. The Contractor will determine the number to be produced based on historical information, CRA information, or other analytic methods.



14.5 Technological Reviews

The Technological Review process proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement by the CRA and the Contractor.

Throughout the period of the Contract, the Contractor is required to maintain and enhance the various elements of the Excise Stamp System being supplied so as to:

- a) Meet design and enhancement changes to the Excise Stamp; and
- b) Incorporate technological advancements as they become available to maintain a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

The Contractor's Representative, Contract Manager and the CRA Technical Authority (see Article 15) must meet annually or more frequently, as required, to:

- a) conduct a risk assessment of the current stresses and environmental factors (changes to market, industry, counterfeiting trends, etc.) affecting or potentially affecting the components of the Excise Stamp System;
- b) review the changes in technologies available to potentially enhance the components of the Excise Stamp System;
- c) review the CRA's and/or Contractor's concerns with the current technologies used in the Excise Stamp System; and
- d) if provided, review the CRA's and/or Contractor's proposals for specific changes to components related to enhancing or maintaining a technological sophistication and advantage so as to mitigate erosion to the integrity of the Excise Stamp System.

Changes to any components of the proposed Excise Stamp System, as provided in the Contractor's technical proposal and accepted by CRA, including design and technology enhancements, must be approved in writing by the CRA in advance of any implementation of the proposed changes. These changes will be at no additional cost.

The CRA, at their sole discretion, will have the option to request the Contractor submit a proposal for additional components to the Excise Stamp System for those items not covered by the SOW or the Contractor's technical submission. Any additional components will be at no cost to the CRA. Stamp Users are expected to bear the costs of any additional components. It is at the CRA's discretion to determine if these additional components will be included in this Contract or if a new contract vehicle will be used.

14.6 Contingency Plan for a Compromise to the Excise Stamp System

The Contractor must have a written contingency plan to address attacks to the integrity of the Excise Stamp System such as counterfeiting of Excise Stamps or unauthorized access to the WBOS or its database.

The plan must provide concrete remedies, actions and timelines to address:

- a) The Excise Stamp's Security Features being compromised;
- b) The secure access to the WBOS being compromised;



- c) The WBOS Modules or databases being corrupted;
- d) The secure access to Verification Tools being compromised; and
- e) Other threats to the Excise Stamp System.

The Contingency Plan proposed by the Contractor in their technical proposal will be reviewed and incorporated into the resulting Contract, which may be approved by the CRA or revised by mutual agreement by the CRA and the Contractor.

15.0 GOVERNANCE AND PROJECT MANAGEMENT

To ensure effective and efficient communications between the CRA and the Contractor, the roles listed below will be responsible for all communications related to the work listed in the SOW. A change in the name of any party must be communicated in writing.

15.1 Roles

The following roles will be required for the work described in the SOW:

- 15.1.1** The CRA will designate a person as the “Technical Authority”, who will be responsible for all matters concerning the technical content of the work under the Contract. This will include the day-to-day management of the Contract.
- 15.1.2** The CRA will designate a person as the “CRA Stamp Desk Manager”, who will be responsible for the day-to-day operations of the CRA Stamp Desk and will escalate any issues regarding the work under this contract with the Technical Authority.
- 15.1.3** The CRA will designate the Director, Excise Duties and Taxes Division, as the “Project Authority”. The CRA’s “Project Authority” will be responsible for all matters concerning the technical work conducted under the Contract and will provide governance and direction and will represent the final level of escalation for any and all matters relating to the work to be completed under this Contract.
- 15.1.4** The Contractor will designate a senior-level person as the “Contractor’s Representative”. The “Contractor’s Representative” must represent the ultimate level of escalation for any and all matters relating to the work to be completed under this contract. They must be in a position of authority within the Contractor’s organization, in order to commit the Contractor to deliverables, timelines, contractual obligations and a resolution of problems without seeking approval from higher levels of authority.
- 15.1.5** The Contractor’s Representative shall delegate a “Contract Manager” for all matters concerning the technical content of the work under the Contract. This will include the day-to-day management of the Contract, but the final authority will rest with the “Contractor’s Representative”.

15.2 Contractor’s Communications with Stamp User

The CRA Stamp Desk is the sole authority to authorize a person to order, possess and use Stamps. The Contractor’s communication with Stamp Users is limited to:



- Distribution/ Delivery of authorized orders of Stamps and Verification Tools;
- issues related to Stamps or Verification Tools received by Stamp Users;
- training in and use of the WBOS and its Modules;
- warranty issues;
- invoicing and payment for Excise Stamps and Delivery Costs;
- technical support in the application and use of Stamps and Verification Tools; and
- additional services that are outside the scope of this SOW.

