

Synopsis



The following revisions are included in **Amendment 02-2** dated 13 December 2002.

SECTION 1 STANDARD INSTRUCTIONS AND CONDITIONS

DSS-MAS 9403, Standard Instructions and Conditions

DSS-MAS 9403-6, Standing Offers

Text revised to add a reference to the Procurement Business Number and update some existing information.

SECTION 2 FORMS

SECTION

2.3, Claim for Exchange Rate Adjustments

Text revised to add a link to PWGSC-TPSGC 9411 form.

SECTION 5 STANDARD PROCUREMENT CLAUSES

Subsection A - Instructions to Bidders/Contractors

A0000C Standard Instructions and Conditions

A0000T Standard Instructions and Conditions

Text revised to delete the reference to the issue date.

A0006T Request for Proposal

CANCELLED - is redundant.

A0011T Work Schedule

Text revised to delete the words “where applicable”, because they may conflict with other areas of the Request for Proposal.

A0012T Communications - Solicitation Period

Title revised. Text revised to advise contracting officers on the subject of enquiries and internal communications.

A0038T Air Transportation

A0046D Rules, Orders and Regulations

Title revised. Remarks and Text revised to update the information regarding the Acts.

A7013D Licencing

Remarks revised to add a reference to the controlled goods.

A9089C Subcontract - Permission to

Remarks and Text revised to update the reference to the form PWGSC-TPSGC 1137.

A9109T Procurement Business Number

Text revised to update the information regarding the Procurement Business Number.

A9115D T1204 Government Service Contract Payments

Title, Remarks and Text revised to update the information regarding the new CCRA T1204 slips; also to add information regarding the Procurement Business Number.

A9116D T1204 Information Reporting by Contractor

Title revised to reflect the new CCRA T1204 slip. Text revised to make reference to the Procurement Business Number.

A9117D T1204 Information - Direct Request by Client Department

Title revised to reflect the new CCRA T1204 slip.

Subsection B - Requirements Definition

B3000T Equivalent Substitutes

Title revised. Remarks and Text revised to give more information to contracting officers when dealing with equivalent substitutes.

B4049D Long Lead Time Item List

B4050D Interim Spares List

B4051D Provisioning Parts Breakdown

B4052D Recommended Spare Parts List

Text revised to delete the reference to the controlled goods.

B4061D Technical Data Summary

Remarks and Text revised to add a reference to the controlled goods. The clause is now a FULL clause.

B5001C Design Change/Deviation

Text revised to update the reference to form PWGSC-TPSGC 9038 and add a link to the PWGSC site.

B5007D Design Change or Additional Work

Text revised to link the form PWGSC-TPSGC 9038 to the PWGSC website.

Subsection C - Price

C0306T Proposal and Pre-award Costs

Title revised (in English only) to correct a minor error.

C3010T Exchange Rate Fluctuations

Text revised to update the reference to form PWGSC-TPSGC 9411 and add a link to PWGSC website.

C3015C Exchange Rate/Payment on Delivery

C3020C Exchange Rate/Milestone Payment

Text revised to update the reference to form PWGSC-TPSGC 9411 and to link the form to the PWGSC website; and also to update the reference to the CCRA permit.

C3030C Exchange Rate/Progress Claim

Text revised to update the reference to form PWGSC-TPSGC 9411 and to link the form to the PWGSC website.

C5200T Transportation Costs Information

Remarks revised to add missing information.

C5205C Haulage Rates

Text revised to reinforce the provision of the Haulage Rates Policy and to expand its application to include fair wages in construction contracts.

C5205T Haulage Rates and/or Fair Wage Schedule

Title revised. Remarks and Text revised to reinforce the provision of the Haulage Rates Policy and to expand its application to include the fair wages in construction contracts.

C5210C Fair Wages

NEW - grants the appropriate authority the right to audit the Contractor to ensure that it complies with the Policy.

Subsection D - Delivery, Inspection and Acceptance

D2006D Labelling

Text revised to delete the reference to standard 43-GP-100Pb which CGSB withdrew in May 2002.

D3000D Packaging

Text revised to update the reference to the CGSB standard.

D3010D Dangerous Goods/Hazardous Products

Text revised to correct a minor error in the address.

D3016D Preparation for Delivery

Remarks revised to update the list of Canadian Forces Packaging Specifications.

D3018D Delivery - Preparation

NEW - requires that preparation for delivery of article be in accordance with Canadian Forces Packaging Specification D-LM-008-036/SF-000.

D5510D Quality Assurance Authority

Text revised to advise contractors where they can obtain a copy of the referred National Defence Standard and to update telephone numbers for the QAR.

D5535D AQAP-150 Software Development (QAC F)

CANCELLED - at the request of DND - is not used anymore.

D5540D ISO 9001:2000 Quality Management Systems - Requirement (QAC X)

D5541D ISO 9001:2000 Quality Management Systems - Requirement (QAC Y)

D5542D ISO 9001:2000 Quality Management Systems - Requirement (QAC Z)

Text revised to correct a minor error.

D5543D ISO 9001:2000 Quality Management Systems - Requirement (QAC C)

Title changed. Text revised to make reference to ISO 9001:2000 Quality Management Systems.

D5544D Quality Assurance - ISO 10012-1

Remarks revised to update the references to the different quality assurance systems.

D5801D Acceptance Document (Civilian)

Text revised to update the information regarding the form PWGSC-TPSGC 1205.

Subsection E - Financial Security

E0001T Security Deposits and/or Security Bonds

E0004T Financial Security

E0007T Contract Financial Security

Remarks revised to remove the reference to "Supply Manual Annexes". Text revised to update the TB link.

Subsection F - Industrial Security

F1005D Protected Information - No Document Safeguarding Capability

Text revised to reflect latest changes to the security requirements and to advise of the latest

edition of the Industrial Security Manual.

F1006D Security Requirement for Canadian Supplier - No Access to Protected Information

NEW - security requirement for Canadian supplier.

F1010D Document Safeguarding and/or Production Capabilities - No EDP

Text revised to reflect latest changes to the security requirements and to advise of the latest edition of the Industrial Security Manual.

F1015D Reliability Status, Designated Organization Screening and Production Capability - No EDP

F1020D Designated Organization Screening and COMSEC - No EDP

F1025D Designated Organization Screening, Enhanced Reliability and Production Capability - No EDP

F1030D Designated Organization Screening - No Safeguarding of Material Overnight

Title revised. Text revised to reflect latest changes to the security requirements and to advise of the latest edition of the Industrial Security Manual.

F1035D Document Safeguard for Shredding - Protected

F2005D Facility Security Clearance - No Document Safeguarding Capability

F2010D Facility Security Clearance, Document Safeguarding and Production Capabilities - No EDP

Text revised to reflect latest changes to the security requirements and to advise of the latest edition of the Industrial Security Manual.

F2015D Facility Security Clearance, Document Safeguarding and Production Capabilities - No EDP

F2020D Facility Security Clearance, Document Safeguarding and Production Capabilities/COMSEC - No EDP

F2025D Classified Information/Assets and Document Safeguarding Capability

F2030D Facility Security Clearance and Classified Information/Assets - No Safeguarding of Material Overnight

Text revised to advise of the latest edition of the Industrial Security Manual.

F2035D Reliability Status, Facility Security Clearance and Classified Information/Assets

Title revised. Text revised to reflect latest changes to the security requirements and to advise of the latest edition of the Industrial Security Manual.

F2036D Document Safeguard for Shredding - Designated

CANCELLED - it is now obsolete.

F2037D Document Safeguard for Shredding - Classified

Text revised to reflect latest changes to the security requirements and to advise of the latest edition of the Industrial Security Manual.

F2046C Work Location

F9005D Personnel Security Screening

Text revised to reflect latest changes to the security requirements.

F9012D Canada Customs and Revenue Agency

Text revised to advise that the Contractor must comply with the *Security Requirements for Protection of Sensitive Information Manual*, published by CCRA.

Subsection G - Assurance

G1001D Contractor's Responsibility

Remarks revised to make reference to the TB Risk Management Policy.

Subsection H - Terms of Payment

H3019T Invoicing Instructions

H3020T Invoicing Instructions

H3021D Invoicing Instructions

Text revised to add a reference to the Procurement Business Number.

H3023D T1204 Government Service Contract Payments

Title revised to reflect the new CCRA slip. Text revised to make a reference to the Procurement Business Number.

H3027C Payment of Invoices by Credit Card

H3027T Payment of Invoices by Credit Card

Text revised to delete the reference to American Express Card, and to add more information.

H4002D Progress Reports

H4008C Contract Plan and Report Form

Text revised to update the information regarding form PWGSC-TPSGC 9143.

H5001D Invoicing Instructions

H5002D Invoicing

Text revised to add a reference to the Procurement Business Number.

Subsection K - General Conditions - Modifications

K9015C Ontario Labour Legislation

K9015T Ontario Labour Legislation

Text revised to update the reference to the sections of the Employment Standards Act.

Subsection L - Production Tooling and Special Test Equipment

L0003C Tooling

L0004C Tooling

Text revised to advise that copies of invoice and tooling inventory have to be submitted to the Contracting Authority.

Subsection M - Standing Offers

M0000C Standard Instructions and Conditions

M0000T Standard Instructions and Conditions

Text revised to delete the reference to the issue date.

M0006T Enquiries - Solicitation Stage

SUPERSEDED by clause A0012T.

M1910T Electronic Purchase

NEW - advise of the new web-based desk top purchasing system provided to federal government departments.

M3503C Payment by Credit Card

M3503T Payment by Credit Card

Remarks revised to update the reference to the SM procedure. Text revised to delete the reference to the American Express credit card.

M5205C Haulage Rates

M5205T Haulage Rates and/or Fair Wage Schedule

NEW - reinforce the provision of the Haulage Rates Policy and to expand its application to include fair wages in construction contracts.

M5210C Fair Wage

NEW - grants the appropriate authority the right to audit the Contractor to ensure that it complies with the Policy.

Subsection R - Real Property Contracting

R0001T General Instructions to Tenderers

Text revised to update the information.

R0201D Terms of Payment "B"

Text revised to make a minor change in paragraph TP4.

R0204D Insurance Conditions "E"

Text revised to update the information regarding insurance conditions.



R0205D Contract Security Conditions “F”

Text revised to update the information regarding contract security.

R0206D Submission of Quotation for Contemplated Change Notices

NEW - advises that a contractor must submit a quotation to the Engineer when it has been determined that the cost of the work will be affected due to a contemplated change.

R0207D Dispute Resolution - Conditions “G”

NEW - deals with dispute resolution.

R0208D Dispute Resolution - Rules for Mediation

NEW - deals with rules for mediation of construction disputes.

R0209D Dispute Resolution - Rules for Arbitration

NEW - deals with arbitration proceedings.

R0215D International Sanctions

NEW - deals with goods and services subject to economic sanctions.

R0425D Standard Instructions and Conditions

Text revised to delete the reference to the issue date of the bid solicitation and to make it a FULL clause.

Subsection Z -Canadian Commercial Corporation

Z0608C Quality and Inspection Systems

Remarks revised to update the telephone numbers of the NDQAR.

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

# STANDARD ACQUISITION CLAUSES AND CONDITIONS





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Deputy Minister

Sous-ministre

Deputy Receiver General  
for Canada

Sous-receveur général  
du Canada

Ottawa, Canada  
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**Canada**

September 15, 1997

This Manual is intended to provide suppliers and clients of Public Works and Government Services Canada (PWGSC) with information on terms and conditions commonly used in the contracting process by the federal government and PWGSC. Its contents are referred to in bidding opportunities and contracting activities.

The Standard Acquisition Clauses and Conditions (SACC) Manual is designed to make dealing with the government more time and cost efficient by reducing the level of detailed text contained within the various procurement documents. Those basic clauses and conditions which are normally attached to each document will be issued by the Department through "Incorporation by Reference". Specific attachments and clauses will be simply identified by their number, title and effective date. Full text reading capability will be provided through the appropriate section of the Government Electronic Tendering Service (GETS), provided by MERX, and of the hard copy of the SACC Manual itself.

This Manual signifies an important step in PWGSC's continuing move towards electronic contracting and is critical in preparing solicitation documents for electronic display of full Requests for Proposals/Tenders.

**This manual is produced by the  
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**SACC Manual**

**Amendment 02-2 (13 December 2002)**

Ran Quail

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# INTRODUCTION

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## **AUTHORITY**

1. Under the authority of the *Department of Public Works and Government Services Act*:

"21.(1) The Minister may fix terms and conditions of contracts, and instructions and terms and conditions with respect to other documents relating to contracts and their formation.

### *Designation*

(2) The terms and conditions and instructions may be identified by number or other designation and may be incorporated in a contract or other document by reference to their number or other designation.

### *Publication*

This manual is produced by the  
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## INTRODUCTION

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(3) The Minister may, by regulation, prescribe the electronic or other means by which a term, condition or instruction, including its identification number or other designation, shall be published.”

### DISTRIBUTION

2. The *Standard Acquisition Clauses and Conditions* (SACC) Manual has been produced in both conventional (print) and electronic format. Both versions contain information on current clauses and conditions as well as instructions on how these clauses and conditions are used. The electronic version also contains the complete text of previous clauses that have been either cancelled or superseded.

(a) The **print version** may be purchased in English and/or French, from Canadian Government Publishing (See “**Subscription to Print Version**” below for address and phone number). Copies have also been distributed to Canadian public libraries through the Depository Services Program.

(b) The **electronic version** is available through the following Internet sites:

Public Works and Government Services Canada:

<http://www.pwgsc.gc.ca/sacc>

Contracts Canada:

<http://www.contractscanada.gc.ca>

### Amendments

3. The electronic version will automatically be updated as amendments to the Manual are released.

4. Subscribers to the print version will be provided with amendments on a Standing Order basis - the cost of each update will depend on the number of pages it contains. In most instances, this will mean replacing individual pages of the print version while in others, whole sections or subsections may require replacement. PWGSC will provide a Synopsis for each amendment, identifying what has been changed.

**NOTE:** Users are urged to read these amendments immediately and register these updates on the Record of Amendments page at the beginning of the Manual.

### Subscription to Print Version

5. Any questions regarding a subscription (new and/or cancellation; change in name or address; complaints; page(s) missing, etc.) should be directed to:

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### STRUCTURE

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## INTRODUCTION

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6. The Manual has been organized to follow the progression of information presented in procurement documents:

### Section 1 - Standard Instructions and Conditions

7. Previously printed on the reverse of page 1 of solicitations and contracts, or included as attachments, these instructions and conditions are now identified in standard clause A0000T, located at the beginning of the clause section in procurement documents.

### Section 2 - Forms

8. This section contains forms commonly used in the procurement process. Forms included are:
- (a) Federal Contractors Program on Employment Equity - includes a description of the program and Certificate of Commitment (**Form 2.1.1**)
  - (b) Information on Incumbent Employees (**Form 2.9.1**)
  - (c) Claim for Exchange Rate Adjustments - PWGSC-TPSGC 9411 (**Annex B**).

The reader is directed to the specific clauses and/or conditions which may be referred to in a procurement document. In certain cases, the applicable certificates or forms have been reproduced for the perusal and/or use of the reader.

### Sections 3 and 4 - General Conditions and Supplemental General Conditions

9. These sections present those sets of standard conditions which form the foundation upon which all procurement documents issued by PWGSC are built.
- (a) Section 3 defines the basic sets of conditions which apply to specific classes of contracts (e.g. DSS-MAS 1011A - General Conditions - United States Purchases).
  - (b) Section 4, Supplemental General Conditions, addresses areas unique to specific sub-classes of contracts (e.g. DSS-MAS 1028 - Supplemental General Conditions - Ship Construction - Firm Price).
10. Each section/article within a condition set has been given its own effective date. The condition set as a whole has also been given an effective date which is reflected in section 00 and is determined by the latest revision date of one or more of its sections.

### Section 5 - Standard Procurement Clauses

11. This section contains a collection of national procurement clauses, common to various classes of contracts. The full text of individual clauses, incorporated by reference into a bid solicitation or contract by their Number, Title and Effective Date, can be found in this section of the Manual. Each subsection (A-Z) is devoted to a particular subject area. Please note that some subsections have not been assigned at this time.
12. Clauses may be identified by their numbers which break down as follows:
- (a) the first alphabetic character (A-Z) indicates the subsection in Section 5;
  - (b) the four numeric characters (0000-9999) indicate the clause's position within the numeric sequence of the subsection;

# INTRODUCTION

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- (c) the final alphabetic character (T, C or D) indicates the type of document in which a given clause would be used (i.e. T = Tender; C = Contract; D = Dual purpose, used in both tenders and contracts).

Example: Clause C0004T - Price Certification. This is the fourth sequential clause found in subsection C - Price, of Section 5 and is used in Tender (solicitation) documents.

## Section 6 - Indexes

13. The print version provides two indexes: Index by Title and Index by Reference Number.

## USE OF THE MANUAL

### Reference clauses (R)

14. Bid solicitations and contracts will contain references to specific clauses and general conditions which will apply to that particular requirement. Clause references will include the clause number, its effective date and its title (e.g. A0001T (01/06/91) Survey of Facilities). All clauses referred to in this manner can be found in Section 5 of this Manual.

### Fill-in clauses (F)

15. Clauses which require the insertion of specific information by the contracting officer or the supplier (fill-in clauses) will be produced in full on procurement documents.

**NOTE:** In the case of discrepancies in clause versions between solicitation documents and the Manual, any clause appearing in full text in a procurement document will override any version set out in the Manual.

### Updates

16. Any standard clause, and any condition or instruction set, used or referenced in a bid solicitation or contract may be updated from time to time. When this happens, the version used in an already-issued document will remain in effect in that document, unless the updated version is legally incorporated.

## ENQUIRIES

17. Enquiries on the content of the Guide may be directed to:

**Printed version:** (819) 956-0879

**Electronic version** (Internet): Webmaster: [ncr.sosb.webmaster@pwgsc.gc.ca](mailto:ncr.sosb.webmaster@pwgsc.gc.ca)

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| <b>DSS-MAS 1-1-Int</b> | <b>(31/03/95)STANDARD INSTRUCTIONS AND CONDITIONS</b>            |

Prior to the release of the SACC Manual, the following sets of Standard Instructions and Conditions were printed on the reverse of page 1 of the procurement documents or inserted as an attachment into solicitation packages. Standard Instructions (with the exception of DSS-MAS 9403-2) will now be referred to at the beginning of each bid solicitation in clause A0000T and in each contract in clause K0000D. For Standing Offers, these will now be referred to in either clause M0000T or M0000C as appropriate. The specified Standard Instructions will form part of

# **STANDARD INSTRUCTIONS AND CONDITIONS** **DSS-MAS 1-1-Int**

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both the solicitation and the resulting contract. DSS-MAS 9403-2 will be referenced in Notices of Termination for Convenience.

**DSS-MAS 9403 (13/12/02) Standard Instructions and Conditions****A. INSTRUCTIONS (APPLICABLE TO BID SOLICITATION)****1. Submission of Bids**

(1) It is the Bidder's responsibility to:

- (a) return a signed original of the bid solicitation, duly completed, IN THE FORMAT REQUESTED;
- (b) direct its bid ONLY to the Bid Receiving address specified;
- (c) ensure that the Bidder's name, the bid solicitation reference number, and bid solicitation closing date and time are clearly visible;
- (d) provide a comprehensive and sufficiently detailed bid, including all requested pricing details, that will permit a complete evaluation in accordance with the criteria set out in the bid solicitation.

**Timely and correct delivery of bids to the specified bid delivery address is the sole responsibility of the Bidder. The Department of Public Works and Government Services (DPWGS) will not assume or have transferred to it those responsibilities. All risks and consequences of incorrect delivery of bids are the responsibility of the Bidder.**

- (2) Bids may be accepted in whole or in part. The lowest or any bid will not necessarily be accepted. In the case of error in the extension of prices, the unit price will govern. Canada may enter into contract without negotiation.
- (3) Bids will remain open for acceptance for a period of not less than sixty (60) days from the closing date of the bid solicitation, unless otherwise indicated by Canada in such bid solicitation.
- (4) While Canada may enter into contract without negotiation, Canada reserves the right to negotiate with bidders on any procurement.
- (5) Bid documents and supporting information may be submitted in either English or French.
- (6) Bids received on or before the stipulated bid solicitation closing date and time will become the property of Canada and will not be returned. All bids will be treated as CONFIDENTIAL.

**2. Late Bids**

It is DPWGS policy to return, unopened, bids delivered after the stipulated bid solicitation closing date and time, unless they qualify as a delayed bid as described below.

**3. Delayed Bids**

- (1) A bid delivered to the specified Bid Receiving area after the closing date and time but before the contract award date may be considered, provided the delay can be proven to have been due solely to a delay in delivery that can be attributed to the Canada Post Corporation (CPC) (or national equivalent of a

foreign country). The only pieces of evidence relating to a delay in the CPC system that are acceptable to DPWGS are:

- (a) a CPC cancellation date stamp;
- (b) a CPC Priority Courier Bill of Lading; and
- (c) a CPC Xpresspost Label,

that clearly indicate that the bid was mailed prior to the bid closing date.

Example: If the bid closing date was May 15, 1995, then the CPC cancellation date stamp should read no later than May 14, 1995, to be accepted.

- (2) Please request the postal employee to date-stamp your envelope.
- (3) For bids transmitted by facsimile or commercial telegram, only the date and the time of receipt recorded by DPWGS at the Bid Receiving number stated in the bid solicitation will be accepted as evidence of a delayed bid.
- (4) Misrouting, traffic volume, weather disturbances, or any other causes for the late delivery of bids are not acceptable reasons for the bid to be accepted by DPWGS.

#### **4. Postage Meters**

Postage meter imprints, whether imprinted by the Supplier, the CPC or the postal authority outside Canada, are not acceptable as proof of timely mailing. It should be noted that CPC does not normally apply a cancellation date stamp to metered mail; this is usually done only when postage stamps are used.

#### **5. Responses Transmitted by Facsimile or Commercial Telegram**

- (1) If you are in doubt that your bid will be delivered on time at the specific location designated for the receipt of the bid, you may use a facsimile or a commercial telegram, unless otherwise instructed in the bid solicitation.

**NOTE:** Due to the volume of technical material required for some bids, certain bid solicitations may specify that submissions by facsimile or commercial telegram are not acceptable (e.g. science solicitations).

- (2) Unless otherwise instructed in the bid solicitation, the only acceptable number for responses to bid solicitations issued by DPWGS headquarters sectors is facsimile number (819) 997-9776.
- (3) The facsimile number for responses to bid solicitations issued by DPWGS regional offices is identified on the front page of the bid solicitation.

If the bidder chooses to submit a facsimile or commercial telegram bid, Canada will not be responsible for any failure attributable to the transmission or receipt of the facsimile bid including, but not limited to the following:

- (a) receipt of garbled or incomplete bid;
- (b) availability or condition of the receiving facsimile equipment;
- (c) incompatibility between the sending and receiving equipment;
- (d) delay in transmission or receipt of the bid;
- (e) failure of the Bidder to properly identify the bid;
- (f) illegibility of the bid; or
- (g) security of bid data.



- (4) Bids submitted by facsimile or commercial telegram will constitute your formal bid and must contain:
- (a) the bid reference number;
  - (b) the closing date and time;
  - (c) sufficient data to allow evaluation, such as unit prices, country of currency in the event that the bid is submitted in a foreign currency, sales tax, duty, technical data (where applicable) and any deviation(s) from the bid solicitation document.
- (5) For responses transmitted by facsimile or commercial telegram, written confirmation is required within two (2) working days after bid closing, unless otherwise specified in this solicitation. All documents confirming bids should bear the word "CONFIRMATION".

**6. Customs Clearance**

It is the responsibility of the Bidder to allow sufficient time to obtain customs clearance, where required, before the scheduled bid closing date and time. Delays related to the obtaining of customs clearance cannot be construed as "undue delay in the mail" and will not be accepted under the Late Bids Policy.

**7. Further Information**

- (1) For further information, please contact the Contracting Authority identified on page one of the bid solicitation.
- (2) For bid solicitations issued out of DPWGS headquarters, enquiries concerning receipt of bids may be addressed to the Bid Receiving Unit, Procurement Operational Support Division, telephone (819) 956-3370.

**8. Identity or Legal Capacity of Bidder**

In order to establish the legal capacity under which a bidder proposes to enter into the Contract, any bidder who carries on business in other than its own personal name shall, if requested by the Contracting Authority, provide proof of the legal capacity under which it carries on business to the Contracting Authority prior to contract award. Such proof may be in the form of a copy of the articles of incorporation or of the registration of the business name of a sole proprietor, of a trade name, of a partnership, etc.

**B. CONDITIONS (APPLICABLE TO RESULTING CONTRACT)**

**1. Municipal Taxes**

Municipal taxes are not applicable.

**2. Provincial Taxes**

- (1) Excluding legislated exceptions (see subsection (5) below), federal government departments and agencies are not required to pay any ad valorem sales tax levied by the province in which the taxable goods or services are delivered. This exemption has been provided to federal government departments and agencies under the authority of one of the following:
- (a) Provincial Sales Tax Exemption Licence Numbers, for the provinces of:

Prince Edward Island  
OP-10000-250  
Ontario  
11708174G  
Manitoba  
390-516-0  
British Columbia  
R005521

- (b) An Exemption Certification, for Quebec, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, which certifies that the property and/or services ordered/purchased hereby are for the use of, and are being purchased by the federal government with Canada funds, and are therefore not subject to provincial/territorial sales and consumption taxes.
- (2) Currently, in Alberta, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, there is no general provincial sales taxes (PST). However, should a PST be introduced in the Northwest Territories, Nunavut, or Yukon Territory, the sales tax exemption certificate would be required on purchase orders or other purchasing documents.
- (3) Federal departments are required to pay the Harmonized Sales Tax (HST) in the participating provinces of Newfoundland and Labrador, Nova Scotia and New Brunswick.
- (4) The Contractor is not exempt from paying PST under the above Exemption Licence Numbers or Exemption Certification. The Contractor is required to pay the PST on taxable goods or services used or consumed in the performance of the Contract (as per appropriate provincial legislation), including material incorporated into real property.
- (5) Exceptions
- The following exceptions are provided as examples and may not represent a complete list of all exceptions under the law:
- (a) tobacco products subject to tobacco taxes (except in Alberta);
  - (b) petroleum products subject to gasoline and motive fuel taxes;
  - (c) vehicle registration fees (except in Alberta, Northwest Territories, Nunavut and Yukon Territory);
  - (d) amusement/admission (Nova Scotia and New Brunswick);
  - (e) insurance premiums (Quebec);
  - (f) tires/batteries subject to environmental levies (British Columbia, Alberta and Quebec); and
  - (g) transient living accommodation subject to hotel room taxes (British Columbia).

### **3. Condition of Material**

Unless otherwise specified elsewhere in the Contract, material supplied shall be new and conform to the latest issue of the applicable drawing, specification and/or part number that is in effect on the solicitation closing date.

### **4. Labour and Health Conditions**

The Contractor shall comply with all labour and health conditions applicable to the Work.

**5. Transportation Charges**

If transportation charges are payable by Canada under the terms of the Contract, shipments are to be made by the most direct and economical means consistent with normal shipping practice, unless otherwise directed (as in the case when transportation costs are part of the unit price). They are to be shown as a separate item on the invoice.

**6. Valuation**

The federal government's policy of underwriting its own risks precludes payment of any excess valuation and/or transportation charges beyond the specified FOB point (the point at which title of goods passes to the federal government). Goods will be covered to the carrier's maximum liability and value will be declared only when additional costs will not be incurred.

**7. Foreign Shipments**

Goods shipped into Canada from another country are to be consigned to destination, IN BOND, unless otherwise directed.

**8. Bill of Lading**

The transportation bill of lading must accompany the original invoice, except for "collect" shipments (if and when stipulated), in which event it shall accompany the shipment; in addition, a packing slip must accompany each shipment, showing item, quantity, part or reference numbers, description of supplies and contract reference numbers, including the Client Reference Number (CRN) and Procurement Business Number (PBN). If the supplies have been inspected at the Contractor's plant, the signed inspection voucher must be attached to the packing slip normally enclosed in the packing note envelope.

**9. Invoice Submission**

Invoices shall be submitted in the name of the Contractor and shall not be submitted prior to the delivery of supplies or the performance of the services. They must show the name and address of the consignee, together with date, method of shipment, the case numbers if applicable, item, quantity, unit of issue, unit price, additional charges if applicable, and the Goods and Services Tax or the Harmonized Sales Tax if applicable, part or reference numbers, description of supplies as shown in the Contract, Contract number, requisition number, CRN, PBN and financial code(s). Separate invoices must be submitted for each shipment and must apply to one contract only. Each invoice must indicate whether it covers partial or final shipment.

**10. Inspection and Acceptance**

The goods/services are subject to inspection and acceptance by consignee at destination, unless otherwise indicated in the contractual document.

**11. Standard Clauses, Conditions and Instruction Sets**

Any standard clause, and any condition or instruction set, used or referenced in a bid solicitation or contract may be updated from time to time. When this happens, the version used in an already-issued document will remain in effect in that document, unless the updated version is legally incorporated.



**DSS-MAS 9403-2 (30/10/96) Termination for Convenience**

1. Cease all work under the Contract in accordance with and to the extent specified in the Notice of Termination. Read carefully the termination clause in your Contract.
2. Immediate steps are to be taken to terminate or reduce any subcontracts or orders to suppliers for materials and parts, this to the extent necessary to give effect to this Notice of Termination of Contract.
3. A list showing the names of all subcontractors and suppliers whose contracts or orders have been terminated pursuant to this Notice is to be forwarded immediately to the responsible Department of Public Works and Government Services (DPWGS) Contracting Officer. Opposite the name and address of each subcontractor is to be shown the Contract Price or value of the cancelled portion of terminated subcontracts or orders.
4. Where the Contractor or any subcontractor or supplier proposes to make a claim based on or arising out of this Notice, he is to take and is to instruct each of his subcontractors and suppliers affected by this Notice to take a physical inventory of materials, manufactured or purchased parts, work-in-process, and finished goods acquired or on hand for the purpose of the contract, subcontract, or order terminated by this Notice.
5. Termination claims are to be prepared and submitted at the earliest possible moment being guided in connection therewith by the *Procedures Manual on Termination of Contracts*.
6. The contents of this Notice of Termination of Contract are confidential and must not be disclosed to any person or persons except those employees, subcontractors and/or suppliers to whom it may be necessary to make such disclosure to give effect to this Notice of Termination of Contract. Every person to whom the disclosure is made is to be informed that the prohibition contained in this paragraph applies similarly to them, their employees, subcontractors, and suppliers. Should the Contractor or any of his subcontractors or suppliers be of the opinion that some publicity relative to this Notice of Termination of Contract would be in the public interest, the proposal is to be submitted to the responsible DPWGS Contracting Officer for advice as to what, if any, publicity is permissible.



**DSS-MAS 9403-5 (24/05/02) Professional and Research and Development Services****A. INSTRUCTIONS (APPLICABLE TO BID SOLICITATION)****1. Submission of Proposals**

- (1) This is a request (hereinafter referred to as a "bid solicitation") that proposals be developed and submitted to the Minister of Public Works and Government Services setting out the alternative means by which several technical, performance, time and other goals and objectives may be best met, having regard to stated mandatory requirements. Canada will consider entering into contract for the implementation of the most acceptable proposal which will be determined having regard to the evaluation factors set out in this bid solicitation. In addition, the proposal will be measured against the contract terms and conditions set forth in this bid solicitation.
- (2) It is the Bidder's responsibility to:
- (a) return a signed original of the bid solicitation, duly completed, IN THE FORMAT REQUESTED;
  - (b) direct its bid ONLY to the Bid Receiving address specified;
  - (c) ensure that the Bidder's name, the bid solicitation reference number, and bid solicitation closing date and time are clearly visible;
  - (d) provide a comprehensive and sufficiently detailed bid, including all requested pricing details, that will permit a complete evaluation in accordance with the criteria set out in the bid solicitation.

**Timely and correct delivery of bids to the specified bid delivery address is the sole responsibility of the Bidder. The Department of Public Works and Government Services (DPWGS) will not assume or have transferred to it those responsibilities. All risks and consequences of incorrect delivery of bids are the responsibility of the Bidder.**

- (3) Bids may be accepted in whole or in part. The lowest or any bid will not necessarily be accepted. In the case of error in the extension of prices, the unit price will govern.
- (4) Bids will remain open for acceptance for a period of not less than sixty (60) days from the closing date of the bid solicitation, unless otherwise indicated by Canada in such bid solicitation.
- (5) While Canada may enter into contract without negotiation, Canada reserves the right to negotiate with bidders on any procurement.
- (6) Bid documents and supporting information may be submitted in either English or French.
- (7) Proposals received on or before the stipulated bid solicitation closing date and time will become the property of Canada and will not be returned. All proposals will be treated as CONFIDENTIAL.

**2. Late Bids**

It is DPWGS policy to return, unopened, bids delivered after the stipulated bid solicitation closing date and time, unless they qualify as a delayed bid as described below.

**3. Delayed Bids**

- (1) A bid delivered to the specified Bid Receiving area after the closing date and time but before the Contract award date may be considered, provided the delay can be proven to have been due solely to a delay in delivery that can be attributed to the Canada Post Corporation (CPC) (or national equivalent of a foreign country). The only pieces of evidence relating to a delay in the CPC system that are acceptable to DPWGS are:

- (a) a CPC cancellation date stamp;
- (b) a CPC Priority Courier Bill of Lading; and
- (c) a CPC Xpresspost Label,

that clearly indicate that the bid was mailed prior to the bid closing date.

Example: If the bid closing date was May 15, 1995, then the CPC cancellation date stamp should read no later than May 14, 1995, to be accepted.

- (2) Please request the postal employee to date-stamp your envelope.
- (3) For bids transmitted by facsimile or commercial telegram, only the date and the time of receipt recorded by DPWGS at the Bid Receiving number stated in the bid solicitation will be accepted as evidence of a delayed bid.
- (4) Misrouting, traffic volume, weather disturbances, or any other causes for the late delivery of bids are not acceptable reasons for the bid to be accepted by DPWGS.

**4. Postage Meters**

Postage meter imprints, whether imprinted by the Supplier, the CPC or the postal authority outside Canada, are not acceptable as proof of timely mailing. It should be noted that CPC does not normally apply a cancellation date stamp to metered mail; this is usually done only when postage stamps are used.

**5. Responses Transmitted by Facsimile or Commercial Telegram**

- (1) If you are in doubt that your bid will be delivered on time at the specific location designated for the receipt of the bid, you may use a facsimile or a commercial telegram, unless otherwise instructed in the bid solicitation.

**NOTE:** Due to the volume of technical material required for some bids, certain bid solicitations may specify that submissions by facsimile or commercial telegram are not acceptable (e.g. science solicitations).

- (2) Unless otherwise instructed in the bid solicitation, the only acceptable facsimile number for responses to bid solicitations issued by DPWGS headquarters sectors is (819) 997-9776.
- (3) The facsimile number for responses to bid solicitations issued by DPWGS regional offices is identified on the front page of the bid solicitation.



If the bidder chooses to submit a facsimile or commercial telegram bid, Canada will not be responsible for any failure attributable to the transmission or receipt of the facsimile bid including, but not limited to the following:

- (a) receipt of garbled or incomplete bid;
  - (b) availability or condition of the receiving facsimile equipment;
  - (c) incompatibility between the sending and receiving equipment;
  - (d) delay in transmission or receipt of the bid;
  - (e) failure of the Bidder to properly identify the bid;
  - (f) illegibility of the bid; or
  - (g) security of bid data.
- (4) Bids submitted by facsimile or commercial telegram will constitute your formal bid and must contain:
- (a) the bid reference number;
  - (b) the closing date and time;
  - (c) sufficient detail and be comprehensive enough so as to permit complete evaluation in accordance with the criteria set out in the bid solicitation.
- (5) For responses transmitted by facsimile or commercial telegram, written confirmation is required within two (2) working days after bid closing, unless otherwise specified in this bid solicitation. All documents confirming bids should bear the word "CONFIRMATION".

**6. Pricing**

Unless otherwise specified by Canada, all prices quoted shall be net prices in Canadian funds including Canadian customs duties and excise taxes, and are to be FOB, including all delivery charges to destination(s) as indicated. The amount of the Goods and Services Tax or the Harmonized Sales Tax if applicable, shall be shown as a separate item.

**7. Identity or Legal Capacity of Bidder**

In order to establish the legal capacity under which a bidder proposes to enter into the Contract, any bidder who carries on business in other than its own personal name shall, if requested by the Contracting Authority, provide proof of the legal capacity under which it carries on business to the Contracting Authority prior to contract award. Such proof may be in the form of a copy of the articles of incorporation or of the registration of the business name of a sole proprietor, of a trade name, of a partnership, etc.

**B. CONDITIONS (APPLICABLE TO RESULTING CONTRACT)**

**1. Municipal Taxes**

Municipal taxes are not applicable.

**2. Provincial Taxes**

- (1) Excluding legislated exceptions (see subsection (5) below), federal government departments and agencies are not required to pay any ad valorem sales tax levied by the province in which the taxable goods or services are delivered. This exemption has been provided to federal government departments and agencies under the authority of one of the following:

(a) Provincial Sales Tax Exemption Licence Numbers, for the provinces of:

Prince Edward Island  
OP-10000-250  
Ontario  
11708174G  
Manitoba  
390-516-0  
British Columbia  
R005521

(b) An Exemption Certification, for Quebec, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, which certifies that the property and/or services ordered/purchased hereby are for the use of, and are being purchased by the federal government with Canada funds, and are therefore not subject to provincial/territorial sales and consumption taxes.

(2) Currently, in Alberta, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, there is no general provincial sales taxes (PST). However, should a PST be introduced in the Northwest Territories, Nunavut, or Yukon Territory, the sales tax exemption certificate would be required on purchase orders or other purchasing documents.

(3) Federal departments are required to pay the Harmonized Sales Tax (HST) in the participating provinces of Newfoundland and Labrador, Nova Scotia and New Brunswick.

(4) The Contractor is not exempt from paying the PST under the above Exemption Licence Numbers or Exemption Certification. The Contractor is required to pay the PST on taxable goods or services used or consumed in the performance of the Contract (as per appropriate provincial legislation), including material incorporated into real property.

(5) Exceptions

The following exceptions are provided as examples and may not represent a complete list of all exceptions under the law:

- (a) tobacco products subject to tobacco taxes (except in Alberta);
- (b) petroleum products subject to gasoline and motive fuel taxes;
- (c) vehicle registration fees (except in Alberta, Northwest Territories, Nunavut and Yukon Territory);
- (d) amusement/admission (Nova Scotia and New Brunswick);
- (e) insurance premiums (Quebec);
- (f) tires/batteries subject to environmental levies (British Columbia, Alberta and Quebec);
- (g) transient living accommodation subject to hotel room taxes (British Columbia).

### **3. Transportation Charges**

If transportation charges are payable by Canada under the terms of the Contract, shipments are to be made by the most direct and economical means consistent with normal shipping practice, unless otherwise directed (as in the case when transportation costs are part of the unit price). They are to be shown as a separate item on the invoice.

**4. Valuation**

The federal government's policy of underwriting its own risks precludes payment of any excess valuation and/or transportation charges beyond the specified FOB point (the point at which title of goods passes to the federal government). Goods will be covered to the carrier's maximum liability and value will be declared only when additional costs will not be incurred.

**5. Inspection and Acceptance**

The Work is subject to inspection and acceptance by the consignee at destination, unless otherwise indicated in the contractual document.

**6. Standard Clauses, Conditions and Instruction Sets**

Any standard clause, and any condition or instruction set, used or referenced in a bid solicitation or Contract may be updated from time to time. When this happens, the version used in an already-issued document will remain in effect in that document, unless the updated version is legally incorporated.



**DSS-MAS 9403-6 (13/12/02) Standing Offers****A. INSTRUCTIONS****1. Method of Supply**

One method of supply used by the Department of Public Works and Government Services (DPWGS) to satisfy the requirements of identified users is to arrange with offerors to submit a Standing Offer to provide goods, services, or both, to the federal government during a specified period. The identified users to be served are then delegated purchasing authority by DPWGS and may access the source of supply directly, as and when requested, by issuing call-ups detailing the exact quantities of goods or level of services they wish to order from the Offeror at a particular time during the effective period of the Offeror's offer and in accordance with the predetermined conditions.

**2. Purpose of the Standing Offer**

This method of supply is particularly useful in acquiring frequently ordered commercially and non-commercially available goods or services when the total volume or value of goods or level of services that may be required by one or more identified users can be estimated beforehand, but it is not possible at the outset to identify the exact requirements for any given user at a specific time in the future.

Inasmuch as DPWGS, during the period stated in the Request for a Standing Offer (RFSO), foresees a potential need for goods or services, or both, the Offeror is hereby invited to provide DPWGS with a Standing Offer.

**3. Quantity**

The quantity of goods, level of services and estimated expenditure specified in the RFSO are only an approximation of requirements given in good faith. The making of a Standing Offer by the Offeror shall not constitute an agreement by Canada or any Identified User to order any or all of the said goods or services. The Identified User may make one or several call-ups against a Standing Offer.

**4. DPWGS Obligation**

A request does not commit DPWGS to authorize the utilization of a Standing Offer or to pay any cost incurred in the submission of offers, or cost incurred in making necessary studies for the preparation thereof, or to procure or contract for any services or supplies. DPWGS reserves the right to reject or authorize for utilization any offer in whole or in part, with or without further discussion or negotiation.

**5. Process**

(1) The Standing Offer is normally processed as follows:

- (a) An RFSO is obtained by offerors (suppliers) through the Government Electronic Tendering Service (GETS), provided by MERX.
- (b) Offerors then complete the request and return it to DPWGS as a proposed Standing Offer.

- (c) PWGSC issues a Standing Offer and Call-up Authority (SOCA) to successful offerors and identified users (client departments or agencies) authorized to make call-ups directly.

**6. Submission of Offers**

(1) It is the Offeror's responsibility to:

- (a) return a signed original of the RFSO, duly completed, IN THE FORMAT REQUESTED;
- (b) direct its offer ONLY to the DPWGS receiving address specified;
- (c) ensure that the Offeror's name, the DPWGS file number, and solicitation closing date and time are clearly visible;
- (d) provide a comprehensive and sufficiently detailed offer, including all requested pricing details, that will permit a complete evaluation in accordance with the criteria set out in the solicitation.

**Timely and correct delivery of offers to the specified delivery address is the sole responsibility of the Offeror. The Department of Public Works and Government Services (DPWGS) will not assume or have transferred to it those responsibilities. All risks and consequences of incorrect delivery of offers are the responsibility of the Offeror.**

- (2) The evaluation of proposed standing offers may result in authorization to utilize one or more standing offers in whole or in part, taking into consideration the lowest price per item and/or destination or group of items and/or destinations or on a lowest aggregate price basis. The lowest or any proposed Standing Offer will not necessarily be authorized. In case of error in the extension of prices, the unit price will govern. A SOCA document may be issued against any proposed Standing Offer up to sixty (60) days after the closing date of the RFSO, unless otherwise indicated, by Canada, in such RFSO.
- (3) The Standing Offer should completely and thoroughly address each element of the requirement as enumerated in the RFSO. It is also essential that the elements contained in the offer be stated in a clear and concise manner.
- (4) Bid documents and supporting information may be submitted in either English or French.
- (5) Offers received on or before the stipulated bid solicitation closing date and time will become the property of Canada and will not be returned. All offers will be treated as CONFIDENTIAL.

**7. Responses Transmitted by Facsimile or Commercial Telegram**

- (1) If you are in doubt that your offer will be delivered on time at the specific location designated for the receipt of the offer, you may use a facsimile or a commercial telegram, unless otherwise instructed in the RFSO.

**NOTE:** Due to the volume of technical material required for some offers, certain RFSO's may specify that submissions by facsimile or commercial telegram are not acceptable (e.g. science solicitations).

(2) Unless otherwise instructed in the RFSO, the only acceptable facsimile number for responses to RFSO's issued by DPWGS headquarters sectors is (819) 997-9776.

(3) The facsimile number for responses to RFSO's issued by DPWGS regional offices is identified on the front page of the document.

If the Offeror chooses to submit a facsimile or commercial telegram offer, Canada will not be responsible for any failure attributable to the transmission or receipt of the facsimile offer including, but not limited to the following:

- (a) receipt of garbled or incomplete offer;
- (b) availability or condition of the receiving facsimile equipment;
- (c) incompatibility between the sending and receiving equipment;
- (d) delay in transmission or receipt of the offer;
- (e) failure of the Offeror to properly identify the offer;
- (f) illegibility of the offer; or
- (g) security of bid data.

(4) Offers submitted by facsimile or commercial telegram will constitute your formal offer and must contain:

- (a) the DPWGS file reference number;
- (b) the closing date and time;
- (c) sufficient data to allow evaluation, such as unit prices, country of currency in the event that the offer is submitted in a foreign currency, sales tax, duty, technical data (where applicable) and any deviation(s) from the RFSO document.

(5) For responses transmitted by facsimile or commercial telegram, written confirmation is required within two (2) working days after bid closing, unless otherwise specified in this solicitation. All documents confirming bids should bear the word "CONFIRMATION".

#### **8. Late Offers**

It is DPWGS policy to return, unopened, offers delivered after the stipulated RFSO closing date and time, unless they qualify as a delayed offer as described below.

#### **9. Delayed Offers**

(1) An offer delivered to the specified Bid Receiving area after the closing date and time but before the issue of a SOCA may be considered, provided the delay can be proven to have been due solely to a delay in delivery that can be attributed to the Canada Post Corporation (CPC) (or national equivalent of a foreign country). The only pieces of evidence relating to a delay in the CPC system that are acceptable to DPWGS are:

- (a) a CPC cancellation date stamp;
- (b) a CPC Priority Courier Bill of Lading; and
- (c) a CPC Xpresspost Label,

that clearly indicate that the offer was mailed prior to the RFSO closing date.

Example: If the RFSO closing date was May 15, 1995, then the CPC cancellation date stamp should read no later than May 14, 1995, to be accepted.

- (2) Please request the postal employee to date-stamp your envelope.
- (3) For offers transmitted by facsimile or commercial telegram, only the date and the time of receipt recorded by DPWGS at the Bid Receiving number stated in the solicitation document will be accepted as evidence of a delayed offer.
- (4) Misrouting, traffic volume, weather disturbances, or any other causes for the late delivery of offers are not acceptable reasons for the offer to be accepted by DPWGS.

**10. Postage Meters**

Postage meter imprints, whether imprinted by the Offeror, the CPC or the postal authority outside Canada, are not acceptable as proof of timely mailing. It should be noted that CPC does not normally apply a cancellation date stamp to metered mail; this is usually done only when postage stamps are used.

**11. Standard Clauses, Conditions and Instruction Sets**

Any standard clause, and any condition or instruction set, used or referenced in an RFSO, a Standing Offer, or a call-up pursuant to a Standing Offer may be updated from time to time. When this happens, the version used in an already-issued document will remain in effect in that document, unless the updated version is legally incorporated.

**12. Identity or Legal Capacity of Offeror**

In order to establish the legal capacity under which an Offeror proposes to enter into a Standing Offer, any offeror who carries on business in other than its own personal name shall, if requested by the Contracting Authority, provide proof of the legal capacity under which it carries on business to the Contracting Authority prior to the issuance of a Standing Offer. Such proof may be in the form of a copy of the articles of incorporation or of the registration of the business name of a sole proprietor, of a trade name, of a partnership, etc.

**B. PARTICULARS OF THE STANDING OFFER**

**1. General**

- (1) The Offeror acknowledges that a Standing Offer is not a contract.
- (2) The Offeror offers to sell or provide and deliver to Canada, acting through and represented by the Minister of Public Works and Government Services, the goods or services, or both, listed at the price(s) or on the pricing basis set out, as and when the Identified User may request such goods or services, in accordance with the following provisions.
- (3) It is understood and agreed that:
  - (a) a Call-up Against a Standing Offer shall form a contract only for those goods or services, or both, which have been called-up, provided always that such call-up is made in accordance with the provisions of the Standing Offer;
  - (b) the issue and distribution of the authorization to use this Standing Offer does not oblige Canada to authorize or order all or any of the goods, services, or both, described in the Standing Offer;



- (c) Canada's liability shall be limited to that which arises from call-ups against the offer, made within the period specified in the SOCA;
- (d) Canada reserves the right to procure the specified goods or services by means of contracts, standing offers, or by other contracting methods.