15.3 Final Level of Resolution

The ultimate level of escalation for any matters relating to the SOW will be the CRA's "Project Authority" and the Contractor's "Contractor's Representative".

16.0 INSPECTION AND ACCEPTANCE

- 16.1** All reports, deliverables, documentation and services rendered shall be subject to inspection, approval, and signature (where required) by the CRA's "Technical Authority". All evaluations will be done within a reasonable time frame, based on the particular deliverable.
- 16.2** Should any report, document, good or service, as submitted, not be in accordance with the requirements of this SOW and to the satisfaction of the CRA's "Technical Authority", he or she shall have the right to reject it or require its correction at the sole expense of the Contractor. Should any deliverable be found unacceptable, the deficiencies shall be corrected and re-submitted within five (5) business days or a reasonable period of time mutually agreed upon by the CRA and the Contractor.

17.0 TIMELINESS OF DELIVERABLES

The Contractor must provide all deliverables by the required due date.

It is the Contractor's responsibility to plan and complete all activities within the appropriate timeframes in order to obtain the CRA's approval by the due date of the deliverable. All deliverables must be received by the CRA's "Technical Authority". The Contractor's proposed Schedule of Work must provide for:

- adequate time for the CRA to review/test the deliverable and determine if the deliverable meets the CRA's requirements
- time for the CRA to provide feedback if the deliverable does not meet the CRA's requirements; and
- the necessary time for the Contractor to take corrective measures and resubmit a revised schedule for the deliverable, for CRA approval, according to the timelines in Article 16 Inspection and Acceptance.

18.0 EXPIRATION OF THE CONTRACT

At the expiration of the Contract, the Contractor must destroy, account for, and document all Stamp Designs, production plates, work in progress and unused Stamps.