**2. Notification of Withdrawal/Revision**

In the event that the Offeror wishes to withdraw the Standing Offer after authority to call-up against a Standing Offer has been given, the Offeror shall provide no less than thirty (30) days' written notice to the Contracting Authority, unless otherwise indicated in the SOCA, in order that the Contracting Authority may inform all identified users. Such withdrawal of Standing Offer shall not be effective until receipt of such notification by DPWGS and the expiry of such notice period. The Offeror hereby agrees to fulfil any and all call-ups which may be made before the expiry of such notice period. If the period of the Standing Offer is extended or the limitation of expenditure is increased, the Contracting Authority will issue a revision to the SOCA.

**3. Call-up Instrument**

The identified users shall order goods and services either on form PWGSC-TPSGC 942, Call-up Against a Standing Offer, or on such other call-up document as may be specified in the Standing Offer. Goods and services may also be ordered by other methods such as telephone, facsimile or telegram, but must be confirmed in writing either on form PWGSC-TPSGC 942 or on such other document as may be specified.

Call-ups against a Standing Offer paid for with the Government of Canada acquisition card (credit card) at point of sale will be accorded the same prices and terms and conditions as any other call-up.

**C. CONDITIONS****1. Applicability**

The following conditions apply to all contracts resulting from any call-up pursuant to the Standing Offer. Conditions numbers 6 through 10, however, only apply to goods contracts.

**2. Municipal Taxes**

Municipal taxes are not applicable.

**3. Provincial Taxes**

- (1) Excluding legislated exceptions (see subsection (5) below), identified users are not required to pay any ad valorem sales tax levied by the province in which the taxable goods or services are delivered. This exemption has been provided to identified users under the authority of one of the following:

- (a) Provincial Sales Tax Exemption Licence Numbers, for the provinces of:

Prince Edward Island OP-10000-250  
Ontario  
11708174G

Manitoba  
390-516-0  
British Columbia  
R005521

- (b) An Exemption Certification, for Quebec, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, which certifies that the property and/or services ordered/purchased hereby are for the use of, and are being purchased by the federal government with Canada funds, and are therefore not subject to provincial/territorial sales and consumption taxes.
- (2) Currently, in Alberta, Saskatchewan, the Yukon Territory, the Northwest Territories and Nunavut, there is no general provincial sales taxes (PST). However, should a PST be introduced in the Northwest Territories, Nunavut, or Yukon Territory, the sales tax exemption certificate would be required on purchase orders or other purchasing documents.
- (3) Federal departments are required to pay the Harmonized Sales Tax (HST) in the participating provinces of Newfoundland and Labrador, Nova Scotia and New Brunswick.
- (4) The Offeror is not exempt from paying the PST under the above Exemption Licence Numbers or Exemption Certification. The Offeror is required to pay the PST on taxable goods or services used or consumed in the performance of the contract (as per appropriate provincial legislation), including material incorporated into real property.
- (5) Exceptions
- The following exceptions are provided as examples and may not represent a complete list of all exceptions under the law:
- (a) tobacco products subject to tobacco taxes (except in Alberta);
  - (b) petroleum products subject to gasoline and motive fuel taxes;
  - (c) vehicle registration fees (except in Alberta, Northwest Territories, Nunavut and Yukon Territory);
  - (d) amusement/admission (Nova Scotia and New Brunswick);
  - (e) insurance premiums (Quebec);
  - (f) tires/batteries subject to environmental levies (British Columbia, Alberta and Quebec);
  - (g) transient living accommodation subject to hotel room taxes (British Columbia).

#### **4. Invoices**

Invoices must be submitted in the name of the Offeror and are not to be submitted prior to the delivery of supplies or the performance of the services. They must show the name and address of the Consignee, together with date, method of shipment, the case numbers if applicable, item, quantity, unit of issue, unit price, additional charges if applicable, and the Goods and Services Tax or the Harmonized Sales Tax if applicable, part or reference numbers, description of supplies as shown in the Standing Offer, Standing Offer number, requisition number, Client Reference Number (CRN), Procurement Business Number (PBN) and financial code(s). Separate invoices must be submitted for each shipment and must apply to one call-up only. Each invoice must indicate whether it covers partial or final shipment.

**5. Bills of Lading**

The transportation bill of lading must accompany the original invoice, except for "collect" shipments (if and when allowed), in which event it shall accompany the shipment; in addition, a packing slip must accompany each shipment, be clearly visible, and show item, quantity, part or reference numbers, description of supplies and contract reference numbers, including the CRN and PBN. If the supplies have been inspected at the Offeror's plant, the signed inspection voucher must be attached to the packing slip normally enclosed in the packing note envelope.

**6. Inspection and Acceptance**

The goods/services are subject to inspection and acceptance by the consignee at destination, unless otherwise indicated in the SOCA.

**7. Condition of Material**

Unless otherwise specified elsewhere in the Contract, materiel supplied shall be new and conform to the latest issue of the applicable drawing, specification and/or part number that is in effect on the solicitation closing date.

**8. Transportation Charges**

If transportation charges are payable by Canada under the terms of the Contract, shipments are to be made by the most direct and economical means consistent with normal shipping practice, unless otherwise directed (as in the case when transportation costs are part of the unit price). They are to be shown as a separate item on the invoice.

**9. Valuation**

The federal government's policy of underwriting its own risks precludes payment of any excess valuation and/or transportation charges beyond the specified FOB point (the point at which title of goods passes to the federal government). Goods will be covered to the carrier's maximum liability and value will be declared only when additional costs will not be incurred.

**10. Shipment into Canada**

Goods shipped into Canada from another country are to be consigned to destination, IN BOND, unless otherwise directed.



**CCC-6 (30/10/96) Canadian Commercial Corporation**

1. The prices include packing, cartage and loading charges, unless otherwise specified in this Contract.
2. Payment will be made upon presentation to Canadian Commercial Corporation (CCC) of the required documents. Interest will not be paid on any sum overdue. Cash discounts will be calculated from the actual date invoices are received with all supporting documents.
3.
  - (a) **Contracts for defence requirements of governments other than United States (U.S.):**  
Department of Public Works and Government Services (DPWGS) General Conditions DSS-MAS 1026A, Supplies - Firm Price, or DSS-MAS 1026B, Supplies - Cost Reimbursement, as applicable, (a copy of which the Supplier acknowledges having received) shall form part of this Contract.
  - (b) **Contracts for requirements of the Government of the U.S.:**  
General Conditions DSS-MAS 1026A, with the exception of sections 6, 7, 8, 19, 21 and 28 thereof, or if applicable, the General Conditions DSS-MAS 1026B, with the exception of sections 7, 8, 9, 23 and 24 thereof, and the sections referred to in the U.S. contract copies of which the Supplier acknowledges to have received, shall be applicable to and form part of the Contract.
  - (c) **Contracts for non defence requirements:**  
General Conditions CCC-50, Canadian Commercial Corporation (a copy of which the Supplier acknowledges having received) shall form part of this Contract.
4. The applicable Labour provisions established by Order in Council P.C. 1954-2029 of December 22, 1954, (a copy of which the Supplier acknowledges to have received) and all amendments thereto shall apply and form part of this Contract.
5. The supplies shall be delivered strictly in accordance with the quantities, specifications, terms and conditions hereof. Time is of the essence in this Contract. (See time of delivery indicated and penalties for default set out in the General Conditions).
6. If required, the Supplier will enter into a formal agreement with the Buyer containing such terms and conditions (not inconsistent with the terms and conditions hereof) as may be required by the Buyer. Unless and until such a formal agreement is entered into, this shall be the only contract and the terms and conditions hereof shall not be altered or added to by anything not set out herein.
7. The supplies shall be at the risk of the Supplier, and the Supplier shall bear all loss or damage whatsoever from whatsoever cause arising which may occur to the supplies or any part thereof up to the time the same are delivered at the FOB point or FAS point or other place of delivery specified in this Contract.
8. The Buyer reserves the right to change the place of delivery shown in this Contract to such other place as the Buyer may direct at any time prior to actual shipment, in which case the Supplier agrees to comply with such direction and shall be entitled to be reimbursed for any additional costs incurred or agrees to reduce its price or prices to the extent of any lesser costs involved.

9. Where the sale of the supplies is by description and there has been no examination or inspection of the supplies by or on behalf of the Buyer prior to delivery thereof, and the supplies do not correspond with the description, thereby involving a breach of a condition or warranty, expressed or implied, then the failure to inspect or reject the supplies shall not impose liability on the Buyer for such supplies which are not in accordance with the description and any and all costs and expenses incurred by the Buyer in respect of any such supplies which may be rejected at their destination, shall be borne by the Supplier.
10. The Supplier shall procure and/or supply at no additional cost to the Buyer all documents and reports which are necessary in connection with the delivery and shipment of the supplies, including the documents and reports specified in this Contract and such other documents and reports as may be required by the Buyer.
11. Any necessary export permits are to be obtained by the Supplier prior to shipment. Assistance is available from CCC.
12. Inspection is to be arranged by and to the satisfaction of the Inspector, if any, named in this Contract to whom all questions regarding drawings, specifications, etc., must be referred, and with whom arrangements for inspection must be made prior to shipment of the supplies. The Supplier shall obtain inspection reports.

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## **Section 2**

### **FORMS**

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**DELETED (24/05/2002)**
- Annex B** Claim for Exchange Rate Adjustments (PWGSC-TPSGC 9411)  
**(24/05/2002)**

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## 2.1 (12/05/00) Employment Equity - Federal Contractors Program

### INFORMATION FOR SUPPLIERS AND ORGANIZATIONS

#### OBJECTIVE

To ensure that the federal contractors who do business with the Government of Canada achieve and maintain a fair and representative workforce.

#### DESCRIPTION

Suppliers of goods and services to the federal government who employ 100 persons or more across Canada, and who want to bid on contracts of \$200,000 or more will be required to commit themselves to implementing employment equity as a condition of their bid. Failure to subsequently comply with prescribed employment equity measures can result in the loss of opportunity to compete for future government business.

#### REQUIREMENTS

The program requires contractors to implement employment equity measures. Such measures necessitate the identification and removal of barriers to the selection, hiring, promotion and training of members of the designated groups, i.e., women, aboriginal peoples, persons with disabilities, and visible minorities. As well, contractors must take steps to improve the employment status of these designated groups by increasing their participation in all levels of employment.

#### OPERATION

There are five essential steps in the implementation and operation of the Program. They are: CERTIFICATION, IMPLEMENTATION, COMPLIANCE REVIEW, APPEAL and SANCTIONS. (The timing of each step is dependent upon individual circumstances and cannot be predetermined.)

#### 1. CERTIFICATION

Suppliers who employ 100 persons or more across Canada, and who wish to, or are invited to, bid on contracts worth \$200,000 or more with the federal government will first certify in writing their commitment to implement employment equity according to specific criteria.

#### 2. IMPLEMENTATION

Upon having been awarded a federal government contract valued \$200,000 or more, suppliers will implement employment equity in keeping with the terms and conditions of criteria provided by Human Resources Development Canada (HRDC).

Essential components of this process are the development and implementation of a plan of action and the means to monitor activities for:

- (a) removal of discriminatory barriers to the employment and promotion of designated groups; this includes elimination or modification of all human resources practices and systems which cannot be shown to be bona fide occupational requirements;

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- (b) improvement in the participation of designated group members throughout the Contractor's organization through hiring, training and promotion;
- (c) the introduction of special measures and the establishment of internal goals and timetables towards the achievement of employment equity through recruitment, hiring, training and promotion of designated group members and by making reasonable accommodations to enable members of such groups to compete with others on an equal basis; and
- (d) the retention of records regarding the employment equity implementation process for assessment by officials from HRDC during on-site compliance reviews.

### 3. COMPLIANCE REVIEW

In-depth compliance reviews will be conducted by HRDC to:

- (a) review the records and documents kept by Contractors;
- (b) assess compliance with the program criteria and the results obtained;
- (c) determine the extent of efforts made by Contractors on behalf of designated groups; and
- (d) measure the performance levels attained by Contractors.

If the compliance review results are positive, the process is complete and the Contractor will be so informed.

If the compliance review results are negative, the Contractor will be so informed and will be expected to initiate remedial action for review within a prescribed time limit not to exceed twelve (12) months.

### 4. APPEAL

The Contractor has the right to appeal an unfavourable finding resulting from a compliance review to the Minister of HRDC. In that instance, an independent review will be undertaken to study the findings of the original compliance review and advise the Minister of HRDC of the results.

### 5. SANCTIONS

In the event that the results of the independent review indicate a failure to comply, sanctions may be applied including eventual exclusion from bidding on federal government contracts.

### CRITERIA FOR IMPLEMENTATION

1. Communication by the organization's chief executive officer, or equivalent manager, to employees, unions and/or employee associations of the commitment to achieve equality in employment through the design and implementation of an employment equity plan.

The successful implementation of an employment equity program depends upon the degree of commitment made by the chief executive officer and how this commitment is communicated to all employees.

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The extent to which the respective union or employee association is involved in making that commitment and the degree of collaboration involved in developing and issuing an appropriate policy statement on the organization's position on employment equity are also major success factors.

2. Assignment of senior personnel with responsibility for employment equity.

A stated commitment by the chief executive officer to implement employment equity must be supported by the assignment of a senior level individual with the necessary authority to ensure the program's effectiveness. To be most effective, this officer should have knowledge of the problems and concerns of designated groups (women, aboriginal peoples, persons with disabilities, and visible minorities) and must have the status and ability to gain the cooperation of employees, employee association officials, and managers at all levels in the organization. This officer will also act as the organization's employment equity contact point with the federal government.

3. Collection and maintenance of information on the employment status of designated group employees, by occupation and salary levels and in terms of hiring, promotion and termination in relation to all other employees.

The requirement for recording this data is to give the Contractor sufficient information with which to establish objectives and priorities for an employment equity program, and give both the Contractor and the government an indication of the results of the Contractor's subsequent employment equity initiatives.

For a broader analytical base, contractors are encouraged to tabulate additional data such as information about applications for employment, hirings, promotions, training, lay offs and terminations of designated group members.

The specific format for compiling this information is left to the discretion of the Contractor. As an aid, the Contractor may wish to take advantage of the format established for those firms under the authority of the *Employment Equity Act*.

4. Analysis of designated group representation within the organization in relation to their representation in the supply of qualified workers from which the Contractor may be expected to recruit employees.

When the status of designated group employees within the organization has been determined, it is used to compare the in-house representation with the number of qualified designated group members available within the provincial, national or census metropolitan area labour force. HRDC, in conjunction with Statistics Canada, will provide the relevant data to use in organizational planning of employment equity initiatives. It should be noted that while the availability of such data is as yet incomplete, the government is taking a number of steps to assemble a reliable data base. Notwithstanding the need to improve the data, it is also important to note that data analysis is only one factor among many in determining the degree to which employment equity has been or is being achieved.

5. Elimination or modification of those human resource policies, practices and systems, whether formal or informal, shown to have an unfavourable effect on the employment status of designated group employees.

Frequently, employment practices and policies have unintentional adverse effects upon the recruitment, hiring, promotion and retention of designated group members. This is known as systemic discrimination.

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It is necessary that a review be undertaken of all procedures used in the recruitment, selection, training, promotion and termination of employees. Any policy, practice or system, whether formal or informal, which is found to have or is likely to have an unfavourable impact should be eliminated or modified to prevent recurrence of that impact.

6. Establishment of goals for the hiring, training and promotion of designated group employees. Such goals will consider projections for hiring, promotions, terminations, lay offs, recalls, retirements and, where possible, the projected availability of qualified designated group members.

Having determined from the analysis under criterion 4 where change is required, the Contractor must then establish numerical goals with timetables to increase the representation of all designated groups in the various occupational categories. In setting goals, the Contractor should bear in mind the long-term objective which is the proportional representation of designated group members in the organization's workforce. Qualitative goals, such as modification of employment systems, may also be necessary.

7. Establishment of a work plan for reaching each of the goals in criterion 6 above.

The plan must outline the actions intended to achieve each of the goals and identify the officer or department responsible for its implementation. Each goal must be tied to a timetable so that progress can be monitored and the plan adjusted over time as required.

8. Adoption of special measures where necessary to ensure that goals are achieved, including the provision of reasonable accommodation as required.

In order to accelerate the entry, training and promotion of designated group members from among the interested and potentially qualified workforce, the organization may have to undertake special actions. These may include, but are not limited to, special training courses to upgrade employees whose advancement may be hindered due to lack of practical experience, targeted recruitment, temporary adjustment of entry requirements for some occupations or to seniority clauses in collective agreements. Day-care assistance, special counselling services or flexible work arrangements, modifications to premises to accommodate wheelchairs, seeing-eye dogs or the provision of communication devices for the hearing impaired are examples of reasonable accommodations. They may alleviate specific employment problems affecting certain designated group members' ability to fully participate in employment.

9. Establishment of a climate favourable to the successful integration of designated group members within the organization.

Being hired is only the first step. An inhospitable environment can affect both the quality of an employee's work and his/her willingness to remain in an organization's employ. Awareness sessions for managers and staff will create a greater understanding of employment equity objectives and help dispel any misconceptions or feelings of resentment toward the program.

10. Adoption of procedures to monitor the progress and results achieved in implementing employment equity.

An effective monitoring system is a necessary part of any employment equity program. Regular evaluations will determine the progress being made toward objectives and will also identify where there are needs for corrective action or adjustment.



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11. Authorization to allow representatives of HRDC access to the business premises and to its records in respect of the above implementation criteria in order to conduct on-site compliance reviews for the purpose of measuring the progress achieved in implementing employment equity.

As a condition of certification, the organization agrees to allow authorized HRDC officials access to all records indicating the extent of the organization's efforts and results.

### HUMAN RESOURCES DEVELOPMENT CANADA (HRDC)

1. Certificate numbers may be obtained from the following office:

Federal Contractors Program  
Place du Portage, Phase II, 10th Floor  
165, Hotel de Ville  
Hull, Quebec K1A 0J2

Telephone: (819) 953-4120  
Fax: (819) 953-8768

2. Contracting Officers are required to forward the completed Certificate(s) of Commitment received from the successful bidder(s) to the above-named FCP office.
3. For further information regarding employment equity, please contact a Regional Employment Equity consultant. A current list of addresses and telephone/fax numbers can be found at: <http://info.load-otea.hrhc-drhc.gc.ca/~weeweb/contacte.htm>

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2.1.1 (21/06/99) **Federal Contractors Program**  
**Certificate of Commitment to Implement Employment Equity**

CERTIFICATE NO. \_\_\_\_\_

**FEDERAL CONTRACTORS PROGRAM**  
**CERTIFICATE OF COMMITMENT TO IMPLEMENT EMPLOYMENT EQUITY**

\_\_\_\_\_  
Name of Organization

The above-named organization hereby certifies its commitment to implement employment equity when both of the following conditions apply:

1. the organization has a Government of Canada goods or services contract worth \$200,000 or more;

**AND**

2. the organization has 100 or more permanent full-time and/or permanent part-time employees across Canada.

In such circumstances, the organization undertakes to implement employment equity in keeping with the Criteria for Implementation. This document, duly signed by the Chief Executive Officer, constitutes a Certificate of Commitment which, under the Federal Contractors Program for Employment Equity, is a prerequisite for the validation of bids submitted in the circumstances listed above.

\_\_\_\_\_  
Signature of the Chief Executive Officer (or Equivalent)

\_\_\_\_\_  
Please Print Name & Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Head Office Address & Postal Code

( ) \_\_\_\_\_  
Telephone

( ) \_\_\_\_\_  
Fax

\_\_\_\_\_  
Number of Full-time and  
Part-time Employees (Nationwide)

\_\_\_\_\_  
Industrial Sector

**PLEASE SEND BY FAX TO HQ/FCP OFFICE AT (819) 953-8768**

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### 2.2 (24/05/02) **Contracts Containing Security Requirements**

Departments must use the Security Requirements Check List (SRCL), TBS/SCT 350-103, to define the security requirements for contracts for which Public Works and Government Services Canada (PWGSC) is the contracting authority. This requirement also applies to call-ups against standing offers, when the standing offer or call-up, or both, contains security requirements.

The completed SRCL should accompany all requisitions and related contractual documents, including subcontracts, that contain security requirements. It does not replace the necessary clauses in the contract that specify security requirements. PWGSC has developed standard security clauses for use in contracts having different requirements.

The SRCL should as well be completed when a department retains contracting authority.

An electronic copy of the SRCL is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or is reproduced in the *Supply Manual*, Annex 6.13.

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### 2.3 (13/12/02) Claim for Exchange Rate Adjustments

The "Claim for Exchange Rate Adjustments", PWGSC-TPSGC 9411, should be used in conjunction with the standard acquisition clauses for exchange rate adjustments (refer to clauses C3010T to C3030C).

The first half of the form is to be completed by the Bidder prior to contract award. The second part of the form is to be completed by the Contractor at the time that a claim for exchange rate adjustment is made.

A hard copy of this form is reproduced at **Annex B**; the electronic version is available on the PWGSC website: <http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>.

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### 2.9 (30/10/96) Ontario Labour Legislation - Informational Requirements

Both the tender and the contract clauses dealing with the Ontario Labour Legislation have been modified to reflect amendments made to the *Employment Standards Act* pursuant to Ontario's Bill 7, effective October 31, 1995. The informational requirements with respect to incumbent employees of a previous employer have increased. A new form (2.9.1) to collect such information, entitled "Information on Incumbent Employees", is attached.

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## 2.9.1 (30/10/96) Information on Incumbent Employees

This form should be used when information is to be provided by the contractor in accordance with the requirements of Ontario's *Employment Standards Act* for janitorial, food catering and security service contracts.

### INFORMATION ON INCUMBENT EMPLOYEES

#### COMPANY

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Workplace address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contract No.: \_\_\_\_\_

*(The information contained in this section 1. can only be provided to the successful contractor)*

1. **EMPLOYEE**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone No.: \_\_\_\_\_

2. Job classification or description:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Wage rates actually paid to the employee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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4. Description of the benefits provided to the employee including the cost of each benefit and the period to which the cost relates:

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5. Number of hours that the employee works in a regular non-overtime work week:

\_\_\_\_\_

**or if hours of work vary from week to week,**

number of non-overtime hours worked by the employee for each week worked during the 13 weeks preceding the date of the request for information:

|                |       |                |       |                |
|----------------|-------|----------------|-------|----------------|
| _____ week 1:  | _____ | _____ week 2:  | _____ | _____ week 3:  |
| _____ week 4:  | _____ | _____ week 5:  | _____ | _____ week 6:  |
| _____ week 7:  | _____ | _____ week 8:  | _____ | _____ week 9:  |
| _____ week 10: | _____ | _____ week 11: | _____ | _____ week 12: |
| _____ week 13: | _____ |                |       |                |

6. Date on which the employer hired the employee:

\_\_\_\_\_

7. Any period of employment attributed to the employer under subsection 13.1 (3) or (5) of the Act:

\_\_\_\_\_

8. Number of weeks that the employee worked at premises during the 26 weeks preceding the date that the request for information was made. *The 26 week period shall be extended by any period during which the provision of services at the premises was temporarily discontinued, or during which the employee was on a leave under part XI of the Act.*

\_\_\_\_\_

9. Statement indicating whether the employee (*check as applicable*):

is actively employed in providing services at the premises but his/her job duties were not primarily performed at the premises during the 13 weeks immediately preceding the date on which the request for information was made;

is employed, but not actively employed in providing services at the premises, but his/her job duties were not primarily performed at the premises during the 13 weeks immediately preceding the date on which the request for information was made.

10. Copy of collective agreement attached.

11. Copy of union certificate attached.

12. Copy of pending union application(s) attached.

13. Information provided on this form is: Original  Revised  Date:

\_\_\_\_\_

14. Name of authorized company representative:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Date:

General Conditions describe the government's and contractors' rights and obligations in various types of contractual situations. Through the addition of clauses and additional statements, specific to an individual requirement, they form the foundation upon which contracts are built.

Prior to the introduction of the *Standard Acquisition Clauses and Conditions* Manual, General Condition sets were attached to bid solicitation packages. This practice has been replaced by incorporation by reference. The General Conditions specified in standard clause K0000D form part of the procurement document.

To improve readability, each set of General Conditions include an index section (article) - 00, which details the various subjects covered within the condition set. As well, each section has an effective date. As conditions are updated and modified, only the affected section will receive a new effective date, corresponding to the effective date for the whole condition set; thus making changes more readily identifiable by users.

The following list identifies those sets of General Conditions which are currently in use by the Department of Public Works and Government Services, their latest revision date and their title.





1011A 00 (01/12/00) United States Purchases

**Public Works and Government Services Canada**

- 01 Interpretation
- 02 Progress Reports
- 03 Alterations of Patterns, Drawings
- 04 Inspection
- 05 Packing
- 06 Invoices, Shipping Documents
- 07 Risk of Loss and Damage
- 08 Assignment
- 09 Bankruptcy or Insolvency
- 10 Warranties
- 11 Delayed Deliveries
- 12 Members of Parliament
- 13 Security and Protection of Work
- 14 Sabotage
- 15 Arbitration
- 16 Price Control
- 17 Taxes
- 18 Termination
- 19 Accounts
- 20 Certification - Contingency Fees
- 21 Interest on Overdue Accounts

**1011A 01 (16/02/98) Interpretation**

1. The words "we", "us" and "our" when used herein mean the purchaser named in the purchase order or the acceptance of tender of which these general conditions form a part.
2. The words "you" and "your" when used herein mean the seller named in the said purchase order or acceptance of tender.
3. The purchaser may act in relation to this contract by the Minister of Public Works and Government Services, the Deputy Minister or any Assistant Deputy Minister of Public Works and Government Services or any authorized representative of the Minister of Public Works and Government Services.

**1011A 02 (01/06/91) Progress Reports**

You agree to supply us on request with reports as to the progress of production.

**1011A 03 (01/06/91) Alterations of Patterns, Drawings, and Specifications**

We reserve the right to request alteration of the patterns, drawings and specifications from time to time and, unless you shall make reasonable objection thereto, the supplies thereafter supplied or work thereafter executed by you shall be altered accordingly, with such necessary changes in price and of the time or times for delivery as may be agreed upon provided, however, that you shall not be obligated to make any such alteration in respect of supplies which are customarily manufactured by you for commercial sale.

**1011A 04 (01/06/91) Inspection**

You agree to permit our representatives to inspect the supplies or any part thereof covered hereby at any time during the preparation, manufacture, assembly, boxing or packing thereof, and you agree to advise us at least ten (10) days prior to the date when such supplies shall be ready for final inspection. Our representative shall sign or countersign a certificate of inspection as to supplies which shall have passed final inspection, but no supplies shall be accepted or paid for which do not conform in all respects to the requirements of the specifications and drawings or samples, if any, or which shall not be of sound quality and workmanship and with respect to which we shall not have received a certificate of inspection so signed or countersigned by our representative.

When required for the purpose of inspection, except where prevented by the laws, rules or regulations of the United States, you agree to give, or arrange to be given, to our representatives, reasonable assistance and free access at reasonable hours to your premises, and to those of your suppliers and subcontractors, and agree to afford to such representatives, all reasonable accommodations and facilities.

**1011A 05 (01/06/91) Packing**

The supplies which you have agreed to provide under this contract shall be suitably packed by you in accordance with the terms and conditions of this contract and in such a manner as shall reasonably assure the transportation of the said supplies undamaged to their destination, it being understood and agreed that there shall be no additional charge for packing the said supplies, unless otherwise specifically provided in the contract.

**1011A 06 (01/06/91) Invoices, Shipping Documents**

You agree to follow our instructions with respect to invoices and shipping documents. We will not be bound by any provisions in your acknowledgment forms or invoices which may purport to impose upon us conditions at variance with the terms of this contract.

You agree to mark on all containers, invoices, packing lists, shipping documents, and all other papers relating to this contract all identifying numbers or symbols appearing at the head of the purchase order or the acceptance of tender of which these general conditions form a part.

If delivery terms of the contract are FOB your place of shipment, deliveries of mailable matter which meets the size, weight and other limitations prescribed by the United States Post Office Department shall be forwarded by parcel post. You shall not divide delivery quantities into mailable parcels for the express purpose of avoiding shipments by other modes of transportation. Prepaid postage charges shall be shown as a separate item on the invoice for the supplies shipped. Shipments by other modes of transportation shall be shipped with freight charges collect.

**1011A 07 (01/06/91) Risk of Loss and Damage**

All risks whatsoever, including risk of loss of or damage to the supplies (including material supplied by us) or to any third parties or their property, shall be upon you until the supplies are delivered hereunder FOB at the point specified in the contract.

**1011A 08 (01/06/91) Assignment**

You agree not to assign, sublet or delegate this contract or any part thereof without our prior written consent, but you may, without our consent, purchase such parts, accessories or associated equipment as you do not normally manufacture, and you may sublet such portions of the work as is customary and usual in the carrying out of similar work.

**1011A 09 (01/06/91) Bankruptcy or Insolvency**

In the event that you should admit in writing your inability to pay your debts as they become due, or should file a petition in bankruptcy, or in the event that a petition in bankruptcy should be filed against you and you should be adjudicated a bankrupt, or that you should have a receiver or trustee appointed, either in voluntary or involuntary proceedings, or that you should make an assignment for the benefit of creditors, we reserve the right, without prejudice to our right to damages, to consider this contract as breached and terminated ipso facto upon such event, with respect to any or all supplies not delivered prior to such termination and to recover any amounts theretofore paid on account thereof.

**1011A 10 (06/06/94) Warranties**

You warrant that the standards of all workmanship and material will be consistent with the established and generally accepted standards for supplies of the type covered by the contract, in full conformity with the specifications, drawings, or samples, if any, and free from defects in material and workmanship under proper assembly, use and maintenance. You agree that this warranty will survive acceptance of and payment for the supplies and we agree that your obligation under it consists of repairing or replacing the supplies or any part or parts thereof which shall, within twelve (12) months from the date of delivery, become defective as a result of faulty material or workmanship.

You warrant that all supplies furnished hereunder (and the normal use thereof) are and shall be free and clear of infringement of any United States or Canadian patent, copyright or trademark and that you will, at your own expense, defend, if required by Her Majesty, any and all actions and suits charging such infringement and will save us harmless from any loss, damage or expense whatsoever, including attorneys' fees, in case any suit, action or claim is commenced or made alleging any such infringement. If any suit, action or claim alleging such infringement is commenced or made, we reserve the right to cancel this contract and return to you all supplies delivered to us under the contract and to recover the amount or an equitable portion of the amount, theretofore paid on account of such supplies. We agree to indemnify you against any such loss, damage or expense resulting from any such infringement or alleged infringement in respect of any article or parts thereof supplied to us under this contract the design of which shall have been supplied by us, but this indemnity shall apply to this contract only.

You warrant that you have not made and will not make any gift to any person in connection with the solicitation or performance of this contract. Any breach of this warranty shall entitle us to cancel this contract and to recover from you the amount of any loss resulting from such cancellation.

You warrant that you have power and authority to execute and perform this contract.

You warrant that you have given us a full statement of all royalties payable by you to residents of Canada on supplies covered hereby and that any royalties payable on such supplies to persons other than residents of Canada are not in excess of those charged to and accepted by the United States Government on similar supplies.

**1011A 11 (01/06/91) Delayed Deliveries**

Time is of the essence of this contract.

If you should fail or refuse to make deliveries on the dates herein specified, as such dates may be extended by any cause of excusable delay, we may, at our option, terminate this contract as to any supplies not then delivered hereunder and recover any amounts theretofore paid on account thereof and may purchase other supplies of a similar description charging you with any excess cost incurred by us by reason of such purchase.

Excusable delay as used herein shall mean any delay caused by force majeure, act of God and by any other events independent of your will and beyond your control. Any excusable delay shall extend the delivery dates set forth herein by the amount of such excusable delay but shall not relieve you of your obligation to make any such deliveries so delayed.

**1011A 12 (01/06/91) Members of Parliament**

No member of the House of Commons of Canada shall be admitted to any share or part of this contract or to any benefit to arise therefrom other than a benefit derived solely by virtue of being a security holder in your company.

**1011A 13 (01/04/92) Security and Protection of Work**

You agree to keep confidential and to use every reasonable endeavour to prevent any publicity concerning the existence of this contract.

If the contract or the drawings, specifications or information issued, used or disclosed in connection with the contract are classified as to the degree of precaution necessary for their safeguarding, you shall safeguard the same in accordance with the laws and regulations of the United States of America pertaining to such classification.

If any drawings, specifications or information are issued by us in connection herewith, the same are confidential and shall not be disclosed to any person other than your company or firm without previous written consent from the Government of Canada, nor shall they be used by any person for any purpose other than that for which the said drawings, specifications or information were provided. All drawings and specifications and all copies thereof shall be returned to us on demand or when their use is terminated.

**1011A 14 (01/06/91) Sabotage**

You agree to take all reasonable measures to protect from sabotage the supplies covered hereby, to keep the United States authorities and us advised of the precautions taken by you and forthwith to report to the United States authorities and us any information coming to your attention which indicates any danger of sabotage in connection therewith or that any act of sabotage has been committed.

**1011A 15 (01/06/91) Arbitration**

All questions and controversies arising in connection with this contract shall be submitted to arbitration, in accordance with the rules of arbitration of the American Arbitration Association.

**1011A 16 (01/06/91) Price Control**

You certify that the contract price of the supplies is not in excess of any applicable maximum price established under any statute, regulation or order to which you are subject and you agree that if, at any time, the contract price is in excess of such a maximum price, then the contract price shall be automatically reduced to the extent required, and you will make any necessary refunds to us.

**1011A 17 (01/06/91) Taxes**

Unless otherwise specified in this contract, the prices herein include no amount for any federal excise tax, state or local sales or use tax, or any other tax of a similar nature, or any Canadian tax whatsoever. Such prices, however, include all other taxes. If the supplies are normally subject to federal excise tax, we will, upon request, furnish you with a certificate of exemption from such federal excise tax in the form prescribed by the Federal Regulations. We undertake to supply you with such evidence of export as may, from time to time, be properly requested by the tax authorities. If, as a result of our failure to do so, you are compelled to pay such federal excise tax, we shall reimburse you therefor, provided, however, that you will thereafter take such steps as we may require in an effort to recover such payment, and shall refund to us any amount so recovered.

**1011A 18 (01/06/91) Termination**

We shall have the right to terminate this contract at any time by giving you notice to that effect by registered mail. In that event, all supplies completed and ready for delivery when said notice is received by you will be duly purchased and paid for by us as set forth in this contract. As to all supplies not so completed and ready for delivery, we shall have the option (with respect to all or any part thereof) of requiring their completion and of taking delivery thereof, paying the full contract price therefor, or of paying you, in full settlement of all our obligations with respect thereto, a sum equal to the cost actually incurred by you in connection with the manufacture of such supplies to the date of termination and, in addition, an amount representing a fair and reasonable profit in respect of the work done thereon, less any advance payment previously made by us with respect thereto, and less the salvage value of any supplies remaining unfinished. The amount of such cost will be determined from your books of account in accordance with good accounting practice.

Whenever practicable, you shall procure materials and/or parts required for the performance of this contract on terms that will enable you to terminate any contracts entered into by you therefor upon terms similar to those herein provided for in respect of the termination of this contract by us and you will co-operate with us and do everything reasonably within your power at all times to minimize and reduce the amount of our obligations under the provisions of this section 18.

**1011A 19 (01/06/91) Accounts**

You shall, during the performance of the contract, keep proper books, accounts and records of the cost to you of the work and of all expenditures and commitments made by you in connection therewith and the invoices, receipts and vouchers relating thereto. If the price provided for in the contract is other than a firm fixed price, or in the event of termination of all or part of the work, you shall, unless otherwise agreed to by us, cause all such books, accounts, records, invoices, receipts and vouchers as aforesaid to be preserved and kept available for audit and inspection by our authorized representatives at any time until the expiration of six (6) years from the end of the calendar year in which the contract is terminated or completed, and shall afford all facilities for such audits and inspection and shall furnish our authorized representatives with such information as they may from time to time require with reference thereto.

**1011A 20 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the *contingency fee*.

4. In this section:

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act* R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**1011A 21 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on *overdue* advance payments.

**1026A 00 (01/12/00) Supplies - Firm Price****Public Works and Government Services Canada**

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**1026A 01 (01/12/00) Interpretation**

1. Unless the context otherwise requires,

"*Agreement*" means the particular agreement or Contract of which, in each specific case, these General Conditions are made a part;

"*Canada*", "*Crown*", or "*Her Majesty*" means Her Majesty the Queen in right of Canada;

"*Contract*" includes the Agreement, these General Conditions and any Supplemental General Conditions, specifications, labour conditions, schedules and any other documents referred to in the Agreement as constituting the Contract;

"*Contract Price*" means the amount expressed in the Contract to be payable to the Contractor for the finished work;

"*cost*" means cost determined in accordance with Contract Cost Principles, DSS-MAS 1031-2 (as revised to date of Contract) and any subsequent revisions thereof;

"*equipment*" includes machinery, apparatus, jigs, tools, dies, gauges, instruments and equipment of all kinds;

"*finished work*" means the defence supplies or defence project or other work completed in accordance with the provisions of the Contract;

"*Government Issue*" means all materials, parts, components, equipment, specifications, articles and things which may be supplied to the Contractor by or on behalf of Canada for the purposes of the Work;

"*herein*", "*hereby*", "*hereof*", "*hereunder*" and similar expressions, when used in any section, shall be understood to relate to the Contract as a whole and not merely to the section in which they appear;

"*Inspector*" means the person designated as such by the Contract and any person acting on behalf of Canada or the Minister as the Inspector under the Contract;

"*invention*" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter;

"*Minister*" means the Minister responsible for the Contract and includes his Deputy Minister and any Acting, Associate or Assistant Deputy Minister and any duly authorized officer or representative of the Minister;

"*specifications*" means the specifications, plans, drawings, designs and models, if any, furnished to the Contractor by Canada or the Minister for the carrying out of the Contract;

"*Supplemental General Conditions*" means any other general conditions forming part of the *Contract*;

"*Work*" means the whole of the work, materials, matters and things required to be done, furnished and performed in order to carry out the Contract;
2. Words in the singular number includes the plural and vice versa.
3. In the event of any inconsistencies, the provisions of the Agreement and these General Conditions shall prevail over the *specifications* and the provisions of the Agreement and *Supplemental General Conditions* shall prevail over these General Conditions.
4. The *Contract* is a defence contract within the meaning of the *Defence Production Act* and shall be read accordingly.



**1026A 02 (13/12/99) Powers of Minister**

The *Minister* is the agent of *Canada* for all purposes of the *Contract*. Nothing contained in or omitted from the *Contract* shall restrict any of the rights or powers of *Canada* or the *Minister* under the *Defence Production Act* or otherwise. Every right, remedy, power and discretion vested in the *Minister* under the *Contract* or otherwise shall be cumulative and non-exclusive.

**1026A 03 (01/12/00) Assignment and Subletting**

1. The Contractor shall not assign the *Contract* or sublet any of the *Work* without the prior written consent of the *Minister* and any assignment or subletting made without such consent shall be of no effect provided that, unless the *Contract* or the *Minister* directs otherwise, the Contractor may sublet such portions of the *Work* as is customary in the carrying out of similar contracts. No assignment or subletting shall relieve the Contractor from any of its obligations under the *Contract* or impose any liability upon *Canada* or the *Minister* to an assignee or subcontractor.
2. Unless otherwise agreed to by the *Minister* in any assignment or subletting, the Contractor agrees to bind each assignee or subcontractor by the terms of the general conditions, the *Supplemental General Conditions*, if any, the Labour Conditions, the drawings and *specifications* as far as applicable to the *Work*.
3. No act or omission of the Contractor, whether before or after the entry into the *Contract*, shall have the effect of rendering any monies payable by *Canada* under the *Contract* payable to any person, firm or corporation other than the Contractor, unless *Canada* consents thereto.
4. Subject to the preceding provisions of this section, the *Contract* shall inure to the benefit of and shall be binding upon the successors and assigns of *Canada* and the Contractor, respectively.

**1026A 04 (01/06/91) Conduct of the Work**

1. The Contractor agrees to carry out the *Work* diligently and to provide efficient supervision and inspection thereof and that the *Work* will be of proper quality, material and workmanship and in full conformity with the *specifications*, drawings, models or samples, if any, and all other requirements of the *Contract*.
2. No materials or parts shall be used or processed and no *finished work* shall be submitted for acceptance or shall be delivered unless or until approved by the Contractor's inspection staff and, wherever practicable, marked with an approval stamp satisfactory to the *Inspector*. The Contractor shall keep proper and adequate inspection records which shall at all times be open to examination by the *Inspector* who may make copies thereof and take extracts therefrom.
3. The *Minister* and the *Inspector* shall have access to the *Work* at all times and to the plant and premises where any part of the *Work* is being carried on, and may make such inspections and tests of the *Work* and of parts, materials and work-in-process as the *Minister* or the *Inspector* may think fit. The Contractor shall provide at its own expense all assistance and facilities, test pieces and samples which the *Minister* or the *Inspector* may reasonably require for the carrying out of any such inspections and any such tests as aforesaid, and shall forward at its own expense such test pieces and samples to such person or location as the *Minister* or the *Inspector* may direct. The Contractor shall at its own expense provide the *Minister* and the *Inspector* with such accommodation as they may require for the purpose of such inspections and any such tests and for the exercise of any other powers conferred upon them *hereunder*.
4. The Contractor shall not stop or suspend work pending the settlement or determination of any differences arising under the *Contract*, unless so instructed by the *Minister*.

**1026A 05 (13/12/99) Specifications, Drawings, etc.**

1. All *specifications*, drawings, patterns, samples and other information furnished the Contractor in connection with the *Contract* shall be used by the Contractor solely for the purpose of carrying out the *Work* and for no other purpose except with the consent in writing of the *Minister* and shall remain the property of *Canada* and be returned to *Canada* or the *Minister* upon demand.
2. Any minor part or parts not shown in the *specifications*, drawings, patterns or samples, but which are necessary for the due completion of the *Work* shall be deemed to be included in the *Contract price* and no addition to the *Contract Price* will be allowed by reason of such omission, unless otherwise agreed to by the *Minister*.

**1026A 06 (01/06/91) Inspection**

All work shall be subject to inspection by the *Inspector* prior to acceptance. Should the *Work* be defective in materials or workmanship or otherwise not be in accordance with the requirements of the *Contract*, the *Inspector* shall have the right to reject the *Work* or to require its correction. Inspection by the *Inspector* either at the plant of the Contractor or of any of its subcontractors shall not relieve the Contractor from responsibility for defects or other failure to meet the requirements of the *Contract*. The Contractor agrees to accept and be bound by the *Inspector's* interpretation of the meaning of the *specifications*.

**1026A 07 (01/12/00) Title and Acceptance**

Except as otherwise provided in the *Contract*, title to the *Work* or any part thereof shall vest in *Canada* upon delivery to the consignee and acceptance thereof by the consignee. Acceptance by the consignee of the *Work* or any part thereof shall be deemed to be acceptance thereof by *Canada*.

**1026A 08 (01/06/91) Warranty**

1. Notwithstanding prior acceptance of the *finished work*, and without restricting any other term of the *Contract* or any condition, warranty or provision implied or imposed by law, the Contractor, if requested by the *Minister* to do so at any time within 12 months from the date of delivery, shall:
  - (a) replace or make good at its own expense any *finished work*, excluding *Government Issue* incorporated therein, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship;
  - (b) deliver such *finished work* free from all defects to the delivery point specified in the *Contract*, unless otherwise agreed to by the *Minister*;

provided that where, in the opinion of the *Minister*, it is not expedient to remove such defective *finished work* from its location, the Contractor shall replace or make good the defective *finished work* at such location, and shall be paid the actual *cost* incurred in so doing (including reasonable travelling and living expenses) with no allowance thereon by way of overhead profit, less a sum equivalent to the *cost* of making good the defective *finished work* had it been made good at the Contractor's plant.

**1026A 09 (13/12/99) Government Issue**

1. All items comprised in any *Government Issue* shall be used by the Contractor solely for the purposes of the *Contract* and shall always be and remain the property of *Canada* and wherever feasible the Contractor shall maintain adequate accounting records of all *Government Issue* and shall mark the same as being *Canada's* property.
2. All *Government Issue* (except such as are installed or incorporated in the *Work*) shall be returned to *Canada* upon demand, in the same condition as when supplied to the Contractor provided that the

Contractor shall not be responsible for any loss or damage resulting from ordinary wear and tear or causes beyond the Contractors' control.

3. All scrap and waste materials derived from any *Government Issue* or from any other materials, articles or things which are the property of *Canada*, shall, unless otherwise specifically provided *herein*, remain the property of *Canada* and shall be disposed of only as prescribed by the *Minister*.

**1026A 10 (01/06/91) Conditions Precedent to Payment**

1. No payment shall be made to the Contractor unless or until,
- (a) invoices, inspection notes and all other documents prescribed from time to time by the *Minister* or *Inspector* are submitted in accordance with the terms of the *Contract* or instructions of the *Minister*, and
  - (b) the Contractor, if required to do so, establishes to the satisfaction of the *Minister* that all materials, parts, work-in-process or *finished work* in respect of which payment is being made are free from all claims, liens, attachments, charges or encumbrances.

**1026A 11 (01/12/00) Indemnity Against Claims**

1. Except as otherwise provided in the *Contract*, the Contractor shall indemnify and save harmless *Canada* and the *Minister* from and against any and all claims, damages, loss, costs and expenses which they or either of them may at any time incur or suffer as a result of or arising out of,
- (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the carrying out of the *Work* or any part thereof; and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work-in-process or *finished work* delivered to or in respect of which any payment has been made by *Canada*.

**1026A 12 (01/12/00) Title on Progress Payments**

Upon any payment being made to the Contractor for or on account of materials, parts, work-in-process, or *finished work*, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work-in-process and *finished work* so paid for by such progress payments or accountable advances or otherwise shall vest and remain in *Canada* unless already so vested under any provision of the *Contract* and the Contractor shall be responsible therefor in accordance with the provisions of section 14 *hereof*, it being understood and agreed that such vesting of title in *Canada* shall not constitute acceptance by *Canada* of such materials, parts, work-in-process and *finished work* and shall not relieve the Contractor of its obligations to perform the *Work* in conformity with the requirements of the *Contract*.

**1026A 13 (13/12/99) Further Assurances**

Wherever it is *herein* provided that title to any parts, materials, work-in-process or *finished work* becomes vested in *Canada*, the Contractor shall execute such conveyances thereof and other instruments as the *Minister* may request.

**1026A 14 (13/12/99) Care of Crown Property**

Except as otherwise provided in the *Contract*, no insurance shall be carried by the Contractor on any property, title to which is vested in *Canada*, including any machinery, *equipment* and production tooling which is the property of *Canada*. The Contractor shall take reasonable and proper care of all property, title to which is vested in *Canada*, while the same is in, on or about the plant and premises of the Contractor or otherwise in his possession or subject to his control and shall be responsible for any loss or damage resulting from his failure to do so other than loss or damage caused by ordinary wear and tear.

**1026A 15 (01/06/91) Time of Essence**

Time shall be deemed to be of the essence of the *Contract*, provided that the time for completing any of the *Work* which has been or is likely to be delayed by reason of force majeure or other cause beyond the reasonable control of the Contractor shall be extended by a period equal to the length of the delay so caused, provided that prompt notice in writing of the occurrence causing or likely to cause such delay is given to the *Minister*.

**1026A 16 (01/12/00) Security and Protection of the Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of *Canada* in connection with the *Work*, and all information developed by the Contractor as part of the *Work*, and shall not disclose any such information to any person without the written permission of the *Minister*, except that the Contractor may disclose to a subcontractor, authorized in accordance with this *Contract*, information necessary to the performance of the subcontract. This section does not apply to any information that:
  - (a) is publicly available from a source other than the Contractor; or
  - (b) is or becomes known to the Contractor from a source other than *Canada*, except any source that is known to the Contractor to be under an obligation to *Canada* not to disclose the information.
2. When the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the Contractor shall, at all times, take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the Department of Public Works and Government Services *Industrial Security Manual* and its supplements and any other instructions issued by the *Minister*.
3. Without limiting the generality of subsections 1 and 2, when the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the *Minister* shall be entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the *Contract*, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the *Minister* dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

**1026A 17 (01/12/00) Patent Claims and Royalties**

1. In this section, "Royalties" includes license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use of infringement of any patent, registered industrial design, or copyright, by the Contractor in, or the furnishing of any engineering or technical assistance or services to the Contractor for the performance of the *Contract* or any part thereof.
2. *Canada* shall indemnify the Contractor against claims, actions or proceedings for the payment of royalties in respect of anything the model, plan, design or specification of which shall have been supplied by or on behalf of *Canada* to the Contractor, but this indemnity shall apply only to the *Contract*.

3. Except as provided in subsection 2 of this section, and subject as hereinafter provided, the Contractor shall indemnify *Canada* against claims, actions, or proceedings for the payment of royalties in respect of the carrying out of the *Contract*, or in respect of the use of or disposal by or for *Canada* of articles and supplies furnished *hereunder*.
4. The Contractor shall forthwith notify the *Minister* of all royalties which the Contractor or any of its subcontractors will or may be obligated to pay or proposes to pay for or in respect of the carrying out of the *Contract*, and the basis thereof, and the parties to whom the same are payable, and shall from time to time promptly advise the *Minister* of any and all claims or arrangements made or proposed which would or might result in further or different payments by way of royalties being made by the Contractor or any of its subcontractors.
5. If and to the extent that the *Minister* so directs, the Contractor shall not pay, and shall direct its subcontractors not to pay any royalties in respect of the carrying out of the *Contract* except with the consent in writing of the *Minister* and subject to such conditions as the *Minister* may impose.
6. From and after the giving of any such direction, and subject to compliance by the Contractor with the foregoing provisions, *Canada* shall relieve and indemnify the Contractor from and against all claims, actions or proceedings for payment of such royalties as are covered by such direction.
7. The *Contract Price* shall be reduced by the amount of royalties included therein to which the indemnity provided by subsection 6 of this section shall apply.

**1026A 18 (01/12/00) Patent Licenses and use of Technical Information**

1. The Contractor shall promptly report and fully disclose to the *Minister* any and all inventions, methods or processes, whether patented or unpatented, conceived or made in the course of carrying out the *Work* and the Contractor agrees to and does *hereby* grant unto *Canada* a non-exclusive, irrevocable, royalty-free license to make, have made and use for military purposes throughout the world and to sell or otherwise dispose of any article or thing embodying or using any and all such inventions, methods or processes, and a similar license to practice or cause to be practised any such method or processes.
2. *Canada* may duplicate, use, and disclose in any manner for Government purposes, including delivery to other governments for the furtherance of mutual defence of Canadian and such other governments, all or any part of the technical information including reports, drawings, blueprints, and other data specified to be delivered by the Contractor under this *Contract*.

**1026A 19 (01/06/91) Suspension of Work and Change in Specifications**

The *Minister* may, at any time and from time to time, order a suspension of the *Work* in whole or in part, and make modifications of, changes in or additions to the *specifications*, changes in methods of shipment or packing and in the place or time of delivery. All directions given by the *Minister* with respect of the foregoing shall be complied with by the Contractor. If any such suspension, modification, change or addition shall result in an increase or decrease in the *cost* of the *Work*, the *Contract Price* shall be adjusted accordingly provided that the Contractor shall in no event be entitled to compensation for any loss of anticipated profits and provided further that minor increases or decreases in *cost* shall be disregarded.

**1026A 20 (01/04/92) Use of Canadian Labour and Materials**  
CANCELLED**1026A 21 (01/12/00) Default by Contractor**

1. If the Contractor is in default in carrying out any of the terms, conditions, or obligations of the *Contract*, or if the Contractor becomes bankrupt or insolvent, or has a receiving order made against it, or makes an

assignment for the benefit of creditors, or if an order is made or resolution passed for the winding up of the Contractor, or if the Contractor takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors, the *Minister* may, upon giving notice in writing to the Contractor, terminate the whole or any part of the *Contract*.

2. Upon the giving of such notice, the Contractor shall have no claim for any further payment save as hereinafter in this section 21 provided, but shall remain liable to *Canada* for all loss and damage which may be suffered by *Canada* by reason of the default or occurrence upon which such notice was based.
3. Notwithstanding the provisions of subsection 2 of this section, the Contractor shall not be liable for any loss or damage if the failure to perform the *Contract* on which the notice of termination is based arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes include but are not restricted to strikes, floods, fires, epidemics, act of God or of the Queen's enemies.
4. Upon termination of the *Contract* under this section, the *Minister* may require the Contractor to deliver to *Canada*, in the manner and to the extent directed by the *Minister*, any *finished work* which has not been delivered and accepted prior to such termination and any materials, parts, work-in-process, or tools, which the Contractor has specifically acquired or produced for the fulfilment of the *Contract*. Subject to the deduction of any claim which *Canada* may have against the Contractor arising under the *Contract* or out of the termination, *Canada* shall pay or credit to the Contractor the value of all such *finished work* delivered pursuant to such direction and accepted by *Canada* determined in accordance with the *Contract Price* and shall pay or reimburse the Contractor the reasonable and proper cost to the Contractor of all materials, parts or work-in-process delivered to *Canada* pursuant to such direction.
5. If after notice of termination of the *Contract* under the provisions of subsection 1 of this section it is determined by the *Minister* that the default of the Contractor is due to causes beyond the control of the Contractor, such notice of termination shall be deemed to have been issued pursuant to section 26 (Termination) of these General Conditions and the rights and obligations of the parties hereto shall be governed by that section.

**1026A 22 (13/12/99) No Bribe, etc.**

The Contractor warrants that no bribe, gift, or other inducement has been paid, given, promised or offered to any official or employee of *Canada* for, or with a view to, the obtaining of the *Contract* by the Contractor.

**1026A 23 (01/06/91) Labour and Health Conditions**

The Contractor shall comply with all labour conditions and with all health conditions and requirements, from time to time applicable to the *Work*.

**1026A 24 (01/06/91) Members of the House of Commons**

No members of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit to arise therefrom.

**1026A 25 (01/06/91) Notice**

Any notice to the Contractor *hereunder* shall be effectively given if sent by letter or by telegram, postage prepaid or with charges prepaid as the case may be, addressed to the Contractor at its address as given in the *Contract* or, if no address is so given, at its address as shown by the records of the *Minister*. Any notice so given shall be deemed to have been received by the Contractor at the time when in the ordinary course such letter or telegram should have reached its destination.

**1026A 26 (01/12/00) Termination**

1. Notwithstanding anything in the *Contract* contained, the *Minister* may, by giving notice to the Contractor (hereinafter sometimes referred to as a "termination notice"), terminate the *Contract* as regards all or any part or parts of the *Work* not theretofore completed. Upon a termination notice being given, the Contractor shall cease work (including the manufacturing and procuring of materials for the fulfilment of the *Contract*) in accordance with and to the extent specified in such notice. The *Minister* may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the work not terminated by any previous termination notice.
2. In the event of a termination notice being given under the provisions of this section, and subject as hereinafter provided
  - (a) all *finished work*, whether completed before the giving of such notice or completed thereafter pursuant to such notice, shall be paid for (subject to acceptance in accordance with the provisions of the *Contract*) on the basis of the *Contract Price*;
  - (b) in respect of work not completed before the giving of such notice, and not completed thereafter pursuant to such notice, the Contractor shall be entitled to be reimbursed the actual *cost* to the Contractor of such uncompleted work and to receive in addition an amount representing a fair and reasonable profit in respect of work done thereon. *Cost* shall be determined in accordance with the provisions of the Contract Cost Principles, DSS-MAS 1031-2, subject to any modifications thereof which the *Minister* may consider to be appropriate in the circumstances;
  - (c) subject as provided in paragraph (d) of this subsection 2, the Contractor shall be entitled to be reimbursed the amount of any capital expenditures specifically authorized by the *Contract* or approved by the *Minister* for the purpose of the *Contract* (and actually made or incurred) to the extent that the same (less any depreciation in respect thereof already taken into account in determining *cost*) were reasonably and properly incurred by the Contractor in respect of and are properly apportionable to the performance of the *Contract* and not included in the amounts paid or payable to the Contractor in respect of *finished work*;
  - (d) if the *Contract* is exclusively a *Contract* for the making of capital expenditures in respect of additional *equipment* or plant additions, the foregoing paragraphs (a) to (c) inclusive of this subsection 2 shall not apply but *Canada* shall pay, or reimburse the Contractor for the reasonable and proper *cost* to the Contractor (not previously paid by *Canada*) of:
    - (1) all additional *equipment* which, prior to the giving of the termination notice, shall have been purchased, acquired or manufactured by the Contractor, or contracted for and for which the Contractor is obligated to make payments, and
    - (2) all additional *equipment* in process of manufacture by the Contractor as at the date of the giving of such notice and all work in connection with the construction of the plant addition up to the said date, including the *cost* of materials and parts contracted for by the Contractor for the purpose of such manufacture of construction and for which the Contractor is obligated to make payment.
3. Provided always that no reimbursements shall be made in respect of work which has been or may be rejected after inspection as not complying with the requirements of the *Contract*.
4. The Contractor shall not be reimbursed any amount which, taken together with any amounts paid or due or becoming due to the Contractor under the *Contract*, shall exceed the *Contract Price* applicable to the work or the particular part thereof.
5. Notwithstanding the provisions of any of the foregoing subsections 1 to 4 inclusive, the amounts which the Contractor shall be entitled to be reimbursed in the event of the giving of a termination notice under this section 26 shall include, subject as hereinafter provided, the costs of the Contractor of and incidental to the cancellation of obligations incurred by the Contractor pursuant to the termination notice, the *cost* of preparing the necessary accounts and statements with respect to work performed to the effective date of such termination and commitments made by the Contractor with respect to the terminated portions of the

*Work*, wages which the Contractor is obligated under any laws and regulations for the time being in force, to pay to employees whose services are no longer required by reason of such termination, the costs of and incidental to the taking of an inventory of materials, components, work-in-process and *finished work* on hand at the effective date of the termination and other costs and expenses of and incidental to the termination, in whole or in part, of operations under the *Contract* provided always that payment and reimbursement under the provisions of this subsection shall be made only to the extent that it is established to the satisfaction of the *Minister* that the costs and expenses aforesaid were actually incurred by the Contractor and that the same are reasonable and are properly attributable to the termination of the *Work* or the part thereof so terminated.

6. In case of disagreement as to the amount which the Contractor is entitled to be reimbursed, the matter shall be referred to the Federal Court.
7. As far as practicable, the Contractor shall place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon conditions and terms similar in effect to these provided in this section, and generally the Contractor shall co-operate with the *Minister* and do everything reasonably within its power at all times to minimize and reduce the amount of *Canada's* obligations in the event of termination *hereunder*.
8. Title to all materials, parts, plant, *equipment* and work-in-process in respect of which reimbursement is made to the Contractor as *herein* provided shall, upon such reimbursement being made, pass to and vest in *Canada* unless already so vested under any other provision of the *Contract* and such materials, parts, plant, *equipment* and work-in-process shall be delivered to the order of the *Minister*, but the materials thus taken over will in no case be in excess of what would have been required for performing the *Contract* in full if no termination notice had been given.
9. If the *Minister* is satisfied that by reason of any action taken under the provisions of this section exceptional hardships have resulted to the Contractor, then the *Minister* may, in his absolute discretion, grant such allowance (not to include in any case, however, any allowance or compensation for loss of profit) to the Contractor as, in the opinion of the *Minister*, is warranted by the circumstances.
10. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of or directly or indirectly arising out of any action or notice given by the *Minister* under or pursuant to the provisions of this section to the extent in this section expressly provided.

**1026A 27 (01/06/91) Accounts**

The Contractor shall keep proper accounts and records of the *cost* to the Contractor of the work and of all expenditures or commitments made by the Contractor in connection therewith and such accounts and records together with the related invoices, receipts and vouchers shall be open to audit and inspection by the authorized representatives of the *Minister* (who may make copies thereof and take extracts therefrom) at any time until the expiration of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed and the Contractor shall afford all facilities for such audits and inspections and shall furnish the *Minister* and his authorized representatives with all such information as he or they may from time to time require with reference to such accounts, records, invoices, receipts and vouchers until the expiration of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed, but shall preserve and keep the same available for audit and inspection at any time during such retention period.

**1026A 28 (01/06/91) Foreign Exchange**

Unless otherwise provided in the *Contract* or agreed to by the *Minister*, the Contractor shall not be entitled to any increase in the *Contract Price* by reason of foreign exchange fluctuations.

**1026A 29 (01/06/91) Increased Taxes and Duties**



1. In the event of any change in any tax imposed under the *Excise Act*, the *Excise Tax Act*, or any duties imposed under the *Customs Tariff* after the date of the *Contract* and which affects the *cost* to the Contractor of the work, the *Contract Price* shall be adjusted to reflect the increase or decrease in the *cost* to the Contractor.
2. As a prerequisite of payment, the Contractor shall forward to the *Minister* a certified statement showing the increase or decrease in *cost* to the Contractor that is directly attributable to the change in tax or duty. Any price revision under this section may be verified by government audit.
3. For the purpose of determining the adjustment in price referred to in subsection 2 of this section resulting from any change in tax or duty described in subsection 1 of this section, where such tax or duty is changed after the date of submission of the Contractor's tender or price proposal but public notice of such change has been given by the Minister of Finance before the date of submission thereof, the change of such tax or duty shall, for the purposes of this section, be deemed to have occurred before the date of submission of such tender or price proposal.

**1026A 30 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a *contingency fee* for the solicitation, negotiation or obtaining of this *Contract* to any person other than an employee acting in the normal course of the *employee's* duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the *Contract Price* or otherwise the full amount of the *contingency fee*.

4. In this section,

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**1026A 31 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. *Canada* shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is *overdue*, from the date such amount becomes overdue until the day prior to the *date of payment*, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.

**1026B 00 (01/12/00) Supplies - Cost Reimbursement****Public Works and Government Services Canada**

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**1026B 01 (01/12/00) Interpretation**

1. Unless the context otherwise requires,

"*Agreement*" means the particular agreement or *Contract* of which, in each specific case, these General Conditions are made a part;

"*Canada*", "*Crown*", or "*Her Majesty*" means Her Majesty the Queen in right of Canada;

"*Contract*" includes the *Agreement*, these General Conditions and any *Supplemental General Conditions*, *specifications*, labour conditions, schedules and any other documents referred to in the *Agreement* as constituting the *Contract*;

"*Contract Price*" means the amount expressed in the *Contract* to be payable to the *Contract* or for the work;

"*cost*" means cost determined in accordance with Contract Cost Principles, DSS-MAS 1031-2 (as revised to date of contract) and any subsequent revisions thereof;

"*equipment*" includes machinery, apparatus, jigs, tools, dies, gauges, instruments and equipment of all kinds;

"*finished work*" means the defence supplies or defence project or other work completed in accordance with the provisions of the *Contract*;

"*Government Issue*" means all materials, parts, components, *equipment*, *specifications*, articles and things which may be supplied to the *Contract* or by or on behalf of *Canada* for the purposes of the work;

"*herein*", "*hereby*", "*hereof*", "*hereunder*" and similar expressions, when used in any section, shall be understood to relate to the *Contract* as a whole and not merely to the section in which they appear;

"*Inspector*" means the person designated as such by the *Contract* and any person acting on behalf of *Canada* or the *Minister* as the *Inspector* under the *Contract*;

"*inventions*" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter;

"*Minister*" means the Minister responsible for the *Contract* and includes his Deputy Minister and any Acting, Associate or Assistant Deputy Minister and any duly authorized officer or representative of the *Minister*;

"*Supplemental General Conditions*" means any other general conditions forming part of the *Contract*;

"*specifications*" means the *specifications*, plans, drawings, designs and models, if any, furnished to the *Contract* or by *Canada* or the *Minister* for the carrying out of the *Contract*;

"*subcontractor*" includes a person, firm or corporation having a *Contract* with the Contractor for the execution of a part or parts of the work and also a person, firm or corporation furnishing materials to the Contractor in connection with the work;

"*Work*" means the whole of the work, materials, matters and things required to be done, furnished and performed in order to carry out the *Contract*;

2. The singular number includes the plural and vice versa.
3. In the event of any inconsistencies, the provisions of the *Agreement* and these general conditions shall prevail over the *specifications* and the provisions of the *Agreement* and *Supplemental General Conditions* shall prevail over these General Conditions.

4. The *Contract* is a defence contract within the meaning of the Defence Production Act and shall be read accordingly.

**1026B 02 (13/12/99) Powers of Minister**

The *Minister* is the agent of *Canada* for all purposes of the *Contract*. Nothing contained in or omitted from the *Contract* shall restrict any of the rights or powers of *Canada* or the *Minister* under the *Defence Production Act*, or otherwise. Every right, remedy, power and discretion vested in the *Minister* under the *Contract* or otherwise shall be cumulative and non-exclusive.

**1026B 03 (01/12/00) Assignment and Subletting**

1. The Contractor shall, before entering into any subcontracts or *Work* or materials, notify the *Minister* in writing of such proposed subcontracts and shall furnish such particulars thereof as the *Minister* may require. The *Contract* shall not be assigned nor any of the *Work* sublet without the prior written consent of the *Minister* and any assignment or subletting made without such consent shall be of no effect provided that, unless the *Contract* or the *Minister* directs otherwise, the Contractor may sublet such portions of the *Work* as is customary in the carrying out of similar contracts. No assignment or subletting shall relieve the Contractor from any of its obligations under the *Contract* or impose any liability upon *Canada* or the *Minister* to an assignee or subcontractor, unless otherwise agreed to by the *Minister*.
2. Unless otherwise agreed to by the *Minister* in any assignment or subletting, the Contractor agrees to bind each assignee or subcontractor by the terms of the general conditions, the *Supplemental General Conditions*, if any, the labour conditions and the drawings and *specifications* as far as applicable to the *Work*.
3. No act or omission of the Contractor, whether before or after the entry into the *Contract*, shall have the effect of rendering any monies payable by *Canada* under the *Contract* payable to any person, firm or corporation other than the Contractor, unless *Canada* consents thereto.
4. The *Minister* may, on request, furnish to any subcontractor evidence of the amounts submitted by the Contractor on the subcontractor's account.
5. Subject to the foregoing, the *Contract* shall inure to the benefit of and shall be binding upon the successors and assigns of *Canada* and of the Contractor, respectively.

**1026B 04 (01/06/91) Discounts**

The Contractor shall, as far as practicable, take all trade discounts, rebates, refundable taxes and duties, credits, commissions and other allowances. In determining the actual net *cost* of articles and materials of every kind required for the performance of this *Contract*, there shall be deducted from the gross *cost* thereof all trade discounts, rebates, refundable taxes and duties, credits, commissions and other allowances as aforesaid. Such benefits lost through no fault or neglect on the part of the Contractor shall not be deducted from gross costs.

**1026B 05 (01/06/91) Conduct of the Work**

1. The Contractor agrees to carry out the *Work* diligently and to provide efficient supervision and inspection thereof and that the *Work* will be of proper quality, material and workmanship and in full conformity with the *specifications*, drawings, models or samples, if any.
2. No materials or parts shall be used or processed and no *finished work* shall be submitted for acceptance or shall be delivered unless or until approved by the Contractor's inspection staff and, wherever practicable, marked with an approval stamp satisfactory to the *Inspector*. The Contractor shall keep

proper and adequate inspection records which shall at all times be open to examination by the *Inspector* who may make copies thereof and take extracts therefrom.

3. The *Minister* and the *Inspector* shall have access to the *Work* at all times and to the plant and premises where any part of the work is being carried on, and may make such inspections and tests of the *Work* and of parts, materials and work in process as the *Minister* or the *Inspector* may think fit. The Contractor shall provide all assistance and facilities, test pieces and samples which the *Minister* or the *Inspector* may reasonably require for the carrying out of any such inspections and any such tests as aforesaid and shall forward such test pieces and samples to such person or location as the *Minister* or the *Inspector* may direct. The Contractor shall provide the *Minister* and the *Inspector* with such accommodation as they may require for the purpose of such inspections and any such tests and for the exercise of any other powers conferred upon them *hereunder*.
4. The Contractor shall not stop or suspend *Work* pending the settlement or determination of any differences arising under the *Contract*, unless so instructed by the *Minister*.

**1026B 06 (13/12/99) Specifications, Drawings, etc.**

All *specifications*, drawings, patterns, samples and other information furnished the Contractor in connection with the *Contract* shall be used by the Contractor solely for the purpose of carrying out the *Work* and for no other purpose except with the consent in writing of the *Minister* and shall remain the property of *Canada* and be returned to *Canada* or the *Minister* upon demand.

**1026B 07 (01/06/91) Inspection**

All *Work* shall be subject to inspection by the *Inspector* prior to acceptance. Should the *Work* be defective in materials or workmanship or otherwise not be in accordance with the requirements of the *Contract*, the *Inspector* shall have the right to reject the *Work* or to require its correction. Inspection by the *Inspector* either at the plant of the Contractor or of any of its subcontractors shall not relieve the Contractor from responsibility for defects or other failure to meet the requirements of the *Contract*. The Contractor agrees to accept and be bound by the *Inspector's* interpretation of the meaning of the *specifications*.

**1026B 08 (01/12/00) Title and Acceptance**

Except as otherwise provided in the *Contract*, title to the *Work* or any part thereof shall vest in *Canada* upon delivery to the consignee and acceptance thereof by the consignee. Acceptance by the consignee of the *Work* or any part thereof shall be deemed to be acceptance thereof by *Canada*.

**1026B 09 (01/06/91) Warranty**

1. Notwithstanding prior acceptance of the *finished work*, and without restricting any other term of the *Contract* or any condition, warranty or provision implied or imposed by law, the Contractor, if requested by the *Minister* to do so at any time within 12 months from the date of delivery, shall:
  - (a) replace or make good at its own expense any *finished work*, excluding *Government Issue* incorporated therein, which becomes defective or which fails to conform to contract requirements as a result of faulty or inefficient manufacture, material or workmanship
  - (b) deliver such *finished work* free from all defects to the delivery point specified in the *Contract*, unless otherwise agreed to by the *Minister*;

provided that where, in the opinion of the *Minister*, it is not expedient to remove such defective *finished work* from its location, the Contractor shall replace or make good the defective *finished work* at such location, and shall be paid the actual *cost* incurred in so doing (including reasonable travelling and living

expenses) with no allowance thereon by way of overhead or profit, less a sum equivalent to the *cost* of making good the defective *finished work* had it been made good at the Contractor's plant.

**1026B 10 (13/12/99) Government Issue**

1. All items comprised in any *Government Issue* shall be used by the Contractor solely for the purposes of the *Contract* and shall always be and remain the property of *Canada* and wherever feasible the Contractor shall maintain adequate accounting records of all *Government Issue* and shall mark the same as being *Canada's* property.
2. All *Government Issue* (except such as are installed or incorporated in the *Work*) shall be returned to *Canada* upon demand, in the same condition as when supplied to the Contractor provided that the Contractor shall not be responsible for any loss or damage resulting from ordinary wear and tear or causes beyond the Contractor's control.
3. All scrap and waste materials derived from any *Government Issue* or from any other materials, articles or things which are the property of *Canada*, shall, unless otherwise specifically provided *herein*, remain the property of *Canada* and shall be disposed of only as prescribed by the *Minister*.

**1026B 11 (01/06/91) Spoilage and Defective Work**

The Contractor shall carry out the *Work* as economically as possible and shall avoid waste and spoilage. If the character and value of any spoiled and wasted materials, or defective *Work*, in the opinion of the *Minister* constitutes mismanagement on the part of the Contractor, the *cost* of the spoiled and wasted materials and the *cost* of re-working the defective *Work* to the extent directed by the *Minister* shall not be considered as part of the *cost* of the *Work* and the Contractor shall not be reimbursed therefor.

**1026B 12 (13/12/99) Care of Crown Property**

Except as otherwise provided in the *Contract*, no insurance shall be carried by the Contractor on any property, title to which is vested in *Canada*, including any machinery, *equipment* and production tooling which is the property of *Canada*. The Contractor shall take reasonable and proper care of all property, title to which is vested in *Canada*, while the same is in, on or about the plant and premises of the Contractor or otherwise in his possession or subject to his control and shall be responsible for any loss or damage resulting from his failure to do so other than loss or damage caused by ordinary wear and tear.

**1026B 13 (01/06/91) Time of Essence**

Time shall be deemed to be of the essence of the *Contract* provided that the time for completing any of the *Work* which has been or is likely to be delayed by reason of force majeure or other cause beyond the reasonable control of the Contractor shall be extended by a period equal to the length of the delay so caused, provided that prompt notice in writing of the occurrence causing or likely to cause such delay is given to the *Minister*.

**1026B 14 (01/06/91) Accounts**

The Contractor shall keep proper accounts and records of the *cost* to the Contractor of the *Work* and of all expenditures or commitments made by the Contractor in connection therewith and such accounts and records together with the related invoices, receipts and vouchers shall be open to audit and inspection by the authorized representatives of the *Minister* (who may make copies thereof and take extracts therefrom) at any time until the expiration of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed and the Contractor shall afford all facilities for such audits and inspections and shall furnish the *Minister* and his authorized representatives with all such information as he or they may from time to time require with reference to

such accounts, records, invoices, receipts and vouchers. The Contractor shall not, without the consent of the *Minister*, dispose of any such accounts, records, invoices, receipts and vouchers until the expiration of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed, but shall preserve and keep the same available for audit and inspection at any time during such retention period.

**1026B 15 (01/12/00) Security and Protection of Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of *Canada* in connection with the *Work*, and all information developed by the Contractor as part of the *Work*, and shall not disclose any such information to any person without the written permission of the *Minister*, except that the Contractor may disclose to a subcontractor, authorized in accordance with this *Contract*, information necessary to the performance of the subcontract. This section does not apply to any information that:
  - (a) is publicly available from a source other than the Contractor; or
  - (b) is or becomes known to the Contractor from a source other than *Canada*, except any source that is known to the Contractor to be under an obligation to *Canada* not to disclose the information.
2. When the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the Contractor shall, at all times, take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the Department of Public Works and Government Services Industrial Security Manual and its supplements and any other instructions issued by the *Minister*.
3. Without limiting the generality of subsections 1 and 2, when the *Contract*, the *Work*, or any information referred to in subsection (1) is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the *Minister* shall be entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the *Contract*, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the *Minister* dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

**1026B 16 (01/12/00) Patent Claims and Royalties**

1. In this section, "royalties" includes license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, or copyright by the Contractor in, or the furnishing of any engineering or technical assistance or services to the Contractor for the performance of the *Contract* or any part thereof.
2. *Canada* shall indemnify the Contractor against claims, actions or proceedings for the payment of royalties in respect of anything, the model, plan, design or specification of which shall have been supplied by or on behalf of *Canada* to the Contractor, but this indemnity shall apply only to the *Contract*.
3. Except as provided in subsection 2 of this section, and subject as hereinafter provided, the Contractor shall indemnify *Canada* against claims, actions, or proceedings for the payment of royalties in respect of the carrying out of the *Contract*, or in respect of the use of or disposal by or for *Canada* of articles and supplies furnished *hereunder*.
4. The Contractor shall forthwith notify the *Minister* of all royalties which the Contractor or any of its subcontractors will or may be obligated to pay or proposes to pay for or in respect of the carrying out of the *Contract*, and the basis thereof, and the parties to whom the same are payable, and shall from time to time promptly advise the *Minister* of any and all claims or arrangements made or proposed which



would or might result in further or different payments by way of royalties being made by the Contractor or any of its subcontractors.

5. If and to the extent that the *Minister* so directs, the Contractor shall not pay, and shall direct its subcontractors not to pay any royalties in respect of the carrying out of the *Contract* except with the consent in writing of the *Minister* and subject to such conditions as the *Minister* may impose.
6. From and after the giving of any such direction, and subject to compliance by the Contractor with the foregoing provisions, *Canada* shall relieve and indemnify the Contractor from and against all claims, actions or proceedings for payment of such royalties as are covered by such direction.

**1026B 17 (01/12/00) Patent Licenses and Use of Technical Information**

1. The Contractor shall promptly report and fully disclose to the *Minister* any and all *inventions*, methods or processes, whether patented or unpatented, conceived or made in the course of carrying out the *Work* and the Contractor agrees to and does *hereby* grant unto *Canada* a non-exclusive, irrevocable, royalty-free license to make, have made and use for military purposes throughout the world and to sell or otherwise dispose of any article or thing embodying or using any and all such *inventions*, methods or processes, and a similar license to practice or cause to be practiced any such methods or processes.
2. *Canada* may duplicate, use, and disclose in any manner for Government purposes, including delivery to other governments for the furtherance of mutual defense of Canadian and such other governments, all or any part of the technical information including reports, drawings, blueprints, and other data specified to be delivered by the Contractor under this *Contract*.

**1026B 18 (01/04/92) Use of Canadian Labour and Materials**  
CANCELLED.

**1026B 19 (01/06/91) Conditions Precedent to Payment**

1. No payment shall be made to the Contractor unless or until:
  - (a) invoices, inspection notes and all other documents prescribed from time to time by the *Minister* or *Inspector* are submitted in accordance with the terms of the *Contract* or instructions of the *Minister*, and
  - (b) the Contractor, if required to do so, establishes to the satisfaction of the *Minister* that all materials, parts, work in process or *finished work* in respect of which payment is being made are free from all claims, liens, attachments, charges or encumbrances.

**1026B 20 (10/12/00) Indemnity Against Claims**

1. Except as otherwise provided in the *Contract*, the Contractor shall indemnify and save harmless *Canada* and the *Minister* from and against any and all claims, damages, loss, costs and expenses which they or either of them may at any time incur or suffer as a result of or arising out of:
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the carrying out of the *Work* or any part thereof, and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work in process or *finished work* delivered to or in respect of which any payment has been made by *Canada*.

**1026B 21 (01/12/00) Title on Progress Payments**

Upon any payment being made to the Contractor for or on account of materials, parts, work in process, or *finished work*, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work in process and *finished work* so paid for by such progress payments or accountable advances or otherwise shall vest and remain in *Canada*, unless already so vested under any provision of the *Contract*, and the Contractor shall be responsible therefor in accordance with the provisions of section 12 *hereof*, it being understood and agreed that such vesting of title in *Canada* shall not constitute acceptance by *Canada* of such materials, parts, work in process and *finished work* and shall not relieve the Contractor of its obligations to perform the *Work* in conformity with the requirements of the *Contract*.

**1026B 22 (13/12/99) Further Assurances**

Wherever it is *herein* provided that title to any parts, materials, work in process or *finished work* becomes vested in *Canada*, the Contractor shall execute such conveyances thereof and other instruments as the *Minister* may request.

**1026B 23 (01/06/91) Suspension of Work and Changes in Specifications**

The *Minister* may at any time and from time to time order a suspension of the *Work*, in whole or in part, and make modifications of, changes in or additions to the *specifications*, changes in methods of shipment or packing and in the place or time of delivery. All directions given by the *Minister* with respect to the foregoing shall be complied with by the Contractor. Should any such suspension, modification, change or addition result in a material increase or decrease in the scope of the *Work*, the *Minister* may make an adjustment in the Contractor's fee and the *Minister's* decision on the adjustment to be made shall be final.

**1026B 24 (01/12/00) Default by Contractor**

1. If the Contractor is in default in carrying out any of the terms, conditions, covenants or obligations of the *Contract*, or if the Contractor becomes bankrupt or insolvent, or has a receiving order made against it, or makes an assignment for the benefit of creditors, or if an order is made or resolution passed for the winding up of the Contractor, or if the Contractor takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors, the *Minister* may, by giving notice in writing to the Contractor, terminate the whole or any part of the *Contract*. In such event, the Contractor shall not be entitled to the payment of any fee or any portion thereof with respect to any of the *Work* not completed by the Contractor in accordance with the terms of the *Contract* at the time of the said notice in writing to the Contractor.
2. If after notice of termination of the *Contract* under the provisions of subsection (1) of this section, it is determined by the *Minister* that the default of the Contractor is due to causes beyond the control of the Contractor, such notice of termination shall be deemed to have been issued pursuant to section 25 (Termination) of these general conditions, and the rights and obligations of the parties hereto shall be governed by that section.
3. Upon termination of the *Contract* under this section, the *Minister* may require the Contractor to deliver to *Canada*, in the manner and to the extent directed by the *Minister*, any *finished work* which has not been delivered and accepted prior to such termination and any materials, parts, work in process or tools which the Contractor has specifically acquired or produced for the fulfilment of the *Contract*. *Canada* shall pay the Contractor for all such *finished work* delivered pursuant to such direction and accepted by *Canada*, the *cost* to the Contractor of such *finished work* plus the proportionate part of any fee fixed by the said *Contract* and shall pay or reimburse the Contractor the reasonable and proper *cost* to the Contractor of all materials, parts or work in process delivered to *Canada* pursuant to such direction.

**1026B 25 (01/12/00) Termination**

1. Notwithstanding anything in the *Contract* contained, the *Minister* may, by giving notice to the Contractor, terminate the *Contract* as regards all or any part or parts of the *Work* not theretofore completed. Upon such notice being given, the Contractor shall cease *Work* (including the manufacturing and procuring of materials for the fulfilment of the *Contract*) in accordance with and to the extent specified in such notice but shall proceed with all reasonable speed to complete such part or parts (if any) of the *Work* as are by the terms of such notice to be completed and shall also proceed with all reasonable speed to complete up to such time or stage as may be specified in the notice any part or parts of the *Work* as required by such notice. Furthermore, the *Minister* may, at any time or from time to time, give one or more additional notices with respect to any or all parts of the *Work* which remain to be completed after the giving of any previous notice or notices.
  
2. In the event of any notice given under the provisions of this section, and subject as hereinafter provided:
  - (a) All *Work* completed by the Contractor *hereunder* before the giving of such notice, and all *Work* completed thereafter pursuant to such notice, shall be paid for (subject to inspection and acceptance by *Canada*) in accordance with the terms *hereof*;
  - (b) In respect of *Work* not completed *hereunder* before the giving of such notice, and not completed thereafter pursuant to such notice, *Canada* shall pay the Contractor's *cost* thereof as determined under the provision *hereof*, and in addition an amount representing a fair and reasonable profit in respect of *Work* done thereon;
  - (c) Subject as provided in paragraph (d) of this subsection 2, if the *Contract* shall have specifically authorized or if the *Minister* shall have specifically approved the making of capital expenditures by the Contractor to enable it to carry out the *Contract*, the Contractor shall be entitled to be reimbursed the amount of such capital expenditures so authorized or approved (and actually made or incurred) to the extent that the same (less any depreciation in respect thereof already taken into account in determining *cost* in accordance with the provisions of the *Contract*) were reasonably and properly incurred by the Contractor in respect of and are properly apportionable to the performance of the *Contract*;
  - (d) If the *Contract* is exclusively a *Contract* for the making of capital expenditures in respect of additional *equipment* or plant additions, the foregoing paragraphs (a) to (c) inclusive of this subsection 2 shall not apply, but *Canada* shall pay or reimburse the Contractor for the reasonable and proper *cost* to the Contractor (not previously paid by *Canada*) of:
    - (1) all additional *equipment* which, prior to the giving of the termination notice, shall have been purchased, acquired or manufactured by the Contractor, or contracted for and for which the Contractor is obligated to make payments, and
    - (2) all additional *equipment* in process of manufacture by the Contractor as at the date of the giving of such notice and all *Work* in connection with the construction of the plant addition up to the said date, including the *cost* of materials and parts contracted for by the Contractor for the purpose of such manufacture of construction and for which the Contractor is obligated to make payment.
  
3. Notwithstanding the provisions of subsections 1 and 2, the amounts which the Contractor shall be entitled to be reimbursed in the event of the giving of a termination notice under this section 25 shall include, subject as hereinafter provided, the costs of the Contractor of and incidental to the cancellation of obligations incurred by the Contractor pursuant to the termination notice, the *cost* of preparing the necessary accounts and statements with respect to the *Work* performed to the effective date of such termination and commitments made by the Contractor with respect to the terminated portions of the *Work*, wages which the Contractor is obligated under any laws or regulations for the time being in force, to pay to employees whose services are no longer required by reason of such termination, the costs of and incidental to the taking of an inventory of materials, components, work in process and *finished work* on hand at the effective date of the termination and other costs and expenses of and incidental to the termination in whole or in part, of operations under the *Contract* provided always that payment and reimbursement under the provisions of this subsection shall be made only to the extent that is established

to the satisfaction of the *Minister* that the costs and expenses aforesaid were actually incurred by the Contractor and that the same are reasonable and are properly attributable to the termination of the *Work* or the part thereof so terminated.

4. In the procuring of materials and parts required for the performance of the *Contract* and in subletting of any *Work hereunder*, the Contractor, unless otherwise authorized by the *Minister*, shall procure or sublet on terms that will enable the Contractor to terminate any contracts entered into by the Contractor upon the same conditions and terms as those provided for in this section in respect of the termination of the *Contract* by the *Minister* and the giving of a notice or notices as aforesaid and upon the same conditions and terms in respect of reimbursement and profit as those contained in this section and in the event of the termination of the *Contract* as *herein* provided as regards all or any part of the *Work*, the Contractor shall co-operate with *Canada* and the *Minister* and do everything reasonably within its power at all times to minimize and reduce the amount of *Canada's* obligations under the provisions of this section.
5. In case of disagreement as to the amount which the Contractor is entitled to be reimbursed, the matter shall be referred to the Federal Court.
6. Upon reimbursement being made the Contractor as *herein* provided, title to the materials, parts, plant, *equipment* and work in process in respect of which such reimbursement is made shall pass to and vest in *Canada* (the Contractor *hereby* agreeing to execute and deliver all requisite instruments by way of further assurance) and such materials, parts, plant, *equipment* and work in process shall be delivered to the order of the *Minister*, but the materials thus taken over will in no case be in excess of what would have been required for performing the *Contract* in full if no notice has been given under the provisions *hereof*.
7. If it is established to the satisfaction of the *Minister* by the Contractor that by reason of any action taken by the *Minister* under the provisions of this section exceptional hardship has resulted to the Contractor, then the *Minister* may, notwithstanding any other provisions of this section, in his absolute discretion grant such allowance (not to include in any case, however, any allowance or compensation for loss of profit) to the Contractor as, in the opinion of the *Minister*, is warranted by the circumstances.
8. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of or directly or indirectly arising out of any action taken or notice given by the *Minister* under or pursuant to the provisions of this section except as and to the extent in this section expressly provided.
9. The right of termination and of giving notice hereinbefore provided for shall be in addition to and not in substitution for any other right possessed by *Canada* and the *Minister*.

**1026B 26 (01/06/91) Notice**

Any notice to the Contractor *hereunder* shall be effectively given if sent by letter or by telegram, postage prepaid or with charges prepaid as the case may be, addressed to the Contractor at its address as given in the *Contract* or, if no address is given, at its address as shown by the records of the *Minister*. Any notice so given shall be deemed to have been received by the Contractor at the time when in the ordinary course such letter or telegram should have reached its destination.

**1026B 27 (13/12/99) No Bribe, etc.**

The Contractor warrants that no bribe, gift, or other inducement has been paid, given, promised or offered to any official or employee of *Canada* for, or with a view to, the obtaining of the *Contract* by the Contractor.

**1026B 28 (01/06/91) Labour and Health Conditions**

The Contractor shall comply with all labour conditions, and with all health conditions and requirements, from time to time applicable to the *Work*.

**1026B 29 (01/06/91) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit to arise therefrom.

**1026B 30 (01/06/91) Extras**

Except as otherwise provided in the *Contract*, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by the *Minister*.

**1026B 31 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a *contingency fee* for the solicitation, negotiation or obtaining of this *Contract* to any person other than an *employee* acting in the normal course of the *employee's* duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the *Contract Price* or otherwise the full amount of the *contingency fee*.
4. In this section:

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**1026B 32 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the *Contract*, *Canada* shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.

1031-2 00 (16/02/98) Contract Cost Principles

Public Works and Government Services Canada

- 01 General Principle
- 02 Definition of a Reasonable Cost
- 03 Direct Costs
- 04 Indirect Costs
- 05 Allocation of Indirect Costs
- 06 Credits
- 07 Non-applicable Costs

**1031-2 01 (01/04/92) General Principle**

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

**1031-2 02 (01/06/91) Definition of a Reasonable Cost**

1. A cost is reasonable if, in nature and amount, it does not exceed that which would be incurred by an ordinary prudent person in the conduct of a competitive business.
2. In determining the reasonableness of a particular cost, consideration shall be given to:
  - (a) whether the cost is of a type generally recognized as normal and necessary for the conduct of a contractor's business or performance of the Contract;
  - (b) the restraints and requirements by such factors as generally accepted sound business practices, arm's length bargaining, federal, provincial and local laws and regulations, and Contract terms;
  - (c) the action that prudent business persons would take in the circumstances, considering their responsibilities to the owners of the business, their employees, customers, the Government and public at large;
  - (d) significant deviations from the established practices of the Contractor which may unjustifiably increase the Contract costs; and
  - (e) the specifications, delivery schedule and quality requirements of the particular contract as they affect costs.

**1031-2 03 (01/04/92) Direct Costs**

1. There are three categories of direct costs:
  - (a) Direct Material Cost meaning the cost of materials which can be specifically identified and measured as having been used or to be used on the Contract and which are so identified and measured consistently by the Contractor's cost accounting practices as accepted by the Crown.
    - (1) These materials may include, in addition to materials purchased solely for the Contract and processed by the Contractor, or obtained from subcontractors, any other materials issued from the Contractor's general stocks.
    - (2) Materials purchased solely for the Contract or subcontracts shall be charged to the Contract at the net laid-down cost to the Contractor before cash discounts for prompt payment.
    - (3) Materials issued from the Contractor's general stocks shall be charged to the Contract in accordance with the method as used consistently by the Contractor in pricing material inventories.
  - (b) Direct Labour Cost meaning that portion of gross wages or salaries incurred for work which can be specifically identified and measured as having been performed or to be performed on the Contract and which is so identified and measured consistently by the Contractor's cost accounting practices as accepted by the Crown.



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

**1031-2 04 (01/06/91) Indirect Costs**

- 1 Indirect Costs (overhead) meaning those costs which, though necessarily having been incurred during the period of the Contract performance for the conduct of the Contractor's business in general, cannot be identified and measured as directly applicable to contracts.
2. These Indirect Costs may include, but are not necessarily restricted to, such items as:
  - (a) indirect materials and supplies(\*);
  - (b) indirect labour;
  - (c) fringe benefits (the Contractor's contribution only);
  - (d) service expenses: expenses of a general nature such as power, heat, light, operation and maintenance of general assets and facilities;
  - (e) fixed/period charges: recurring charges such as property taxes, rentals and reasonable provision for depreciation;
  - (f) general and administrative expenses: including remuneration of executive and corporate officers, office wages and salaries and expenses such as stationery, office supplies, postage and other necessary administration and management expenses;
  - (g) selling and marketing expenses associated with the products or services being acquired under the Contract;
  - (h) general research and development expenses as considered applicable by the Crown.
- (\* For supplies of similar low-value, high-usage items the costs of which meet the above definition of Direct Material Costs but for which it is economically expensive to account for these costs in the manner prescribed for direct costs, then they may be deemed to be indirect costs for the Contract purposes.

**1031-2 05 (01/06/91) Allocation of Indirect Costs**

1. Indirect costs shall be accumulated in appropriate indirect cost pools, reflecting a contractor's organizational or operational lines and these pools subsequently allocated to contracts in accordance with the following two principles:
  - (a) the costs included in a particular indirect cost pool should have a similarity of relationship with each contract to which that indirect cost pool is subsequently distributed; further, the costs included in an indirect cost pool should be similar enough in their relationship to each other that the allocation of the total costs in the pool provides a result which would be similar to that achieved if each cost within that pool were separately distributed;
  - (b) the allocation basis for each indirect cost pool should reflect, as far as possible, the causal relationship of the pooled costs to the contracts to which these costs are distributed.

**1031-2 06 (01/06/91) Credits**

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

**1031-2 07 (01/06/91) Non-applicable Costs**

1. Notwithstanding that the following costs may have been or may be reasonably and properly incurred by the Contractor during the performance of the Contract, they are considered non-applicable costs to the Contract:
  - (a) allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges;
  - (b) legal, accounting and consulting fees in connection with financial reorganization, security issues, capital stock issues, obtaining of patents and licenses and prosecution of claims against the Crown;
  - (c) losses on investments, bad debts and expenses for the collection thereof;
  - (d) losses on other contracts;
  - (e) federal and provincial income taxes, excess profit taxes or surtaxes and/or special expenses in connection therewith;
  - (f) provisions for contingencies;
  - (g) premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the Contractor;
  - (h) amortization of unrealized appreciation of assets;
  - (i) depreciation of assets paid for by the Crown;
  - (j) fines and penalties;
  - (k) expenses and depreciation of excess facilities;
  - (l) unreasonable compensation for officers and employees;
  - (m) product development or improvement expenses not associated with the product being acquired under the Contract;
  - (n) advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;
  - (o) entertainment expenses;
  - (p) donations except those to charities registered under the *Income Tax Act*;
  - (q) dues and other memberships other than regular trade and professional associations;
  - (r) fees, extraordinary or abnormal for professional advice in regard to technical, administrative or accounting matters, unless approval from the Contracting Authority is obtained.

**1034 00 (01/12/00) Construction - Fixed Price and Unit Prices****Public Works and Government Services Canada**

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- 02 Successors and Assigns
- 03 Assignment of Contract
- 04 Subcontracting by Contractor
- 05 Description of Work All-inclusive
- 06 No Implied Obligations
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- 28 Security and Protection of the Work
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- 30 Public Ceremonies
- 31 Insurance
- 32 Insurance Proceeds
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**1034 01 (13/12/99) Interpretation**

1. In the *Contract*,

"*Canada*", "*Crown*", or "*Her Majesty*" means Her Majesty the Queen in right of Canada;

"*Engineer*" means the person designated as such by the *Minister*, and includes a person specially authorized by him to perform, on his behalf, any function under the *Contract*;

"*herein*", "*hereby*", "*hereof*", "*hereunder*" and similar expressions refer to the *Contract* as a whole and not to any particular subdivision or part thereof;

"*material*" includes all materials, commodities, articles and things required to be furnished under the *Contract* for incorporation in the *Work*;

"*Minister*" includes a person acting for, or if the office is vacant, in the place of such *Minister*, under the authority of an order of the Governor General of Canada in Council, and also his successors in the office, and his or their lawful deputy;

"*plant*" includes all animals, tools, implements, machinery, vehicles, buildings, structures, equipment, articles and things required for the execution of the *Work*;

"*security deposit*" means the security given by the Contractor to *Canada* in accordance with the *Contract*;

"*subcontractor*" means a person, firm or corporation to whom or to which the Contractor has, pursuant to section 4 of these General Conditions and with the consent of the *Engineer*, subcontracted the whole or any portion of the *Work*;

"*superintendent*" means the employee of the Contractor who is designated by the Contractor as being in full charge of the field operations of the Contractor for the purposes of the *Contract*; and

"*Work*" includes the whole of the works, materials, matters and things required to be done, furnished and performed by the Contractor under the *Contract*.

2. The marginal notes in the *Contract* form no part of the *Contract* but shall be deemed to be inserted for the convenience of reference only.