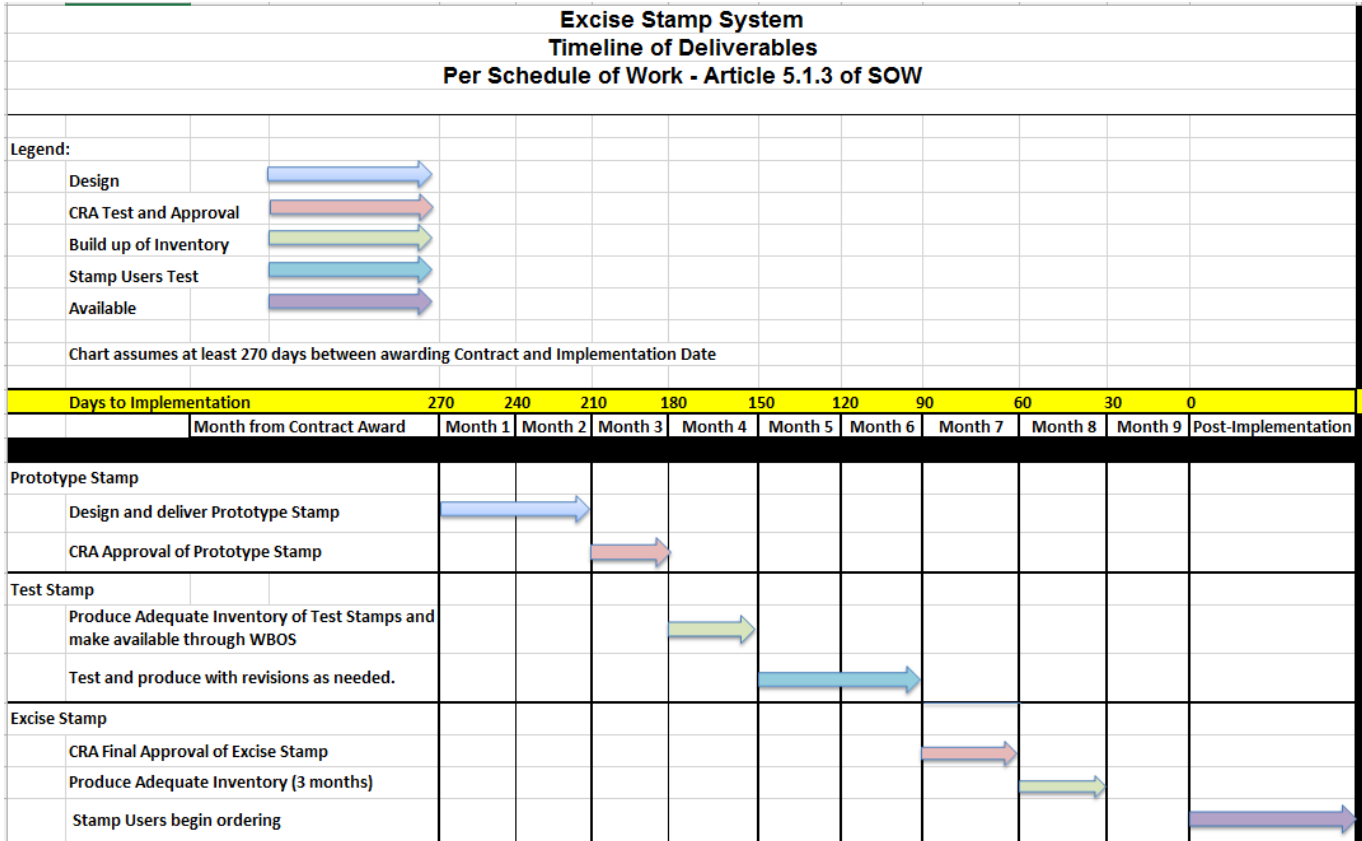


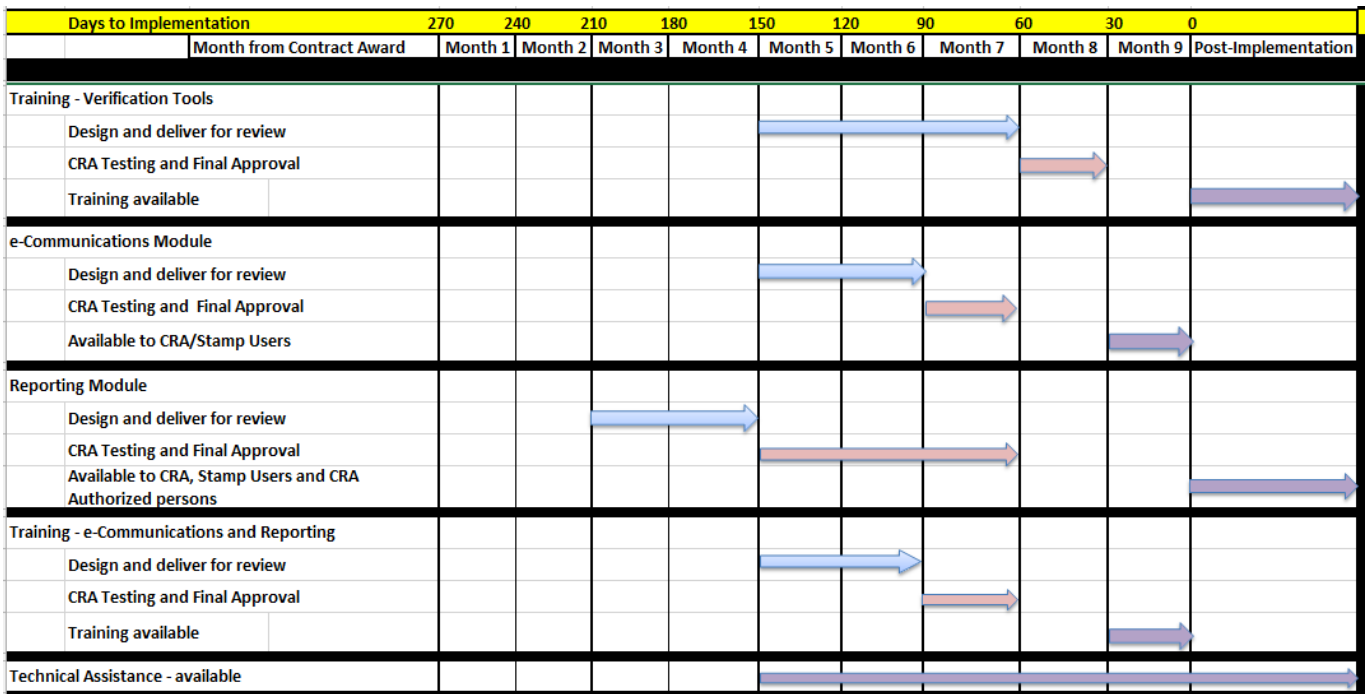