3. Unless the context otherwise requires, where in the *Contract* reference is made to a subsection or paragraph, the reference shall be deemed to be a reference to a subsection or paragraph of the section or subsection, as the case may be, in which the reference is made.

4. In interpreting the *Contract* in the event of discrepancies or conflicts between anything in the Plans and Specifications and these General Conditions, the General Conditions shall govern.

5. In interpreting the Plans and Specifications,

(a) in the event of discrepancies or conflicts between the Plans and Specifications, the Specifications shall govern;

(b) in the event of discrepancies or conflicts between the Plans, the Plans drawn with the largest scale shall govern; and

(c) in the event of discrepancies or conflicts between the figured dimensions and scaled dimensions, the figured dimensions shall govern.

**1034 02 (01/06/91) Successors and Assigns**

The *Contract* shall inure to the benefit of and be binding upon the parties hereto and their executors, administrators, successors and assigns.

**1034 03 (01/06/91) Assignment of Contract**

The *Contract* may not be assigned without the written consent of the *Minister*.

**1034 04 (01/06/91) Subcontracting by Contractor**

1. Neither the whole or any part of the *Work* may be subcontracted by the Contractor without the written consent of the *Minister*.
2. Every subcontracting by the Contractor shall provide that the *subcontractor* shall comply with all terms and conditions of this *Contract* which can reasonably be applied to his undertaking.

**1034 05 (01/06/91) Description of Work All-inclusive**

The description of the *Work* and *material* set out in the *Contract* includes not only the particular kind of *Work* and *material* mentioned but also all labour, *plant* and *material* necessary for the full execution, completion and delivery ready for use of the *Work* and *material*.

**1034 06 (13/12/99) No Implied Obligation**

No implied obligation of any kind by or on behalf of *Canada* shall arise from anything in the *Contract*, and the express covenants and agreements *herein* contained and made by *Canada* are and shall be the only covenants and agreements upon which any rights against *Canada* are to be founded and, without limiting the generality of the foregoing, the *Contract* supersedes all communications, negotiations and agreements, either written or oral, relating to work and made prior to the date of the *Contract*.

**1034 07 (01/06/91) Time of Essence**

Time is of the essence of the *Contract*.

**1034 08 (13/12/99) Indemnification by Contractor**

1. Except as provided in section 9 of the General Conditions, the Contractor shall indemnify and save harmless *Canada* from and against all claims, demands, losses, costs, damage, actions, suits or proceedings by whomsoever made, brought or prosecuted in any manner based upon, arising out of, related to, occasioned by or attributable to the activities of the Contractor in executing the *Work* under the *Contract* or to an infringement or an alleged infringement by the Contractor of a patent of invention.
2. For the purposes of subsection 1, "activities" includes an act improperly carried out, an omission to carry out an act and a delay in carrying out an act.

**1034 09 (01/12/00) Indemnification by Canada**

1. *Canada* shall indemnify and save harmless the Contractor from and against all claims, demands, losses, costs, damage, actions, suits or proceedings arising out of his activities under the *Contract* which are directly attributable to
  - (a) lack of or a defect in, title or an alleged lack of or defect in, title to the site of the *Work*; or

- (b) an infringement or an alleged infringement of any patent of invention in executing anything for the purposes of the *Contract*, the model, plan or design of which was supplied by *Canada* to the Contractor.

**1034 10 (01/06/91) Members of the House of Commons not to Benefit**

No Member of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit arising therefrom.

**1034 11 (01/06/91) Notice, Orders, etc., to Contractor**

1. Notices for the purposes of paragraph (a) of subsection 1 of section 16, section 18 and section 19 of these General Conditions shall be in writing and shall

- (a) be delivered to the Contractor in person or, if the Contractor is a corporation or partnership, be delivered to a senior administrative or executive officer of the corporation or partnership; or
- (b) be sent by mail to the Contractor or his *superintendent* addressed to the address mentioned in the *Contract*;

and if any question arises as to whether any such notice was communicated to the Contractor, it shall be deemed to have been sufficiently communicated to him;

- (c) if it was delivered pursuant to paragraph (a), on the day it was delivered; and
- (d) if it was sent by mail pursuant to paragraph (b), on the day it was received by the Contractor or on the sixth day after it was mailed, whichever is earlier.

2. Any notice, order, direction, decision or communication other than a notice to which subsection 1 refers, which may be given to the Contractor pursuant to the *Contract*, may be given in any manner, but it shall be deemed to have been sufficiently communicated to the Contractor if it was put in writing and the writing was

- (a) delivered to the Contractor in person or, if the Contractor is a corporation or partnership, was delivered to a senior administrative or executive officer of the corporation or partnership;
- (b) delivered to the Contractor's *superintendent*;
- (c) left at the Contractor's office or, if he has more than one office, at one of them; or
- (d) sent by mail to the Contractor or his *superintendent* addressed to the address mentioned in the *Contract* or to the Contractor's last known place of business or residence.

**1034 12 (01/12/00) Changes in Soil Conditions and Neglect or Delay by Canada**

1. No payment will be made by *Canada* to the Contractor in addition to the payment expressly promised by the *Contract* on account of any extra expense, loss or damage incurred or sustained by the Contractor for any reason including a misunderstanding on the part of the Contractor as to any fact, whether or not such misunderstanding is attributable directly or indirectly to *Canada* or any of *Canada's* agents or servants (whether or not any negligence or fraud on the part of *Canada's* agents or servants is involved) unless, in the opinion of the *Engineer*, the extra expense, loss or damage is directly attributable to

- (a) a substantial difference between information relating to soil conditions at the rise of the *Work*, or a reasonable assumption of fact based thereon, in the Plans and Specifications or other documents or *material* communicated by *Canada* to the Contractor for his use in preparing his

tender and the real soil conditions encountered at the site of the *Work* by the Contractor when executing the *Work*; or

- (b) neglect or delay occurring after the date of the *Contract* on the part of *Canada* in providing any information or in doing any act which the *Contract* either expressly requires *Canada* to do or which would be done by an owner, in accordance with the usage of the trade, to enable his Contractor to carry out an undertaking similar to the *Work* being executed under the *Contract* for *Canada*,

in which case, if the Contractor has given to the *Engineer* written notice of his claim before the expiration of thirty days from the encountering of the soil conditions giving rise to the claim or from the day on which the neglect occurs or the delay commences, as the case may be, *Canada* will pay to the Contractor in respect of the additional expense, loss or damage incurred or sustained by reason of that difference, neglect or delay, an amount equal to the cost, calculated in accordance with sections 44 to 47 of these General Conditions, of the additional *plant*, labour and materials necessarily involved.

2. If, in the opinion of the *Engineer*, the Contractor has effected a saving of expenditure by reason of the execution of the *Work* by the Contractor being rendered less difficult and less costly because the soil conditions actually encountered by the Contractor at the site of the *Work* when executing the *Work* are substantially different from soil conditions indicated in information or a reasonable assumption of fact based thereon in the Plans and Specifications or other documents or *material* communicated by *Canada* to the Contractor for his use in preparing his tender, the amount set out in the *Contract* shall be reduced by an amount equal to the saving effected by the Contractor.
3. Paragraph (a) of subsection 1 and subsection 2 are applicable only to a fixed price arrangement.
4. If information relating to soil conditions at the site of the *Work* appeared in the Plans and Specifications or in other documents or *material* communicated by *Canada* to the Contractor for his use in preparing his tender and if the real soil conditions encountered at the site of the *Work* by the Contractor when executing the *Work* are substantially different from such information, or a reasonable assumption of fact based thereon, so that the cost to the Contractor of executing the *Work* is directly and substantially increased or decreased by reason of such difference, then the *Minister* and the Contractor may, by agreement, amend the Unit Price Table so that the benefit of a substantial decrease in cost shall accrue to *Canada* and the burden of a substantial increase in cost will not be borne by the Contractor.
5. Subsection 4 is applicable only to a Unit Price Arrangement.

**1034 13 (01/12/00) Materials, Plant and Real Property Become Property of Canada**

1. All materials and *plant* and the interest of the Contractor in all real property, licences, powers and privileges acquired, used or provided by the Contractor for the *Work* shall, from the time of being so acquired, used or provided, become and they are the property of *Canada* for the purposes of the *Work* and they shall continue to be the property of *Canada*
  - (a) in the case of materials, until incorporated in the *Work* or until the *Engineer* indicates that he is satisfied that they will not be required for the *Work*; and
  - (b) in the case of *plant*, real property, licences, powers and privileges, until the *Engineer* indicates that he is satisfied that the interest vested in *Canada* therein is no longer required for the purposes of the *Work*.
2. *material* or *plant* that is the property of *Canada* by virtue of this section shall not be taken away from the site of the *Work*, or used or disposed of, except for the purposes of the *Work*, without the consent in writing of the *Engineer*.



3. *Canada* is not liable for loss or damage to *material* or *plant* that is the property of *Canada* by virtue of this section and the Contractor is liable for such loss or damage notwithstanding that the *material* or *plant* is the property of *Canada*.

**1034 14 (01/12/00) Materials, Plant and Real Property Supplied by Canada**

1. The Contractor is liable to *Canada* for loss or damage to *material*, *plant* or real property, whether attributable to causes beyond his control or not, supplied or made available by *Canada* to the Contractor for use in connection with the *Work* other than loss or damage resulting from and directly attributable to reasonable wear and tear.
2. The Contractor will not use *material*, *plant* or real property to which this section applies, except for the purpose of carrying out this *Contract*.
3. When the Contractor has failed, within a reasonable time after being required by the *Engineer* to do so, to make good any loss or damage for which he is liable under this section, the *Engineer* may cause the loss or damage to be made good, and the Contractor shall thereupon be liable to her Majesty for the cost thereof and shall, on demand, pay to *Canada* an amount equal to such cost.
4. The Contractor shall keep records of *material*, *plant* and real property to which this section applies that the *Engineer* from time to time requires and shall, from time to time as the *Engineer* requires, satisfy the *Engineer* that such *material*, *plant* and real property are at the place and in the condition that they ought to be.
5. This section applies to *material*, *plant* and real property supplied or made available by *Canada* to the Contractor for use in connection with the *Work*.

**1034 15 (01/12/00) Extension of Time**

1. The *Minister* may, on the application of the Contractor made before the day fixed by the *Contract* for completion of the *Work* or before any new date for completion fixed under this subsection, if in his opinion it is in the public interest, extend the time for completion of the *Work* by fixing a new day for completion of the *Work*.
2. Where the Contractor does not complete the *Work* by the day fixed by the *Contract* for completion of the *Work* but does complete the *Work* thereafter, the Contractor shall pay to *Canada*.
  - (a) an amount equal to all salaries, wages and travelling expenses paid by *Canada* to persons superintending the *Work* during the period of delay;
  - (b) an amount equal to the value to *Canada* of the use of the completed *Work* for the period of delay; and
  - (c) an amount equal to all other expenses and damages incurred or sustained by *Canada* as a result of the *Work* not being completed during the period of delay.
3. For the purpose of this section,
  - (a) the *Work* shall be deemed to be completed on the day the *Engineer* issues his Interim Certificate of Completion; and
  - (b) "period of delay" means the period commencing on the day fixed by the *Contract* for completion of the *Work* and ending on the day immediately preceding the day on which the *Work* is completed, but excluding therefrom any day within a period of extension granted under subsection 1, if on such day, in the opinion of the *Minister*, causes beyond the control of the Contractor delayed completion of the *Work*.

4. The *Minister* may, if in his opinion it is in the public interest, waive the right of *Canada* to the whole or any part of a payment payable pursuant to subsection 2.

**1034 16 (01/12/00) Taking the Work out of the Contractor's Hands**

1. In any of the following cases, namely,
  - (a) where the Contractor has made default or delayed in commencing or in diligently executing the *Work* or any portion thereof to the satisfaction of the *Engineer* and the *Minister* or the *Engineer* has given notice thereof to the Contractor and has by such notice required the Contractor to put an end to such default or delay, and such default or delay continues for six days after such notice was communicated;
  - (b) where the Contractor has made default in the completion of the *Work*, or any portion thereof, within the time limited for such completion by the *Contract*;
  - (c) where the Contractor has become insolvent;
  - (d) where the Contractor has committed an act of bankruptcy;
  - (e) where the Contractor has abandoned the *Work*;
  - (f) where the Contractor has made an assignment of the *Contract* without the required consent; or
  - (g) where the Contractor has otherwise failed to observe or perform any of the provisions of the *Contract*;

the *Minister* may, without any other authorization, take all or any part of the *Work* out of the Contractor's hands and may employ such means as he may see fit to complete the *Work*.

2. Where the *Work* or any portion thereof has been taken out of the Contractor's hands under subsection 1, the Contractor shall not, except as provided in subsection 3, be entitled to any further payment, including payments then due and payable but not paid, and the obligation of *Canada* to make payments as provided for in the *Contract* shall be at an end and the Contractor shall be liable to and upon demand therefor pay to *Canada* an amount equal to all loss and damage suffered by *Canada* by reason of the non-completion of the *Work* by the Contractor.
3. Where the *Work* or any portion thereof has been taken out of the Contractor's hands under subsection 1 and that portion is subsequently completed by *Canada*, the *Engineer* shall determine the amount, if any, of holdback and progress claims of the Contractor unpaid at the time of taking the *Work* out of his hands that in his opinion are not required by *Canada* for the purposes of the *Contract* and the *Minister* shall, if he is of opinion that no financial prejudice to *Canada* will result, authorize payment of that amount to the Contractor.

**1034 17 (01/12/00) Effect of Taking the Work from Contractor**

1. The taking of the *Work*, or any portion thereof, out of the Contractor's hands pursuant to section 16 of the General Conditions does not operate so as to relieve or discharge the Contractor from any obligation under the *Contract* or imposed upon him by law except the obligation to complete the physical execution of that portion of the *Work* so taken out of his hands.
2. If the *Work* or any part thereof is taken out of the Contractor's hands pursuant to section 16, all materials and *plant* and the interest of the Contractor in all real property, licences, powers and privileges acquired, used or provided by the Contractor for the purposes of the *Work* shall, notwithstanding subsection 1 of section 13 of these General Conditions, be the property of *Canada* without compensation to the Contractor.

3. If the *Engineer* certifies that any interest in the property of *Canada* by virtue of subsection 2 is no longer required for the purposes of the *Work* and that it is not in the interests of *Canada* to retain the interest, it shall become the property of the Contractor.

**1034 18 (01/06/91) Suspension of Work by the Minister**

1. The *Minister* may, when in his opinion it is in the public interest, require the Contractor to suspend execution of the *Work*, either for a specified or unspecified period, by communicating notice to that effect to the Contractor.
2. The Contractor, upon receiving notice of the *Minister's* requirement pursuant to subsection 1, shall suspend all operations except those which, in the *Engineer's* opinion, are necessary for the care and preservation of the *Work*, the materials and *plant*.
3. During the period of suspension, the Contractor shall not remove from the site any part of the *Work*, any materials or any *plant* without the consent of the *Engineer*.
4. If the period of suspension is 30 days or less, the Contractor, upon expiration of the period of suspension, shall resume the execution of the *Work* and he is entitled to be paid the cost, calculated in accordance with sections 44 to 47 of the General Conditions, of any *plant*, labour and *material* necessarily involved in complying with the suspension.
5. If the period of suspension is more than 30 days and if, upon the expiration of the period of suspension, the *Minister* and the Contractor agree that the execution of the *Work* be completed by the Contractor, the Contractor shall resume operations and complete the execution of the *Work* in accordance with any terms and conditions agreed upon by the *Minister* and the Contractor.
6. If, upon the expiration of a period of suspension of more than 30 days, the *Minister* and the Contractor do not agree that the *Work* will be completed by the Contractor or they are unable to agree upon the terms and conditions under which the Contractor will complete the *Work*, the notice of suspension shall be deemed to be a notice of termination pursuant to section 19.

**1034 19 (01/12/00) Termination of Contract**

1. The *Minister* may, at any time by giving notice to that effect, terminate the *Contract*.
2. The Contractor will, upon receipt of a notice pursuant to subsection 1, cease all operations forthwith.
3. If the *Contract* is terminated pursuant to subsection 1, *Canada* will pay to the Contractor an amount equal to the lesser of
  - (a) the cost, as agreed upon by the Contractor and the *Minister*, of all labour, *material* and *plant* supplied by the Contractor as at the date of termination or, if the Contractor and the *Minister* cannot agree, as calculated in accordance with the formula set out in section 46 of the General Conditions, less all amounts already paid to the Contractor by *Canada* and less all amounts which the Contractor is liable to pay to *Canada*; and
  - (b) the amount calculated in accordance with the terms of payment which would have been payable to the Contractor had he completed the *Work*.
4. If the *Contract* is terminated pursuant to subsection 1, *Canada* will pay to the Contractor an amount equal to the cost, as agreed upon by the Contractor and the *Minister*, of all labour, *material* and *plant* supplied by the Contractor as of the date of termination or, if the Contractor and the *Minister* cannot agree, as calculated in accordance with the formula set out in section 46 of the General Conditions, less all amounts already paid to the Contractor by *Canada* and less all amounts which the Contractor is liable to pay to *Canada*.

5. Subsection 3 is applicable only to a fixed price arrangement and subsection 4 is applicable only to a unit price arrangement.

**1034 20 (01/06/91) Provision for Execution of Work**

The Contractor will provide everything necessary for the execution of the *Work*, except things in respect of which the *Contract* expressly provides otherwise and except the site of the *Work* if the *Work* when completed is to remain permanently affixed thereon.

**1034 21 (01/12/00) Claims Against and Obligations of the Contractor or Subcontractor**

1. *Canada* may, in order to discharge lawful obligations of and satisfy lawful claims against the Contractor or a *subcontractor* arising out of the execution of the *Work*, pay any amount which is due and payable to the Contractor pursuant to the *Contract* or is payable pursuant to section 41 of the General Conditions following a conversion or a negotiation of the *security deposit* directly to the obligees of and the claimant against the Contractor or the *subcontractor*.
2. A payment made pursuant to subsection 1 is, to the extent of the payment, a discharge of *Canada's* liability under the *Contract* to the Contractor.
3. To the extent that the circumstance of the *Work* being executed for *Canada* permits it, the Contractor will comply with all laws in force in the Province where the *Work* is being executed relating to payment periods, mandatory holdbacks, and creation and enforcement of mechanics' liens or, if such Province is the Province of Quebec, the law relating to privileges.
4. The Contractor will discharge all lawful obligations of his and will satisfy all lawful claims against him arising out of the execution of the *Work*, at least as often as the *Contract* requires *Canada* to discharge Her obligations to the Contractor.
5. The Contractor will, whenever so requested by the *Engineer*, make a statutory declaration deposing to the existence and condition of the obligations and claims referred to in subsection 4.

**1034 22 (01/06/91) Execution of Work under Direction of Engineer**

The Contractor will permit the *Engineer* to have access to the *Work* at all times during the execution of the *Work*, will provide the *Engineer* with full information concerning what is being done to execute the *Work*, and will give the *Engineer* every possible assistance in respect of the performance of his duty to see that the *Work* is executed in accordance with the *Contract* and also in respect of the performance and exercise of the duties and powers specially imposed or conferred on him by the *Contract*.

**1034 23 (01/06/91) Clearing of Site**

The Contractor will, upon completion of the *Work*, clear and clean the *Work* and its site to the satisfaction of and in accordance with any directions of the *Engineer*.

**1034 24 (01/06/91) Contractor's Superintendent**

1. The Contractor will, during working hours, until the *Work* has been completed, keep on the site of the *Work* a competent superintendent who has authority to receive on behalf of the Contractor any order, direction or other communication that may be given under the *Contract*.

2. The Contractor will, upon the request of the *Engineer*, remove any *superintendent* who, in the opinion of the *Engineer*, is incompetent or has been conducting himself improperly and shall replace a *superintendent* so removed with another *superintendent* as described in subsection 1.

**1034 25 (01/06/91) Unsuitable Workmen**

The Contractor will, at the request of the *Engineer*, remove from the *Work* any person employed on the *Work* who, in the opinion of the *Engineer*, is incompetent or has been conducting himself improperly and the Contractor shall not permit a person so removed to remain on the site of the *Work*.

**1034 26 (01/06/91) No Additional Payment for Increased Costs**

1. The amount payable to the Contractor under the *Contract* will not be increased or decreased by reason of any increase or decrease in the cost of the *Work* brought about by an increase or decrease in the cost of *plant*, labour, *material* or the wage rates set out in or prescribed pursuant to the Labour Conditions.
2. Notwithstanding section 12 and subsection 1 of this section, the amount set out in the *Contract* shall be adjusted, in the manner provided in subsection 3, in the event of any change in any tax imposed under the *Excise Act*, the *Excise Tax Act*, or the *Customs Tariff*,
  - (a) after the date of the submission by the Contractor of the tender for the *Contract*; and
  - (b) that applies to the materials incorporated or to be incorporated in the *Work* and that affects the cost to the Contractor of such materials.
3. In the event of any change after the date of submission of the tender for the *Contract* by the Contractor in any tax described in subsection 2 that applies to the materials incorporated or to be incorporated in the *Work* and that affects the cost to the Contractor of such materials, the amount set out in the *Contract* shall
  - (a) be increased where the cost to the Contractor of any of the materials has been increased by virtue of the change; or
  - (b) be decreased where the cost to the Contractor of any of the materials has been decreased by virtue of the change,by an amount equal to such amount as it is established upon examination of the relevant records of the Contractor referred to in section 48, represents the increase or decrease, as the case may be, in the cost to the Contractor of the materials involved that is directly attributable to the change in the tax levied on such materials.
4. For the purpose of determining the adjustment in the amount set out in the *Contract* by virtue of any change in any tax described in subsection 2, where such tax is changed after the date of submission of the tender by the Contractor but public notice of such change has been given by the Minister of Finance before the date of submission of the tender, the change and such tax shall, for the purposes of this section, be deemed to have occurred before the date of submission of the tender.

**1034 27 (01/04/92) Canadian Labour and Materials**  
CANCELLED.

**1034 28 (01/12/00) Security and Protection of the Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of *Canada* in connection with the *Work*, and all information developed by the Contractor as part of the *Work*, and shall not disclose any such information to any person without the written permission of the *Minister*, except that the Contractor may disclose to a *subcontractor*, authorized in accordance with this *Contract*, information necessary to the performance of the subcontract. This section does not apply to any information that:
  - (a) is publicly available from a source other than the Contractor; or
  - (b) is or becomes known to the Contractor from a source other than *Canada*, except any source that is known to the Contractor to be under an obligation to *Canada* not to disclose the information.
2. When the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the Contractor shall, at all times, take all measures reasonably necessary for the safeguarding of the *material* so identified, including those set out in the Department of Public Works and Government Services *Industrial Security Manual* and its supplements and any other instructions issued by the *Minister*.
3. Without limiting the generality of subsections 1 and 2, when the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the *Minister* shall be entitled to inspect the Contractor's premises and the premises of a *subcontractor* at any tier for security purposes at any time during the term of the *Contract*, and the Contractor shall comply with, and ensure that any such *subcontractor* complies with, all written instructions issued by the *Minister* dealing with the *material* so identified, including any requirement that employees of the Contractor or of any such *subcontractor* execute and deliver declarations relating to reliability screenings, security clearances and other procedures.
4. The Contractor shall safeguard the *Work* and the *Contract*, the specifications, plans, drawings and any other information provided by *Canada* to the Contractor, and shall be liable to *Canada* for any loss or damage from any causes.

**1034 29 (01/04/92) Protection of Work and Documents (SUPERSEDED)**

This section has been superseded by the revised section 28.

**1034 30 (01/06/91) Public Ceremonies**

1. The Contractor will not allow or permit any public ceremony in connection with the *Work* without the permission of the *Minister*.
2. The Contractor will not erect or permit the erection of any sign or advertising on the *Work* without the approval of the *Engineer*.

**1034 31 (13/12/99) Insurance**

1. The Contractor will, at his expense, maintain insurance contracts in a form and with companies approved by the *Minister* of the nature, in the amounts, for the periods and containing the terms and conditions, if any, set out in the Insurance Schedule.
2. All fire insurance contracts maintained by the Contractor pursuant to subsection 1 shall provide that the proceeds thereof are payable to *Canada*.
3. The Contractor will deposit with the *Engineer* the originals of all contracts of insurance maintained by the Contractor pursuant to subsection 1 and the Contractor will, when required by the *Engineer*, submit to him proof that such policies are in force.

4. Upon application by the Contractor, the *Engineer* may waive compliance with subsections 2 and 3.

**1034 32 (01/12/00) Insurance Proceeds**

1. If the *Work* or any portion thereof is lost or destroyed and monies are paid to *Canada* in respect of the loss or damage under a contract of fire insurance maintained by the Contractor pursuant to section 31 of these General Conditions, the monies will be held by *Canada* for the purposes of the *Contract*.
2. The *Minister* may, on behalf of *Canada*, elect to retain absolutely the monies held under subsection 1 and, in such event, the monies belong absolutely to *Canada* and
  - (a) the Contractor is liable to *Canada* in an amount equal to the amount by which the insurance monies payable is less than the loss and damages suffered and sustained by *Canada*, including costs associated with clearing and cleaning the site of the *Work*; and
  - (b) there shall be a financial accounting between *Canada* and the Contractor in respect of the portion of the *Work* which was lost or damaged and in respect of which monies have been retained absolutely by *Canada* and there shall be included in the financial accounting all amounts paid or payable by *Canada* under the *Contract* together with all amounts paid or payable by the Contractor under the *Contract* to *Canada* and *Canada* will pay to the Contractor any amount which the financial accounting shows to be payable by *Canada* to the Contractor under the *Contract* and similarly the Contractor will pay to *Canada* any amount which the financial accounting shows to be payable by the Contractor to *Canada* under the *Contract*.
3. Upon payment as required by subsection 2 by *Canada* or the Contractor, as the case may be, *Canada* and the Contractor are discharged from all rights and obligations under the *Contract* in respect of the portion of the *Work* which was lost or damaged and in respect of which monies have been retained absolutely by *Canada*, as though such portion of the *Work* had been fully completed and executed by the Contractor in accordance with the *Contract*.
4. If any election is not made under subsection 2, the Contractor shall restore and replace the portion of the *Work* lost or damaged and the monies shall be disbursed by *Canada* to the Contractor in the manner and subject to the terms and conditions governing monies payable under the *Contract* to the Contractor by *Canada*, except that for the purpose of monies "100%" shall be substituted in subsection 4 of section 49 of these General Conditions for "95%" and "90%".

**1034 33 (01/06/91) Precautions Against Damage, Infringements of Rights, Fire, etc.**

1. The Contractor shall, at his own expense, do whatever is necessary to ensure that
  - (a) no person, property, right, easement or privilege is injured, damaged or infringed by reason of the Contractor's activities under this *Contract*;
  - (b) pedestrian and other traffic on any public or private road or waterway is not unduly impeded, interrupted or endangered by the execution or existence of the *Work* and *plant*;
  - (c) fire hazards are eliminated and in the case of a fire in or about the works that it is promptly extinguished;
  - (d) the health of all persons employed on the *Work* is not endangered;
  - (e) adequate medical supervision of all persons employed on the *Work* is maintained;
  - (f) adequate sanitation measures in respect of the *Work* are taken; and

- (g) all stakes, buoys, and marks placed on or about the works by or under the authority of the *Engineer* are protected and are not removed, defaced or altered.
- 2. The *Engineer* may direct the Contractor to do such things and to construct such works which the *Engineer* considers reasonable and necessary to ensure compliance with or to remedy a breach of subsection 1.
- 3. The Contractor will at his own expense comply with a direction of the *Engineer* made pursuant to subsection 2.

**1034 34 (01/06/91) Interpretation of Contract by Engineer**

- 1. If at any time before the *Work* has been completed and the *Engineer* has issued his Final Certificate of Completion, any question arises as to whether anything has been done as required by the *Contract* or as to what the Contractor is required by the *Contract* to do, and, in particular, and without limiting the generality of the foregoing, as to
  - (a) the meaning of anything in the Plans and Specifications;
  - (b) the meaning to be given to the Plans and Specifications in case of any error therein, an omission therefrom, or an obscurity or discrepancy in their wording or intention;
  - (c) whether the quality or quantity of any *material* or workmanship meets the requirements of the *Contract*;
  - (d) whether the *plant*, materials or workmen provided by the Contractor for executing the *Work* and carrying out the *Contract* are adequate to ensure that the *Work* will be executed in accordance with the *Contract* and that the *Contract* will be carried out in accordance with its terms;
  - (e) what quantity of any kind of *Work* has been completed by the Contractor; or
  - (f) the timing and scheduling of the various phases of the execution of the *Work*,the question shall be decided by the *Engineer*.
- 2. The Contractor will construct the *Work* in accordance with the decisions and directions of the *Engineer* given under this section and in accordance with any consequential decisions and directions given by the *Engineer*.

**1034 35 (01/06/91) Rectification of Defects in Work**

- 1. Without restricting any warranty or guarantee implied or stipulated by law, the Contractor will, at his own expense, rectify and make good any defect or fault however caused, that within twelve months from the date of the *Engineer's* Final Certificate of Completion appears in the *Work*.
- 2. If any defect or fault appears in the *Work* and the *Engineer* is of the opinion that it is one which the Contractor, either under subsection 1 or under a warranty or guarantee implied or stipulated by law, is obligated to remedy and make good, the *Engineer* may direct the Contractor to remedy and make good the defect or fault by giving notice to the Contractor of the existence of the defect or fault and the notice may specify the time within which the defect or fault is to be rectified and made good.
- 3. The Contractor will rectify and make good the defect or fault described in a notice given pursuant to subsection 1 within the time specified in the notice.

**1034 36 (01/12/00) Non-compliance by Contractor**



1. Where the Contractor has failed to comply with any decision or direction given by the *Engineer* under sections 23, 29, 33, 34 or 35 of these General Conditions, the *Engineer* may employ such methods, as he deems advisable, to do that which the Contractor failed to do.
2. The Contractor shall, on demand, pay to *Canada* all costs, expenses and damage incurred or sustained by *Canada* by reason of the Contractor's non-compliance with any decision or direction given by the *Engineer* under sections 23, 29, 33, 34 or 35 of these General Conditions and by the action taken by the *Engineer* pursuant to subsection 1.

**1034 37 (01/12/00) Protesting Engineer's Decisions**

If the Contractor has, within ten days of communication to him by the *Engineer* of any decision or direction of the *Engineer* under sections 23, 29, 33, 34 or 35 of these General Conditions, given notice to the *Engineer* and the *Minister* in writing that the decision or direction of the *Engineer* is accepted under protest, *Canada* will pay to the Contractor for anything the Contractor was required by the *Engineer's* decision or direction to do beyond what the *Contract* correctly understood and interpreted would have required the Contractor to do, the cost calculated in accordance with sections 44 to 47 of these General Conditions, of the labour, materials and *plant* necessarily involved in carrying out the decisions or direction.

**1034 38 (01/12/00) Engineer may order Additional Work, Changes, etc.**

1. The *Engineer* may, with the approval of the *Minister*, at any time before he issues his Final Certificate of Completion, in writing,
  - (a) order *Work* or *material* in addition to that provided for in the Plans and Specifications; and
  - (b) dispense with or change the dimensions, character, quantity, quality, description, location or position of the whole or any part of the *Work* or *material* provided for in the Plans and Specifications or as ordered pursuant to paragraph (a);

and the Contractor will execute the *Work* in accordance with such orders, dispensations and changes as if the same had appeared in and been part of the Plans and Specifications.

2. The *Engineer* shall determine whether anything done or not done by the Contractor pursuant to an order, dispensation or change made by the *Engineer* pursuant to subsection 1, increased or decreased the cost of the *Work* to the Contractor.
3. If the *Engineer* determines, under subsection 2, that the cost has been increased, *Canada* will pay to the Contractor the cost, calculated in accordance with sections 44 to 47 of these General Conditions, of the additional labour, materials and *plant* necessarily involved.
4. If the *Engineer* determines, under subsection 2, that the cost has been decreased, *Canada* may reduce the amount payable to the Contractor under the *Contract* by an amount equal to the cost, calculated in accordance with sections 44 to 47 of these General Conditions, of the labour, *material* and *plant* necessarily involved.
5. Subsections 2, 3 and 4 are applicable only to a fixed price arrangement.

**1034 39 (01/12/00) Cooperation with other Contractors**

1. Where, in the opinion of the *Engineer*, it is necessary that contracting persons or workmen, with or without *plant* and materials, be sent on to the site of the *Work*, the Contractor shall, to the satisfaction of the *Engineer*, allow them access to the *Work* and shall cooperate with them in the carrying out of their duties and obligations.

2. If the sending on to the *Work* of a contracting firm or workmen under subsection 1 could not have been reasonably foreseen or anticipated by the Contractor when entering into the *Contract* and if, in the opinion of the *Engineer*, the Contractor has incurred expense in complying with subsection 1 in respect of that contracting firm or those workmen, *Canada*, if the Contractor has given to the *Engineer* and the *Minister* written notice of his claim before the expiration of thirty days from the sending on to the *Work* of the contracting firm or workmen involved, shall pay to the Contractor the cost, calculated in accordance with sections 44 to 47 of these General Conditions, of the *material*, labour and *plant* necessarily involved.

**1034 40 (01/12/00) Engineer's Certificates**

1. On the day that
  - (a) the *Work* has been completed; and
  - (b) the Contractor has complied with the *Contract* and all orders and directions made pursuant thereto,to the satisfaction of the *Engineer*, he shall issue to the Contractor a Final Certificate of Completion.
2. If the *Engineer* is satisfied that the *Work* is substantially completed and is acceptable for use by *Canada*, he may, at any time before issuance of a Final Certificate of Completion, issue to the Contractor an Interim Certificate of Completion, and shall describe therein the portions of the *Work* not completed to his satisfaction and all things which must be done by the Contractor before a Final Certificate of Completion can be issued.
3. The *Engineer*, before issuing a Final Certificate of Completion, may, in addition to the matters described in the Interim Certificate of Completion, require the Contractor to rectify any other portions of the *Work* not completed to the satisfaction of the *Engineer* and to do any other things necessary for the completion of the *Work*.
4. The *Engineer* shall measure and keep records of his measurements of the quantities of labour, material and *plant* performed, used and supplied by the Contractor in executing the *Work* and shall, at the request of the Contractor, inform him of his measurements and the Contractor will assist and cooperate with the *Engineer* in such measuring and is entitled to inspect the records of measurement kept by the *Engineer*.
5. On the day that the *Engineer* issues his Final Certificate of Completion under subsection 1, he shall issue a Final Certificate of Measurement showing the quantity of labour, *plant* and material performed, used and supplied by the Contractor in executing the *Work* and all measurements included therein shall be binding upon *Canada* and the Contractor and are conclusive between them as to the quantity of any labour, *plant* or material performed, used or supplied by the Contractor in executing the *Work*.
6. Subsections 4 and 5 are applicable only to a unit price arrangement.

**1034 41 (01/12/00) Security Deposit - Forfeiture or Return**

If the *Work* is taken out of the Contractor's hands pursuant to section 16 of these General Conditions or if the *Contract* is terminated pursuant to section 19 of these General Conditions or if the Contractor is in breach of or in default under the *Contract*, *Canada* may negotiate the *security deposit*, in the case of bonds, or convert the *security deposit* to its own use, in the case of money, and the amount realized by *Canada* shall be deemed to be a debt payable by *Canada* to the Contractor and *Canada* shall have the right of set-off and may set-off against the debt any sum or amount which the Contractor may be liable to pay to *Canada* and the balance of the debt, if any, after the right of set-off has been exercised, and if such balance, in the opinion of the *Minister*, is not required for the purposes of the *Contract* shall be paid by *Canada* to the Contractor.

**1034 42 (01/12/00) Security Deposit - Return all or any Part Thereof**

1. Upon the *Engineer's* Interim Certificate of Completion being issued, *Canada* will, if the Contractor is not in breach of or in default under the *Contract*, return to the Contractor that part of the *security deposit* which, in the opinion of the *Minister*, is not required for the purposes of the *Contract*.
2. If the *security deposit* was deposited in the Consolidated Revenue Fund of *Canada*, *Canada* will pay to the Contractor interest thereon in accordance with the Government Contracts Regulations.

**1034 43 (01/12/00) Municipal Permits**

1. The Contractor will, within one month from the date of the *Contract*, tender to the municipal authority an amount equal to all fees and charges which would be payable to the municipal authority in respect of building permits if the *Work* were being constructed for a person other than *Canada*.
2. The Contractor will notify the *Minister* within ten days of the tender the amount of and whether or not the municipal authority accepted the tender.
3. If the municipal authority did not accept the tender, the Contractor will deliver to the *Minister*, within the time limited by subsection 2, the amount of the tender.
4. For the purposes of this section, "municipal authority" means an authority which would have jurisdiction respecting permission to construct the *Work* if the owner of the *Work* were not *Canada*.

**1034 44 (01/06/91) Determination of Cost - Unit Price Table**

Whenever it is necessary for the purposes of sections 12, 18, 37, 38 and 39 of these General Conditions to determine the cost of labour, *plant* or material, the Unit Price Table shall be used, that is the cost shall be equal to the product of the quantity of such labour, *plant* or material expressed in the unit set out in the Unit Price Table in respect of the labour, *plant* or material involved, multiplied by the price in respect of the unit set out in the Unit Price Table.

**1034 45 (01/06/91) Determination of Cost - Negotiation**

If the method of determination in section 44 of these General Conditions cannot be used because the labour, *plant* or material involved is not included in the Unit Price Table, the cost of the labour, *plant* or material for the purposes of sections 12, 18, 37, 38 and 39 of these General Conditions shall be the amount agreed upon from time to time by the Contractor and the *Minister*.

**1034 46 (01/06/91) Determination of Cost - Failing Negotiations**

1. If the method of determination in section 44 of these General Conditions cannot be used and if the Contractor and the *Minister* cannot agree as contemplated by section 45 of these General Conditions, the cost of labour, *plant* or material for the purposes of sections 12, 18, 37, 38 and 39 of these General Conditions shall be equal to the aggregate of
  - (a) all reasonable and proper amounts actually expended by or legally payable by the Contractor in respect of the labour, *plant* or material which fall within one of the classes of expenditure described in subsection 2 (being costs which are directly attributable to the execution of the *Work* and are not costs in respect of which the allowance in paragraph (b) is made); and
  - (b) 10% of the total of the expenditures of the Contractor that meet the test in paragraph (a) being an allowance for all other expenditures by the Contractor and for profit and without limiting the generality of the foregoing, being also an allowance for payments and charges relating to

overhead, head office expenses and general administration costs of the Contractor, including finance and interest charges.

2. Classes of expenditure that are allowable are:
  - (a) payments to subcontractors;
  - (b) wages, salaries and travelling expenses of employees of the Contractor while they are actually and properly engaged on the *Work* other than wages, salaries, bonuses, living and travelling expenses of personnel of the Contractor generally employed at the head office, or at a general office, of the Contractor, unless such personnel is engaged at the site of the *Work* with the approval of the *Engineer*;
  - (c) payments for materials necessary for and incorporated in the *Work*, or necessary for and consumed in the execution of the *Work*;
  - (d) payments for tools, other than tools customarily provided by tradesmen, necessary for and used in the execution of the *Work*;
  - (e) payments for preparation, inspection, delivery, installation and removal of *plant* and materials necessary for the execution of the *Work*;
  - (f) payments for renting, erecting, maintaining and removing temporary offices, sheds and similar structures necessary for and used by the Contractor in executing the *Work*;
  - (g) assessments payable under any statutory scheme relating to workmen's compensation, unemployment insurance or holidays with pay;
  - (h) payments for renting *plant* and allowances for *plant* owned by the Contractor necessary for the execution of the *Work* provided that such payments or allowances are reasonable or have been agreed to by the Contractor and the *Engineer*; and
  - (i) payments made with the approval of the *Engineer* that are necessary for the execution of the *Work*.

**1034 47 (01/06/91) Determination of Cost - Clarification of Terms**

1. For the purposes of sections 45 and 46 of these General Conditions, "*plant*" does not include tools.
2. For the purposes of sections 44, 45 and 46 of these General Conditions, "Unit Price Table" means the table set out in the *Contract*.

**1034 48 (01/06/91) Records to be Kept by Contractor**

1. The Contractor shall maintain full records of his estimates of and actual cost to him of the *Work* together with all proper tender calls, quotations, contracts, correspondence, invoices, receipts and vouchers relating thereto, shall make them available to audit and inspection by the *Minister*, or by persons acting on his behalf, shall allow them to make copies thereof and to take extracts therefrom, and shall furnish them with any information which they may require from time to time in connection with such records.
2. The records maintained by the Contractor pursuant to this section shall be kept intact until the expiration of two years from the date of issuance of the Final Certificate of Completion under subsection 1 of section 40 of the General Conditions or until the expiration of such other period as the *Minister* may direct.

3. The Contractor shall require all subcontractors and all firms, corporations and persons directly or indirectly controlled by or affiliated with the Contractor and all firms, corporations and persons directly or indirectly having control of the Contractor to comply with subsections 1 and 2 as if they were the Contractor.

**1034 49 (01/12/00) Time of Payment**

1. For the purposes of this section, "Payment Period" means such interval (if any) as the Contractor and the *Minister* agree upon.
2. The Contractor shall, upon the expiration of a Payment Period, deliver to the *Engineer* a Progress Claim in writing and shall describe therein any portion of the *Work* completed and any materials delivered to the site of the *Work* but not incorporated into the *Work* during the Payment Period in respect of which the Progress Claim is made.
3. Within 14 days of receipt by the *Engineer* of the Progress Claim, the *Engineer* shall inspect the portion of the *Work* and the material described therein and shall issue a Progress Report, which may take the form of an endorsement on the Progress Claim, indicating the value of the portion of the *Work* and the materials described in the Progress Claim which meet with his satisfaction and which, in his opinion, have been completed or delivered in accordance with the *Contract* and which are not included in any other Progress Report.
4. Thirty days after the expiration of the fourteen days referred to in subsection (3) and if the Contractor has made and delivered to the *Engineer* his Statutory Declaration deposing to the fact that as at the date of the immediately preceding Progress Claim, if any, all his lawful obligations to subcontractors, workmen and suppliers of materials in respect of the *Work* are fully discharged, an amount equal to 95% of the value of the *Work* and materials as shown in the Progress Report shall become due and be payable by *Canada* to the Contractor, but where a Labour and Material Payment Bond has not been furnished by the Contractor, the amount payable under this subsection shall be an amount equal to 90% of the value of the *Work* and materials as shown in the Progress Report.
5. Upon the expiration of 60 days from the date of issuance of an Interim Certificate of Completion under subsection 2 of section 40 of these General Conditions and if the Contractor has made and delivered to the *Engineer* his Statutory Declaration deposing to the fact that all his lawful obligations to subcontractors, workmen and suppliers of material in respect of the *Work* are fully discharged, the amount payable under the *Contract* less the aggregate of
  - (a) all payments made pursuant to subsection 4;
  - (b) an amount equal to double the cost to *Canada* of completing the items and doing the things described in the Interim Certificate of Completion which, in the opinion of the *Engineer*, are brought about by defects and faults in the *Work*; and
  - (c) an amount equal to the cost to *Canada* of completing the items and doing the things described in the Interim Certificate of Completion other than items or things to which paragraph (b) applies;shall become due and be payable by *Canada* to the Contractor.
6. Upon the expiration of 60 days from the date of issuance of a Final Certificate of Completion under subsection 1 of section 40 of these General Conditions and if the Contractor has made and delivered to the *Engineer* his Statutory Declaration deposing to the fact that all his lawful obligations and lawful claims against him, arising out of the execution of the *Work*, have been discharged and satisfied, the amount payable under the *Contract* less the aggregate of
  - (a) all payments made pursuant to subsection 4; and
  - (b) all payments made pursuant to subsection 5;

shall become due and be payable by *Canada* to the Contractor.

**1034 50 (01/12/00) Progress Report and Payment thereunder not Binding on Canada**

Neither a Progress Report nor a payment by *Canada* pursuant to the *Contract* shall be construed as evidence that the *Work*, material or any part thereof is complete, is satisfactory or is in accordance with the *Contract*.

**1034 51 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the *Contract*, *Canada* shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.

**1034 52 (01/12/00) Right of Set-off**

1. Without restricting any right of set-off given or implied by law, *Canada* may set-off against any amount payable to the Contractor under the *Contract*, any amount payable to *Canada* by the Contractor under this *Contract* or under any current contract and without restricting the generality of the foregoing *Canada* may, when making payment pursuant to section 49 of these General Conditions, deduct from the amount payable any amount which is then payable to *Canada* by the Contractor under the *Contract* or which, by virtue of the right of set-off, may be retained by *Canada*.
2. For the purposes of this section "current contract" means:
  - (a) a contract between *Canada* and the Contractor under which the Contractor has an undischarged obligation to perform or supply *Work*, labour or materials; or
  - (b) a contract between *Canada* and the Contractor in respect of which *Canada* has, since the date of this *Contract*, exercised the right to take the *Work*, the subject of that contract, out of the Contractor's hands.

**CONSTRUCTION INSURANCE SCHEDULE**

This is the Insurance referred to in section 31 of these General Conditions

1. The Contractor shall effect and maintain Fire Insurance including supplemental perils during construction on all buildings and structures included in the Work and on all materials, plant or real property at the site of the Work, whether or not such materials, plant or real property shall have been supplied or made available to the Contractor by Her Majesty, in an amount at least equal to the amount of the contract price, less cost of excavation and of brick, stone or concrete foundations, piers or other supports which are below the under-surface of the lowest basement floor or, where there is no basement, which are below the surface of the ground. Unless otherwise instructed by the Minister, the Contractor shall keep such insurance in force until the issuance of the Engineer's Final Certificate of Completion.
2. Notwithstanding the foregoing provisions, the Contractor shall not, unless otherwise instructed by the Minister, effect Fire Insurance including supplemental perils on Crown-owned buildings and structures which pursuant to this Contract are being repaired, added to, improved, maintained or rehabilitated, but the Contractor may at his option and for his own protection insure the Work being performed in connection with such Crown buildings and structures against loss or damage by fire.
3. The Contractor shall effect and maintain Boiler and Machinery Insurance for direct damage only, which insurance is to include provision for inspection service; provided however that such Boiler and Machinery Insurance shall not, unless otherwise instructed by the Minister, be effected in respect of Crown-owned buildings and structures which pursuant to this Contract are being repaired, added to, improved, maintained or rehabilitated.
4. Liability Insurance in the minimum amounts set out below shall be effected unless otherwise instructed by the Minister. If the Minister directs an increase or decrease in such limits, the contract price shall be adjusted accordingly. Each policy shall provide that, if Canada sustains loss from a risk insured against in circumstances which give Canada a cause of action against the Contractor, the policy shall protect Canada in the same manner as it would any other claimant:
  - (a) General Public Liability to third parties, up to \$100,000 for death or injury to any one person arising from one accident and \$200,000 for death or injury to more than one person arising from any one accident and Property Damage up to \$100,000 for damage to property arising from any one accident.
  - (b) Automobile and other vehicular coverage for Public Liability up to \$100,000 for death or injury to any one person arising from one accident and \$200,000 for death or injury to more than one person arising from one accident and Property Damage up to \$25,000 for any one accident.
  - (c) Workmen's Compensation Insurance or Employer's Liability Insurance in accordance with the legal requirements of the province or territory where the *Work* is being carried out.
5. The policies covering the above-mentioned insurance shall be issued in the joint names of the Contractor and Canada the Queen in right of Canada as their respective interests may appear and, as provided by subsection 2 of section 31 of these General Conditions, all fire insurance policies shall provide that the proceeds thereof are payable to Canada.

**1034 53 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this *Contract* to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.

3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.