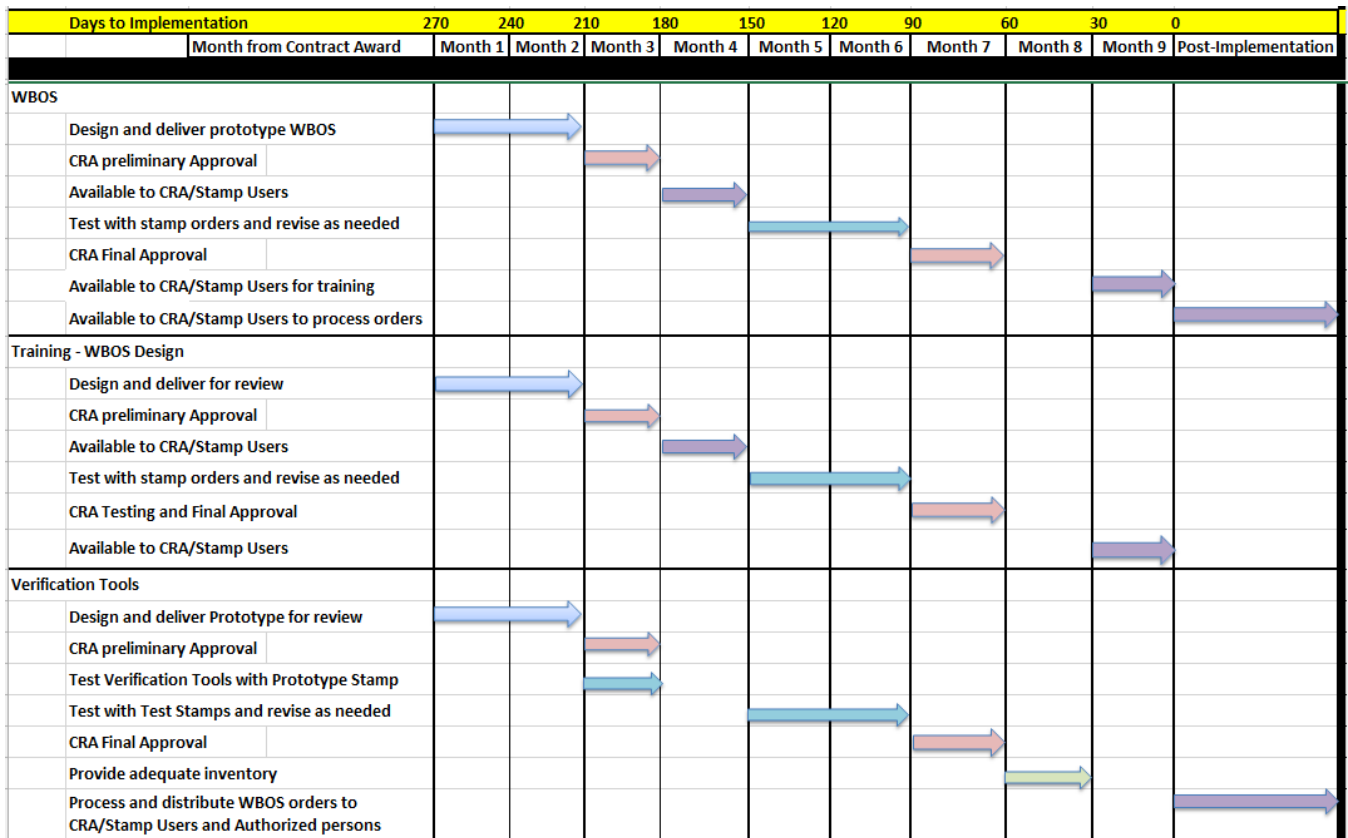
19.0 TRACK AND TRACE - OPTIONAL