4. In this section:

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**1034 54 (01/12/00) Health and Labour Conditions**

1. In this section, "*Public Entity*" means the municipal, provincial or federal government body authorized to enforce any laws concerning health and labour applicable to the performance of the *Work* or any part thereof.
2. The Contractor shall comply with all laws concerning health and labour conditions applicable to the performance of the *Work* or part thereof and shall also require compliance of same by all its subcontractors when applicable.
3. The Contractor upon any request for information or inspection dealing with the *Work* by an authorized representative of a *Public Entity* shall forthwith notify the *Engineer*.
4. Evidence of compliance with laws applicable to the performance of the *Work* or part thereof by either the Contractor or its subcontractor shall be furnished by the Contractor to the *Engineer* at such time as the *Engineer* may reasonably request.



1053 00 (01/12/00) Universities and Other Institutions

**Public Works and Government Services Canada**

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**1053 01 (16/02/98) Interpretation**

1. In the *Contract*,

"*Agreement*" means the document, signed by the parties in each case, that refers to these general conditions;

"*Canada*", "*Crown*", or "*Her Majesty*" mean Her Majesty the Queen in right of Canada;

"*Contract*" includes the *Agreement*, these general conditions and every other document referred to in the *Agreement* as forming part of the *Contract*;

"*Government Issue*" includes everything that may be furnished to the Contractor by or on behalf of *Canada* for the purposes of the *Contract*;

"*invention*" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement thereof;

"*Minister*" means the Minister of Public Works and Government Services and any other person authorized to act on his behalf;

"*Work*" means everything required to be furnished or performed by the Contractor under the *Contract*;

2. Words importing male persons include female persons and corporations;

3. Words in the singular include the plural and words in the plural include the singular.

4. Where there is a conflict, the provisions of the *Agreement* shall prevail over the provision of these general conditions.

**1053 02 (01/06/91) Powers of Minister**

The *Minister* is the agent of *Canada* for all purposes of the *Contract*. Nothing contained in or omitted from the *Contract* shall restrict any right or power of *Canada* or the *Minister* existing under any act of the Parliament of Canada or otherwise. Every right or power of the *Minister* under the *Contract* or otherwise shall be cumulative and non-exclusive.

**1053 03 (01/06/91) Assignment and Subcontracting**

1. The Contractor may not assign the *Contract* without the prior written consent of the *Minister*.

2. The Contractor may subcontract any portion of the *Work* as is customary in performing similar contracts but the Contractor may not subcontract any other portion of the *Work* without the prior written consent of the *Minister*.

3. No assignment or subcontract relieves the Contractor from any obligation under the *Contract* or impose any liability upon *Canada* or the *Minister* to an assignee or subcontractor.

4. Subject to the preceding provisions of this section, the *Contract* shall have effect for the benefit of and shall be binding upon the successors and assigns of *Canada* and of the Contractor.

**1053 04 (01/06/91) Conduct of Work**

1. The Contractor shall,

- (a) perform the *Work* promptly;
  - (b) supervise the *Work* to ensure that it is performed efficiently, in conformity with the requirements of the *Contract* and in accordance with the highest standards of professional quality; and
  - (c) use only competent personnel to perform the *Work*.
2. The *Minister* shall have access to the *Work* at all reasonable times.

**1053 05 (16/02/98) Crown Property**

1. *Government Issue* may be used by the Contractor only for the purposes of the *Contract* and remains vested in *Canada*. The Contractor shall maintain a record of all *Government Issue* and, where practicable, mark all items of *Government Issue* as being the property of *Canada*.
2. Except for ordinary wear and tear, any government issue not incorporated into the *Work* shall be returned to *Canada* upon demand in the same condition as when furnished to the Contractor.
3. The Contractor shall take reasonable and proper care of any property vested in *Canada* while such property is in the possession of the Contractor or subject to his control and he shall be responsible for any loss or damage resulting from his failure to do so other than loss or damage caused by ordinary wear and tear.

**1053 06 (01/06/91) Publication Rights**

1. In this section,
  - (a) "copyright work" means any work in which a copyright may subsist, produced in or as a result of performing the *Contract*;
  - (b) "publication" or "publish" do not include disclosure to an academic supervisor or appraiser, for the sole purpose of academic evaluation.
2. Copyright in any copyright work vests in *Canada* but, in any publication of such work by or on behalf of *Canada*, the contribution of the Contractor and of the author shall be acknowledged.
3. The Contractor and the author each shall have a royalty-free non-exclusive license to publish or have published any copyright work in the course of the normal dissemination of knowledge in the subject field, but they shall not publish or have published any copyright work during the performance of the contract or for a period of three (3) months thereafter without the prior written consent of the *Minister*.
4. Any copyright work published by or on behalf of the Contractor or the author shall acknowledge that the *Work* was performed under *Contract* with *Canada*, unless the *Minister* gives notice to the contrary.

**1053 07 (01/06/91) Ownership of Patents and Use of Technical Information**

1. Any technical report, photograph, drawing, plan, specification, model, prototype, pattern or sample produced by the Contractor in performing the *Contract* shall vest in *Canada*. The Contractor shall keep a record of everything mentioned in this subsection and account to the *Minister* therefor.
2. Any design, technical information, invention, method or process conceived or developed or first actually reduced to practice in performing the *Contract* shall vest in *Canada*. The Contractor shall fully and promptly disclose in writing to the *Minister* anything mentioned in this subsection.

3. Notwithstanding the provisions of section 06, the Contractor shall not, except as it is necessary to perform the *Contract*, divulge or publish any information in respect of anything mentioned in subsection 2 of this section for a period of twelve (12) months after disclosure shall have been made to the *Minister* in accordance with that subsection.
4. The Contractor shall have a royalty-free non-exclusive license to use and exercise and have used and exercised any invention mentioned in subsection 2 of this section for the academic and research purposes of the Contractor.

**1053 08 (01/06/91) Title on Progress Payments**

1. Upon any payment made to the Contractor, whether it is made as a progress payment, accountable advance or otherwise, in respect of the *Work* or any portion of the *Work*, title to the *Work* or to any portion in respect of which payment is made shall vest in *Canada*.
2. Any vesting of title mentioned in subsection 1 shall not constitute acceptance by *Canada* of the *Work* or any portion of the *Work* and shall not relieve the Contractor of any obligation to perform the work in accordance with the *Contract*.

**1053 09 (01/06/91) Termination, Suspension, Change**

1. The *Minister* may, by giving notice to the Contractor, terminate, suspend or reduce the scope of the *Work* or any portion of the *Work*. The Contractor shall immediately comply with the requirements of any such notice and in so doing take every reasonable action that will minimize the cost of performing the *Contract* and complying with the notice.
2. When, as a result of a notice mentioned in subsection 1,
  - (a) any suspension or reduction in the scope of the work results in an increase or decrease in the cost of performing the *Contract*, the price of the *Contract* shall be adjusted accordingly; and
  - (b) the *Work* or any portion of the *Work* is terminated, the Contractor shall be paid the reasonable cost of performing any of the work that has been performed at the time of termination and any other cost directly and necessarily incurred as a result of the termination.
3. Where, as a direct result of the loss of any person having a unique capability in relation to the *Work*, the Contractor is of the opinion that the *Contract* cannot be performed, he shall immediately give notice to the *Minister* of these circumstances and if the *Minister* is of the opinion that the *Contract* cannot be performed and that such loss was beyond the control of the Contractor, he shall terminate the work in the manner mentioned in subsection 1.

**1053 10 (16/02/98) Notice**

1. Where in the *Contract* any notice is required to be given, it shall be sent by registered mail or by telegram addressed to the party for whom it is intended at the address mentioned in the *Contract*, and if no address is mentioned in the *Contract*,
  - (a) in the case of the Contractor, addressed to his latest known address; or
  - (b) in the case of the *Minister*, addressed to the Headquarters of the Department of Public Works and Government Services,

and any notice shall be deemed to have been given when it is sent.

**1053 11 (01/06/91) Accounts**

1. The Contractor shall,
  - (a) keep accounts and records of the cost of performing the *Contract* and keep all documents relating to such cost and, unless he obtains the prior written consent of the *Minister* to otherwise dispose of such accounts, records and documents, preserve them for a period of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed; and
  - (b) on demand, produce to the *Minister* every account, record or document mentioned in paragraph 1.(a) that may be required by him and permit the *Minister* to examine, audit and take copies and extracts from such accounts, records or documents.

**1053 12 (01/06/91) Indemnity against Claims**

1. The Contractor shall indemnify and save harmless *Canada* in respect of any claim, loss, damage or expense relating to,
  - (a) any injury or death of a person, or loss of or damage to property, caused or alleged to be caused as a result of performing the *Contract*; and
  - (b) any lien, attachment, charge, encumbrance or similar claim upon any property vested in *Canada* under the *Contract*; and
  - (c) any use or infringement of patented invention or copyright in performing the *Contract* or as a result of the use of the work by *Canada*.

**1053 13 (01/06/91) Further Assurances**

Where title to any property of any description vests in *Canada* under the *Contract*, the Contractor shall execute such conveyances and other documents relating to title as the *Minister* may require to evidence the title of *Canada*.

**1053 14 (01/06/94) No Bribe, Etc.**

The Contractor warrants that no bribe, gift, or other inducement has been paid, given, promised or offered to any official or employee of *Canada* for, or with a view to, the obtaining of the *Contract* by the Contractor.

**1053 15 (01/06/91) Labour and Health Conditions**

The Contractor shall comply with all labour conditions, and with all health conditions and requirements, from time to time applicable to the *Work*.

**1053 16 (01/06/91) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit to arise therefrom.

**1053 17 (16/02/98) Security and Protection of the Work**

1. When the *Contract*, the *Work*, or any information provided to the Contractor by or on behalf of *Canada* in connection with the *Work*, or any information developed by the Contractor as part of the *Work*, is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the Contractor shall, at all times, take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the Department of Public Works and Government Services *Industrial Security Manual* and its supplements and any other instructions issued by the *Minister*. Where this subsection applies, notwithstanding sections 06 and 07, the Contractor shall keep confidential the material so identified, and shall not disclose any such material to any person without the written permission of the *Minister*, except that the Contractor may disclose to a subcontractor, authorized in accordance with this *Contract*, information necessary to the performance of the subcontract.
2. Without limiting the generality of subsection 1, when the *Contract*, the *Work*, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL or PROTECTED by *Canada*, the *Minister* shall be entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the *Contract*, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the *Minister* dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.

**1053 18 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a *contingency fee* for the solicitation, negotiation or obtaining of this *Contract* to any person other than an employee acting in the normal course of the *employee's* duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the *contingency fee*.
4. In this section,

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act* R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**1053 19 (21/06/99) Default**

1. If the Contractor is in default in fulfilling any of the terms, conditions, covenants or obligations of the *Contract*, or has made a false representation or warranty, *Canada* may, by giving notice in writing to the Contractor, terminate the whole or any part of the *Contract*. On the giving of such notice, the Contractor shall have no claim for any further payment under the *Contract*.

2. If after notice of termination of the *Contract* under the provisions of paragraph 1 of this section, it is determined by *Canada* that the default of the Contractor is due to causes beyond the control of the Contractor, such notice of termination shall be deemed to have been issued pursuant to section 09 (Termination, Suspension, Change) of these General Conditions, and the rights and obligations of the parties hereto shall be governed by that section.
3. On termination of the *Contract* under this section, *Canada* may require the Contractor to deliver to *Canada*, in the manner and to the extent directed by *Canada*, any work which has not been delivered/performed and accepted prior to such termination. Subject to the deduction of any claim which *Canada* may have against the Contractor arising under the *Contract* or out of the termination, *Canada* shall pay the Contractor for all such work delivered/performed pursuant to such direction and accepted by *Canada*, the cost to the Contractor of such work plus the proportionate part of any profit fixed by the said *Contract* and shall pay or reimburse the Contractor the reasonable and proper costs to the Contractor of all materials, parts or work-in-process delivered to *Canada* pursuant to such direction, but in no event shall the aggregate of the price paid to date of default and any amounts otherwise payable pursuant to this paragraph 3 exceed the total Contract Price.

**1053 20 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the *Contract*, *Canada* shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.





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9329 00 (01/12/00) Purchase of Commercially Available Goods and Services

**Public Works and Government Services Canada**

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**9329 01 (16/02/98) Interpretation**

1. In the *Contract*,

"*Canada*", "*Crown*", or "*Her Majesty*" means Her Majesty, the Queen in right of Canada;

"*Contract*" means these general conditions, any referenced provisions and the agreement to which they are attached;

"*Minister*" means the Minister of Public Works and Government Services and any other person authorized to act on the *Minister's* behalf.

"*Work*" means the whole of the work, services, materials, matters and things required to be done, furnished and/or performed by the Contractor in order to carry out the *Contract*;

**9329 02 (01/06/91) Warranties**

1. The Contractor represents and warrants that the *Work* will be of a proper quality, free from any defect in material and workmanship, and shall be in full conformity with all other requirements of the *Contract*.
2. Notwithstanding prior acceptance of the *Work* and without restricting any other term of the *Contract* or any conditions, warranty or provision implied or imposed by law, the Contractor, if requested by the *Minister* to do so, shall replace or repair at its option and its own expense any *Work* which becomes defective or which fails to conform to the *Contract* requirements as a result of faulty or inefficient manufacture, material or Workmanship, notice of which is provided to the Contractor within a reasonable time during or after the warranty period which commences the day after delivery and acceptance of the *Work*. Unless otherwise stipulated in the *Contract*, the warranty period will be 90 days or the length of the Contractor's or manufacturer's standard warranty period, whichever is longer.

**9329 03 (01/06/91) Title, Acceptance and Risk**

1. Except as otherwise provided in the *Contract*, title to the *Work* or any part thereof shall vest in *Canada* upon delivery to and acceptance by *Canada* of the *Work* or any part thereof.
2. Where title to any *Work* or any part thereof, or any rights vest in *Canada* under the *Contract*, the Contractor shall execute such conveyances and other documents relating to title as may be required to evidence the title or rights of *Canada*.
3. Unless otherwise specified in the *Contract*, risk of loss or damage to the *Work* or any part thereof shall remain with the Contractor until delivery to and acceptance by *Canada*.

**9329 04 (15/06/98) Payment**

1. Payment by *Canada* for the *Work* shall be made following delivery, inspection and acceptance of the *Work*, and following presentation of invoices and such other documentation as the *Minister* may reasonably require, and of which prior notice has been furnished.
2. The period for payments shall be within thirty (30) days, calculated from:
  - (a) the date the invoice is received, or
  - (b) the date of receipt of the goods,whichever is the latest date.

**9329 05 (01/06/91) Default and Bankruptcy**

Without prejudice to any other rights or remedies, if the Contractor is in default in performance of the *Contract* or is bankrupt or insolvent or in receivership, the *Minister* may terminate all or a portion of the *Contract*.

**9329 06 (01/06/91) Termination**

1. The *Minister* may at any time, by notice, terminate the *Contract* or reduce the quantity or scope of the *Work* to be delivered and the Contractor will give effect to such notice thereof according to its terms.
2. In such a case, all *Work* delivered and accepted and unpaid in accordance with the notice shall be paid for in accordance with the pricing basis established in the *Contract*. The Contractor shall be entitled to be reimbursed the actual costs reasonably and properly incurred as a direct result of the termination, but in no case shall such reimbursement exceed the *Contract* price or shall the Contractor have claim for damages, compensation, loss of profit or otherwise, except as herein provided.

**9329 07 (01/06/94) No Bribe, etc.**

The Contractor represents and covenants that no bribe, gift or other inducement has been or will be paid, given, promised, or offered to any official or employee of *Canada* for, or with a view to, the obtaining of the *Contract* by the Contractor.

**9329 08 (01/06/91) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit to arise therefrom.

**9329 09 (01/06/91) Changes to Taxes and Duties**

In the event of any change in any tax imposed under the *Excise Act*, the *Excise Tax Act*, or any duties imposed under the *Customs Tariff* or any other federal or provincial sales, excise or other like duties, taxes, charges or impositions after the bid submission date and which affects the costs to the Bidder/Contractor of the *Work*, the bid/*Contract* price shall be adjusted to reflect the increase or decrease in the cost to the Bidder/Contractor.

**9329 10 (01/06/91) Time of Essence**

Time is of the essence of the *Contract*.

**9329 11 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a *contingency fee* for the solicitation, negotiation or obtaining of this *Contract* to any person other than an employee acting in the normal course of the *employee's* duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.
3. If the *Contractor* certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the *contingency fee*.

4. In this section:

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a *person* with whom the Contractor has an employer/employee relationship; "*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**9329 12 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"*Average Rate*" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the *Contract*, *Canada* shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.

9601 00 (25/05/01) General Conditions - Long Form

**Public Works and Government Services Canada**

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**9601 01 (25/05/01) Interpretation**

1. In the Contract, unless the context otherwise requires,

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada;

"Contract" means the written agreement between the Parties, these general conditions, any Supplemental General Conditions specified in the written agreement, and every other document specified or referred to in any of them as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contracting Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister in the management of the Contract;

"Contractor" means the person or entity whose name appears on the signature page of the written agreement and who is to supply goods or services to Canada under the Contract;

"Contract Price" means the amount expressed in the Contract to be payable to the Contractor for the Work;

"Cost" means cost determined in accordance with Contract Cost Principles DSS-MAS 1031-2 as revised to the date of the bid solicitation;

"Government Property" means all materials, parts, components, specifications, equipment, software, articles and things supplied to the Contractor by or on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work the cost of which is paid by Canada under the Contract and, without restricting the generality of the foregoing, includes Government Issue as defined in the *Defence Production Act*, R.S.C. 1985, c. D-1, Government Furnished Equipment and Government Supplied Materiel;

"Inspection Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the minister for whose department or agency the Work is being carried out in matters concerning the inspection of the Work, and for purposes of section 18 (Inspection of the Work) includes a Quality Assurance Authority if such an authority is mentioned in the Contract;

"Minister" means the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that Minister;

"Moral Rights" has the same meaning as in the *Copyright Act*, R.S.C. 1985, c. C-42;

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

"Specifications" means the functional or technical description of the Work set out or referred to in the Contract, including drawings, samples and models, and further includes, except to the extent inconsistent with anything set out or referred to in the Contract, any such description set out or referred to in any brochure, product literature or other documentation furnished by the Contractor in relation to the Work or any part thereof;

"Subcontract" includes a contract let by any subcontractor at any tier for the performance or supply of a part of the Work, and includes a purchase referred to in paragraph 2 (a) of section 08 at any such tier, and the derivatives of the word shall be construed accordingly;

"Technical Authority" means the person designated in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out in matters concerning the technical aspects of the Work;

"Work" means the whole of the activities, services, materials, equipment, software, matters and things required to be done, delivered or performed by the Contractor in accordance with the terms of the Contract.

2. The headings used in these general conditions are inserted for convenience of reference only and shall not affect their interpretation.
3. If the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, it is subject to that Act and shall be governed accordingly.
4. In the Contract, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine gender and the neuter.

**9601 02 (04/01/94) Powers of the Minister**

Every right, remedy, power and discretion vested in or acquired by Canada or the Minister under the Contract or by law shall be cumulative and non-exclusive.

**9601 03 (04/01/94) Status of the Contractor**

The Contractor is engaged as an independent Contractor for the sole purpose of performing the Work. Neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees including those required for Canada or Quebec Pension Plans, unemployment insurance, workers' compensation, or income tax.

**9601 04 (04/01/94) Amendments and Waivers**

1. No design change, modification to the Work, or amendment to the Contract shall be binding unless it is incorporated into the Contract by written amendment or design change memorandum executed by the authorized representatives of the Minister and of the Contractor.
2. While the Contractor may discuss any proposed changes or modifications to the scope of the Work with the Technical Authority, Canada shall not be liable for the cost of any such change or modification until it has been incorporated into the Contract in accordance with subsection 1.
3. No waiver shall be valid, binding or affect the rights of the Parties unless it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.
4. The waiver by a Party of a breach of any term or condition of the Contract shall not prevent the enforcement of that term or condition by that Party in the case of a subsequent breach, and shall not be deemed or construed a waiver of any subsequent breach.

**9601 05 (04/01/94) Conduct of the Work**

1. The Contractor represents and warrants that:
  - (a) it is competent to perform the Work; and
  - (b) it has the necessary qualifications, including knowledge, skill and experience, to perform the Work, together with the ability to use those qualifications effectively for that purpose.
2. Except for Government Property specifically provided for in the Contract, the Contractor shall supply everything necessary for the performance of the Work, including all the resources, facilities, labour and

supervision, management, services, equipment, materials, drawings, technical data, technical assistance, engineering services, inspection and quality assurance procedures, and planning necessary to perform the Work.

3. The Contractor shall:
  - (a) carry out the Work in a diligent and efficient manner;
  - (b) apply as a minimum quality assurance tests, inspections and controls consistent with those in general usage in the trade and that are reasonably calculated to ensure the degree of quality required by the Contract; and
  - (c) ensure that the Work:
    - (1) is of proper quality, material and workmanship;
    - (2) is in full conformity with the Specifications; and
    - (3) meets all other requirements of the Contract.
4. Unless the Minister orders the Work or part thereof to be suspended pursuant to section 25 (Suspension of the Work), the Contractor shall not stop or suspend any part of the Work pending the settlement or resolution of any difference between the Parties arising out of the Contract.
5. The Contractor shall provide such reports on the performance of the Work as are required by the Contract and such other reports as may reasonably be required by the Minister or the Technical Authority.
6. The Contractor shall be fully responsible for performing the Work and Canada shall not be liable for any negative consequences or extra costs arising out of the Contractor's following any advice given by Canada, whether given without or upon invitation by the Contractor, unless the advice was provided to the Contractor in writing by the Contracting Authority and was accompanied by a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might arise from following the advice.

**9601 06 (04/01/94) Compliance with Applicable Laws**

The Contractor shall comply with all laws applicable to the performance of the Work or any part thereof including, without limitation, all laws concerning health and labour conditions and the protection of the environment, and shall require compliance therewith by all of its subcontractors. Evidence of compliance with such laws shall be furnished by the Contractor to the Contracting Authority at such times as the Contracting Authority may reasonably request.

**9601 07 (25/05/01) Specifications**

1. Where, pursuant to the terms of the Contract, Specifications furnished by the Contractor are subject to approval by the Minister or the Technical Authority, such approval shall not relieve the Contractor of its responsibility to complete the Work and to meet all requirements of the Contract. Any such approval shall not be unreasonably withheld.
2. The Contractor agrees to accept and be bound by the Inspection or Quality Assurance Authority's interpretation of the Specifications, insofar as such an interpretation is not inconsistent with any other part of the Contract.

**9601 08 (04/01/94) Subcontracting**



1. Unless otherwise provided in the Contract, the Contractor shall obtain the consent of the Minister in writing prior to Subcontracting or permitting the Subcontracting of any portion of the Work at any tier. The Minister shall not unreasonably withhold consent.
2. Notwithstanding subsection 1, the Contractor may, without prior consent of the Minister:
  - (a) purchase "off-the-shelf" items and software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business;
  - (b) Subcontract for the provision of such incidental services as might ordinarily be subcontracted in performing the Work;
  - (c) in addition to purchases and services referred to in paragraphs (a) and (b), subcontract any part or parts of the Work to one or more subcontractors up to a total value in the aggregate of 40 percent of the Contract Price; and
  - (d) permit its subcontractors at any tier to make purchases or subcontract as permitted in paragraphs (a), (b) and (c).

A Subcontract at any tier may not be let without consent, under paragraph (b), (c) or (d), where the Subcontractor would obtain title to intellectual property developed as part of the Work.
3. In any Subcontract other than a Subcontract referred to in paragraph 2 (a), the Contractor shall, unless the Minister otherwise consents in writing, ensure that the subcontractor is bound by terms and conditions compatible with and, in the opinion of the Minister, not less favourable to Canada than the terms and conditions of the Contract. Deviations in any Subcontract from the terms of the Contract, including any right of termination of the Contract, shall be entirely at the risk of the Contractor.
4. The Contractor is not obliged to seek consent to subcontracts specifically authorized in the Contract.
5. Any consent to a Subcontract shall not relieve the Contractor from its obligations under the Contract or be construed as authorizing any liability on the part of Canada or the Minister to a subcontractor.

**9601 09 (04/01/94) Replacement of Personnel**

1. When specific persons have been named in the Contract as the persons who must perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
2. If at any time the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person with similar qualifications and experience. The Contractor shall, as soon as possible, give notice to the Minister of:
  - (a) the reason for the removal of the named person from the Work;
  - (b) the name, qualifications and experience of the proposed replacement person; and
  - (c) proof that the person has the required security clearance granted by Canada, if applicable.
3. The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with subsection 2, secure a further replacement.
4. The fact that the Minister does not order the removal of a replacement person from the Work shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**9601 10 (04/01/94) Assignment**

1. The Contract shall not be assigned, in whole or in part, by the Contractor without the prior consent in writing of the Minister and any purported assignment made without that consent is void and of no effect.
2. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon Canada or the Minister, unless otherwise agreed to in writing by the Minister.

**9601 11 (04/01/94) Time of the Essence**

Time is of the essence of the Contract.

**9601 12 (04/01/94) Excusable Delay**

1. A delay in the performance by the Contractor of any obligation under the Contract which is caused solely by an event that
  - (a) was beyond the reasonable control of the Contractor,
  - (b) could not reasonably have been foreseen,
  - (c) could not reasonably have been prevented by means reasonably available to the Contractor, and
  - (d) occurred without the fault or neglect of the Contractor,shall, subject to subsections 2, 3 and 4, constitute an "Excusable Delay" provided that the Contractor invokes this section by notice under subsection 4.
2. If any delay in the Contractor's performance of any obligation under the Contract is caused by a delay of a Subcontractor, such a delay may constitute an Excusable Delay for the Contractor, but only if the delay of the Subcontractor meets the criteria set out in this section for an Excusable Delay by the Contractor and only to the extent that the delay has not been contributed to by the Contractor.
3. Notwithstanding subsection 1, any delay caused by lack of financial resources of the Contractor or an event that is a ground for termination provided for in subsection 26(2) (Default by the Contractor), or any delay in the Contractor fulfilling an obligation to deliver a bond, guarantee, letter of credit or other security relating to performance or the payment of money, shall not qualify as an Excusable Delay.
4. The Contractor shall not benefit from an Excusable Delay unless the Contractor has:
  - (a) used its best efforts to minimize the delay and recover lost time;
  - (b) advised the Minister of the occurrence of the delay or of the likelihood of a delay occurring as soon as the Contractor has become aware of it;
  - (c) within 15 working days of the beginning of a delay or of the likelihood of a delay coming to the attention of the Contractor, advised the Minister of the full facts or matters giving rise to the delay, and provided to the Minister for approval (which approval shall not be unreasonably withheld) a clear "work-around" plan indicating in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay; this plan shall include alternative sources of materials and labour, if the event causing the delay involves the supply of them; and
  - (d) carried out the work-around plan approved by the Minister.

5. In the event of an Excusable Delay, any delivery date or other date that is directly affected shall be postponed for a reasonable time not to exceed the duration of the Excusable Delay. The Parties shall amend the Contract, as appropriate, to reflect any such change in dates.
6. Notwithstanding subsection 5, the Minister may, after an Excusable Delay has continued for 30 days or more, in the Minister's absolute discretion terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that gave rise to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Subsections 26(4), (5) and (6) (Default by the Contractor) apply in the event of a termination under this subsection.
7. Except to the extent that Canada is responsible for the delay for reasons of failure to meet an obligation under the Contract, Canada shall not be liable for any costs or charges of any nature incurred by the Contractor or any of its Subcontractors or agents as a result of an Excusable Delay.

**9601 13 (25/05/01) Security and Protection of the Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work where copyright or any other intellectual property rights in such information (except a licence) vests in Canada under the Contract. The Contractor shall not disclose any such information to any person without the written permission of the Minister, except that the Contractor may disclose to a Subcontractor authorized in accordance with section 08 (Subcontracting) information necessary for the performance of the Subcontract, on the condition that the Subcontractor agrees that it will be used solely for the purposes of such Subcontract. Information provided to the Contractor by or on behalf of Canada shall be used solely for the purpose of the Contract and shall remain the property of Canada or the third party, as the case may be. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, together with every copy, draft, working paper and note thereof that contains such information, upon completion or termination of the Contract or at such earlier time as the Minister may require.
2. Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1 and to any right of Canada under this Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a Subcontractor.
3. The obligations of the Parties set out in this section do not apply to any information where the same information:
  - (a) is publicly available from a source other than the other Party; or
  - (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information, or
  - (c) is developed by a Party without use of the information of the other Party.
4. Wherever practical, the Contractor shall mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of Public Works and Government Services (PWGSC) Contract No. (fill in Contract number)", and Canada shall not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.
5. When the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor shall at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out

in the PWGSC *Industrial Security Manual* and its supplements and any other instructions issued by the Minister.

6. Without limiting the generality of subsections 1 and 2, when the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL", or PROTECTED by Canada, the Minister shall be entitled to inspect the Contractor's premises and the premises of a Subcontractor at any tier for security purposes at any time during the term of the Contract, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the Minister dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.
7. Any proposed change in the security requirements after the effective date of the Contract that would involve a significant increase in cost to the Contractor shall require an amendment to the Contract under the provisions of section 04 (Amendments and Waivers).

**9601 14 (04/01/94) Payment**

1. Notwithstanding any other provision of the Contract, no payment shall be made to the Contractor unless and until:
  - (a) an invoice, inspection notes, certificates and any other documents required by the Contract have been submitted in accordance with the terms of the Contract and the instructions of the Minister;
  - (b) all such documents have been verified by the Minister;
  - (c) with respect to all parts of the Work in respect of which payment is claimed, the Contractor, where required to do so, establishes to the satisfaction of the Minister that such parts of the Work will be free from all claims, liens, attachments, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, the finished work has been inspected by Canada and accepted as being in accordance with the Contract, including the Specifications.
2. The Minister shall notify the Contractor, within 15 days of receipt of an invoice, of any inadequacy of the invoice or of the supporting documentation, and where any such notice is given within that period the date for payment of the amount invoiced shall be postponed until the Contractor remedies the inadequacy to the satisfaction of the Minister.
3. Where a delay referred to in section 12 (Excusable Delay) has occurred, the Minister may, at the Minister's discretion, withhold all or a portion of any payment due to the Contractor until a "work-around" plan approved by the Minister has been implemented in accordance with that section. Section 15 (Interest on Overdue Accounts) shall not apply to any amount withheld under this subsection.

**9601 15 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;

an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.

2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on overdue advance payments.

**9601 16 (04/01/94) Changes in Taxes and Duties**

1. In this section, "bid" includes a proposal, tender or offer submitted by the Contractor in response to an invitation from the Minister.
2. Subject to subsection 3, in the event of any change (including a new imposition or repeal), on or after the date of submission of the bid, of any tax, customs or other duty, charge, or any similar imposition that is imposed under sales or excise tax legislation of the Government of Canada and which affects the cost to the Contractor of the Work, the Contract Price shall be adjusted to reflect the increase or decrease in the cost to the Contractor.
3. There shall be no adjustment under subsection 2 in respect of any change that would increase the cost to the Contractor of the Work if public notice of the change was given before the bid submission date in sufficient detail to permit the Contractor to have calculated the effect on its cost before that date.
4. The Contractor shall forward to the Minister a certified statement showing the increase or decrease in cost to the Contractor that is directly attributable to the change in the imposition. The Minister may verify the increase or decrease in cost by audit before or after the Contract Price is adjusted.
5. Notwithstanding subsections 2 to 4, no adjustment to the Contract Price in respect of the Work or a part thereof shall be made for a change in any imposition referred to in this section that occurs after the date required by the Contract for delivery of the Work or that part of the Work.

**9601 17 (04/01/94) Discounts, Wastes and Spoilage**

1. This section applies only to a Contract or part thereof that has a cost-reimbursable basis of payment.
2. The Contractor shall, as far as practicable, take all trade discounts, rebates, refunds of taxes and duties, credits, and other allowances available in carrying out the Work. In determining the cost of articles, materials and services of every kind to be paid by Canada, all trade discounts, rebates, refunds of taxes and duties, credits and allowances not taken by the Contractor shall be deducted from gross costs, except those not taken through no fault or neglect on the part of the Contractor.
3. The Contractor shall carry out the Work as economically as possible and shall avoid waste and spoilage. Where, in the opinion of the Minister, the character and value of spoiled or wasted materials constitutes mismanagement on the part of the Contractor, the cost of the spoiled and wasted materials shall, to the extent directed by the Minister, not be considered to be part of the cost of the Work and the Contractor shall not be reimbursed therefor.

**9601 18 (04/01/94) Inspection of the Work**

1. The Work and any and all parts thereof shall be subject to such inspection as the Technical or Inspection Authority determines to be appropriate, consistent with the relevant provisions of the Contract, if any, prior to acceptance by Canada. The Contracting Authority and the Technical or Inspection Authority, or their representatives, shall have access to the Work at any time during working hours where any part of the Work is being carried out and may make examinations and such tests of the Work as they may think fit. Should the Work or any part thereof not be in accordance with the requirements of the Contract, the Technical or Inspection Authority shall have the right to reject the Work and require its correction or replacement at the Contractor's expense. The Technical or Inspection Authority, as the case may be, shall inform the Contractor of the reasons for any such rejection.
2. The Contractor shall provide all assistance and facilities, test pieces, samples and documentation that the Technical or Inspection Authority may reasonably require for the carrying out of any such inspection, and the Contractor shall forward such test pieces and samples to such person or location as the Technical, Inspection or Contracting Authority may direct. Inspection by the Technical or Inspection Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.
3. No part of the Work shall be submitted for acceptance or delivery until it has been inspected and approved by the Contractor and, wherever practicable, marked with an approval stamp satisfactory to the Technical or Inspection Authority. The Contractor shall keep accurate and complete inspection records which shall, upon request, be made available to the Technical or Inspection Authority, who may make copies thereof and take extracts therefrom during the performance of the Contract and for any period of time thereafter provided for in the Contract.

**9601 19 (04/01/94) Title**

1. Except as otherwise provided in the Contract including the intellectual property provisions, and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.
2. Except as otherwise provided in the intellectual property provisions of the Contract, upon any payment being made to the Contractor for or on account of materials, parts, work-in-process or finished work, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work-in-process and finished work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to the materials, parts, work-in-process or finished work or part thereof so vested shall remain with the Contractor until their delivery to Canada in accordance with the Contract. The Contractor shall be liable for any loss or damage to any part of the Work caused by the Contractor or any subcontractor after such delivery.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the materials, parts, work-in-process or finished work, and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
5. Where title to any materials, parts, work-in-process or finished work becomes vested in Canada, the Contractor shall, upon the Minister's request, establish to the Minister's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances and shall execute such conveyances thereof and other instruments necessary to perfect that title as the Minister may request.
6. If the Contract is a defence Contract within the meaning of the Defence Production Act, R.S.C. 1985, c. D-1, title to the Work or to any materials, parts, work-in-process or finished work shall vest in Canada free and clear of all claims, liens, attachments, charges or encumbrances, and the Minister shall be entitled at any time to remove, sell or dispose of it or any part of it in accordance with section 20 of that Act.

**9601 20 (25/05/01) Warranty**

1. Notwithstanding inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor warrants that, for a period of 12 months from the date of delivery, or if acceptance takes place on a later date, the date of acceptance, or for such other period as may be specified in the written agreement between the Parties, the Work shall be free from all defects in design, materials or workmanship, and shall conform with the requirements of the Contract, provided that with respect to Government Property not supplied by the Contractor, the Contractor's warranty shall extend only to its proper incorporation into the Work.
2. In the event of a defect or non-conformance in any part of the Work during the warranty period defined in subsections 1 and 5, the Contractor, at the request of the Minister to do so, shall as soon as possible repair, replace or otherwise make good at its own option and expense the part of the Work found to be defective or not in conformance with the requirements of the Contract.
3. The Work or any part thereof found to be defective or non-conforming shall be returned to the Contractor's plant for replacement, repair or making good; provided that, when in the opinion of the Minister it is not expedient to remove the Work from its location, the Contractor shall carry out any necessary repair or making good of the Work at that location, and shall be paid the fair and reasonable cost (including reasonable travelling and living expenses) incurred in so doing, with no allowance therein by way of profit, less an amount equal to the cost of rectifying the defect or non-conformance at the Contractor's plant.
4. Canada shall pay the transportation cost associated with returning any work or part thereof to the Contractor's plant pursuant to subsection 3, and the Contractor shall pay the transportation cost associated with forwarding the replacement or returning the Work or part thereof when rectified to the delivery point specified in the Contract, or such lesser cost as may be required to transport the Work or part thereof to another location directed by the Technical Authority.
5. The warranty period set out in subsection 1 shall be extended by the duration of any period or periods during the life of the warranty, including any such extension, in which the Work is unavailable for use or cannot be used because of a defect or non-conformance referred to in this section, less the duration of any delay by Canada in informing the Contractor of the defect or non-conformance or in returning the Work or part thereof to the Contractor's plant. Upon returning the Work or part thereof to Canada, the Contractor shall advise the Minister in writing of the warranty period remaining, including any such extension.
6. The warranties set out in subsection 1 shall apply to any part of the Work repaired, replaced or otherwise made good pursuant to subsection 2, for the greater of
  - (a) the warranty period remaining under subsection 5, or
  - (b) 90 days or such other period as may be specified for that purpose in the written agreement between the Parties.

All of the provisions of subsections 2 to 6 of this section inclusive apply, with such minimum changes as the context may require, to any such part of the Work that is found during that period to be defective or not in conformance with the Contract.

**9601 21 (04/01/94) Government Property**

1. Unless otherwise provided in the Contract, all Government Property shall be used by the Contractor solely for the purpose of the Contract and shall remain the property of Canada, and the Contractor shall maintain adequate accounting records of all Government Property, and, whenever feasible, shall mark the same as being the property of Canada.

2. The Contractor shall take reasonable and proper care of all Government Property while the same is in, on, or about the plant and premises of the Contractor or otherwise in its possession or subject to its control, and shall be responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, except such as is installed or incorporated into the Work, shall, unless otherwise specifically provided in the Contract, be returned to Canada on demand.
4. All scrap and all waste materials, articles or things that are Government Property shall, unless otherwise provided in the Contract, remain the property of Canada and shall be disposed of only as directed by the Minister.
5. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor shall provide an inventory of all Government Property relating to the Contract to both the Contracting Authority and the Technical Authority.

**9601 22 (04/01/94) Indemnity Against Third-party Claims**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents from and against any damages, costs or expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur or suffer as a result of or arising out of
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the performance of the Work or any part thereof, except that Canada and the Minister shall not claim indemnity under this section to the extent that the injury, loss or damage has been caused by Canada, and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work-in-process or finished work furnished to, or in respect of which any payment has been made by, Canada.
2. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 1 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify Canada for payment of any settlement unless it has consented to the settlement.

**9601 23 (04/01/94) Royalties and Infringement**

1. In this section, "Royalties" includes
  - (a) license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, trade mark, copyrighted work, trade secret, or other intellectual property right, and
  - (b) any costs or expenses incurred as a result of the exercise by any person of Moral Rights.
2. Subject to subsection 4, the Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the carrying out of the Contract or the use or disposal by Canada of anything furnished by the Contractor under the Contract.
3. Canada shall indemnify and save harmless the Contractor and its servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from



- (a) the use by the Contractor in performing the Contract of equipment, Specifications or other information not prepared by the Contractor and supplied to the Contractor by or on behalf of Canada, or
- (b) the Contractor complying with production drawings not prepared by the Contractor and supplied by or on behalf of Canada which direct an alteration of or modification to the Work,

provided that the Contractor notifies the Minister immediately of any such claim, action, suit or other proceeding, but Canada shall not be liable to indemnify or save harmless the Contractor for payment of any settlement unless Canada has consented to the settlement.

4. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 2 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify or save harmless Canada for payment of any settlement unless it has consented to the settlement.
5. The Contractor shall notify the Minister of all Royalties which it or any of its subcontractors will or may be obligated to pay or propose to pay in respect of carrying out the Contract, and the basis thereof, and the parties to whom the same are payable, and shall promptly advise the Minister of any and all claims which would or might result in further or different payments by way of Royalties being made by the Contractor or any of its subcontractors.
6. Where and to the extent that the Minister so directs, the Contractor shall not pay and shall direct its subcontractors not to pay any Royalties in respect of the carrying out of the Contract.
7. After the giving of any direction provided for in subsection 6, and subject to compliance by the Contractor with the foregoing provisions, Canada shall indemnify the Contractor and its subcontractors from and against all claims, actions, suits or proceedings for payment of such Royalties as are covered by the direction.
8. The Contractor shall not be entitled to any payment in respect of any Royalties included in the Contract Price to which the indemnity provided in subsection 7 applies.

**9601 24 (25/05/01) Copyright**

1. In this section,  
  
"Material" means anything that is created or developed by the Contractor as part of the Work under the Contract, and in which copyright subsists, but does not include computer programs and related software documentation.
2. Copyright in the Material shall vest in Canada and the Contractor shall incorporate in all Material the copyright symbol and either of the following notices, as appropriate:  
  
© HER MAJESTY THE QUEEN IN RIGHT OF Canada (year)  
  
or  
  
© SA MAJESTÉ LA REINE DU CHEF DU CANADA (year)
3. At the completion of the Contract, or at such other time as the Contract or the Minister may require, the Contractor shall fully and promptly disclose to the Minister all Material created or developed under the Contract.
4. Where copyright in any Material vests in Canada under the Contract, the Contractor shall execute such conveyances and other documents relating to title or copyright as the Minister may require.

5. The Contractor shall not use, copy, divulge or publish any Material except as is necessary to perform the Contract.
6. At the request of the Minister, the Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of Moral Rights, in a form acceptable to the Minister, from every author that contributed to the Material.
7. If the Contractor is an author of the Material, the Contractor hereby permanently waives the Contractor's Moral Rights in respect of the Material.

**9601 25 (04/01/94) Suspension of the Work**

1. The Minister may at any time, by written notice, order the Contractor to suspend or stop all or part of the Work under the Contract for a period of up to 180 days. The Contractor shall immediately comply with any such order in the manner that minimizes the cost of so doing. While such an order is in effect, the Contractor shall not remove any part of the Work from any premises without the prior written consent of the Contracting Authority. At any time prior to the expiration of the 180 days, the Minister shall either rescind the order or terminate the Contract, in whole or in part, under section 26 (Default by the Contractor) or section 27 (Termination for Convenience).
2. When an order is made under subsection 1, unless the Minister terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor shall be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit thereon.
3. When an order is made under subsection 1 and is rescinded:
  - (a) the Contractor shall as soon as practicable resume work in accordance with the Contract;
  - (b) if the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for the performance of that part of the Work affected by the suspension shall be extended for a period equal to the period of suspension plus a period, if any, which in the opinion of the Minister following consultation with the Contractor is reasonably necessary for the Contractor to resume the Work; and
  - (c) subject to section 04 (Amendments and Waivers), an equitable adjustment shall be made as necessary to affected terms and conditions of the Contract.

**9601 26 (04/01/94) Default by the Contractor**

1. Where the Contractor is in default in carrying out any of its obligations under the Contract, the Minister may, upon giving written notice to the Contractor, terminate for default the whole or any part of the Contract, either immediately, or at the expiration of a cure period specified in the notice if the Contractor has not cured the default to the satisfaction of the Minister within that cure period.
2. Where the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding up of the Contractor, the Minister may, to the extent permitted by the laws of Canada, upon giving notice to the Contractor, immediately terminate for default the whole or any part of the Contract.
3. Upon the giving of a notice provided for in subsection 1 or 2, the Contractor shall have no claim for further payment other than as provided in this section, but shall be liable to Canada for any amounts, including milestone payments, paid by Canada and for all losses and damages which may be suffered by Canada by reason of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay

immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Nothing in this section affects any obligation of Canada under the law to mitigate damages.

4. Upon termination of the Contract under this section, the Minister may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Minister, any completed parts of the Work which have not been delivered and accepted prior to the termination and any materials, parts, plant, equipment or work-in-process which the Contractor has acquired or produced specifically in the fulfilment of the Contract.
5. Subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada shall pay or credit to the Contractor the value, determined on the basis of the Contract Price including the proportionate part of the Contractor's profit or fee included in the Contract Price, of all completed parts of the Work delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, and shall pay or credit to the Contractor the cost to the Contractor that the Minister considers reasonable in respect of all materials, parts, plant, equipment or work-in-process delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, but in no event shall the aggregate of the amounts paid by Canada under the Contract to the date of termination and any amounts payable pursuant to this subsection exceed the Contract Price.
6. Title to all materials, parts, plant, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such materials, parts, plant, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for materials, parts, plant, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
7. Where, subsequent to issuance of a notice pursuant to subsection 1, the Minister is satisfied that grounds did not exist for a termination under this section, the notice shall be deemed a notice of termination for convenience issued under subsection 27(1) (Termination for Convenience).

**9601 27 (04/01/94) Termination for Convenience**

1. Notwithstanding anything contained in the Contract, the Minister may, at any time prior to the completion of the Work, by giving notice to the Contractor (in this section sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the Work not completed. Upon a termination notice being given, the Contractor shall cease work (including the manufacture and procuring of materials for the fulfilment of the Contract) in accordance with and to the extent specified in the notice, but shall proceed to complete such part or parts of the Work as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.
2. In the event of a termination notice being given pursuant to subsection 1, the Contractor shall be entitled to be paid, to the extent that costs have been reasonably and properly incurred for purposes of performing the Contract and to the extent that the Contractor has not already been so paid or reimbursed by Canada including the unliquidated portion of any advance payment:
  - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after and in compliance with the instructions contained in, the termination notice;
  - (b) the cost to the Contractor plus a fair and reasonable profit thereon, for all work terminated by the termination notice before completion, the cost to the Contractor being determined in accordance with the terms of the Contract and with Contract cost Principles DSS-MAS 1031-2;
  - (c) the amount of any capital expenditures actually incurred only if they were specifically authorized under the Contract or approved in writing by the Minister for the purpose of the Contract, less

- any depreciation in respect thereof already taken into account in determining cost, to the extent that the capital expenditures are properly apportionable to the performance of the Contract;
- (d) if the Contract is exclusively for the making of capital expenditures in respect of additional equipment or plant additions, in lieu of the amounts described in paragraphs (a) to (c) inclusive, the reasonable and proper cost to the Contractor of:
- (1) all additional equipment that, prior to the giving of the termination notice, has been purchased, acquired or manufactured by the Contractor or contracted for and for which the Contractor is obligated to make payment, and
  - (2) all additional equipment in process of manufacture by the Contractor at the date of giving of the termination notice and all work in connection with the construction of the plant additions to that date, including the cost of materials and parts Contracted for by the Contractor for the purpose of such manufacture or construction and for which the Contractor is obligated to make payment; and
- (e) all costs of and incidental to the termination of the Work or part thereof, including the cost of cancellation of obligations incurred by the Contractor with respect to the terminated Work or part thereof, the cost of and incidental to the taking of an inventory of materials, components, work-in-process and finished work on hand related to the Contract at the date of the termination, and the cost of preparation of necessary accounts and statements with respect to work performed to the effective date of the termination and commitments made by the Contractor with respect to the terminated portions of the Work; but not including the cost of severance payments or damages to employees whose services are no longer required by reason of the termination except wages that the Contractor is obligated by statute to pay them and except for reasonable severance payments or damages paid to employees hired to perform the Contract whose hiring was expressly required by the Contract or approved in writing by the Minister for the purpose of the Contract.
3. In paragraphs 2(c) and (d), "capital expenditures" includes the entry into leases of real property and equipment.
  4. The Minister may reduce the payment in respect of any of the Work to the extent that, upon inspection, it is deficient in meeting the requirements of the Contract.
  5. Notwithstanding anything in subsection 2, the total of the amounts to which the Contractor is entitled under paragraphs 2(a) to (d) inclusive, together with any amounts paid or due or becoming due to the Contractor under other provisions of the Contract, shall not exceed the Contract Price or the portion thereof that is applicable to the part of the Work that is terminated, and shall not exceed the proportion of the price quoted by the Contractor for all of the Work that is reasonably attributable to the proportion of the Work performed to the effective date of the termination.
  6. In the procuring of materials and parts required for the performance of the Contract and in the subcontracting of any of the Work, the Contractor shall, unless otherwise authorized by the Minister, place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions similar in effect to those provided in this section, and generally the Contractor shall co-operate with the Minister and do everything reasonably within its power at all times to minimize the amount of Canada's obligations in the event of a termination under this section.
  7. Title to all materials, parts, plant, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such materials, parts, plant, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for materials, parts, plant, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.

8. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under this section, except to the extent that this section expressly provides.

**9601 28 (04/01/94) Accounts and Audit**

1. The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor in connection therewith, and shall keep all invoices, receipts and vouchers relating thereto. The Contractor shall not, without the prior written consent of the Minister, dispose of any such accounts, records, invoices, receipts or vouchers until the expiration of 6 years after final payment under this Contract, or until the settlement of all outstanding claims and disputes, whichever is later.
2. All such accounts and records as well as any invoices, receipts and vouchers shall at all times during the retention period referred to in subsection 1 be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits and inspections and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such accounts, records, invoices, receipts and vouchers.

**9601 29 (04/01/94) Notice**

Any notice shall be in writing and may be delivered by hand or by courier, by registered mail, or by facsimile or other electronic means that provides a paper record of the text of the notice, addressed to the Party for whom it is intended at the address in the Contract or at the last address of which the sender has received notice in accordance with this section. Any notice shall be deemed to be effective on the day it is received at that address.

**9601 30 (04/01/94) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit arising from the Contract.

**9601 31 (01/05/96) Conflict of Interest**

The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.

**9601 32 (01/06/94) No Bribe**

The Contractor represents and covenants that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

**9601 33 (04/01/94) Survival**

All of the Contractor's obligations of confidentiality and all of the Contractor's representations and warranties set out in the Contract as well as the provisions concerning Specifications, warranty, Government Property, indemnity against third-party claims, royalties and infringement, intellectual property rights and accounts and audit shall survive the expiry of the Contract or the termination of the Contract for default, for convenience, pursuant to subsection 12(6) (Excusable Delay), or by mutual consent, as shall any other provision of the Contract which, by the nature of the rights or obligations set out therein, might reasonably be expected to be intended to so survive.

**9601 34 (04/01/94) Severability**

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from the Contract and all other provisions of the Contract shall remain in full force and effect.

**9601 35 (04/01/94) Successors and Assigns**

The Contract shall enure to the benefit of, and shall be binding upon, the successors and permitted assignees of Canada and of the Contractor.

**9601 36 (04/01/94) Entire Agreement**

The Contract constitutes the entire and sole agreement between the parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the parties other than those contained in the Contract.

**9601 37 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.
4. In this section:

"contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government Contract or negotiating the whole or any part of its terms;

"employee" means a person with whom the Contractor has an employer/employee relationship;

"person" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

9601-10      00      (25/05/01)      General Conditions - Medium Form

**Public Works and Government Services Canada**

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**9601-10      01      (25/05/01)      Interpretation**

1. In the Contract, unless the context otherwise requires,

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada;

"Contract" means the written agreement between the Parties, these General conditions, any Supplemental General Conditions specified in the written agreement, and every other document specified or referred to in any of them as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contractor" means the person or entity whose name appears on the signature page of the written agreement and who is to supply goods or services to Canada under the Contract;

"Contract Price" means the amount expressed in the Contract to be payable to the Contractor for the Work;

"Cost" means cost determined in accordance with Contract Cost Principles, DSS-MAS 1031-2 as revised to the date of the bid solicitation;

"Minister" means the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that Minister;

"Moral Rights" has the same meaning as in the *Copyright Act*, R.S.C. 1985, c. C-42.

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

"Royalties" includes

- (a) license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, trade mark, copyrighted work, trade secret, or other intellectual property right, and
- (b) any costs or expenses incurred as a result of the exercise by any person of Moral Rights.

"Specifications" means the functional or technical description of the Work set out or referred to in the Contract, including drawings, samples and models, and further includes, except to the extent inconsistent with anything set out or referred to in the Contract, any such description set out or referred to in any brochure, product literature or other documentation furnished by the Contractor in relation to the Work or any part thereof;

"Subcontract" includes a Contract let by any subcontractor at any tier for the performance or supply of a part of the Work, and the derivatives of the Work shall be construed accordingly;

"Work" means the whole of the activities, services, materials, equipment, software, matters and things required to be done, furnished or performed by the Contractor in accordance with the terms of the Contract.

2. The headings used in these general conditions are inserted for convenience of reference only and shall not affect their interpretation.
3. If the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, it is subject to that Act and shall be governed accordingly.
4. In the Contract, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine gender and the neuter.



**9601-10      02      (01/12/92)      Status of the Contractor**

The Contractor is engaged as an independent Contractor for the sole purpose of performing the Work. Neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of Canada.

**9601-10      03      (01/12/92)      Amendments and Waivers**

No amendment to the Contract shall be effective unless it is incorporated into the Contract by written amendment executed by the authorized representatives of the Minister and of the Contractor. No waiver shall be valid, binding or affect the rights of the Parties unless it is made in writing by, in the case of a waiver by Canada, the authorized representative of Canada and, in the case of a waiver by the Contractor, the authorized representative of the Contractor. The waiver by a Party of a breach of any term or condition of the Contract shall not prevent the enforcement of that term or condition by that Party in the case of a subsequent breach, and shall not be deemed or construed a waiver of any subsequent breach.

**9601-10      04      (01/12/92)      Conduct of the Work**

1. The Contractor represents and warrants that:
  - (a) it is competent to perform the Work; and
  - (b) it has the necessary qualifications, including knowledge and skill, to perform the Work, together with the ability to use those qualifications effectively for that purpose.
2. The Contractor shall supply everything necessary for the performance of the Work.
3. The Contractor shall:
  - (a) carry out the Work in a diligent and efficient manner;
  - (b) ensure that the Work:
    - (1) is of proper quality, material and workmanship;
    - (2) is in full conformity with the Specifications; and
    - (3) meets all other requirements of the Contract.

**9601-10      05      (01/12/92)      Compliance with Applicable Laws**

The Contractor shall comply with all laws applicable to the performance of the Work.

**9601-10      06      (01/12/92)      Assignment**

1. The Contract shall not be assigned, in whole or in part, by the Contractor without the prior consent in writing of the Minister and any purported assignment made without that consent is void and of no effect.
2. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon Canada or the Minister, unless otherwise agreed to in writing by the Minister.

**9601-10      07      (01/12/92)      Time of the Essence**

Time is of the essence of the Contract.

**9601-10      08      (01/12/92)      Excusable Delay**

In the event of any delay in performance of the Work due to force majeure, the time for performance shall be extended for a period equivalent to the time lost by reason of the force majeure, provided, however, that the Contractor has advised the Minister of the event of force majeure as soon as the Contractor has become aware of it, and provided further that, in the event that the period of force majeure exceeds 30 days, the Minister may, by giving written notice to the Contractor, terminate the Contract, at no cost to Canada, as regards all or any part of the Work not completed. If a termination notice is given pursuant to this section, and if Canada has paid in advance for all or any part of the terminated work, such advance shall be refunded to the Minister upon written demand therefor. In this section, "force majeure" means fire, flood, riots, acts of the enemy, acts of God, government action or any other cause reasonably beyond the control of the Contractor.

**9601-10      09      (01/12/92)      Payment**

1. Notwithstanding any other provision of the Contract, no payment shall be made to the Contractor unless and until:
  - (a) an invoice, inspection notes, certificates and any other documents required by the Contract have been submitted in accordance with the terms of the Contract and the instructions of the Minister;
  - (b) all such documents have been verified by the Minister;
  - (c) with respect to all parts of the Work in respect of which payment is claimed, the Contractor, where required to do so, establishes to the satisfaction of the Minister that such parts of the Work will be free from all claims, liens, attachments, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, the finished work has been inspected by Canada and accepted as being in accordance with the Contract, including the Specifications.
2. The Minister shall notify the Contractor, within 15 days of receipt of an invoice, of any inadequacy of the invoice or of the supporting documentation, and where any such notice is given within that period the date for payment of the amount invoiced shall be postponed until the Contractor remedies the inadequacy to the satisfaction of the Minister.

**9601-10      10      (01/12/00)      Interest on Overdue Accounts**

1. For the purposes of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;

an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.
2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes

overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.

3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on overdue advance payments.

**9601-10            11            (01/12/92)            Changes in Taxes and Duties**

1. In this section "bid" includes a proposal, tender or offer submitted by the Contractor in response to an invitation from the Minister.
2. Subject to subsection 3, in the event of any change (including a new imposition or repeal), on or after the date of submission of the bid, of any tax, customs or other duty, charge, or any similar imposition that is imposed under sales or excise tax legislation of the Government of Canada and which affects the Cost to the Contractor of the Work, the Contract Price shall be adjusted to reflect the increase or decrease in the Cost to the Contractor.
3. There shall be no adjustment under subsection 2 in respect of any change that would increase the Cost to the Contractor of the Work if public notice of the change was given before the bid submission date in sufficient detail to permit the Contractor to have calculated the effect on its Cost before that date.
4. The Contractor shall forward to the Minister a certified statement showing the increase or decrease in Cost to the Contractor that is directly attributable to the change in the imposition. The Minister may verify the increase or decrease in Cost by audit before or after the Contract Price is adjusted.
5. Notwithstanding subsections 2 to 4, no adjustment to the Contract Price in respect of the Work or a part thereof shall be made for a change in any imposition referred to in this section that occurs after the date required by the Contract for delivery of the Work or that part of the Work.

**9601-10            12            (31/03/95)            Title**

1. Except as otherwise provided in the Contract, and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.
2. Upon any payment being made to the Contractor for or on account of materials, parts, work-in-process or finished work, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work-in-process and finished work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to the materials, parts, work-in-process or finished work or part thereof so vested shall remain with the Contractor until their delivery to Canada in accordance with the Contract. The Contractor shall be liable for any loss or damage to any part of the Work caused by the Contractor or any Subcontractor after such delivery.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the materials, parts, work-in-process or finished work, and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
5. Where title to any materials, parts, work-in-process or finished work becomes vested in Canada, the Contractor shall, upon the Minister's request, establish to the Minister's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances and shall execute such conveyances thereof and other instruments necessary to perfect that title as the Minister may request.

6. If the Contract is a defence Contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, title to the Work or to any materials, parts, work-in-process or finished work shall vest in Canada free and clear of all claims, liens, attachments, charges or encumbrances, and the Minister shall be entitled at any time to remove, sell or dispose of it or any part of it in accordance with section 20 of that Act.

**9601-10      13      (01/12/92)      Warranty**

1. Notwithstanding inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor warrants that, for a period of 12 months from the date of delivery, or if acceptance takes place on a later date, the date of acceptance, or for such other period as may be specified in the written agreement between the Parties, the Work shall be free from all defects in design, materials or workmanship, and shall conform with the requirements of the Contract.
2. In the event of a defect or nonconformance in any part of the Work during the warranty period defined in subsection 1, the Contractor, at the request of the Minister to do so, shall as soon as possible repair, replace or otherwise make good at its own option and expense the part of the Work found to be defective or not in conformance with the requirements of the Contract.
3. The Work or any part thereof found to be defective or non-conforming shall be returned to the Contractor's plant for replacement, repair or making good; provided that, when in the opinion of the Minister it is not expedient to remove the Work from its location, the Contractor shall carry out any necessary repair or making good of the Work at that location, and shall be paid the fair and reasonable Cost (including reasonable travelling and living expenses) incurred in so doing, with no allowance therein by way of profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.
4. Canada shall pay the transportation cost associated with returning any work or part thereof to the Contractor's plant pursuant to subsection 3, and the Contractor shall pay the transportation cost associated with forwarding the replacement or returning the Work or part thereof when rectified to the delivery point specified in the Contract, or such lesser cost as may be required to transport the Work or part thereof to another location directed by the Technical Authority.
5. The warranties set out in subsection 1 shall apply for the remainder of the warranty period to any part of the Work repaired, replaced or otherwise made good pursuant to subsection 2. All of the provisions of subsections 2 to 5 of this section apply mutatis mutandis to any such part of the Work that is found during that period to be defective or not in conformance with the Contract.

**9601-10      14      (25/05/01)      Indemnity Against Third-party Claims**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents from and against any damages, costs or expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur or suffer as a result of or arising out of:
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the performance of the Work or any part thereof, except that Canada and the Minister shall not claim indemnity under this section to the extent that the injury, loss or damage has been caused by Canada; and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work-in-process or finished work furnished to, or in respect of which any payment has been made by, Canada.

**9601-10      15      (25/05/01)      Royalties and Infringement**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the carrying out of the Contract or the use or disposal by Canada of anything furnished by the Contractor under the Contract.
2. Canada shall indemnify and save harmless the Contractor and its servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from
  - (a) the use by the Contractor in performing the Contract of equipment, Specifications or other information not prepared by the Contractor and supplied to the Contractor by or on behalf of Canada, or
  - (b) the Contractor complying with production drawings not prepared by the Contractor and supplied by or on behalf of Canada which direct an alteration of or modification to the Work,

provided that the Contractor notifies the Minister immediately of any such claim, action, suit or other proceeding, but Canada shall not be liable to indemnify or save harmless the Contractor for payment of any settlement unless Canada has consented to the settlement.

**9601-10          16          (25/05/01)          Copyright**

1. In this section,

"Material" means anything that is created or developed by the Contractor as part of the Work under the Contract, and in which copyright subsists, but does not include computer programs and related software documentation.
2. Copyright in the Material shall vest in Canada and the Contractor shall incorporate in all Material the copyright symbol and either of the following notices, as appropriate:

© HER MAJESTY THE QUEEN IN RIGHT OF Canada (year)

or

© SA MAJESTÉ LA REINE DU CHEF DU CANADA (year)
3. At the completion of the Contract, or at such other time as the Contract or the Minister may require, the Contractor shall fully and promptly disclose to the Minister all Material created or developed under the Contract.
4. Where copyright in any Material vests in Canada under the Contract, the Contractor shall execute such conveyances and other documents relating to title or copyright as the Minister may require.
5. The Contractor shall not use, copy, divulge or publish any Material except as is necessary to perform the Contract.
6. At the request of the Minister, the Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of Moral Rights, in a form acceptable to the Minister, from every author that contributed to the Material.
7. If the Contractor is an author of the Material, the Contractor hereby permanently waives the Contractor's Moral Rights in respect of the Material.

**9601-10          17          (25/05/01)          Default by the Contractor**

1. Where the Contractor is in default in carrying out any of its obligations under the Contract, the Minister may, upon giving written notice to the Contractor, terminate for default the whole or any part of the Contract, either immediately, or at the expiration of a cure period specified in the notice if the Contractor has not cured the default to the satisfaction of the Minister within that cure period.
2. Where the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding up of the Contractor, the Minister may, upon giving notice to the Contractor, immediately terminate for default the whole or any part of the Contract.
3. Upon the giving of a notice provided for in subsection 1 or 2, the Contractor shall have no claim for further payment, but shall be liable to Canada for any amounts, including milestone payments, paid by Canada and for all losses and damages which may be suffered by Canada by reason of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. Nothing in this section affects any obligation of Canada under the law to mitigate damages.

**9601-10      18      (25/05/01)      Termination for Convenience**

1. Notwithstanding anything contained in the Contract, the Minister may, at any time prior to the completion of the Work, by giving notice to the Contractor (hereinafter sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the Work not completed. Upon a termination notice being given, the Contractor shall cease work (including the manufacture and procuring of materials for the fulfilment of the Contract) in accordance with and to the extent specified in the notice, but shall proceed to complete such part or parts of the Work as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.
2. In the event of a termination notice being given pursuant to subsection 1, the Contractor shall be entitled to be paid, to the extent that costs have been reasonably and properly incurred for purposes of performing the Contract and to the extent that the Contractor has not already been so paid or reimbursed by Canada:
  - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after and in compliance with the instructions contained in the termination notice;
  - (b) the Cost to the Contractor plus a fair and reasonable profit thereon, for all work terminated by the termination notice before completion, the Cost to the Contractor being determined in accordance with the terms of the Contract and with Contract Cost Principles, DSS-MAS 1031-2;
  - (c) all costs of and incidental to the termination of the Work or part thereof, but not including the cost of severance payments or damages to employees whose services are no longer required by reason of the termination except wages that the Contractor is obligated by statute to pay them and except for reasonable severance payments or damages paid to employees hired to perform the Contract whose hiring was expressly required by the Contract or approved in writing by the Minister for the purpose of the Contract.
3. The Minister may reduce the payment in respect of any of the Work to the extent that, upon inspection, it is deficient in meeting the requirements of the Contract.
4. Notwithstanding anything in subsection 2, the total of the amounts to which the Contractor is entitled under paragraphs 2(a) and (b), together with any amounts paid or due or becoming due to the Contractor under other provisions of the Contract, shall not exceed the Contract Price or the portion thereof that is applicable to the part of the Work that is terminated.

5. In the procuring of materials and parts required for the performance of the Contract and in the subcontracting of any of the Work, the Contractor shall, unless otherwise authorized by the Minister, place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions similar in effect to those provided in this section, and generally, the Contractor shall co-operate with the Minister and do everything reasonably within its power at all times to minimize the amount of Canada's obligations in the event of a termination under this section.
6. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under this section, except to the extent that this section expressly provides.

**9601-10      19      (25/05/01)      Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit arising from the Contract.

**9601-10      20      (25/05/01)      Conflict of Interest**

The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.

**9601-10      21      (25/05/01)      No Bribe**

The Contractor represents and covenants that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

**9601-10      22      (25/05/01)      Severability**

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from the Contract and all other provisions of the Contract shall remain in full force and effect.

**9601-10      23      (25/05/01)      Entire Agreement**

The Contract constitutes the entire and sole agreement between the Parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract.

**9601-10      24      (25/05/01)      Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default

provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.

4. In this section:

"contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government Contract or negotiating the whole or any part of its terms;

"employee" means a person with whom the Contractor has an employer/employee relationship;

"person" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act* R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.



**9624 00 (10/12/01) General Conditions - Research & Development****Public Works and Government Services Canada**

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**9624 01 (25/05/01) Interpretation**

1. In the Contract, unless the context otherwise requires,

"Background Information" means all Technical Information that is not Foreground Information and that is proprietary to or the confidential information of the Contractor, its subcontractors or any other supplier of the Contractor;

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada;

"Commercial Exploitation in Competition with the Contractor" does not include exploitation by Canada or by any contractor where the good or service produced through such exploitation is for end use by Canada, nor does it include dissemination or distribution by Canada to persons or to other governments at or below cost of any good or service delivered under the Contract or produced through such exploitation;

"Contract" means the written agreement between the Parties, these general conditions, any Supplemental General Conditions specified in the written agreement, and every other document specified or referred to in any of them as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contracting Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister in the management of the Contract;

"Contractor" means the person or entity whose name appears on the signature page of the written agreement and who is to supply goods or services to Canada under the Contract;

"Contract Price" means the amount expressed in the Contract to be payable to the Contractor for the Work;

"Cost" means cost determined in accordance with Contract Cost Principles DSS-MAS 1031-2 as revised to the date of the bid solicitation;

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

"Firmware" means any computer program stored in integrated circuits, read-only memory or other similar devices;

"Foreground Information" means any Invention first conceived, developed or reduced to practice as part of the Work under the Contract and all other Technical Information conceived, developed or produced as part of the Work under the Contract;

"Government Property" means all materials, parts, components, specifications, equipment, Software, articles and things supplied to the Contractor by or on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work the cost of which is paid by Canada under the Contract and, without restricting the generality of the foregoing, includes Government Issue as defined in the *Defence Production Act*, R.S.C. 1985, c. D-1, Government Furnished Equipment and Government Supplied Material;

"Inspection Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out in matters concerning the inspection of the Work, and for purposes of section 16 (Inspection of the Work) includes a Quality Assurance Authority if such an authority is mentioned in the Contract;

"Intellectual Property Right" means any intellectual property right recognized by the law, including any intellectual property right protected through legislation (such as that governing patents, copyright,

industrial design, integrated circuit topography, or plant breeders' rights) or arising from protection of information as a trade secret or as confidential information;

"Invention" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter, whether or not patentable;

"Minister" means the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that Minister;

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

"Software" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, and includes modifications to any of the foregoing;

"Specifications" means the functional or technical description of the Work set out or referred to in the Contract, including drawings, samples and models, and further includes, except to the extent inconsistent with anything set out or referred to in the Contract, any such description set out or referred to in any brochure, product literature or other documentation furnished by the Contractor in relation to the Work or any part thereof;

"Subcontract" includes a contract let by any subcontractor at any tier for the performance or supply of a part of the Work, and includes a purchase referred to in paragraph 2(a) of section 07 at any such tier, and the derivatives of the word shall be construed accordingly;

"Technical Authority" includes the person designated in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out in matters concerning the technological content or the technical aspects of the Work;

"Technical Information" means all information of a scientific, technical or artistic nature relating to the Work, whether oral or recorded in any form or medium and whether or not subject to copyright, including but not limited to any Inventions, designs, methods, processes, techniques, know-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, collections of information, manuals and any other documents, and Software. Technical Information does not include data concerned with the administration of the Contract by Canada or the Contractor, such as internal financial or management information, unless it is a deliverable under the Contract;

"Work" means the whole of the activities, services, materials, equipment, *Software*, matters and things required to be done, delivered or performed by the Contractor in accordance with the terms of the Contract.

2. The headings used in these general conditions are inserted for convenience of reference only and shall not affect their interpretation.
3. If the Contract is a defence Contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, it is subject to that Act and shall be governed accordingly.
4. In the Contract, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine gender and the neuter.

**9624 02 (04/01/94) Powers of the Minister**

Every right, remedy, power and discretion vested in or acquired by Canada or the Minister under the Contract or by law shall be cumulative and non-exclusive.

**9624 03 (04/01/94) Status of the Contractor**

The Contractor is engaged as an independent Contractor for the sole purpose of performing the Work. Neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees including those required for Canada or Quebec Pension Plans, unemployment insurance, workers' compensation, or income tax.

**9624 04 (04/01/94) Amendments and Waivers**

1. No design change, modification to the Work, or amendment to the Contract shall be binding unless it is incorporated into the Contract by written amendment or design change memorandum executed by the authorized representatives of the Minister and of the Contractor.
2. While the Contractor may discuss any proposed changes or modifications to the scope of the Work with the Technical Authority, Canada shall not be liable for the cost of any such change or modification until it has been incorporated into the Contract in accordance with subsection 1.
3. No waiver shall be valid, binding or affect the rights of the Parties unless it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.
4. The waiver by a Party of a breach of any term or condition of the Contract shall not prevent the enforcement of that term or condition by that Party in the case of a subsequent breach, and shall not be deemed or construed a waiver of any subsequent breach.

**9624 05 (25/05/01) Conduct of the Work**

1. The Contractor represents and warrants that:
  - (a) it is competent to perform the Work; and
  - (b) it has the necessary qualifications, including knowledge, skill and experience, to perform the Work, together with the ability to use those qualifications effectively for that purpose.
2. Except for Government Property specifically provided for in the Contract, the Contractor shall supply everything necessary for the performance of the Work, including all the resources, facilities, labour and supervision, management, services, equipment, materials, drawings, technical data, technical assistance, engineering services, inspection and quality assurance procedures, and planning necessary to perform the Work.
3. The Contractor shall:
  - (a) carry out the Work in a diligent and efficient manner;
  - (b) apply as a minimum quality assurance tests, inspections and controls consistent with those in general usage in the trade and that are reasonably calculated to ensure the degree of quality required by the Contract; and
  - (c) ensure that the Work:
    - (1) is of proper quality, material and workmanship;
    - (2) is in full conformity with the Statement of Work; and
    - (3) meets all other requirements of the Contract.

4. Notwithstanding acceptance of the Deliverables or any part thereof, the Contractor warrants that the Deliverables shall be of such quality as to clearly demonstrate that the Contractor has performed the work in accordance with the undertaking in subsection 3.
5. The Contractor shall adhere to the Technical Authority's reasonable interpretation of the requirements of the Contract, insofar as such an interpretation is not inconsistent with any other part of the Contract.
6. Unless the Minister orders the Work or part thereof to be suspended pursuant to section 31 (Suspension of the Work), the Contractor shall not stop or suspend any part of the Work pending the settlement or resolution of any difference between the Parties arising out of the Contract.
7. The Contractor shall provide such reports on the performance of the Work as are required by the Contract and such other reports as may reasonably be required by the Minister or the Technical Authority.
8. The Contractor shall be fully responsible for performing the Work and Canada shall not be liable for any negative consequences or extra costs arising out of the Contractor's following any advice given by Canada, whether given without or upon invitation by the Contractor, unless the advice was provided to the Contractor in writing by the Contracting Authority and was accompanied by a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might arise from following the advice.

**9624 06 (04/01/94) Compliance with Applicable Laws**

The Contractor shall comply with all laws applicable to the performance of the Work or any part thereof including, without limitation, all laws concerning health and labour conditions and the protection of the environment, and shall require compliance therewith by all of its Subcontractors. Evidence of compliance with such laws shall be furnished by the Contractor to the Contracting Authority at such times as the Contracting Authority may reasonably request.

**9624 07 (04/01/94) Subcontracting**

1. Unless otherwise provided in the Contract, the Contractor shall obtain the consent of the Minister in writing prior to subcontracting or permitting the subcontracting of any portion of the Work at any tier.
2. Notwithstanding subsection 1, the Contractor may, without prior consent of the Minister:
  - (a) purchase "off-the-shelf" items and Software and such standard articles and materials as are ordinarily produced by manufacturers in the normal course of business;
  - (b) subcontract any of the Work, to any one or more subcontractors, up to a total value of:
    - (1) for contracts valued up to \$100,000 - 50 percent of the Contract value,
    - (2) for contracts valued over \$100,000 - \$50,000 plus 10 percent of the value of the Contract in excess to \$100,000 up to a total value of \$100,000.
  - (c) authorize its subcontractors at any tier to make purchases or subcontract as permitted in paragraphs (a) and (b).

A Subcontract at any tier may not be let without consent under subsection (b) or (c) where the Subcontractor would obtain title to intellectual property developed as part of the Work.
3. In any subcontract other than a subcontract referred to in paragraph 2(a), the Contractor shall, unless the Minister otherwise consents in writing, ensure that the Subcontractor is bound by terms and conditions compatible with and, in the opinion of the Minister, not less favourable to Canada than the terms and conditions of the Contract. Deviations in any subcontract from the terms of the Contract, including any right of termination of the Contract, shall be entirely at the risk of the Contractor.

4. The Contractor is not obliged to seek consent to subcontracts specifically authorized in the Contract.
5. Any consent to a Subcontract shall not relieve the Contractor from its obligations under the Contract or be construed as authorizing any liability on the part of Canada or the Minister to a Subcontractor.
6. When consent is required, the Contractor shall submit to the Contracting Authority a completed copy of the form required by the Minister, a copy of the proposed Subcontract, and any additional information required by the Contracting Authority.

**9624 08 (04/01/94) Replacement of Personnel**

1. When specific persons have been named in the Contract as the persons who must perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
2. If at any time the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person with similar qualifications and experience.
3. The Contractor shall, at least thirty (30) days, where possible, in advance of the date upon which a replacement person is to commence work, provide notice in writing to the Technical Authority with copy to the Contracting Authority containing:
  - (a) the reason for the removal of the named person from the Work;
  - (b) the name, qualifications and experience of the proposed replacement person; and
  - (c) proof that the person has the required security clearance granted by Canada, if applicable.
4. Canada shall have twenty (20) days after receipt of the notice to the Technical Authority to review the proposed replacement person for purposes of acceptance. If the Contractor is not notified within this 20-day period, the proposal shall be considered as having been accepted.
5. In no event shall the Contractor allow performance of the Work by unauthorized replacement persons and acceptance of a replacement person by the Technical Authority and the Contracting Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.
6. The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with subsection 2 and paragraphs 3(b) and (c), secure a further replacement.
7. The fact that the Minister does not order the removal of a replacement person from the Work shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**9624 09 (04/01/94) Assignment**

1. The Contract shall not be assigned, in whole or in part, by the Contractor without the prior consent in writing of the Minister and any purported assignment made without that consent is void and of no effect.
2. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon Canada or the Minister, unless otherwise agreed to in writing by the Minister.

**9624 10 (04/01/94) Time of the Essence**

Time is of the essence of the Contract.

**9624 11 (25/05/01) Excusable Delay**

1. A delay in the performance by the Contractor of any obligation under the Contract which is caused solely by an event that
  - (a) was beyond the reasonable control of the Contractor,
  - (b) could not reasonably have been foreseen,
  - (c) could not reasonably have been prevented by means reasonably available to the Contractor, and
  - (d) occurred without the fault or neglect of the Contractorshall, subject to subsections 2, 3 and 4, constitute an "Excusable Delay" provided that the Contractor invokes this section by notice under subsection 4.
2. If any delay in the Contractor's performance of any obligation under the Contract is caused by a delay of a Subcontractor, such a delay may constitute an Excusable Delay for the Contractor, but only if the delay of the Subcontractor meets the criteria set out in this section for an Excusable Delay by the Contractor and only to the extent that the delay has not been contributed to by the Contractor.
3. Notwithstanding subsection 1, any delay caused by lack of financial resources of the Contractor or an event that is a ground for termination provided for in subsection 32(2) (Default by the Contractor), or any delay in the Contractor fulfilling an obligation to deliver a bond, guarantee, letter of credit or other security relating to performance or the payment of money, shall not qualify as an Excusable Delay.
4. The Contractor shall not benefit from an Excusable Delay unless the Contractor has:
  - (a) used its best efforts to minimize the delay and recover lost time;
  - (b) advised the Minister of the occurrence of the delay or of the likelihood of a delay occurring as soon as the Contractor has become aware of it;
  - (c) within 15 working days of the beginning of a delay or of the likelihood of a delay coming to the attention of the Contractor, advised the Minister of the full facts or matters giving rise to the delay, and provided to the Minister for approval (which approval shall not be unreasonably withheld) a clear "work-around" plan indicating in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay; this plan shall include alternative sources of materials and labour, if the event causing the delay involves the supply of them; and
  - (d) carried out the work-around plan approved by the Minister.
5. In the event of an Excusable Delay, any delivery date or other date that is directly affected shall be postponed for a reasonable time not to exceed the duration of the Excusable Delay. The Parties shall amend the Contract, as appropriate, to reflect any such change in dates.
6. Notwithstanding subsection 5, the Minister may, after an Excusable Delay has continued for 30 days or more, in the Minister's absolute discretion terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that gave rise to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Subsections 32(4), (5) and (6) (Default by the Contractor) apply in the event of a termination under this subsection.

7. Except to the extent that Canada is responsible for the delay for reasons of failure to meet an obligation under the Contract, Canada shall not be liable for any costs or charges of any nature incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.

**9624 12 (25/05/01) Security and Protection of the Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work where copyright or any other intellectual property rights in such information (except a licence) vests in Canada under the Contract. The Contractor shall not disclose any such information to any person without the written permission of the Minister, except that the Contractor may disclose to a Subcontractor authorized in accordance with section 07 (Subcontracting) information necessary for the performance of the Subcontract, on the condition that the Subcontractor agrees that it will be used solely for the purposes of such Subcontract. Information provided to the Contractor by or on behalf of Canada shall be used solely for the purpose of the Contract and shall remain the property of Canada or the third party, as the case may be. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, together with every copy, draft, working paper and note thereof that contains such information, upon completion or termination of the Contract or at such earlier time as the Minister may require.
2. Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1 and to any right of Canada under this Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a Subcontractor.
3. The obligations of the Parties set out in this section do not apply to any information where the same information:
  - (a) is publicly available from a source other than the other Party; or
  - (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information, or
  - (c) is developed by a Party without use of the information of the other Party.
4. Wherever practical, the Contractor shall mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of Public Works and Government Services (PWGSC) Contract No. (fill in Contract number)", and Canada shall not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.
5. When the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor shall at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the PWGSC *Industrial Security Manual* and its supplements and any other instructions issued by the Minister.
6. Without limiting the generality of subsections 1 and 2, when the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Minister shall be entitled to inspect the Contractor's premises and the premises of a Subcontractor at any tier for security purposes at any time during the term of the Contract, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the Minister dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.



7. Any proposed change in the security requirements after the effective date of the Contract that would involve a significant increase in cost to the Contractor shall require an amendment to the Contract under the provisions of section 04 (Amendments and Waivers).

**9624 13 (04/01/94) Payment**

1. Notwithstanding any other provision of the Contract, no payment shall be made to the Contractor unless and until:
- (a) an invoice, inspection notes, certificates and any other documents required by the Contract have been submitted in accordance with the terms of the Contract and the instructions of the Minister;
  - (b) all such documents have been verified by the Minister;
  - (c) with respect to all parts of the Work in respect of which payment is claimed, the Contractor, where required to do so, establishes to the satisfaction of the Minister that such parts of the Work will be free from all claims, liens, attachments, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, the finished work has been inspected by Canada and accepted as being in accordance with the Contract.
2. The Minister shall notify the Contractor, within 15 days of receipt of an invoice, of any inadequacy of the invoice or of the supporting documentation, and where any such notice is given within that period the date for payment of the amount invoiced shall be postponed until the Contractor remedies the inadequacy to the satisfaction of the Minister.
3. Where a delay referred to in section 11 (Excusable Delay) has occurred, the Minister may, at the Minister's discretion, withhold all or a portion of any payment due to the Contractor until a "work-around" plan approved by the Minister has been implemented in accordance with that section. Section 14 (Interest on Overdue Accounts) shall not apply to any amount withheld under this subsection.

**9624 14 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;

an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.

2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.

3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on overdue advance payments.

**9624 15 (04/01/94) Changes in Taxes and Duties**

1. In this section, "bid" includes a proposal, tender or offer submitted by the Contractor in response to an invitation from the Minister.
2. Subject to subsection 3, in the event of any change (including a new imposition or repeal), on or after the date of submission of the bid, of any tax, customs or other duty, charge, or any similar imposition that is imposed under sales or excise tax legislation of the Government of Canada and which affects the Cost to the Contractor of the Work, the Contract Price shall be adjusted to reflect the increase or decrease in the Cost to the Contractor.
3. There shall be no adjustment under subsection 2 in respect of any change that would increase the Cost to the Contractor of the Work if public notice of the change was given before the bid submission date in sufficient detail to permit the Contractor to have calculated the effect on its Cost before that date.
4. The Contractor shall forward to the Minister a certified statement showing the increase or decrease in Cost to the Contractor that is directly attributable to the change in the imposition. The Minister may verify the increase or decrease in Cost by audit before or after the Contract Price is adjusted.
5. Notwithstanding subsections 2 to 4, no adjustment to the Contract Price in respect of the Work or a part thereof shall be made for a change in any imposition referred to in this section that occurs after the date required by the Contract for delivery of the Work or that part of the Work.

**9624 16 (04/01/94) Inspection of the Work**

1. The Work and any and all parts thereof shall be subject to such inspection as the Technical or Inspection Authority determines to be appropriate, consistent with the relevant provisions of the Contract, if any, prior to acceptance by Canada. The Contracting Authority and the Technical or Inspection Authority, or their representatives, shall have access to the Work at any time during working hours where any part of the Work is being carried out and may make examinations and such tests of the Work as they may think fit. Should the Work or any part thereof not be in accordance with the requirements of the Contract, the Technical or Inspection Authority shall have the right to reject the Work and require its correction or replacement at the Contractor's expense. The Technical or Inspection Authority, as the case may be, shall inform the Contractor of the reasons for any such rejection.
2. The Contractor shall notify the Contracting Authority and the Technical or Inspection Authority prior to conducting any critical test, trial or examination of the Work required under the Contract, as to the specific time and location of such test, trial or examination.
3. The Contractor shall provide all assistance and facilities, test pieces, samples and documentation that the Technical or Inspection Authority may reasonably require for the carrying out of any such inspection, and the Contractor shall forward such test pieces and samples to such person or location as the Technical, Inspection or Contracting Authority may direct. Inspection by the Technical or Inspection Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.

**9624 17 (04/01/94) Title**

1. Except as otherwise provided in the Contract including the intellectual property provisions, and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.

2. Except as otherwise provided in the intellectual property provisions of the Contract, upon any payment being made to the Contractor for or on account of materials, work-in-process or finished work, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work-in-process and finished work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to the materials, parts, work-in-process or finished work or part thereof so vested shall remain with the Contractor until their delivery to Canada in accordance with the Contract. The Contractor shall be liable for any loss or damage to any part of the Work caused by the Contractor or any subcontractor after such delivery.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the materials, parts, work-in-process or finished work and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
5. Where title to any materials, parts, work-in-process or finished work becomes vested in Canada, the Contractor shall, upon the Minister's request, establish to the Minister's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances and shall execute such conveyances thereof and other instruments necessary to perfect that title as the Minister may request.
6. If the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, title to the Work or to any materials, parts, work-in-process or finished work shall vest in Canada free and clear of all claims, liens, attachments, charges or encumbrances, and the Minister shall be entitled at any time to remove, sell or dispose of it or any part of it in accordance with section 20 of that Act.

**9624 18 (25/05/01) Warranty**

1. In this section, "Equipment" includes any material, prototype, machinery, device, system, apparatus, tool, die, instrument and any equipment of all kinds required to be delivered under the Contract.
2. Notwithstanding inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor warrants that, for a period of 12 months from the date of delivery, or if acceptance takes place on a later date, the date of acceptance, or for such other period as may be specified in the written agreement between the Parties, the Equipment shall be free from all defects in design, materials or workmanship, and shall conform with the requirements of the Contract, provided that with respect to Government Property not supplied by the Contractor, the Contractor's warranty shall extend only to its proper incorporation into the Work.
3. In the event of a defect or non-conformance in the Equipment or any part thereof during the warranty period defined in subsections 2 and 6, the Contractor, at the request of the Minister to do so, shall as soon as possible repair, replace or otherwise make good at its own option and expense the Equipment or any part thereof found to be defective or not in conformance with the requirements of the Contract.
4. The Equipment or any part thereof found to be defective or non-conforming shall be returned to the Contractor's plant for replacement, repair or making good; provided that, when in the opinion of the Minister it is not expedient to remove the Equipment from its location, the Contractor shall carry out any necessary repair or making good of the Equipment at that location, and shall be paid the fair and reasonable Cost (including reasonable travelling and living expenses) incurred in so doing, with no allowance therein by way of profit, less an amount equal to the Cost of rectifying the defect or non-conformance at the Contractor's plant.
5. Canada shall pay the transportation cost associated with returning any Equipment or part thereof to the Contractor's plant pursuant to subsection 4, and the Contractor shall pay the transportation cost associated with forwarding the replacement or returning the Equipment or part thereof when rectified to

the delivery point specified in the Contract, or such lesser cost as may be required to transport the Equipment or part thereof to another location directed by the Technical Authority.

6. The warranty period set out in subsection 2 shall be extended by the duration of any period or periods during the life of the warranty, including any such extension, in which the Equipment is unavailable for use or cannot be used because of a defect or non-conformance referred to in this section, less the duration of any delay by Canada in informing the Contractor of the defect or non-conformance or in returning the Equipment or part thereof to the Contractor's plant. Upon returning the Equipment or part thereof to Canada, the Contractor shall advise the Minister in writing of the warranty period remaining, including any such extension.
7. The warranties set out in subsection 2 shall apply to any part of the Equipment repaired, replaced or otherwise made good pursuant to subsection 3, for the greater of:
  - (a) the warranty period remaining under subsection 6; or
  - (b) 90 days or such other period as may be specified for that purpose in the written agreement between the Parties.

All of the provisions of subsections 3 to 6 of this section inclusive apply, with such minimum changes as the context may require, to any such part of the Equipment that is found during that period to be defective or not in conformance with the Contract.

**9624 19 (04/01/94) Government Property**

1. Unless otherwise provided in the Contract, all Government Property shall be used by the Contractor solely for the purpose of the Contract and shall remain the property of Canada, and the Contractor shall maintain adequate accounting records of all Government Property, and, whenever feasible, shall mark the same as being the property of Canada.
2. The Contractor shall take reasonable and proper care of all Government Property while the same is in, on, or about the plant and premises of the Contractor or otherwise in its possession or subject to its control, and shall be responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, except such as is installed or incorporated into the Work, shall, unless otherwise specifically provided in the Contract, be returned to Canada on demand.
4. All scrap and all waste materials, articles or things that are Government Property shall, unless otherwise provided in the Contract, remain the property of Canada and shall be disposed of only as directed by the Minister.
5. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor shall provide an inventory of all Government Property relating to the Contract to both the Contracting Authority and the Technical Authority.

**9624 20 (04/01/94) Indemnity Against Third-Party Claims**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents from and against any damages, costs or expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur or suffer as a result of or arising out of
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the performance of the Work or any part thereof, except that Canada and the Minister shall not claim indemnity under this section to the extent that the injury, loss or damage has been caused by Canada, and

- (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work-in-process or finished work furnished to, or in respect of which any payment has been made by, Canada.
2. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 1 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify Canada for payment of any settlement unless it has consented to the settlement.

**9624 21 (04/01/94) Royalties and Infringement**

1. In this section, "Royalties" includes:
- (a) license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, trade mark, copyrighted work, trade secret, or other Intellectual Property Right, and
  - (b) any costs or expenses incurred as a result of the exercise by any person of moral rights defined in the *Copyright Act*, R.S.C. 1985, c. C-42.
2. Subject to subsection 4, the Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the carrying out of the Contract or the use or disposal by Canada of anything furnished by the Contractor under the Contract.
3. Canada shall indemnify and save harmless the Contractor and its servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from
- (a) the use by the Contractor in performing the Contract of equipment, specifications or other information not prepared by the Contractor and supplied to the Contractor by or on behalf of Canada; or
  - (b) the Contractor complying with production drawings not prepared by the Contractor and supplied by or on behalf of Canada which direct an alteration of or modification to the Work,
- provided that the Contractor notifies the Minister immediately of any such claim, action, suit or other proceeding, but Canada shall not be liable to indemnify or save harmless the Contractor for payment of any settlement unless Canada has consented to the settlement.
4. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 2 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify or save harmless Canada for payment of any settlement unless it has consented to the settlement.
5. The Contractor shall notify the Minister of all Royalties which it or any of its subcontractors will or may be obligated to pay or propose to pay in respect of carrying out the Contract, and the basis thereof, and the parties to whom the same are payable, and shall promptly advise the Minister of any and all claims which would or might result in further or different payments by way of Royalties being made by the Contractor or any of its subcontractors.
6. Where and to the extent that the Minister so directs, the Contractor shall not pay and shall direct its subcontractors not to pay any Royalties in respect of the carrying out of the Contract.
7. After the giving of any direction provided for in subsection 6, and subject to compliance by the Contractor with the foregoing provisions, Canada shall indemnify the Contractor and its subcontractors from and

against all claims, actions, suits or proceedings for payment of such Royalties as are covered by the direction.

8. The Contractor shall not be entitled to any payment in respect of any Royalties included in the Contract Price to which the indemnity provided in subsection 7 applies.

**9624 22 (25/05/01) Disclosure of Foreground Information**

1. The Contractor shall promptly report and fully disclose to the Minister all Foreground Information that could be Inventions, and shall report and fully disclose to the Minister all other Foreground Information not later than the time of completion of the Work or such earlier time as the Minister or the Contract may require.
2. The Contractor shall, in each disclosure under this section, indicate the names of all subcontractors at any tier, if any, in which Intellectual Property Rights to any Foreground Information have vested or will vest.
3. Before and after final payment to the Contractor, the Minister shall have the right to examine all records and supporting data of the Contractor which the Minister reasonably deems pertinent to the identification of Foreground Information.

**9624 23 (25/05/01) Contractor to Own Intellectual Property Rights in Foreground Information**

1. Subject to subsection 3 and section 27 (Transfer of Intellectual Property Rights in Foreground Information), and without affecting any Intellectual Property Rights or interests therein that have come into being prior to the Contract or that relate to information or data supplied by Canada for purposes of the Contract, all Intellectual Property Rights in the Foreground Information shall immediately, as soon as they come into existence, vest in and remain the property of the Contractor.
2. Notwithstanding the Contractor's ownership of the Intellectual Property Rights in Foreground Information that is a prototype, model or custom or customized system or equipment together with associated manuals and other operating and maintenance documents and tools, Canada shall have unrestricted ownership rights in those deliverables, including the right to make them available for public use, whether for a fee or otherwise, and, except in the case of Software that is not necessary for the operation of the prototype, model or system or equipment, the right to sell them.
3. (a) Where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada or personal information referred to in paragraph (b), then the Intellectual Property Rights that shall vest under subsection 1 shall be restricted to the Intellectual Property Rights in Foreground Information that is capable of being exploited without the use of the information or data supplied by Canada or such personal information. All Intellectual Property Rights in any database or other compilation, the Foreground Information in which cannot be exploited without the use of such information, data, or personal information, shall vest in Canada. The Contractor agrees that it shall not use or disclose any such information or data or personal information for any purpose other than completing the Work under the Contract, and shall not dispose of it except by returning it to Canada. The Contractor shall comply with the General Conditions of the Contract in regard to maintaining the confidentiality of such information, data or personal information. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, data or personal information, together with every copy, draft, working paper and note thereof that contains such information, data, or personal information, upon the completion or termination of the Contract or at such earlier time as the Minister may require.
- (b) Notwithstanding subsection 1, if the Work under the Contract involves the collection of personal information as that term is defined in the *Privacy Act* (R.S.C., c. P-21), then all Intellectual

Property Rights in and title to that personal information shall, immediately upon the collection of it by the Contractor, vest in Canada, and the Contractor shall have no right or interest in it.

**9624 24 (25/05/01) License to Intellectual Property Rights in Foreground Information**

1. In consideration of Canada's contribution to the cost of development of the Foreground Information, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, world-wide, fully-paid and royalty-free license to exercise all Intellectual Property Rights in the Foreground Information that vest in the Contractor pursuant to section 23 (Contractor to Own Intellectual Property Rights in Foreground Information), for any public purpose except Commercial Exploitation in Competition with the Contractor. Canada's license to the Intellectual Property Rights in the Foreground Information also includes the right to disclose the Foreground Information to other governments for information purposes only. The Intellectual Property Rights arising from any modification, improvement, development or translation of the Foreground Information that is effected by or for Canada in the exercise of this license shall vest in Canada, or in such person as Canada shall decide.
2. The Contractor acknowledges that Canada may wish to award contracts for any of the purposes contemplated in subsection 1 and that such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in the Foreground Information that vest in the Contractor pursuant to section 23, includes the right to disclose the Foreground Information to bidders for such contracts, and to sub-license or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require the bidder or the contractor not to use or disclose any Foreground Information except as may be necessary to bid for or to carry out that contract.
3. For greater certainty and without limiting the generality of subsections 1 and 2, Canada's right to modify, improve, translate, reproduce or further develop any Foreground Information pursuant to subsections 1 and 2:
  - (a) applies to Foreground Information that is Software, notwithstanding any terms to the contrary delivered by the Contractor with any deliverable, including the wording on any shrink-wrapped license attached to any deliverable; and
  - (b) includes the right to reproduce and use Foreground Information that is Software, or any modified or improved or translated or further developed form of it, on any and all computer systems owned, leased or operated by Canada anywhere in the world.
4. Notwithstanding subsections 1, 2, and 3, if any Foreground Information arises solely from correction by the Contractor of errors in Background Information that is Software, or from minor modifications made by the Contractor to such Software, then the license set out in subsections 1, 2 and 3 shall not apply to that Foreground Information and, unless otherwise agreed, the license that applies to such Background Information shall apply to that Foreground Information.
5. Where the Intellectual Property Rights in any Foreground Information are or will be owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 1, 2 and 3 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Foreground Information.
6. If the Contractor wishes to make use of any Canada-owned information that was supplied for purposes of the Contract, for the commercial exploitation or further development of any of the Foreground Information, then the Contractor may make a written request for a license to exercise the required Intellectual Property Rights in that Canada-owned information, to the minister for whose department or agency the Work is being or was carried out. The Contractor shall give that minister an explanation as to why such a license is required. That minister shall respond in writing to the request within a reasonable period of time. If the

request is refused, the response shall provide an explanation for the refusal. Should that minister agree to grant such a license, it shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.