Although Track and Trace functionality is not a current requirement of this Contract, the Excise Stamping Regime, including the Excise Stamp's design, must be capable of easily incorporating Track and Trace components and requirements. Should the CRA decide to implement this functionality, it will exercise the irrevocable option under this Contract in the form of a contract amendment. The CRA will define the Track and Trace requirements and work with the Contractor to determine the transitional period, and the financial considerations for the Stamp Users. It is at the CRA's discretion if they wish to include Track and Trace in this Contract or use a new contract vehicle.



APPENDIX A1: SCHEDULE OF WORK – GRAPHIC AID







Annex B - Basis of Payment

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid by the **Stamp Users** in Canadian Dollars at the prices specified in Tables 1 and 2 in Annex B, Basis of Payment.

The Delivery Cost, whether through the Contractor or the Stamp User’s Delivery Service, is the responsibility of the Stamp User. The Delivery Cost, if supplied by the Contractor, must be at cost and not subject to an additional surcharge or profit markup.

When the delivery services are supplied by the Contractor, the Contractor must prepay delivery costs. Prepaid delivery costs must be shown as a separate item on the invoice, supported by a certified copy of the prepaid delivery bill of lading.

The Contractor must provide the following options for delivery to Stamp Users:

- a) Delivery services supplied by the Contractor (**Delivery Duty Paid (DDP) (destination)**)
- b) Delivery services supplied by the Stamp User (**Free Carrier (FCA) Stamp Manufacturer Distribution location**).

The Implementation Period is considered from Contract Award to the Implementation Date. The Implementation Date will be considered the start of Year 1. Stamp pricing is not required for the implementation period.

Verification Tools Lease - The all-inclusive firm unit price will be for the entire Lease Period that starts on the day the Verification Tools are accepted and ends in accordance with the term of the contract including any exercised option periods.

Canada will not pay the Contractor for any design changes, including those described in the Statement of Work in article 14.2 “CRA Requested Design Change”, modifications or interpretations of the Work, unless they have been approved, in writing, by the Contracting Authority before their incorporation into the Work.

Table 1: Firm Price (Years 1-6)

Item	All inclusive firm unit price (applicable taxes extra)
Excise Stamp	TBD
Verification Tools (Level 1) - Lease	TBD

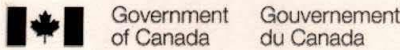


Table 2: Firm Price (Option Periods - Years 7-16)

Item	Option Periods - All inclusive firm unit price (taxes extra)									
	Option Year 7	Option Year 8	Option Year 9	Option Year 10	Option Year 11	Option Year 12	Option Year 13	Option Year 14	Option Year 15	Option Year 16
Excise Stamp	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
Verification Tools (Level 1) - Lease	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd



Annex C - Security Requirements Check List (SRCL)



Contract Number / Numéro du contrat 1000 329938
Security Classification / Classification de sécurité

**SECURITY REQUIREMENTS CHECK LIST (SRCL)
LISTE DE VÉRIFICATION DES EXIGENCES RELATIVES À LA SÉCURITÉ (LVERS)**

PART A - CONTRACT INFORMATION / PARTIE A - INFORMATION CONTRACTUELLE		
1. Originating Government Department or Organization / Ministère ou organisme gouvernemental d'origine Canada Revenue Agency		2. Branch or Directorate / Direction générale ou Direction LPRAB - Excise Duties and Taxes Division
3. a) Subcontract Number / Numéro du contrat de sous-traitance	3. b) Name and Address of Subcontractor / Nom et adresse du sous-traitant	
4. Brief Description of Work / Brève description du travail See Attachment A: The CRA requires a supplier for the design, production, and distribution of excise stamps incorporating overt and covert security features. This includes the production of the stamp in Canada and its worldwide distribution originating from Canada. The requirement also includes the provision of a web-based ordering system (WBOS) and supporting modules (reporting and an Intranet style e-communications). The WBOS will be accessed by CRA approved persons (CRA employees, registered persons etc.) through Internet portals. There will be no link between the WBOS and its modules and CRA enterprise or local systems. Access by CRA employee would be equivalent to		
5. a) Will the supplier require access to Controlled Goods? Le fournisseur aura-t-il accès à des marchandises contrôlées?		<input checked="" type="checkbox"/> No Non <input type="checkbox"/> Yes Oui
5. b) Will the supplier require access to unclassified military technical data subject to the provisions of the Technical Data Control Regulations? Le fournisseur aura-t-il accès à des données techniques militaires non classifiées qui sont assujetties aux dispositions du Règlement sur le contrôle des données techniques?		<input checked="" type="checkbox"/> No Non <input type="checkbox"/> Yes Oui
6. Indicate the type of access required / Indiquer le type d'accès requis		
6. a) Will the supplier and its employees require access to PROTECTED and/or CLASSIFIED information or assets? Le fournisseur ainsi que les employés auront-ils accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS? (Specify the level of access using the chart in Question 7. c) (Préciser le niveau d'accès en utilisant le tableau qui se trouve à la question 7. c)		<input type="checkbox"/> No Non <input checked="" type="checkbox"/> Yes Oui
6. b) Will the supplier and its employees (e.g. cleaners, maintenance personnel) require access to restricted access areas? No access to PROTECTED and/or CLASSIFIED information or assets is permitted. Le fournisseur et ses employés (p. ex. nettoyeurs, personnel d'entretien) auront-ils accès à des zones d'accès restreintes? L'accès à des renseignements ou à des biens PROTÉGÉS et/ou CLASSIFIÉS n'est pas autorisé.		<input checked="" type="checkbox"/> No Non <input type="checkbox"/> Yes Oui
6. c) Is this a commercial courier or delivery requirement with no overnight storage? S'agit-il d'un contrat de messagerie ou de livraison commerciale sans entreposage de nuit?		<input checked="" type="checkbox"/> No Non <input type="checkbox"/> Yes Oui
7. a) Indicate the type of information that the supplier will be required to access / Indiquer le type d'information auquel le fournisseur devra avoir accès		
Canada <input checked="" type="checkbox"/>	NATO / OTAN <input type="checkbox"/>	Foreign / Étranger <input type="checkbox"/>
7. b) Release restrictions / Restrictions relatives à la diffusion		
No release restrictions Aucune restriction relative à la diffusion <input checked="" type="checkbox"/>	All NATO countries Tous les pays de l'OTAN <input type="checkbox"/>	No release restrictions Aucune restriction relative à la diffusion <input type="checkbox"/>
Not releasable À ne pas diffuser <input type="checkbox"/>		
Restricted to: / Limité à: <input type="checkbox"/> Specify country(ies): / Préciser le(s) pays:	Restricted to: / Limité à: <input type="checkbox"/> Specify country(ies): / Préciser le(s) pays:	Restricted to: / Limité à: <input type="checkbox"/> Specify country(ies): / Préciser le(s) pays:
7. c) Level of information / Niveau d'information		
PROTECTED A PROTÉGÉ A <input type="checkbox"/>	NATO UNCLASSIFIED NATO NON CLASSIFIÉ <input type="checkbox"/>	PROTECTED A PROTÉGÉ A <input type="checkbox"/>
PROTECTED B PROTÉGÉ B <input checked="" type="checkbox"/>	NATO RESTRICTED NATO DIFFUSION RESTREINTE <input type="checkbox"/>	PROTECTED B PROTÉGÉ B <input type="checkbox"/>
PROTECTED C PROTÉGÉ C <input type="checkbox"/>	NATO CONFIDENTIAL NATO CONFIDENTIEL <input type="checkbox"/>	PROTECTED C PROTÉGÉ C <input type="checkbox"/>
CONFIDENTIAL CONFIDENTIEL <input type="checkbox"/>	NATO SECRET NATO SECRET <input type="checkbox"/>	CONFIDENTIAL CONFIDENTIEL <input type="checkbox"/>
SECRET SECRET <input checked="" type="checkbox"/>	COSMIC TOP SECRET COSMIC TRÈS SECRET <input type="checkbox"/>	SECRET SECRET <input type="checkbox"/>
TOP SECRET TRÈS SECRET <input type="checkbox"/>		TOP SECRET TRÈS SECRET <input type="checkbox"/>
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Contract Number / Numéro du contrat: 1000 329938
Security Classification / Classification de sécurité

PART A (continued) / PARTIE A (suite)

8. Will the supplier require access to PROTECTED and/or CLASSIFIED COMSEC information or assets?
Le fournisseur aura-t-il accès à des renseignements ou à des biens COMSEC désignés PROTÉGÉS et/ou CLASSIFIÉS?
If Yes, indicate the level of sensitivity:
Dans l'affirmative, indiquer le niveau de sensibilité :

9. Will the supplier require access to extremely sensitive INFOSEC information or assets?
Le fournisseur aura-t-il accès à des renseignements ou à des biens INFOSEC de nature extrêmement délicate?

Short Title(s) of material / Titre(s) abrégé(s) du matériel :
Document Number / Numéro du document :

PART B - PERSONNEL (SUPPLIER) / PARTIE B - PERSONNEL (FOURNISSEUR)

10. a) Personnel security screening level required / Niveau de contrôle de la sécurité du personnel requis

- RELIABILITY STATUS COTE DE FIABILITÉ, CONFIDENTIAL CONFIDENTIEL, SECRET SECRET, TOP SECRET TRÈS SECRET, TOP SECRET- SIGINT TRÈS SECRET - SIGINT, NATO CONFIDENTIAL NATO CONFIDENTIEL, NATO SECRET NATO SECRET, COSMIC TOP SECRET COSMIC TRÈS SECRET, SITE ACCESS ACCÈS AUX EMPLACEMENTS

Special comments: Commentaires spéciaux : See Attachment A - Section 4 of this SRCL: a reliability status for Protected B information and Secret for the de:

NOTE: If multiple levels of screening are identified, a Security Classification Guide must be provided.
REMARQUE : Si plusieurs niveaux de contrôle de sécurité sont requis, un guide de classification de la sécurité doit être fourni.