7. The Contractor may apply to the minister for whose department or agency the Work is being or was carried out for a license to commercially exploit a translation of the Foreground Information which is effected by or for Canada, subject to the same restrictions and obligations as apply under the Contract to commercial exploitation of the Foreground Information that was translated. Any such license shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.

**9624 25 (10/12/01) License to Intellectual Property Rights in Background Information**

1. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required in order for Canada to exercise its license in the Intellectual Property Rights in the Foreground Information. The Contractor agrees, subject to subsection 4, to make any such Background Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.
2. The Contractor acknowledges that Canada may wish to award contracts for a purpose contemplated in subsection 1 and that such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in Background Information includes the right to disclose the Background Information to bidders for such contracts, and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.
3. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 1 and 2 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.
4. Notwithstanding subsection 1, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 1 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms.

**9624 26 (10/12/01) Right to License**

The Contractor represents and warrants that the Contractor has, or the Contractor shall obtain, without delay, the right to grant to Canada the license to exercise the Intellectual Property Rights in the Foreground Information and the Background Information as required by the Contract.

**9624 27 (25/05/01) Transfer of Intellectual Property Rights in Foreground Information**



1. Until the Contractor completes the Work and discloses all of the Foreground Information in accordance with section 22 (Disclosure of Foreground Information), the Contractor shall not, without the prior written permission of the Minister, sell, assign or otherwise transfer title to the Intellectual Property Rights in any Foreground Information, or license or otherwise authorize the use of the Intellectual Property Rights in any of the Foreground Information by any person.
2. If Canada terminates the Contract in whole or in part for default, or if the Contractor fails to disclose any Foreground Information in accordance with section 22, the Minister may, by notice given not later than 90 days from the date of termination or from the date Canada learns of the failure to disclose, as the case may be, require the Contractor to convey to Canada all of the Intellectual Property Rights in the Foreground Information or, in the case of a notice based on failure to disclose, all of the Intellectual Property Rights in the Foreground Information not disclosed. In the case of either notice, the rights to be conveyed shall include the Intellectual Property Rights in any Foreground Information that have vested or are to vest in a Subcontractor at any tier. In the case of Intellectual Property Rights in Foreground Information which have been sold or assigned to a party other than a Subcontractor at any tier, the Contractor shall not be obligated to convey rights to Canada in accordance with this subsection, but shall pay to Canada on demand an amount equal to the consideration which the Contractor received from the sale or assignment of the Intellectual Property Rights in that Foreground Information or, in the case of a sale or assignment that was not at arm's length, the fair market value of the Intellectual Property Rights in that Foreground Information, in each case including the value of future royalties or license fees.
3. In the event of the issuance by the Minister of a notice under subsection 2, the Contractor shall, at its own expense and without delay, execute such conveyances or other documents relating to title to the Intellectual Property Rights as the minister for whose department or agency the Work is being or was carried out may require, and the Contractor shall, at Canada's expense, afford that minister all reasonable assistance in the preparation of applications and in the prosecution of any applications for, or any registration of, any Intellectual Property Right in any jurisdiction, including without limitation the assistance of the inventor in the case of Inventions.

**9624 28 (25/05/01) Sale, Assignment, Transfer or Licensing of Intellectual Property Rights in Foreground Information**

1. In any sale, assignment, transfer or license of Intellectual Property Rights in Foreground Information by the Contractor except a sale or license for end use of a product based on Foreground Information, the Contractor shall impose on the other party all of its obligations to Canada in relation to the Intellectual Property Rights in the Foreground Information and any restrictions set out in the Contract on the use or disposition of the Intellectual Property Rights in the Foreground Information (and, if applicable, the Foreground Information), including the obligation to impose the same obligations and restrictions on any subsequent transferee, assignee or licensee.
2. The Contractor shall promptly notify Canada of the name, address and other pertinent information in regard to any transferee, assignee or licensee referred to in subsection 1, and shall ensure that such party is required to do the same with regard to any subsequent transferee, assignee or licensee.
3. The Contractor shall not charge or permit any person to charge a royalty or other fee to Canada in respect of the Intellectual Property Rights in any Foreground Information for purposes of a contract or other arrangement with Canada. Where the contract or other arrangement is for a product based on Foreground Information or on any modification or improvement thereof, the Contractor shall grant to Canada a reasonable credit against its commercial price for that product to take into account Canada's financial contribution toward the development of the product, and in the case of a product owned by a transferee, assignee or licensee of the Intellectual Property Rights in any Foreground Information, the Contractor shall ensure that such party is required to do the same.

**9624 29 (25/05/01) Access to Information; Exception to Contractor Rights**

1. Subject to the *Access to Information Act*, R.S.C., c. A-1 and to any right of Canada under the Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is confidential information or a trade secret of the Contractor or a Subcontractor.
2. Notwithstanding subsection 1, nothing in these terms and conditions shall be construed as limiting Canada's right to exercise the Intellectual Property Rights in any Foreground Information or any Background Information, or to disclose any Foreground Information or any Background Information, to the extent that such information:
  - (a) is or becomes in the public domain, or to the extent that the Contractor does not benefit from or ceases to benefit from any intellectual property rights protection for such information under legislation or at law (other than under the terms of the Contract), for any reason including as a result of Canada's use or disclosure of deliverables under the Contract for any purpose whatever that is not expressly excluded under the Contract;
  - (b) is or becomes known to Canada from a source other than the Contractor, except from any source that is known to Canada to be under an obligation to the Contractor not to disclose the information;
  - (c) is independently developed by or for Canada; or
  - (d) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.

**9624 30 (25/05/01) Waiver of Moral Rights**

1. The Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of moral rights (as this term is defined in the *Copyright Act*, R.S.C., c. C-42), in a form acceptable to the Minister, from every author that contributed to any Foreground Information which is subject to copyright protection and which is deliverable to Canada under the terms of the Contract.
2. If the Contractor is an author of the Foreground Information referred to in subsection 1, the Contractor hereby permanently waives the Contractor's moral rights in that Foreground Information.

**9624 31 (25/05/01) Suspension of the Work**

1. The Minister may at any time, by written notice, order the Contractor to suspend or stop all or part of the Work under the Contract for a period of up to 180 days. The Contractor shall immediately comply with any such order in the manner that minimizes the cost of so doing. While such an order is in effect, the Contractor shall not remove any part of the Work from any premises without the prior written consent of the Contracting Authority. At any time prior to the expiration of the 180 days, the Minister shall either rescind the order or terminate the Contract, in whole or in part, under section 32 (Default by the Contractor) or section 33 (Termination for Convenience).
2. When an order is made under subsection 1, unless the Minister terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor shall be entitled to be paid its additional Costs incurred as a result of the suspension plus a fair and reasonable profit thereon.
3. When an order is made under subsection 1 and is rescinded:
  - (a) the Contractor shall as soon as practicable resume work in accordance with the Contract;
  - (b) if the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for the performance of that part of the Work affected by the suspension shall

be extended for a period equal to the period of suspension plus a period, if any, which in the opinion of the Minister following consultation with the Contractor is reasonably necessary for the Contractor to resume the work; and

- (c) subject to section 04 (Amendments and Waivers), an equitable adjustment shall be made as necessary to affected terms and conditions of the Contract.

**9624 32 (25/05/01) Default by the Contractor**

1. Where the Contractor is in default in carrying out any of its obligations under the Contract, the Minister may, upon giving written notice to the Contractor, terminate for default the whole or any part of the Contract, either immediately, or at the expiration of a cure period specified in the notice if the Contractor has not cured the default to the satisfaction of the Minister within that cure period.
2. Where the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding up of the Contractor, the Minister may, to the extent permitted by the laws of Canada, upon giving notice to the Contractor, immediately terminate for default the whole or any part of the Contract.
3. Upon the giving of a notice provided for in subsection 1 or 2, the Contractor shall have no claim for further payment other than as provided in this section, but shall be liable to Canada for any amounts, including milestone payments, paid by Canada and for all losses and damages which may be suffered by Canada by reason of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Nothing in this section affects any obligation of Canada under the law to mitigate damages.
4. Upon termination of the Contract under this section, the Minister may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Minister, any completed parts of the Work which have not been delivered and accepted prior to the termination and any materials, parts, equipment or work-in-process which the Contractor has acquired or produced specifically in the fulfilment of the Contract.
5. Subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada shall pay or credit to the Contractor the value, determined on the basis of the Contract Price including the proportionate part of the Contractor's profit or fee included in the Contract Price, of all completed parts of the Work delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, and shall pay or credit to the Contractor the Cost to the Contractor that the Minister considers reasonable in respect of all materials, parts, equipment or work-in-process delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, but in no event shall the aggregate of the amounts paid by Canada under the Contract to the date of termination and any amounts payable pursuant to this subsection exceed the Contract Price.
6. Title to all materials, parts, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such materials, parts, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for materials, parts, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
7. Where, subsequent to issuance of a notice pursuant to subsection 1, the Minister is satisfied that grounds did not exist for a termination under this section, the notice shall be deemed a notice of termination for convenience issued under subsection 33(1) (Termination for Convenience).

**9624 33 (25/05/01) Termination for Convenience**

1. Notwithstanding anything contained in the Contract, the Minister may, at any time prior to the completion of the Work, by giving notice to the Contractor (in this section sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the Work not completed. Upon a termination notice being given, the Contractor shall cease work (including the manufacture and procuring of materials for the fulfilment of the Contract) in accordance with and to the extent specified in the notice, but shall proceed to complete such part or parts of the Work as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.
2. In the event of a termination notice being given pursuant to subsection 1, the Contractor shall be entitled to be paid, to the extent that costs have been reasonably and properly incurred for purposes of performing the Contract and to the extent that the Contractor has not already been so paid or reimbursed by Canada including the unliquidated portion of any advance payment:
  - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after and in compliance with the instructions contained in, the termination notice;
  - (b) the cost to the Contractor plus a fair and reasonable profit thereon, for all work terminated by the termination notice before completion, the cost to the Contractor being determined in accordance with the terms of the Contract and with Contract Cost Principles DSS-MAS 1031-2;
  - (c) the amount of any capital expenditures actually incurred only if they were specifically authorized under the Contract or approved in writing by the Minister for the purpose of the Contract, less any depreciation in respect thereof already taken into account in determining Cost, to the extent that the capital expenditures are properly apportionable to the performance of the Contract;
  - (d) all Costs of and incidental to the termination of the Work or part thereof, including the Cost of cancellation of obligations incurred by the Contractor with respect to the terminated Work or part thereof, the Cost of and incidental to the taking of an inventory of materials, components, work-in-process and finished work on hand related to the Contract at the date of the termination, and the Cost of preparation of necessary accounts and statements with respect to Work performed to the effective date of the termination and commitments made by the Contractor with respect to the terminated portions of the Work; but not including the cost of severance payments or damages to employees whose services are no longer required by reason of the termination except wages that the Contractor is obligated by statute to pay them and except for reasonable severance payments or damages paid to employees hired to perform the Contract whose hiring was expressly required by the Contract or approved in writing by the Minister for the purpose of the Contract.
3. In paragraph 2(c), "capital expenditures" includes the entry into leases of real property and equipment.
4. The Minister may reduce the payment in respect of any of the Work to the extent that, upon inspection, it is deficient in meeting the requirements of the Contract.
5. Notwithstanding anything in subsection 2, the total of the amounts to which the Contractor is entitled under paragraphs 2(a) to (c) inclusive, together with any amounts paid or due or becoming due to the Contractor under other provisions of the Contract, shall not exceed the Contract Price or the portion thereof that is applicable to the part of the Work that is terminated, and shall not exceed the proportion of the price quoted by the Contractor for all of the Work that is reasonably attributable to the proportion of the Work performed to the effective date of the termination.
6. In the procuring of materials and parts required for the performance of the Contract and in the subcontracting of any of the Work, the Contractor shall, unless otherwise authorized by the Minister, place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions similar in effect to those provided in this section, and generally the Contractor shall

co-operate with the Minister and do everything reasonably within its power at all times to minimize the amount of Canada's obligations in the event of a termination under this section.

7. Title to all materials, parts, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such materials, parts, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for materials, parts, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
8. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under this section, except to the extent that this section expressly provides.

**9624 34 (25/05/01) Accounts and Audit**

1. The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor in connection therewith, and shall keep all invoices, receipts and vouchers relating thereto. The Contractor shall not, without the prior written consent of the Minister, dispose of any such accounts, records, invoices, receipts or vouchers until the expiration of 6 years after final payment under this Contract, or until the settlement of all outstanding claims and disputes, whichever is later.
2. All such accounts and records as well as any invoices, receipts and vouchers shall at all times during the retention period referred to in subsection 1 be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits and inspections and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such accounts, records, invoices, receipts and vouchers.

**9624 35 (25/05/01) Notice**

Any notice shall be in writing and may be delivered by hand or by courier, by registered mail, or by facsimile or other electronic means that provides a paper record of the text of the notice, addressed to the Party for whom it is intended at the address in the Contract or at the last address of which the sender has received notice in accordance with this section. Any notice shall be deemed to be effective on the day it is received at that address.

**9624 36 (25/05/01) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit arising from the Contract.

**9624 37 (25/05/01) Conflict of Interest**

The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.

**9624 38 (25/05/01) No Bribe**

The Contractor represents and covenant that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

**9624 39 (25/05/01) Survival**

All of the Contractor's obligations of confidentiality and all of the Contractor's representations and warranties set out in the Contract as well as the provisions concerning warranty, Government Property, indemnity against third-party claims, royalties and infringement, intellectual property rights and accounts and audit shall survive the expiry of the Contract or the termination of the Contract for default, for convenience, pursuant to subsection 11(6) (Excusable Delay), or by mutual consent, as shall any other provision of the Contract which, by the nature of the rights or obligations set out therein, might reasonably be expected to be intended to so survive.

**9624 40 (25/05/01) Severability**

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from the Contract and all other provisions of the Contract shall remain in full force and effect.

**9624 41 (25/05/01) Successors and Assigns**

The Contract shall enure to the benefit of, and shall be binding upon, the successors and permitted assignees of Canada and of the Contractor.

**9624 42 (25/05/01) Entire Agreement**

The Contract constitutes the entire and sole agreement between the parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the parties other than those contained in the Contract.

**9624 43 (25/05/01) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.
4. In this section:

"contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government Contract or negotiating the whole or any part of its terms;

"employee" means a person with whom the Contractor has an employer/employee relationship;

"person" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is

required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**9624 44 (25/05/01) Specifications**

1. Where, pursuant to the terms of the Contract, Specifications furnished by the Contractor are subject to approval by the Minister or the Technical Authority, such approval shall not relieve the Contractor of its responsibility to complete the Work and to meet all requirements of the Contract. Any such approval shall not be unreasonably withheld.
2. The Contractor agrees to accept and be bound by the Inspection or Quality Assurance Authority's interpretation of the Specifications, insofar as such an interpretation is not inconsistent with any other part of the Contract.





9628 00 (15/09/97) Purchase of Commercially Available Goods and Services under \$25,000

1. In the Contract,  
  
**"Canada", "Crown", or "Her Majesty"** means Her Majesty, the Queen in right of Canada;  
  
**"Contract"** means these general conditions, any referenced provisions and the agreement to which they are attached;  
  
**"Minister"** means the Minister of Public Works and Government Services and any other person authorized to act on the Minister's behalf.  
  
**"Work"** means the whole of the work, services, materials, matters and things required to be done, furnished and/or performed by the Contractor in order to carry out the Contract;
2. The Contractor represents and warrants that the Work will be of a proper quality, free from any defect in material and workmanship, and shall be in full conformity with all other contract requirements. Notwithstanding prior acceptance of the Work and without restricting any other term of the contract or any conditions, warranty or provision implied or imposed by law, the Contractor, if requested by the Minister, shall replace or repair at its own expense any work which becomes defective or fails to conform to the Contract as the result of faulty or inefficient manufacture, material or workmanship, notice of which is provided to the Contractor within a reasonable time during or after the warranty period which commences the day after delivery and acceptance of the Work. The warranty period will be ninety (90) days or the length of the Contractor's or manufacturer's standard warranty period, whichever is longer.
3. Except as otherwise provided in the Contract, title to the Work or any part thereof shall vest in Canada upon delivery to and acceptance by Canada of the Work or any part thereof. Where title to any work or any part thereof, or any rights vest in Canada under the Contract, the Contractor shall execute such conveyances and other documents relating to title as may be required to evidence the title or rights of Canada. Unless otherwise specified in the Contract, risk of loss or damage to the Work or any part thereof shall remain with the Contractor until delivery to and acceptance by Canada.
4. Payment by Canada for the Work shall be made following delivery, inspection and acceptance of the Work, and following presentation of invoices and such other documentation of which prior notice has been furnished. The period for payment shall be within thirty (30) days, calculated from the date the invoice is received, or the date of receipt of the goods, whichever is the later date. Canada shall be liable to pay, without demand from the Contractor, simple interest at the Average Rate plus 3% per annum on any amount which is overdue from the day such amount became overdue until the day prior to the date of payment, inclusive; however, interest will not be payable nor paid unless the amount has been outstanding (unpaid) for more than fifteen (15) days following the due date, unless requested by the Contractor. Interest will not be payable on overdue advance payments or if Canada is not responsible for the delay in payment. The Average Rate is the simple arithmetic mean of the rates of interest established by the Bank of Canada from time to time during the month preceding payment.
5. It is a term of this contract that payment under this contract is subject to there being an appropriation for the particular requirement for the fiscal year in which any commitment under this contract would come in course of payment.
6. Without prejudice to any other rights or remedies, if the Contractor is in default in performance of the Contract or is bankrupt or insolvent or in receivership, the Minister may terminate all or a portion of the Contract. The Minister may at any time, by notice, terminate the Contract or reduce the quantity or scope of the Work to be delivered and the Contractor will give effect to such notice thereof according to its terms. In such a case, all work delivered and accepted and unpaid in accordance with the notice shall be paid for in accordance with the pricing basis established in the Contract. The Contractor shall be entitled to be reimbursed the actual costs reasonably and properly incurred as a direct result of the termination, but in

no case shall such reimbursement exceed the Contract Price or shall the Contractor have claim for damages, compensation, loss of profit or otherwise, except as herein provided.

7. The Contractor represents and covenants that no bribe, gift or other inducement has been or will be paid, given, promised, or offered to any official or employee of Canada for, or with a view to, the obtaining of the Contract by the Contractor. No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit to arise therefrom.
8. In the event of any change in any tax imposed under the Excise Act, the Excise Tax Act, or any duties imposed under the Customs Tariff or any other federal or provincial sales, excise or other like duties, taxes, charges or impositions after the bid submission date and which affects the costs to the Bidder/Contractor of the Work, the Bid/Contract Price shall be adjusted to reflect the increase or decrease in the cost to the Bidder/Contractor.
9. Time is of the essence of the Contract.
10. Canada, in the course of meeting its international obligations, may impose restrictions on trade, financial transactions or other dealings with a foreign nation pursuant to the United Nations Act, Special Economic Measures Act, or Export and Import Permits Act. The Contractor undertakes to comply with such restrictions and agrees that Canada has the right to terminate the Contract for default and recover damages for any breach by the Contractor of its undertaking.
11. Bidders are hereby notified that Canada may reject any bid in any of the circumstances described in clause A9100T entitled "Vendor Performance", as set out in the Public Works and Government Services Canada Standard Acquisition Clauses and Conditions Manual. Clause A9100T, is hereby incorporated by reference into this document.

**9676 00 (10/12/01) General Conditions - Services****Public Works and Government Services Canada**

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- 02 Powers of the Minister
- 03 Status of the Contractor
- 04 Amendments and Waivers
- 05 Conduct of the Work
- 06 Compliance with Applicable Laws
- 07 Subcontracting
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**9676 01 (10/12/01) Interpretation**

1. In the contract, unless the context otherwise requires,

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada;

"Contract" means the written agreement between the Parties, these general conditions, any supplemental general conditions specified in the written agreement and every other document specified or referred to in any of them as forming part of the Contract, all as amended by agreement of the Parties from time to time;

"Contracting Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister in the management of the Contract;

"Contractor" means the person or entity whose name appears on the signature page of the written agreement and who is to supply goods or services to Canada under the Contract;

"Contract Price" means the amount expressed in the Contract to be payable to the Contractor for the Work;

"Cost" means cost determined in accordance with contract Cost Principles DSS-MAS 1031-2, as revised to the date of the bid solicitation;

"Government Property" means all materials, parts, components, Specifications, equipment, software, articles and things supplied to the Contractor by or on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work the cost of which is paid by Canada under the Contract and, without restricting the generality of the foregoing, includes Government Issue as defined in the *Defence Production Act*, R.S.C. 1985, c. D-1, Government Furnished Equipment and Government Supplied Material;

"Inspection Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out in matters concerning the inspection of the Work, and for purposes of section 16 (Inspection of the Work) includes a Quality Assurance Authority if such an authority is mentioned in the Contract;

"Minister" means the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that Minister;

"Moral Rights" has the same meaning as in the *Copyright Act*, R.S.C. 1985, c. C-42;

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

"Specifications" means the functional or technical description of the Work set out or referred to in the Contract, including drawings, samples and models, and further includes, except to the extent inconsistent with anything set out or referred to in the Contract, any such description set out or referred to in any brochure, product literature or other documentation furnished by the Contractor in relation to the Work or any part thereof;

"Subcontract" includes a contract let by any subcontractor at any tier for the performance or supply of a part of the Work, and the derivatives of the word shall be construed accordingly;

"Technical Authority" includes Project Authority and means the person designated in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out in matters concerning the technical aspects of the Work;

"Work" means the whole of the activities, services, materials, equipment, software, matters and things required to be done, delivered or performed by the Contractor in accordance with the terms of the Contract.

2. The headings used in these general conditions are inserted for convenience of reference only and shall not affect their interpretation.
3. If the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, it is subject to that Act and shall be governed accordingly.
4. In the Contract, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine gender and the neuter.

**9676 02 (04/01/94) Powers of the Minister**

Every right, remedy, power and discretion vested in or acquired by Canada or the Minister under the Contract or by law shall be cumulative and non-exclusive.

**9676 03 (04/01/94) Status of the Contractor**

The Contractor is engaged as an independent Contractor for the sole purpose of performing the Work. Neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees including those required for Canada or Quebec Pension Plans, unemployment insurance, workers' compensation, or income tax.

**9676 04 (04/01/94) Amendments and Waivers**

1. No design change, modification to the Work, or amendment to the Contract shall be binding unless it is incorporated into the Contract by written amendment or design change memorandum executed by the authorized representatives of the Minister and of the Contractor.
2. While the Contractor may discuss any proposed changes or modifications to the scope of the Work with the Technical Authority, Canada shall not be liable for the cost of any such change or modification until it has been incorporated into the Contract in accordance with subsection 1.
3. No waiver shall be valid, binding or affect the rights of the Parties unless it is made in writing by, in the case of a waiver by Canada, the Contracting Authority and, in the case of a waiver by the Contractor, the authorized representative of the Contractor.
4. The waiver by a Party of a breach of any term or condition of the Contract shall not prevent the enforcement of that term or condition by that Party in the case of a subsequent breach, and shall not be deemed or construed a waiver of any subsequent breach.

**9676 05 (25/05/01) Conduct of the Work**

1. The Contractor represents and warrants that:
  - (a) it is competent to perform the Work; and
  - (b) it has the necessary qualifications, including knowledge, skill and experience to perform the Work, together with the ability to use those qualifications effectively for that purpose.
2. Except for Government Property specifically provided for in the Contract, the Contractor shall supply everything necessary for the performance of the Work, including all the resources, facilities, labour and supervision, management, services, equipment, materials, drawings, technical data, technical assistance, engineering services, inspection and quality assurance procedures, and planning necessary to perform the Work.

3. The Contractor shall:
  - (a) carry out the Work in a diligent and efficient manner;
  - (b) select and employ on the Work a sufficient number of properly qualified personnel, provide efficient and effective inspection and quality control procedures and provide administration and other support to its employees to the extent necessary to properly carry out the work;
  - (c) perform the Work in accordance with standards of quality acceptable to the Minister and in full conformity with the Specifications and all the requirements of the Contract; and
  - (d) provide effective and efficient supervision to ensure that the quality of workmanship is as stated in the Contract.
4. The Work shall not be performed by any person who, in the opinion of the Minister or the Technical Authority, is incompetent or has been conducting himself/herself improperly.
5. The Contractor warrants that all services performed under this Contract will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this Contract. If the Contractor is required to correct or replace the Work or any portion thereof, it shall be at no cost to Canada, and any work corrected or replaced by the Contractor pursuant to this subsection shall be subject to all provisions of this Contract to the same extent as Work initially performed.
6. The Contractor shall adhere to the Technical Authority's reasonable interpretation of the requirements of the Contract insofar as such an interpretation is not inconsistent with any other part of the Contract.
7. Unless the Minister orders the Work or part thereof to be suspended pursuant to section 22 (Suspension of the Work), the Contractor shall not stop or suspend any part of the Work pending the settlement or resolution of any difference between the Parties arising out of the Contract.
8. The Contractor shall provide such reports on the performance of the Work as are required by the Contract and such other reports as may reasonably be required by the Minister or the Technical Authority.
9. The Contractor shall be fully responsible for performing the Work and Canada shall not be liable for any negative consequences or extra costs arising out of the Contractor's following any advice given by Canada, whether given without or upon invitation by the Contractor, unless the advice was provided to the Contractor in writing by the Contracting Authority and was accompanied by a statement specifically relieving the Contractor of any responsibility for negative consequences or extra costs that might arise from following the advice.

**9676 06 (04/01/94) Compliance with Applicable Laws**

The Contractor shall comply with all laws applicable to the performance of the Work or any part thereof including, without limitation, all laws concerning health and labour conditions and the protection of the environment, and shall require compliance therewith by all of its subcontractors. Evidence of compliance with such laws shall be furnished by the Contractor to the Contracting Authority at such times as the Contracting Authority may reasonably request.

**9676 07 (04/01/94) Subcontracting**

1. Unless otherwise provided in the Contract, the Contractor shall obtain the consent of the Minister in writing prior to subcontracting or permitting the subcontracting of any portion of the Work at any tier.
2. Notwithstanding subsection 1, the Contractor may, without prior consent of the Minister, subcontract such portions of the Work as is customary in the carrying out of similar contracts.

3. In any subcontract, the Contractor shall, unless the Minister otherwise consents in writing, ensure that the subcontractor is bound by terms and conditions compatible with and, in the opinion of the Minister, not less favourable to Canada than the terms and conditions of the Contract. Deviations in any subcontract from the terms of the Contract, including any right of termination of the Contract, shall be entirely at the risk of the Contractor.
4. The Contractor is not obliged to seek consent to subcontracts specifically authorized in the Contract.
5. Any consent to a Subcontract shall not relieve the Contractor from its obligations under the Contract or be construed as authorizing any liability on the part of Canada or the Minister to a subcontractor.

**9676 08 (04/01/94) Replacement of Personnel**

1. When specific persons have been named in the Contract as the persons who must perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
2. If, at any time, the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person who is of similar ability and attainment.
3. The Contractor shall, before replacing any specific person named in the Contract, provide notice in writing to the Minister containing:
  - (a) the reason for the removal of the named person from the Work;
  - (b) the name, qualifications and experience of the proposed replacement person; and
  - (c) proof that the person has the required security clearance granted by Canada, if applicable.
4. The Contractor shall not, in any event, allow performance of the Work by unauthorized replacement persons and acceptance of a replacement person by the Technical Authority and the Contracting Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.
5. The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with subsection 2 and paragraphs 3(b) and (c), secure a further replacement.
6. The fact that the Minister does not order the removal of a replacement person from the Work shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**9676 09 (04/01/94) Assignment**

1. The Contract shall not be assigned, in whole or in part, by the Contractor without the prior consent in writing of the Minister and any purported assignment made without that consent is void and of no effect.
2. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon Canada or the Minister, unless otherwise agreed to in writing by the Minister.

**9676 10 (04/01/94) Time of the Essence**

Time is of the essence of the Contract.

**9676 11 (04/01/94) Excusable Delay**

1. A delay in the performance by the Contractor of any obligation under the Contract which is caused solely by an event that
  - (a) was beyond the reasonable control of the Contractor,
  - (b) could not reasonably have been foreseen,
  - (c) could not reasonably have been prevented by means reasonably available to the Contractor, and
  - (d) occurred without the fault or neglect of the Contractorshall, subject to subsections 2, 3 and 4, constitute an "Excusable Delay" provided that the Contractor invokes this section by notice under subsection 4.
2. If any delay in the Contractor's performance of any obligation under the Contract is caused by a delay of a Subcontractor, such a delay may constitute an Excusable Delay for the Contractor, but only if the delay of the Subcontractor meets the criteria set out in this section for an Excusable Delay by the Contractor and only to the extent that the delay has not been contributed to by the Contractor.
3. Notwithstanding subsection 1, any delay caused by lack of financial resources of the Contractor or an event that is a ground for termination provided for in subsection 23(2) (Default by the Contractor), or any delay in the Contractor fulfilling an obligation to deliver a bond, guarantee, letter of credit or other security relating to performance or the payment of money, shall not qualify as an Excusable Delay.
4. The Contractor shall not benefit from an Excusable Delay unless the Contractor has:
  - (a) used its best efforts to minimize the delay and recover lost time;
  - (b) advised the Minister of the occurrence of the delay or of the likelihood of a delay occurring as soon as the Contractor has become aware of it;
  - (c) within 15 working days of the beginning of a delay or of the likelihood of a delay coming to the attention of the Contractor, advised the Minister of the full facts or matters giving rise to the delay, and provided to the Minister for approval (which approval shall not be unreasonably withheld) a clear "work-around" plan indicating in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay; this plan shall include alternative sources of materials and labour, if the event causing the delay involves the supply of them; and
  - (d) carried out the work-around plan approved by the Minister.
5. In the event of an Excusable Delay, any delivery date or other date that is directly affected shall be postponed for a reasonable time not to exceed the duration of the Excusable Delay. The Parties shall amend the Contract, as appropriate, to reflect any such change in dates.
6. Notwithstanding subsection 5, the Minister may, after an Excusable Delay has continued for 30 days or more, in the Minister's absolute discretion terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination or the event that gave rise to the Excusable Delay. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Subsections 23(4), (5) and (6) (Default by the Contractor) apply in the event of a termination under this subsection.
7. Except to the extent that Canada is responsible for the delay for reasons of failure to meet an obligation under the Contract, Canada shall not be liable for any costs or charges of any nature incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.



**9676 12 (25/05/01) Security and Protection of the Work**

1. The Contractor shall keep confidential all information provided to the Contractor by or on behalf of Canada in connection with the Work, including any information that is confidential or proprietary to third parties, and all information conceived, developed or produced by the Contractor as part of the Work where copyright or any other intellectual property rights in such information (except a licence) vests in Canada under the Contract. The Contractor shall not disclose any such information to any person without the written permission of the Minister, except that the Contractor may disclose to a subcontractor authorized in accordance with section 07 (Subcontracting) information necessary for the performance of the Subcontract, on the condition that the subcontractor agrees that it will be used solely for the purposes of such Subcontract. Information provided to the Contractor by or on behalf of Canada shall be used solely for the purpose of the Contract and shall remain the property of Canada or the third party, as the case may be. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, together with every copy, draft, working paper and note thereof that contains such information, upon completion or termination of the Contract or at such earlier time as the Minister may require.
2. Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1 and to any right of Canada under this Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is proprietary to the Contractor or a Subcontractor.
3. The obligations of the Parties set out in this section do not apply to any information where the same information:
  - (a) is publicly available from a source other than the other Party; or
  - (b) is or becomes known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information, or
  - (c) is developed by a Party without use of the information of the other Party.
4. Wherever practical, the Contractor shall mark or identify any proprietary information delivered to Canada under the Contract as "Property of (Contractor's name), permitted Government uses defined under Department of Public Works and Government Services (PWGSC) Contract No. (fill in Contract number)", and Canada shall not be liable for any unauthorized use or disclosure of information that could have been so marked or identified and was not.
5. When the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL, or PROTECTED by Canada, the Contractor shall at all times take all measures reasonably necessary for the safeguarding of the material so identified, including those set out in the PWGSC *Industrial Security Manual* and its supplements and any other instructions issued by the Minister.
6. Without limiting the generality of subsections 1 and 2, when the Contract, the Work, or any information referred to in subsection 1 is identified as TOP SECRET, SECRET, CONFIDENTIAL", or PROTECTED by Canada, the Minister shall be entitled to inspect the Contractor's premises and the premises of a subcontractor at any tier for security purposes at any time during the term of the Contract, and the Contractor shall comply with, and ensure that any such subcontractor complies with, all written instructions issued by the Minister dealing with the material so identified, including any requirement that employees of the Contractor or of any such subcontractor execute and deliver declarations relating to reliability screenings, security clearances and other procedures.
7. Any proposed change in the security requirements after the effective date of the Contract that would involve a significant increase in cost to the Contractor shall require an amendment to the Contract under the provisions of section 04 (Amendments and Waivers).

**9676 13 (04/01/94) Payment**

1. Notwithstanding any other provision of the Contract, no payment shall be made to the Contractor unless and until:
  - (a) an invoice, inspection notes, certificates and any other documents required by the Contract have been submitted in accordance with the terms of the Contract and the instructions of the Minister;
  - (b) all such documents have been verified by the Minister;
  - (c) with respect to all parts of the Work in respect of which payment is claimed, the Contractor, where required to do so, establishes to the satisfaction of the Minister that such parts of the Work will be free from all claims, liens, attachments, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, the finished work has been inspected by Canada and accepted as being in accordance with the Contract, including the Specifications.
2. The Minister shall notify the Contractor, within 15 days of receipt of an invoice, of any inadequacy of the invoice or of the supporting documentation, and where any such notice is given within that period the date for payment of the amount invoiced shall be postponed until the Contractor remedies the inadequacy to the satisfaction of the Minister.
3. Where a delay referred to in section 11 (Excusable Delay) has occurred, the Minister may, at the Minister's discretion, withhold all or a portion of any payment due to the Contractor until a "work-around" plan approved by the Minister has been implemented in accordance with that section. Section 14 (Interest on Overdue Accounts) shall not apply to any amount withheld under this subsection.

**9676 14 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;

an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.
2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on overdue advance payments.

**9676 15 (04/01/94) Changes in Taxes and Duties**

1. In this section, "bid" includes a proposal, tender or offer submitted by the Contractor in response to an invitation from the Minister.
2. Subject to subsection 3, in the event of any change (including a new imposition or repeal), on or after the date of submission of the bid, of any tax, customs or other duty, charge, or any similar imposition that is imposed under sales or excise tax legislation of the Government of Canada and which affects the Cost to the Contractor of the Work, the Contract Price shall be adjusted to reflect the increase or decrease in the Cost to the Contractor.
3. There shall be no adjustment under subsection 2 in respect of any change that would increase the Cost to the Contractor of the Work if public notice of the change was given before the bid submission date in sufficient detail to permit the Contractor to have calculated the effect on its Cost before that date.
4. The Contractor shall forward to the Minister a certified statement showing the increase or decrease in Cost to the Contractor that is directly attributable to the change in the imposition. The Minister may verify the increase or decrease in Cost by audit before or after the Contract Price is adjusted.
5. Notwithstanding subsections 2 to 4, no adjustment to the Contract Price in respect of the Work or a part thereof shall be made for a change in any imposition referred to in this section that occurs after the date required by the Contract for delivery of the Work or that part of the Work.

**9676 16 (04/01/94) Inspection of the Work**

The Work and any and all parts thereof shall be subject to such inspection as the Technical or Inspection Authority determines to be appropriate, consistent with the relevant provisions of the Contract, if any, prior to acceptance by Canada. The Contracting Authority and the Technical or Inspection Authority, or their representatives, shall have access to the Work at any time during working hours where any part of the Work is being carried out and may make examinations and such tests of the Work as they may think fit. Should the Work or any part thereof not be in accordance with the requirements of the Contract, the Technical or Inspection Authority shall have the right to reject the Work and require its correction or replacement at the Contractor's expense. The Technical or Inspection Authority shall inform the Contractor of the reasons for any such rejection. Inspection by the Technical or Inspection Authority shall not relieve the Contractor from responsibility to meet the requirements of the Contract.

**9676 17 (04/01/94) Title**

1. Except as otherwise provided in the Contract, and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.
2. Upon any payment being made to the Contractor in respect of the Work or any portion of the Work, either by way of progress payments or accountable advances or otherwise, title to the Work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to the Work or part thereof so vested shall remain with the Contractor until its delivery to Canada in accordance with the Contract.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the Work and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
5. If the Contract is a defence Contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1, title to the Work or to any materials, parts, work-in-process or finished work shall vest in Canada free and clear of all claims, liens, attachments, charges or encumbrances, and the Minister shall be entitled at any time to remove, sell or dispose of it or any part of it in accordance with section 20 of that Act.

**9676 18 (04/01/94) Government Property**

1. Unless otherwise provided in the Contract, all Government Property shall be used by the Contractor solely for the purpose of the Contract and shall remain the property of Canada, and the Contractor shall maintain adequate accounting records of all Government Property, and, whenever feasible, shall mark the same as being the property of Canada.
2. The Contractor shall take reasonable and proper care of all Government Property while the same is in, on, or about the plant and premises of the Contractor or otherwise in its possession or subject to its control, and shall be responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, except such as is installed or incorporated into the Work, shall, unless otherwise specifically provided in the Contract, be returned to Canada on demand.
4. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor shall provide an inventory of all Government Property relating to the Contract to both the Contracting Authority and the Technical Authority.

**9676 19 (04/01/94) Indemnity Against Third-Party Claims**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents from and against any damages, costs or expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur or suffer as a result of or arising out of
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the performance of the Work or any part thereof, except that Canada and the Minister shall not claim indemnity under this section to the extent that the injury, loss or damage has been caused by Canada, and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work-in-process or finished work furnished to, or in respect of which any payment has been made by, Canada.
2. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 1 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify Canada for payment of any settlement unless it has consented to the settlement.

**9676 20 (04/01/94) Royalties and Infringement**

1. In this section, "Royalties" includes
  - (a) license fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, trade mark, copyrighted work, trade secret, or other intellectual property right, and
  - (b) any costs or expenses incurred as a result of the exercise by any person of Moral Rights.
2. Subject to subsection 4, the Contractor shall indemnify and save harmless Canada, the Minister and their servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the carrying out of the Contract or the use or disposal by Canada of anything furnished by the Contractor under the Contract.

3. Canada shall indemnify and save harmless the Contractor and its servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the use by the Contractor in performing the Contract of equipment, Specifications or other information not prepared by the Contractor and supplied to the Contractor by or on behalf of Canada, provided that the Contractor notifies the Minister immediately of any such claim, action, suit or other proceeding, but Canada shall not be liable to indemnify or save harmless the Contractor for payment of any settlement unless Canada has consented to the settlement.
4. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 2 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify and save harmless Canada for payment of any settlement unless it has consented to the settlement.
5. The Contractor shall notify the Minister of all Royalties which it or any of its subcontractors will or may be obligated to pay or propose to pay in respect of carrying out the Contract, and the basis thereof, and the parties to whom the same are payable, and shall promptly advise the Minister of any and all claims which would or might result in further or different payments by way of Royalties being made by the Contractor or any of its subcontractors.
6. Where and to the extent that the Minister so directs, the Contractor shall not pay and shall direct its subcontractors not to pay any Royalties in respect of the carrying out of the Contract.
7. After the giving of any direction provided for in subsection 6, and subject to compliance by the Contractor with the foregoing provisions, Canada shall indemnify the Contractor and its subcontractors from and against all claims, actions, suits or proceedings for payment of such Royalties as are covered by the direction.
8. The Contractor shall not be entitled to any payment in respect of any Royalties included in the Contract Price to which the indemnity provided in subsection 7 applies.

**9676 21 (25/05/01) Copyright**

1. In this section,  
  
"Material" means anything that is created or developed by the Contractor as part of the Work under the Contract, and in which copyright subsists, but does not include computer programs and related software documentation.
2. Copyright in the Material shall vest in Canada and the Contractor shall incorporate in all Material the copyright symbol and either of the following notices, as appropriate:  
  
© HER MAJESTY THE QUEEN IN RIGHT OF Canada (year)  
  
or  
  
© SA MAJESTÉ LA REINE DU CHEF DU CANADA (year)
3. At the completion of the Contract, or at such other time as the Contract or the Minister may require, the Contractor shall fully and promptly disclose to the Minister all Material created or developed under the Contract.
4. Where copyright in any Material vests in Canada under the Contract, the Contractor shall execute such conveyances and other documents relating to title or copyright as the Minister may require.
5. The Contractor shall not use, copy, divulge or publish any Material except as is necessary to perform the Contract.

6. At the request of the Minister, the Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of Moral Rights, in a form acceptable to the Minister, from every author that contributed to the Material.
7. If the Contractor is an author of the Material, the Contractor hereby permanently waives the Contractor's Moral Rights in respect of the Material.

**9676 22 (04/01/94) Suspension of the Work**

1. The Minister may at any time, by written notice, order the Contractor to suspend or stop all or part of the Work under the Contract for a period of up to 180 days. The Contractor shall immediately comply with any such order in the manner that minimizes the cost of so doing. While such an order is in effect, the Contractor shall not remove any part of the Work from any premises without the prior written consent of the Contracting Authority. At any time prior to the expiration of the 180 days, the Minister shall either rescind the order or terminate the Contract, in whole or in part, under section 23 (Default by the Contractor) or section 24 (Termination for Convenience).
2. When an order is made under subsection 1, unless the Minister terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor shall be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit thereon.
3. When an order is made under subsection 1 and is rescinded:
  - (a) the Contractor shall as soon as practicable resume work in accordance with the Contract;
  - (b) if the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for the performance of that part of the Work affected by the suspension shall be extended for a period equal to the period of suspension plus a period, if any, which in the opinion of the Minister following consultation with the Contractor is reasonably necessary for the Contractor to resume the Work; and
  - (c) subject to section 04 (Amendments and Waivers), an equitable adjustment shall be made as necessary to affected terms and conditions of the Contract.

**9676 23 (04/01/94) Default by the Contractor**

1. Where the Contractor is in default in carrying out any of its obligations under the Contract, the Minister may, upon giving written notice to the Contractor, terminate for default the whole or any part of the Contract, either immediately, or at the expiration of a cure period specified in the notice if the Contractor has not cured the default to the satisfaction of the Minister within that cure period.
2. Where the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding up of the Contractor, the Minister may, to the extent permitted by the laws of Canada, upon giving notice to the Contractor, immediately terminate for default the whole or any part of the Contract.
3. Upon the giving of a notice provided for in subsection 1 or 2, the Contractor shall have no claim for further payment other than as provided in this section, but shall be liable to Canada for any amounts, including milestone payments, paid by Canada and for all losses and damages which may be suffered by Canada by reason of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Nothing in this section affects any obligation of Canada under the law to mitigate damages.

4. Upon termination of the Contract under this section, the Minister may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Minister, any completed parts of the Work which have not been delivered and accepted prior to the termination and any material, equipment or work-in-process which the Contractor has acquired or produced specifically in the fulfilment of the Contract.
5. Subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada shall pay or credit to the Contractor the value, determined on the basis of the Contract Price including the proportionate part of the Contractor's profit or fee included in the Contract Price, of all completed parts of the Work delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, and shall pay or credit to the Contractor the Cost to the Contractor that the Minister considers reasonable in respect of all material, equipment or work-in-process delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, but in no event shall the aggregate of the amounts paid by Canada under the Contract to the date of termination and any amounts payable pursuant to this subsection exceed the Contract Price.
6. Title to all material, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such material, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for material, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
7. Where, subsequent to issuance of a notice pursuant to subsection 1, the Minister is satisfied that grounds did not exist for a termination under this section, the notice shall be deemed a notice of termination for convenience issued under subsection 24(1) (Termination for Convenience).

**9676 24 (04/01/94) Termination for Convenience**

1. Notwithstanding anything contained in the Contract, the Minister may, at any time prior to the completion of the Work, by giving notice to the Contractor (in this section sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the Work not completed. Upon a termination notice being given, the Contractor shall cease work in accordance with and to the extent specified in the notice, but shall proceed to complete such part or parts of the Work as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.
2. In the event of a termination notice being given pursuant to subsection 1, the Contractor shall be entitled to be paid, to the extent that costs have been reasonably and properly incurred for purposes of performing the Contract and to the extent that the Contractor has not already been so paid or reimbursed by Canada including the unliquidated portion of any advance payment:
  - (a) on the basis of the Contract Price, for all completed work that is inspected and accepted in accordance with the Contract, whether completed before, or after and in compliance with the instructions contained in, the termination notice;
  - (b) the cost to the Contractor plus a fair and reasonable profit thereon, for all work terminated by the termination notice before completion, the Cost to the Contractor being determined in accordance with the terms of the Contract and with Contract Cost Principles DSS-MAS 1031-2;
  - (c) the amount of any capital expenditures actually incurred only if they were specifically authorized under the Contract or approved in writing by the Minister for the purpose of the Contract, less any depreciation in respect thereof already taken into account in determining cost, to the extent that the capital expenditures are properly apportionable to the performance of the Contract;
  - (d) all costs of and incidental to the termination of the Work or part thereof, including the cost of cancellation of obligations incurred by the Contractor with respect to the terminated work or part

thereof, the Cost of and incidental to the taking of an inventory of materials, components, work-in-process and finished work on hand related to the Contract at the date of the termination, and the cost of preparation of necessary accounts and statements with respect to Work performed to the effective date of the termination and commitments made by the Contractor with respect to the terminated portions of the Work; but not including the cost of severance payments or damages to employees whose services are no longer required by reason of the termination except wages that the Contractor is obligated by statute to pay them and except for reasonable severance payments or damages paid to employees hired to perform the Contract whose hiring was expressly required by the Contract or approved in writing by the Minister for the purpose of the Contract.

3. In paragraph 2(c), "capital expenditures" includes the entry into leases of real property and equipment.
4. The Minister may reduce the payment in respect of any of the Work to the extent that, upon inspection, it is deficient in meeting the requirements of the Contract.
5. Notwithstanding anything in subsection 2, the total of the amounts to which the Contractor is entitled under paragraphs 2(a) to (c) inclusive, together with any amounts paid or due or becoming due to the Contractor under other provisions of the Contract, shall not exceed the Contract Price or the portion thereof that is applicable to the part of the Work that is terminated, and shall not exceed the proportion of the price quoted by the Contractor for all of the Work that is reasonably attributable to the proportion of the Work performed to the effective date of the termination.
6. In the procuring of materials and parts required for the performance of the Contract and in the subcontracting of any of the Work, the Contractor shall, unless otherwise authorized by the Minister, place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions similar in effect to those provided in this section, and generally the Contractor shall co-operate with the Minister and do everything reasonably within its power at all times to minimize the amount of Canada's obligations in the event of a termination under this section.
7. Title to all material, equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such material, equipment, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for material, equipment or work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
8. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under this section, except to the extent that this section expressly provides.

**9676 25 (04/01/94) Accounts and Audit**

1. The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor in connection therewith, and shall keep all invoices, receipts and vouchers relating thereto. The Contractor shall not, without the prior written consent of the Minister, dispose of any such accounts, records, invoices, receipts or vouchers until the expiration of 6 years after final payment under this Contract, or until the settlement of all outstanding claims and disputes, whichever is later.
2. All such accounts and records as well as any invoices, receipts and vouchers shall at all times during the retention period referred to in subsection 1 be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits and inspections and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such accounts, records, invoices, receipts and vouchers.



**9676 26 (04/01/94) Notice**

Any notice shall be in writing and may be delivered by hand or by courier, by registered mail, or by facsimile or other electronic means that provides a paper record of the text of the notice, addressed to the Party for whom it is intended at the address in the Contract or at the last address of which the sender has received notice in accordance with this section. Any notice shall be deemed to be effective on the day it is received at that address.