10. b) May unscreened personnel be used for portions of the work?
Du personnel sans autorisation sécuritaire peut-il se voir confier des parties du travail?
If Yes, will unscreened personnel be escorted?
Dans l'affirmative, le personnel en question sera-t-il escorté?

PART C - SAFEGUARDS (SUPPLIER) / PARTIE C - MESURES DE PROTECTION (FOURNISSEUR)

INFORMATION / ASSETS / RENSEIGNEMENTS / BIENS

11. a) Will the supplier be required to receive and store PROTECTED and/or CLASSIFIED information or assets on its site or premises?
Le fournisseur sera-t-il tenu de recevoir et d'entreposer sur place des renseignements ou des biens PROTÉGÉS et/ou CLASSIFIÉS?
11. b) Will the supplier be required to safeguard COMSEC information or assets?
Le fournisseur sera-t-il tenu de protéger des renseignements ou des biens COMSEC?

PRODUCTION

11. c) Will the production (manufacture, and/or repair and/or modification) of PROTECTED and/or CLASSIFIED material or equipment occur at the supplier's site or premises?
Les installations du fournisseur serviront-elles à la production (fabrication et/ou réparation et/ou modification) de matériel PROTÉGÉ et/ou CLASSIFIÉ?

INFORMATION TECHNOLOGY (IT) MEDIA / SUPPORT RELATIF À LA TECHNOLOGIE DE L'INFORMATION (TI)

11. d) Will the supplier be required to use its IT systems to electronically process, produce or store PROTECTED and/or CLASSIFIED information or data?
Le fournisseur sera-t-il tenu d'utiliser ses propres systèmes informatiques pour traiter, produire ou stocker électroniquement des renseignements ou des données PROTÉGÉS et/ou CLASSIFIÉS?
11. e) Will there be an electronic link between the supplier's IT systems and the government department or agency?
Disposera-t-on d'un lien électronique entre le système informatique du fournisseur et celui du ministère ou de l'agence gouvernementale?



Contract Number / Numéro du contrat 1000 329938
Security Classification / Classification de sécurité

PART C - (continued) / PARTIE C - (suite)

For users completing the form **manually** use the summary chart below to indicate the category(ies) and level(s) of safeguarding required at the supplier's site(s) or premises.

Les utilisateurs qui remplissent le formulaire **manuellement** doivent utiliser le tableau récapitulatif ci-dessous pour indiquer, pour chaque catégorie, les niveaux de sauvegarde requis aux installations du fournisseur.

For users completing the form **online** (via the Internet), the summary chart is automatically populated by your responses to previous questions.

Dans le cas des utilisateurs qui remplissent le formulaire **en ligne** (par Internet), les réponses aux questions précédentes sont automatiquement saisies dans le tableau récapitulatif.

SUMMARY CHART / TABLEAU RÉCAPITULATIF

Category Catégorie	PROTECTED PROTÉGÉ			CLASSIFIED CLASSIFIÉ		NATO					COMSEC						
	A	B	C	CONFIDENTIAL	SECRET	TOP SECRET	NATO RESTRICTED	NATO CONFIDENTIAL	NATO SECRET	COSMIC TOP SECRET COSMIC TRÉS SECRET	PROTECTED PROTÉGÉ			CONFIDENTIAL	SECRET	TOP SECRET	
				CONFIDENTIEL		TRÉS SECRET	NATO DIFFUSION RESTREINTE	NATO CONFIDENTIEL				A	B	C	CONFIDENTIEL		TRÉS SECRET
Information / Assets Renseignements / Biens Production		✓															
IT Media / Support TI		✓															
IT Link / Lien électronique					✓												

12. a) Is the description of the work contained within this SRCL PROTECTED and/or CLASSIFIED?
 La description du travail visé par la présente LVERS est-elle de nature PROTÉGÉE et/ou CLASSIFIÉE? No / Non Yes / Oui

**If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification".
 Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire.**

12. b) Will the documentation attached to this SRCL be PROTECTED and/or CLASSIFIED?
 La documentation associée à la présente LVERS sera-t-elle PROTÉGÉE et/ou CLASSIFIÉE? No / Non Yes / Oui

**If Yes, classify this form by annotating the top and bottom in the area entitled "Security Classification" and indicate with attachments (e.g. SECRET with Attachments).
 Dans l'affirmative, classifiez le présent formulaire en indiquant le niveau de sécurité dans la case intitulée « Classification de sécurité » au haut et au bas du formulaire et indiquer qu'il y a des pièces jointes (p. ex. SECRET avec des pièces jointes).**



Annex D: Certifications

A. Confidentiality: Canada Revenue Agency Legislation

PRIOR TO SIGNING THIS DOCUMENT, THE CONTRACTOR IS REQUIRED TO READ SECTIONS 211 and 221 OF THE *EXCISE ACT, 2001* <http://laws-lois.justice.gc.ca/eng/acts/E-14.1/index.html>, SECTIONS 239 AND 241 OF THE *INCOME TAX ACT* <http://laws-lois.justice.gc.ca/eng/acts/I-3.3/>, AND SECTIONS 295 AND 328 OF THE *EXCISE TAX ACT* <http://laws-lois.justice.gc.ca/eng/acts/e-15/>

I _____, the Contractor, as a person engaged by or on behalf of Her Majesty in right of Canada, certify that I have read Sections 211 and 221 of the *Excise Act, 2001*, Sections 239 and 241 of the *Income Tax Act*, and Sections 295 and 328 of the *Excise Tax Act* and that I understand that I am subject to and promise to comply with those provisions.

I will use the services of any person(s) I require in order to carry out my responsibilities under the Contract. If I employ such person(s) or contract for their services, I will also pay their remuneration and all related expenses. I will also engage all such persons whose services are to be utilized, on behalf of Her Majesty in right of Canada, for the purposes of Section 211 of the *Excise Act, 2001*, Section 241 of the *Income Tax Act*, and Section 295 of the *Excise Tax Act*. I will require each person so engaged, as a pre-condition to assisting me in carrying out my responsibilities under the Contract, to sign a document (see page two (2) of this Annex) stating that he or she has read the provisions of Sections 211 and 221 of the *Excise Act, 2001*, Sections 239 and 241 of the *Income Tax Act*, and Sections 295 and 328 of the *Excise Tax Act* and understands that he or she must comply with such provisions.

I will provide copies of all executed acknowledgement documents to the representative of the Commissioner of Revenue.

CONTRACTOR

Name (please type)

Authorized representative's name (please type)

Title (please type)

Signature

Date



B. Confidentiality: Canada Revenue Agency Legislation

PRIOR TO SIGNING THIS DOCUMENT, THE EMPLOYEE OF THE CONTRACTOR IS REQUIRED TO READ SECTIONS 211 and 221 OF THE *EXCISE ACT, 2001* <http://laws-lois.justice.gc.ca/eng/acts/E-14.1/index.html>, SECTIONS 239 AND 241 OF THE *INCOME TAX ACT* <http://laws-lois.justice.gc.ca/eng/acts/I-3.3/> , AND SECTIONS 295 AND 328 OF THE *EXCISE TAX ACT* <http://laws-lois.justice.gc.ca/eng/acts/e-15/>

Between the Commissioner of Revenue and _____, the Contractor and _____ the employee (or consultant or subcontractor, etc.).

I, _____, acknowledge that I am employed by the Contractor, and will assist the Contractor in carrying out the Contractor's duties under the Contract.

I acknowledge that I am engaged by the Contractor on behalf of Her Majesty the Queen in right of Canada for the purposes of Section 211 of the *Excise Act, 2001*, Section 241 of the *Income Tax Act*, and Section 295 of the *Excise Tax Act* and therefore, for the purpose of the Contract, am an "official" as that term is defined in the named provisions of the named Statutes.

I hereby acknowledge that I am legally obliged to abide by and have read the provisions in Sections 211 and 221 of the *Excise Act, 2001*, Sections 239 and 241 of the *Income Tax Act*, and Sections 295 and 328 of the *Excise Tax Act*, that I understand them, and promise to comply with them.

I agree to use the knowledge and information obtained by me during the time that I was assisting and for the purpose of assisting the Contractor, or any knowledge or information prepared from such knowledge or information, solely to assist the Contractor in carrying out the Contractor's duties under the Contract and I acknowledge and certify that I will not use such knowledge and information for any other purpose whatsoever. Without restricting the generality of the foregoing, I agree that I will not use any research or intellectual property obtained while assisting the Contractor in carrying out the Contractor's duties under the contract, in the course of my own research, in the course of my work as a consultant, or in any scientific or technological endeavour whatsoever.

I hereby agree to take all the security precautions needed to ensure that the research, intellectual property and trade secrets obtained by me during the performance of the Contract are secure at all times from use not permitted by the subcontract, by any other person whatsoever, including unauthorized use by the Contractor's employees and the sub-contractors engaged by the Contractor.

CONTRACTOR

Contractor name (please type) _____
Date

**EMPLOYEE /
CONSULTANT/
SUBCONTRACTOR**

Employee/Consultant/Subcontractor name (please type) _____
Date

Signature