**9676 27 (04/01/94) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit arising from the Contract.

**9676 28 (01/05/96) Conflict of Interest**

The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.

**9676 29 (01/06/94) No Bribe**

The Contractor represents and covenants that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

**9676 30 (04/01/94) Survival**

All of the Contractor's obligations of confidentiality and all of the Contractor's representations and warranties set out in the Contract as well as the provisions concerning Government Property, indemnity against third party claims, royalties and infringement, intellectual property rights and accounts and audit shall survive the expiry of the Contract or the termination of the Contract for default, for convenience, pursuant to subsection 11(6) (Excusable Delay), or by mutual consent, as shall any other provision of the Contract which, by the nature of the rights or obligations set out therein, might reasonably be expected to be intended to so survive.

**9676 31 (04/01/94) Severability**

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from the Contract and all other provisions of the Contract shall remain in full force and effect.

**9676 32 (04/01/94) Successors and Assigns**

The Contract shall enure to the benefit of, and shall be binding upon, the successors and permitted assignees of Canada and of the Contractor.

**9676 33 (04/01/94) Entire Agreement**

The Contract constitutes the entire and sole agreement between the parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the parties other than those contained in the Contract.

**9676 34 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.

4. In this section:

"contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"employee" means a person with whom the Contractor has an employer/employee relationship;

"person" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

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CCC50 00 (01/12/00) Canadian Commercial Corporation (Non-defence Requirements)

**Public Works and Government Services Canada**

- 01 Interpretation
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- 04 Conduct of the Work
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- 16 Canadian Labour and Materials - **CANCELLED**
- 17 Conditions Precedent to Payment
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- 25 Members of the House of Commons
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**CCC50 01 (12/05/00) Interpretation**

1. Unless the context otherwise requires,

"*Agreement*" means the particular *Agreement* or *Contract* of which, in any specific case, these general conditions are made a part;

"*Allied Firm*" means any firm or corporation which directly or indirectly controls or is controlled by or is affiliated with the Contractor, and includes any individual directly or indirectly controlling the Contractor or any such firm or corporation;

"*Contract*" means and includes the *Agreement*, these general conditions and any *Supplemental General Conditions*, *Specifications*, labour conditions, schedules and other documents (if any) referred to in the *Agreement* as constituting the *Contract*;

"*Contract Price*" means the amount expressed in the *Agreement* to be payable to the Contractor for the Work, regardless of whether the *Contract* is for a stipulated price or is on a cost-plus basis;

"the *Corporation*" means Canadian Commercial Corporation;

"*Equipment*" includes machinery, apparatus, jigs, tools, dies, gauges, instruments and equipment of all kinds;

"*Finished Work*" means the supplies and/or services and/or projects and/or work called for by the *Contract*, as and when completed in accordance therewith;

"*Government Issue*" means any materials, parts, components, equipment, *Specifications*, articles and things which may be supplied to the Contractor by or on behalf of Her Majesty for the purposes of the Work;

"*herein*", "*hereby*", "*hereof*", "*hereunder*", and similar expressions, refer to the *Contract* as a whole;

"*Inspector*" means the person (if any) designated as such in the *Agreement* or in the *Supplemental General Conditions* (if any) and/or any person for the time being acting on behalf of Her Majesty or the Corporation as the Inspector under the *Contract*;

"*Specifications*" means the Specifications, plans, drawings, designs and/or models (if any) referred to in the *Agreement* and/or furnished to the Contractor for the carrying out of the *Contract*;

"*Supplemental General Conditions*" means any other general conditions forming part of the *Contract*;

"*Work*" means the work done or required to be done by the Contractor in order to carry out the *Contract* and, where the context permits, includes services, *Finished Work*, work in process and all parts, materials, components, articles and things required or used or intended to be used to carry out the *Contract*;

the singular number includes the plural and vice versa.

2. In the event of any inconsistencies, the provisions of the *Agreement* and/or of these general conditions shall prevail over the *Specifications* (if any) and the provisions of the *Agreement* and of the *Supplemental General Conditions* (if any) shall prevail over these General Conditions.

**CCC50 02 (06/91) Powers of the Corporation**

The *Corporation* is the agent of Her Majesty for all purposes of the *Contract*.

**CCC50 03 (12/05/00) Assignment and Subletting**

1. The Contractor shall not assign or sublet the *Contract* or any of the Work without the prior written consent of the *Corporation* and any assignment or subletting made without such consent shall be of no effect provided that (unless the *Contract* or the *Corporation* directs otherwise) the Contractor may sublet such portions of the *Work* as are usually sublet in similar cases. The Contractor shall promptly furnish to the *Corporation* full particulars of all subcontracts. No assignment or subletting shall relieve the Contractor from any of its obligations under the *Contract* or impose any liability upon Her Majesty or the *Corporation* to an assignee or subcontractor.
2. Subject to the foregoing, the *Contract* shall enure to the benefit of and shall be binding upon the successors and assigns of Her Majesty and of the Contractor, respectively.

**CCC50 04 (06/91) Conduct of the Work**

1. The Contractor shall diligently carry out the work, shall provide efficient supervision and inspection thereof and shall be responsible for seeing that the Work is of proper quality, material and workmanship and satisfies the requirements of the *Contract*.
2. The nature and spirit of the *Contract* is to provide for the *Work* therein enumerated to be fully completed in every detail for the purpose designed; and the Contractor agrees to furnish any and every thing necessary for such purpose, notwithstanding any omission in the drawings or *Specifications*.
3. The Contractor shall apply to the *Corporation* for any explanation which the Contractor may require in regard to the meaning and intent of any clause in the *Specifications* and *Contract*, and shall be held responsible for any errors or losses consequent upon failure to obtain such explanation.
4. Drawings and *Specifications* are intended to complement each other, so that if anything is shown on the drawings but not mentioned in the *Specifications*, or vice versa, it is to be furnished and built as though specifically set forth in both. If any discrepancies are discovered in the drawings, or any conflict between the drawings and the *Specifications*, the same shall be referred to the *Corporation* before proceeding with the *Work*. Figured dimensions on drawings are to have precedence.
5. Materials used must conform to the *Specifications* whether shown on the *Corporation's* or the Contractor's drawings or not.
6. Approval by the *Corporation* of the Contractor's drawings shall not relieve the Contractor of responsibility for corrections thereof, nor for results arising from error or omission.
7. No materials or parts shall be used or processed and no *Finished Work* shall be submitted for acceptance or shall be delivered unless or until approved by the Contractor's inspection staff and, wherever practicable, marked with an approval stamp satisfactory to the *Inspector*. The Contractor shall keep proper and adequate inspection records which shall at all times be open to examination by the *Inspector* who may make copies thereof and take extracts therefrom.
8. The *Corporation* and the *Inspector* shall have access to the *Work* at all times and may make such tests of the *Work* as they may think fit. The Contractor shall provide all assistance and facilities, test pieces and samples which the *Corporation* or the *Inspector* may require for the carrying out of any such tests.
9. The Contractor shall not stop or suspend work pending the settlement or determination (by arbitration or otherwise) of any differences arising under the *Contract*.

**CCC50 05 (06/91) Inspector, the Final Judge of the Work**

The *Inspector* shall be the final judge of the Work and of its quality and workmanship. The *Inspector* shall have full power to reject or refuse to accept any *Finished Work* or parts or materials or work in process which the

*Inspector* considers are not in accordance with the requirements of the *Contract*. The *Inspector* shall also be the sole judge as to the meaning of the *Specifications*, if any.

**CCC50 06 (06/91) Making Good Rejected Work**

The Contractor shall forthwith at its own expense make good any work which the *Inspector* may have refused to accept or, alternatively, at the option of the *Corporation*, all amounts previously paid to the Contractor in respect of *Work* rejected or not accepted shall forthwith be repaid by the Contractor.

**CCC50 07 (06/91) Acceptance and Delivery**

Final acceptance by the *Inspector* of any *Finished Work* shall be deemed to be delivery to and acceptance by Her Majesty of the *Work* so accepted and such acceptance shall be a condition precedent to delivery. Provided always that if the *Agreement* provides for a particular place or manner of delivery, such delivery shall not be complete unless or until made in accordance therewith. Upon delivery, title to the *Work* delivered shall vest in Her Majesty if not already so vested. The right of the *Inspector* to refuse final acceptance of any of the *Work* shall not be affected by any prior inspection, approval or acceptance of any parts, materials or work in process or any other *Finished Work*.

**CCC50 08 (06/91) Warranty**

Without restricting any other term of the *Contract* or any warranty stipulated or implied by law, the Contractor shall, at its own expense, replace any articles, parts or materials included in the *Work* (not including any *Government Issue*) which at any time within eighteen (18) months from the delivery thereof become defective as a result of faulty or inefficient manufacture, materials or workmanship.

**CCC50 09 (06/91) Government Issue**

1. All items comprised in any *Government Issue* shall be used by the Contractor solely for the purposes of the *Contract* and shall always be and remain the property of Her Majesty and, wherever feasible, the Contractor shall mark the same as being Her Majesty's property.
2. Any items of *Government Issue* found to be damaged or defective shall be replaced by Her Majesty upon the *Inspector* certifying in writing to the *Corporation* that the damage or defect is not due to the fault or negligence of the Contractor. If the *Inspector* certifies that more than five (5) per cent of the total *Government Issue* of the same kind or type is damaged or defective (otherwise than as a result of the fault or negligence of the Contractor), Her Majesty shall reimburse the Contractor for any loss incurred by the Contractor which is directly attributable to such damaged or defective items in excess of five (5) per cent.
3. All *Government Issue* (except such as are installed or incorporated in the *Work*) shall be returned to the *Corporation* upon demand, in the same condition as when supplied to the Contractor; provided that the Contractor shall not be responsible for any loss or damage resulting from ordinary wear and tear or from causes beyond the Contractor's reasonable control.

**CCC50 10 (06/91) Scrap, etc.**

All scrap and waste materials derived from any *Government Issue*, or from any other materials, articles or things which are the property of Her Majesty, shall, unless otherwise specifically provided herein, remain the property of Her Majesty and shall be disposed of only as prescribed by the *Corporation*.

**CCC50 11 (06/91) Care of Crown Property; Insurance**

1. The Contractor shall take reasonable and proper care of any and all property owned by Her Majesty which is from time to time in the Contractor's custody or control and shall be responsible for any loss thereof or damage thereto resulting from its failure to do so, other than loss or damage caused by fire or by ordinary wear and tear.
2. Unless otherwise provided elsewhere in the *Contract*, no insurance shall be carried by the Contractor on any property owned by Her Majesty provided that if the *Contract* is for a stipulated price, this subsection 2 shall not prevent the Contractor from carrying insurance upon property the title to which becomes vested in Her Majesty by virtue of section 19 of these General Conditions.

**CCC50 12 (06/91) Time of the Essence; Extensions**

Time shall be deemed to be of the essence of the *Contract*; provided that the time for completing any of the Work which has been or is likely to be delayed by reason of force majeure or other cause beyond the reasonable control of the Contractor shall be extended by a period equal to the length of the delay so caused, provided that prompt notice in writing of the occurrence causing or likely to cause such delay is given to the Corporation.

**CCC50 13 (06/91) Accounts**

The Contractor shall keep proper and detailed accounts and records of the cost of the Work and invoices, receipts and vouchers relating thereto. If any part of the Work is performed by an *Allied Firm* in Canada, the Contractor shall also cause such *Allied Firm* to keep similar accounts, records, invoices, receipts and vouchers with respect to the cost of the work performed by such *Allied Firm*. All such accounts, records, invoices, receipts and vouchers shall be open to audit and inspection by the authorized representatives of the Corporation at any time until the expiration of six (6) years from the end of the calendar year in which the *Contract* is terminated or completed. The Corporation's authorized representatives may make copies thereof and take extracts therefrom. The Contractor shall afford all facilities for such audits and inspections and shall furnish the Corporation and its authorized representatives with all such information as it or they may from time to time require with reference to such accounts, records, invoices, receipts and vouchers.

**CCC50 14 (06/91) Secrecy and Protection of Work**

1. The *Contract* and the Specifications and all information issued, used or disclosed in connection with the Work are confidential. The Contractor shall not use the same for any purpose other than the *Contract* without the written authority of the Corporation and shall, at all times, take and cause to be taken all measures necessary for the protection of the same and of the Government Issue, if any, against espionage, sabotage and fire.
2. The *Contract* and the Specifications and information aforesaid may be classified as to the degree of precaution necessary for their safeguarding. If so classified,
  - (a) the measures to be taken by the Contractor for their safeguarding shall include those set out in any instructions issued in that regard by or on behalf of the Corporation;
  - (b) if so directed by the Corporation, the Contractor shall dispense with the services in connection with the work of any person employed or engaged thereon; and
  - (c) the Contractor shall permit the Corporation at all times, through such agency as he may see fit, to take and to maintain on or about the premises of the Contractor where the Work or any part thereof is being carried on, such guards or other protective measures as in the opinion of the Corporation may be advisable.

**CCC50 15 (06/91) Patent Claims and Royalties**

1. The Contractor shall indemnify the Corporation against all claims, actions, suits and proceedings for the infringement or alleged infringement of any patent based upon the use of any invention protected by such patent in carrying out the *Contract*, and for royalties or other payments which may be payable in connection with such patent.
2. Upon notification from the Corporation that any such claim, action, suit or proceeding has been made or commenced, the Contractor shall, unless otherwise instructed by the Corporation, conduct at its own expense all negotiations for the settlement of the same.

**CCC50 16 (04/92) Canadian Labour and Materials****CANCELLED.****CCC50 17 (06/91) Conditions Precedent to Payment**

1. No payment shall be made to the Contractor unless or until
  - (a) invoices, inspection notes and all other documents prescribed from time to time by the Corporation or by the Inspector are prepared, signed and submitted in accordance with the terms of the *Contract* or as instructed from time to time by the Corporation; and
  - (b) the Contractor establishes to the satisfaction of the Corporation (if so required) that all materials, parts, work in process and/or Finished Work in respect of which payment is being made are free and clear from all claims, liens, attachments, charges or encumbrances.

**CCC50 18 (06/91) Indemnity Against Claims**

1. The Contractor shall indemnify and save harmless Her Majesty and the Corporation from and against any and all claims, damages, loss, costs and expenses which they or either of them may at any time incur or suffer as a result of or arising out of
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property which may be or be alleged to be caused by or suffered as a result of the carrying out of the Work or any part thereof; and/or
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any materials, parts, work in process and/or Finished Work delivered, to, or in respect of which any payment has been made by Her Majesty or the Corporation.

**CCC50 19 (06/91) Title on Progress Payments, Etc.**

Upon any payment being made to the Contractor for or on account of materials, parts and/or work in process acquired by the Contractor for the purposes of the Work, either by way of progress payments or accountable advances or otherwise, title in and to such materials, parts and/or work in process shall vest and remain in Her Majesty both before and after completion of the Work, unless already so vested under any other provision of the *Contract*, but the Contractor shall nevertheless remain responsible therefor until delivery of the Finished Work.

**CCC50 20 (06/91) Further Assurance**

Wherever it is herein provided that title to any parts, materials, work in process and/or Finished Work becomes vested in Her Majesty, the Contractor shall execute such conveyances thereof and/or other instruments of further assurance as the Corporation may request.



**CCC50 21 (06/91) Suspension of Work and Changes in Specifications**

The Corporation may at any time and from time to time order a suspension of the Work, in whole or in part and/or make modifications of, changes in and/or additions to the Specifications. All directions given by the Corporation with respect to the foregoing shall be complied with by the Contractor. If any such suspension, modification, change or addition shall result in an increase or decrease in the cost of the Work, the *Contract Price* shall be adjusted accordingly, provided that the Contractor shall, in no event, be entitled to compensation for any loss of anticipated profits (except that in the event of any change which results in a substantial part of the Work theretofore performed by the Contractor having to be discarded, the Contractor shall be entitled to payment of an amount representing a fair and reasonable profit in respect of such discarded Work) and provided further that, unless the *Contract* is on a cost-plus basis, minor increases or decreases in cost shall be disregarded.

**CCC50 22 (06/91) Default by Contractor**

1. If the Contractor is in default for a period of fifteen (15) days in carrying out the terms of the *Contract* as a result of events or occurrences for which it is responsible or which are within its control, or if the Contractor becomes bankrupt or insolvent, or has a receiving order made against it, or makes an assignment for the benefit of creditors, or if an order is made or resolution passed for the winding up of the Contractor, or if the Contractor takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors, the Corporation may at its option, upon giving notice in writing to the Contractor,
  - (a) terminate the *Contract* as to Work not theretofore completed; or
  - (b) take the Work out of the Contractor's hands and employ such means as the Corporation may see fit to complete the Work in whole or in part.
2. Upon the giving of such notice, the Contractor shall have no claim for any further payment, save as hereinafter in section 22 provided, but shall remain liable for all loss and damage which may be suffered by Her Majesty by reason of the default or occurrence upon which such notice was based.
3. If the Work is taken over by the Corporation,
  - (a) all plant, equipment, materials, articles and rights available to the Contractor for the purposes of the Work may be utilized by the Corporation or its authorized representatives as fully as they might have been used and exercised by the Contractor; and
  - (b) unless the *Contract* is a cost-plus *Contract*, upon completion of the Work, or such part of it as the Corporation shall see fit to complete, the Contractor shall be entitled to credit, on the basis of the *Contract Price*, for such of the Work as shall have been so completed by the Corporation and the amount for which the Contractor is so entitled to credit shall be applied against the cost to Her Majesty of completing the Work so completed and the loss or damage for which the Contractor is liable as above provided, and any excess or deficiency shall be paid by Her Majesty to the Contractor or by the Contractor to Her Majesty, as the case may be.

**CCC50 23 (01/06/94) No Bribe, Etc.**

The Contractor warrants that no bribe, gift or other inducement has been paid, promised or offered to any official or employee of Her Majesty for, or with a view to, the obtaining of the *Contract* by the Contractor.

**CCC50 24 (06/91) Labour and Health Conditions**

The Contractor shall comply with all labour conditions, and with all health conditions and requirements, from time to time applicable to the Work.

**CCC50 25 (06/91) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the *Contract* or to any benefit to arise therefrom.

**CCC50 26 (06/91) Notice**

Any notice to the Contractor hereunder shall be effectively given if sent by letter or by telegram, postage prepaid or with charges prepaid, as the case may be, addressed to the Contractor at its address as given in the *Agreement* or, if no address is so given, at its address as shown by the records of the Corporation. Any notice so given shall be deemed to have been received by the Contractor at the time when in the ordinary course such letter or telegram should have reached its destination.

**CCC50 27 (16/02/98) Arbitration**

In the event of any dispute between the parties with respect to anything arising out of the *Contract* (save in respect of any matter as to which the decision of the Corporation or of the Inspector or other person is final or any matter with regard to which any other manner of settlement is herein expressly provided), the matter in dispute shall be referred for decision to a single arbitrator or, if the parties cannot agree upon a single arbitrator, to two arbitrators, one to be selected by the Corporation and the other by the Contractor. In case the two arbitrators so selected cannot agree, they shall select a third and the decision of any two of the three shall be binding. In case the two arbitrators so selected cannot agree upon the selection of the third arbitrator, the third arbitrator shall be appointed by the Federal Court upon a reference being made to such Court. A party who has not appointed an arbitrator after the other party has appointed one shall do so within five (5) days after being notified in writing by such other party to do so, and in default of appointment such other party's arbitrator may act as sole arbitrator whose decision shall be binding. If the arbitrator of either party shall fail to proceed with the consideration of the matters in dispute within five (5) days after being required in writing by the other party's arbitrator to do so, such other party's arbitrator, if a third arbitrator has not been appointed, shall be at liberty to act as sole arbitrator whose decision shall be binding, or the other two arbitrators, if a third has been appointed, may forthwith appoint an arbitrator in lieu of the one who has failed to proceed, and the decision of two of such three arbitrators shall be binding. The costs of the arbitration shall be in the discretion of the arbitrators; provided, however, that no party shall be obliged to pay more than its own costs and the costs of the third arbitrator.

**CCC50 28 (16/02/98) Termination**

1. Notwithstanding anything in the *Contract* contained, the Corporation may, by giving notice to the Contractor (hereinafter sometimes referred to as a "termination notice"), terminate the *Contract* (save and except the provisions of this section and of section 13 of these General Conditions) as regards all or any part or parts of the Work not theretofore completed. Upon a termination notice being given, the Contractor shall cease Work (including the manufacturing and/or procuring of materials for the fulfilment of the *Contract*) in accordance with and to the extent specified in such notice. The Corporation may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.
2. In the event of a termination notice being given under the provisions of this section, and subject as hereinafter provided,
  - (a) all Finished Work, whether completed before the giving of such notice or completed thereafter pursuant to such notice, shall be paid for (subject to acceptance in accordance with the provisions of the *Contract*) on the basis of the *Contract Price*;
  - (b) in respect of Work not completed before the giving of such notice, and not completed thereafter pursuant to such notice, the Contractor shall be entitled to be reimbursed the actual cost to the Contractor of such uncompleted Work, and to receive, in addition, an amount representing a fair and reasonable profit in respect of Work done thereon. Cost shall be determined in accordance

with the provisions of the *Contract* Cost Principles, DSS-MAS 1031-2, subject to any modifications thereof which the Corporation may consider to be appropriate in the circumstances;

- (c) subject as provided in paragraph (d) of this subsection 2, the Contractor shall be entitled to be reimbursed the amount of any capital expenditures specifically authorized by the *Contract* or approved by the Corporation for the purposes of the *Contract* (and actually made or incurred) to the extent that the same (less any depreciation in respect thereof already taken into account in determining cost) were reasonably and properly incurred by the Contractor in respect of and are properly apportionable to the performance of the *Contract* and not included in the amounts paid or payable to the Contractor in respect of Finished Work;
  - (d) if the *Contract* is exclusively a *Contract* for the making of capital expenditures in respect of additional equipment and/or plant additions, the foregoing paragraphs (a) to (c) inclusive of this subsection 2 shall not apply, but Her Majesty shall pay or reimburse the Contractor for the reasonable and proper cost to the Contractor (not previously paid by Her Majesty) of
    - (1) all additional equipment which prior to the giving of the termination notice shall have been purchased, acquired or manufactured by the Contractor, or contracted for and for which the Contractor is obligated to make payments; and
    - (2) all additional equipment in process of manufacture by the Contractor as at the date of the giving of such notice and all Work in connection with the construction of the plant addition up to the said date, including the cost of materials and parts contracted for by the Contractor for the purposes of such manufacture or construction and for which the Contractor is obligated to make payment.
3. Provided always that no reimbursement shall be made in respect of Work which has been or may be rejected after inspection as not complying with the requirements of the *Contract*.
  4. The Contractor shall not be entitled to be reimbursed any amount which taken together with any amounts paid or due or becoming due to the Contractor under the *Contract*, shall exceed the *Contract Price* applicable to the Work or the particular part thereof.
  5. Notwithstanding the provisions of any of the foregoing subsections 1 to 4 inclusive, the amounts which the Contractor shall be entitled to be reimbursed in the event of the giving of a termination notice under this section 28 shall include, subject as hereinafter provided, the costs of the Contractor of an incidental to the cancellation of obligations incurred by the Contractor pursuant to the termination notice, the cost of preparing the necessary accounts and statements with respect to Work performed to the effective date of such termination and/or commitments made by the Contractor with respect to the terminated portions of the Work, wages which the Contractor is obligated under any laws and regulations for the time being in force, to pay to employees whose services are no longer required by reason of such termination, the costs of and incidental to the taking of an inventory of materials, components, work in process and Finished Work on hand at the effective date of the termination and other costs and expenses of and incidental to the termination, in whole or in part, of operations under the *Contract*; provided always that payment and reimbursement under the provisions of this subsection shall be made only to the extent that it is established to the satisfaction of the Corporation that the costs and expenses aforesaid were actually incurred by the Contractor and that the same are reasonable and are properly attributable to the termination of the Work or the part thereof so terminated.
  6. In case of disagreement as to the amount which the Contractor is entitled to be reimbursed, the matter shall be referred to the Federal Court.
  7. As far as practicable, the Contractor shall place purchase orders and subcontracts on terms that will enable the Contractor to terminate the same upon conditions and terms similar in effect to those provided in this section, and generally the Contractor shall co-operate with the Corporation and do everything reasonably within its power at all times to minimize and reduce the amount of Her Majesty's obligations in the event of termination hereunder.

8. Title to all materials, parts, plant, equipment and/or work in process in respect of which reimbursement is made to the Contractor as herein provided shall, upon such reimbursement being made, pass to and vest in Her Majesty unless already so vested under any other provision of the *Contract* and such materials, parts, plant, equipment and/or work in process shall be delivered to the order of the Corporation, but the materials thus taken over will in no case be in excess of what would have been required for performing the *Contract* in full if no termination notice had been given.
9. If the Corporation is satisfied that by reason of any action taken under the provisions of this section exceptional hardship has resulted to the Contractor, then the Corporation may, in its absolute discretion, grant such allowance (not to include in any case, however, an allowance or compensation for loss of profit) to the Contractor as, in the opinion of the Corporation, is warranted by the circumstances.
10. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of or directly or indirectly arising out of any action taken or notice given by the Corporation under or pursuant to the provisions of this section except to the extent in this section expressly provided.

**CCC50 29 (06/91) Foreign Exchange**

Unless otherwise provided in the *Contract* or agreed to by the Corporation, the Contractor shall not be entitled to any increase in the *Contract Price* by reason of foreign exchange fluctuations.

**CCC50 30 (06/06/94) Certification - Contingency Fees**

1. The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a *contingency fee* for the solicitation, negotiation or obtaining of this *Contract* to any person other than an *employee* acting in the normal course of the *employee's* duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *Contract* shall be subject to the Accounts and Audit provisions of the *Contract*.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this *Contract* for default in accordance with the termination for default provisions of the *Contract* or recover from the Contractor by way of reduction to the *Contract Price* or otherwise the full amount of the *contingency fee*.
4. In this section:

"*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

"*employee*" means a person with whom the Contractor has an employer/employee relationship;

"*person*" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act* R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

**CCC50 31 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

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

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

"*date of payment*" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount *due and payable*;

an amount is "*due and payable*" when it is due and payable by *Canada* to the Contractor in accordance with the terms of the *Contract*; and

an amount becomes "*overdue*" when it is unpaid on the first day following the day upon which it is *due and payable*.

2. Subject to the *Contract*, *Canada* shall be liable to pay to the Contractor simple interest at the *Average Rate* plus 3 percent per annum on any amount that is overdue, from the date such amount becomes *overdue* until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. *Canada* shall not be liable to pay interest in accordance with this section if *Canada* is not responsible for the delay in paying the Contractor.
4. *Canada* shall not be liable to pay interest on *overdue* advance payments.



**Public Works and Government Services Canada**

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**TRA-95 01 (16/02/98) Interpretation**

1. In the contract, unless the context otherwise requires,

"Canada", "Crown", "Her Majesty" or "the Government" means Her Majesty the Queen in right of Canada;

"Contract" means the written agreement between the Parties, these general conditions, any Supplemental General Conditions specified in the written agreement and every other document specified or referred to in any of them as forming part of the Contract, all as amended by agreement of the Parties;

"Contract Price" means the amount expressed in the Contract to be payable to the Contractor for the Work;

"Contracting Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister in the management of the Contract;

"Contractor" means the person or entity whose name appears on the signature page of the written agreement and who is to supply services to Canada under the Contract;

"Government Property" means all materials, parts, components, specifications, equipment, software, documentation, articles and things supplied to the Contractor on behalf of Canada for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work the cost of which is paid by Canada under the Contract;

"Minister" means the Minister of Public Works and Government Services and any other person duly authorized to act on behalf of that Minister;

"Moral Rights" has the same meaning as in the *Copyright Act*, R.S.C. 1985, c. C-42;

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

"Project Authority" means the person designated as such in the Contract, or by notice to the Contractor, to act as the representative of the Minister for whose department or agency the Work is being carried out;

"Subcontract" includes a contract let by any subcontractor at any tier for the performance or supply of a part of the Work, and includes a purchase referred to in subsection 1 of section 8 (Subcontracting) at any such tier, and the derivatives of the word shall be construed accordingly;

"Work" means the whole of the activities, services, documents, software, matters and things required to be done, delivered or performed by the Contractor in accordance with the terms of the Contract.

2. The headings used in these general conditions are inserted for convenience of reference only and shall not affect their interpretation.
3. In the Contract, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine gender and the neuter.

**TRA-95 02 (15/12/95) Powers of the Minister**

Every right, remedy, power and discretion vested in or acquired by Canada or the Minister under the Contract or by law shall be cumulative and non-exclusive.

**TRA-95 03 (15/12/95) Status of the Contractor**



The Contractor is engaged as an independent Contractor for the sole purpose of performing the Work. Neither the Contractor nor its personnel is engaged as an employee, servant or agent of Canada. The Contractor is responsible for all deductions and remittances required by law in relation to its employees including those required for Canada or Quebec Pension Plans, unemployment insurance, workers' compensation, or income tax.

**TRA-95 04 (15/12/95) Amendments**

No modification to the Work, or amendment to the Contract shall be binding unless it is incorporated into the Contract by written amendment executed by the authorized representatives of the Minister and of the Contractor.

**TRA-95 05 (01/12/00) Conduct of the Work**

1. The Contractor represents and warrants that:
  - (a) it is qualified to perform the Work; and
  - (b) it has the necessary qualifications, including knowledge, skill and experience to perform the Work, together with the ability to use those qualifications effectively for that purpose.
2. Except for Government Property specifically provided for in the Contract, the Contractor shall supply everything necessary for the performance of the Work, including all the resources, facilities, labour and supervision, management, services, equipment, inspection and quality assurance procedures, and planning necessary to perform the Work.
3. The Contractor shall ensure the safety of workers and carry out the Work in a diligent and efficient manner in accordance with established industry practice and laws for the health and safety of workers related to the performance of the Work.
4. The Work shall not be performed by any person who, in the opinion of the Minister or the Project Authority, is incompetent or has been conducting himself/herself improperly.
5. The Contractor warrants that all services performed under this Contract are, at the time of acceptance, in accordance with the requirements of the present Contract. If the Contractor is required to correct or replace the Work or any portion thereof, it shall be at no cost to Canada and any Work corrected or replaced by the Contractor in accordance with this subsection shall be subject to all provisions of this Contract to the same extent as Work initially performed.
6. Unless the Minister orders the Work or a part thereof to be suspended pursuant to section 22 (Suspension of the Work), the Contractor shall not stop or suspend any part of the Work pending the settlement or resolution of any difference between the Parties arising out of the Contract.
7. The Contractor shall be responsible for pick-up and delivery of the Work. Unless otherwise indicated, the Work shall be picked up and delivered during normal working hours.
8. The Work shall be submitted on a prescribed electronic medium and software, following the layout and format of the original text, and, unless otherwise provided in the Contract, shall contain no heading, advertising or information whatsoever that could identify the Contractor. No handwritten corrections shall be accepted.
9. All French translations shall include all the French accents on the prescribed electronic medium and software. The Contractor shall normally reproduce any charts (including figures), unless otherwise indicated. The word count includes figures, and figures shall be reproduced.
10. Any diskette submitted shall be formatted in such a way that it can be used without modification. The layout of the original shall be followed in every respect. The Contractor shall supply the diskettes.

**TRA-95 06 (15/12/95) Inspection of the Work**

The Work and any and all parts thereof shall be subject to such inspection as the Contracting Authority determines to be appropriate, consistent with the relevant provisions of the Contract, if any, prior to acceptance by Canada. The Contracting Authority, or his representative, shall have access to the Work at any time during working hours where any part of the Work is being carried out. Should the Work or any part thereof not be in accordance with the requirements of the Contract, the Contracting Authority shall have the right to reject the Work and require its correction or replacement at the Contractor's expense. The Contracting Authority shall inform the Contractor of the reasons for any such rejection. Inspection by the Contracting Authority shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

**TRA-95 07 (25/05/01) Compliance with Applicable Laws**

The Contractor shall comply with all laws applicable to the performance of the Work or any part thereof including, without limitation, all laws concerning health and labour conditions and the protection of the environment, and shall require compliance therewith by all of its subcontractors. Evidence of compliance with such laws shall be furnished by the Contractor to the Contracting Authority at such times as the Contracting Authority may reasonably request.

**TRA-95 08 (15/12/95) Subcontracting**

1. Unless otherwise provided in the Contract, the Contractor may subcontract such portion of the Work as is customary in the carrying out of similar contracts.
2. In any subcontract, the Contractor shall, unless the Minister otherwise consents in writing, ensure that the subcontractor is bound by terms and conditions compatible with and, in the opinion of the Minister, not less favourable to Canada than the terms and conditions of the Contract. Deviations in any Subcontract from the terms of the Contract, including any right of termination of the Contract, shall be entirely at the risk of the Contractor.
3. Any consent to a Subcontract shall not relieve the Contractor from its obligations under the Contract or be construed as authorizing any liability on the part of Canada or the Minister to a subcontractor.

**TRA-95 09 (15/12/95) Replacement of Personnel**

1. When specific persons have been named in the Contract as the persons who shall perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
2. If, at any time, the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person with the same qualifications and experience.
3. Before replacing any person named in the Contract, the Contractor shall give notice to the Minister in writing of:
  - (a) the reason for the removal of the named person from the Work;
  - (b) the name, qualifications and experience of the proposed replacement person; and
  - (c) proof that the person has the required security clearance granted by Canada, if applicable.
4. The Contractor shall not, in any event, allow performance of the Work by unauthorized replacement persons; acceptance of a replacement person by the Contracting Authority shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

5. The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with subsection (2) and paragraphs (3)(b) and (c), secure a further replacement.

**TRA-95 10 (15/12/95) Assignment**

1. The Contract shall not be assigned, in whole or in part, by the Contractor without the prior consent in writing of the Minister and any purported assignment made without that consent is void and of no effect.
2. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon Canada or the Minister, unless otherwise agreed to in writing by the Minister.

**TRA-95 11 (15/12/95) Time is of the Essence**

1. Time is of the essence of the Contract.
2. When the performance of the Work or any part of it is delayed or likely to be delayed owing solely to an event that:
  - (a) was beyond the reasonable control of the Contractor,
  - (b) could not reasonably have been foreseen,
  - (c) could not reasonably have been prevented by means reasonably available to the Contractor, and
  - (d) occurred without the fault or neglect of the Contractor,

the Minister may extend the time for completing the Work by a period equal to the length of the delay so caused provided that prompt notice of the occurrence causing or likely to cause such delay is given by the Contractor to the Minister.

**TRA-95 12 (12/05/00) Security and Protection of the Work**

1. The Contractor shall, during the entire period of the Contract, have a valid security clearance issued by the Canadian and International Industrial Security Division (CIISD) at the level required by Canada for performance of all or part of the Work. Classified documents are to be delivered solely to those persons holding an appropriate security clearance, and the Contractor shall ensure that all employees designated to perform the Work, or who have access to the Work, have a valid security clearance issued by the CIISD at a level appropriate to the classification of the Work, for the full term of the Contract.
2. Before being permitted to receive classified documents, the Contractor shall have a valid security clearance at the appropriate level issued by the CIISD for its facilities for the full term of the Contract, and unless it receives authorization in writing to the contrary from the Project Authority, the Contractor shall not remove any classified documents from the authorized work premises and shall ensure that its employees are aware of and comply with this requirement.
3. The Contractor shall stamp the appropriate security classification on the Work produced by the Contractor under the Contract, and shall neither keep or reproduce classified documents or translations of these, nor reveal their contents. Upon completion of the Work, all classified documents provided by Canada or produced by the Contractor under the Contract, as well as all the rough drafts, draft notes, working documents and research notes, shall be returned to the Project Authority. All such documents shall be submitted in person or sent by courier, enclosed in two envelopes, the inside envelope being marked at the required security level, and the outer one bearing only the addresses of the addressee and sender.

4. These clauses shall be included in all subcontracts requiring access to classified documents.

**TRA-95 13 (12/05/00) Payment**

1. For all payments claimed, the Contractor shall submit an invoice to the Contracting Authority. The invoice shall contain the following information: Contractor's name and address, contract number, requisition(s) for services number(s), Client Reference Number (CRN), volume of services provided (words/hours), rate, total amount claimed and Goods and Services Tax (GST) or the Harmonized Sales Tax (HST), as appropriate.
2. The GST and HST shall not be included in the Contract Price for the Work. Where applicable, the GST or HST will be included in all invoices and payment claims, and will be covered by Canada. The Contractor shall agree to return to Canada Customs and Revenue Agency any amount it receives from Canada in GST or HST payments, under the Contract.
3. Notwithstanding any other provision of the Contract, no payment shall be made to the Contractor unless and until:
  - (a) an invoice, inspection notes, certificates and any other documents required by the Contract have been submitted in accordance with the terms of the Contract and the instructions of the Minister;
  - (b) all such documents have been verified by the Minister;
  - (c) with respect to all parts of the Work in respect of which payment is claimed, the Contractor, where required to do so, establishes to the satisfaction of the Minister that such parts of the Work will be free from all claims, liens, attachments, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, the finished work has been inspected by Canada and accepted as being in accordance with the Contract.
4. The Minister shall notify the Contractor, within fifteen (15) days of receipt of an invoice, of any inadequacy of the invoice or of the supporting documentation, and where such notice is given within that period the date for payment of the amount invoiced shall be postponed until the Contractor remedies the inadequacy to the satisfaction of the Minister.
5. The amount claimed by the Contractor under the Contract may be audited by Canada before or after payment of that amount has been made to the Contractor. Any payment made prior to the inspection shall be considered as an interim payment only, and that amount shall be amended accordingly, on the basis of the findings of the audit. Where an overpayment has been made, that amount shall be immediately repaid to Canada by the Contractor.

**TRA-95 14 (15/12/95) Method of Payment**

1. Payment by Canada for the Work shall be made:
  - (a) within thirty days following the date on which all the completed work, or parts thereof in the case of progress payments, has been delivered to the location designated in the Contract; or
  - (b) within thirty days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract;whichever date is the later.

**TRA-95 15 (01/12/00) Interest on Overdue Accounts**

1. For the purposes of this section:

"Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.

"date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;

an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.

2. Subject to the Contract, Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor.
3. Canada shall not be liable to pay interest in accordance with this section if Canada is not responsible for the delay in paying the Contractor.
4. Canada shall not be liable to pay interest on overdue advance payments.

**TRA-95 16 (15/12/95) Title**

1. Except as otherwise provided in the Contract and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.
2. Upon any payment being made to the Contractor for work or any part thereof, either by way of progress payments or accountable advances or otherwise, title to Work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to Work or any part thereof so vested shall remain with the Contractor until its delivery to Canada in accordance with the Contract.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the Work, and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.

**TRA-95 17 (15/12/95) Government Property**

1. Unless otherwise provided for in the Contract, all Government Property shall be used by the Contractor solely for the purpose of the Contract and shall remain the property of Canada.
2. The Contractor shall take reasonable and proper care of all Government Property while the same is in or on premises of the Contractor or otherwise in its possession or subject to its control, and shall be responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
3. All Government Property, except such as is installed or incorporated into the Work, shall, unless otherwise specifically provided in the Contract, be returned to Canada.

4. At the time of completion of the Contract, and if requested by the Contracting Authority, the Contractor shall provide an inventory of all Government Property relating to the Contract to both the Contracting Authority and the Project Authority.

**TRA-95 18 (15/12/95) Unauthorized Codes**

1. The Contractor guarantees that the diskettes provided to Canada under the Contract have no viruses or unauthorized codes, whether or not through fault or negligence on the part of the Contractor.
2. Without limiting the applicability of section 19, in a case where Canada suffers damage because of the presence of viruses or unauthorized codes, the Contractor shall reimburse Canada for all the expenses incurred by Canada to return its systems to their initial condition.

**TRA-95 19 (15/12/95) Indemnity Against Third-Party Claims**

1. The Contractor shall indemnify and save harmless Canada, the Minister and their servants or agents from and against any damages, costs or expenses or any claim, action, suit or other proceeding which they or any of them may at any time incur or suffer as a result of or arising out of
  - (a) any injury to persons (including injuries resulting in death) or loss of or damage to property of others which may be or be alleged to be caused by or suffered as a result of the performance of the Work or any part thereof, except that Canada and the Minister shall not claim indemnity under this section to the extent that the injury, loss or damage has been caused by Canada, and
  - (b) any liens, attachments, charges or other encumbrances or claims upon or in respect of any work-in-process or finished work furnished to, or in respect of which any payment has been made by, Canada.
2. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection 1 and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit, or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify Canada for payment of any settlement unless it has consented to the settlement.

**TRA-95 20 (15/12/95) Royalties and Infringement**

1. In this section, "Royalties" includes
  - (a) fees and all other payments analogous to royalties for, and also claims for damages based upon, the use or infringement of any patent, registered industrial design, trade mark, copyrighted work, trade secret, or other intellectual property right, and
  - (b) any costs or expenses incurred as a result of the exercise by any person of Moral Rights.
2. the Contractor shall indemnify and save harmless Canada, the Minister and their servants or agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the carrying out of the Contract or the use or disposal by Canada of anything furnished by the Contractor under the Contract.
3. Canada shall indemnify and save harmless the Contractor and its servants and agents against any claim, action, suit or other proceeding for the payment of Royalties, that results from or is alleged to result from the use by the Contractor in performing the Contract of material or information not prepared by the Contractor and supplied to the Contractor by or on behalf of Canada, provided that the Contractor notifies the Minister immediately of any such claim, action, suit or other proceeding but Canada shall not be liable

to indemnify or save harmless the Contractor for payment of any settlement unless Canada has consented to the settlement.

4. The Minister shall give notice to the Contractor of any claim, action, suit or proceeding referred to in subsection (2) and the Contractor shall, to the extent requested by the Attorney General of Canada, at its own expense participate in or conduct the defence of any such claim, action, suit or proceeding and any negotiations for settlement of the same, but the Contractor shall not be liable to indemnify and save harmless Canada for payment of any settlement unless it has consented to the settlement.

**TRA-95 21 (15/12/95) Copyright**

1. Copyright in the Work shall vest in Canada.
2. The drafts, preliminary versions, technical documents and other linguistic or terminological research documents developed to execute the obligations that are the subject of the Contract all belong to Canada. The Contractor shall not divulge them nor use them otherwise than to provide the services that are the subject of the Contract. The Contractor may not, except to the extent that the performance of the Contract requires it, divulge or publish any information concerning matters mentioned in this section.
3. At the request of the Minister, the Contractor shall provide to Canada, at the completion of the Contract or at any other such time as the Minister may require, a written permanent waiver of Moral Rights, in a form acceptable to the Minister, from every author that contributed to the Work.
4. If the Contractor is the author of the Work, the Contractor hereby permanently waives the Contractor's Moral Rights in respect of the Work.

**TRA-95 22 (15/12/95) Suspension of the Work**

1. The Minister may at any time, by written notice, order the Contractor to suspend or stop all or part of the Work under the Contract. The Contractor shall immediately comply with any such order in the manner that minimizes the cost of so doing. At any time during the period of the suspension or stopping of the Work, the Minister may either rescind the order or terminate the Contract, in whole or in part, under section 23 (Default by the Contractor) or terminate it under section 24 (Termination for Convenience).
2. When an order is made under subsection 1, unless the Minister terminates the Contract by reason of default by the Contractor or the Contractor abandons the Contract, the Contractor shall be entitled to be paid its additional costs incurred as a result of the suspension plus a fair and reasonable profit thereon.
3. When an order is made under subsection 1 and is rescinded:
  - (a) the Contractor shall as soon as practicable resume work in accordance with the Contract;
  - (b) if the suspension has affected the Contractor's ability to meet any delivery date under the Contract, the date for the performance of that part of the Work affected by the suspension shall be extended for a period equal to the period of suspension plus a period, if any, which in the opinion of the Minister following consultation with the Contractor is reasonably necessary for the Contractor to resume the Work; and
  - (c) subject to section 4 (Amendments), an equitable adjustment shall be made as necessary to affected terms and conditions of the Contract.

**TRA-95 23 (15/12/95) Default by the Contractor**

1. Where the Contractor is in default in carrying out its obligations under the Contract, the Minister may, upon giving written notice to the Contractor, terminate for default the whole or any part of the Contract, either

- immediately or at the expiration of a cure period specified in the notice if the Contractor has not cured the default to the satisfaction of the Minister within that cure period.
2. Where the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or an order is made or a resolution passed for the winding up of the Contractor, the Minister may, to the extent permitted by the laws of Canada, upon giving notice to the Contractor, immediately terminate for default the whole or any part of the Contract.
  3. Upon the giving of a notice provided for in subsection 1 or 2, the Contractor shall have no claim for further payment other than as provided in this section, but shall be liable to Canada for any amounts, including milestone payments, paid by Canada and for all losses and damages which may be suffered by Canada by reason of the default or occurrence upon which the notice was based, including any increase in the cost incurred by Canada in procuring the Work from another source or calling upon its internal resources. The Contractor agrees to repay immediately to Canada the portion of any advance payment that is unliquidated at the date of the termination. Nothing in this section affects any obligation of Canada under the law to mitigate damages.
  4. Upon termination of the Contract under this section, the Minister may require the Contractor to deliver to Canada, in the manner and to the extent directed by the Minister, any completed parts of the Work which have not been delivered and accepted prior to the termination and any materials or work-in-process which the Contractor has produced specifically in the fulfilment of the Contract.
  5. Subject to the deduction of any claim that Canada may have against the Contractor arising under the Contract or out of the termination, Canada shall pay or credit to the Contractor the value, determined on the basis of the Contract Price, including the proportionate part of the Contractor's profit or fee included in the Contract Price, of all completed parts of the Work delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, and shall pay or credit to the Contractor the cost to the Contractor that the Minister considers reasonable in respect of all materials and work-in-process delivered to Canada pursuant to a direction under subsection 4 and accepted by Canada, but in no event shall the aggregate of the amounts paid by Canada under the Contract to the date of termination and any amounts payable pursuant to this subsection exceed the Contract Price.
  6. Titles to all materials, work-in-process and finished work, in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such materials, work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for those that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
  7. Where, subsequent to issuance of an order pursuant to subsection 1, the Minister is satisfied that grounds did not exist for a termination under this section, the notice shall be deemed a notice of termination for convenience issued under subsection 1 of section 24 (Termination for Convenience).

**TRA-95 24 (15/12/95) Termination for Convenience**

1. Notwithstanding anything contained in this Contract, the Minister may, at any time prior to the completion of the Work, by giving notice to the Contractor (in this section sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the Work not completed. Upon a termination notice being given, the Contractor shall cease work in accordance with and to the extent specified in the notice, but shall proceed to complete any such part or parts of the Work as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the Work not terminated by any previous termination notice.



2. In the event of a termination notice being given pursuant to subsection 1, the Contractor shall be entitled to be paid, to the extent that costs have been reasonably and properly incurred for purposes of performing the Contract and to the extent that the Contractor has not already been so paid or reimbursed by Canada including the unliquidated portion of any advance payment:
  - (a) on the basis of the Contract Price, for all completed Work that is inspected and accepted in accordance with the Contract, whether completed before, or after and in compliance with the instructions contained in, the termination notice;
  - (b) the cost to the Contractor plus a fair and reasonable profit thereon, for all Work terminated by the termination notice before completion, the cost to the Contractor being determined in accordance with the terms of the Contract;
  - (c) all costs of and incidental to the termination of the Work or part thereof, including the Cost of cancellation of obligations incurred by the Contractor with respect to the terminated Work or part thereof, but not including the cost of severance payments or damages to employees whose services are no longer required by reason of the termination except wages that the Contractor is obligated by statute to pay them and except for reasonable severance payments or damages paid to employees hired to perform the Contract whose hiring was expressly required by Contract or approved in writing by the Minister for the purpose of the Contract.
3. The Minister may reduce the payment in respect of any of the Work to the extent that, upon inspection, it is deficient in meeting the requirements of the Contract.
4. Notwithstanding anything in subsection 2, the total of the amounts to which the Contractor is entitled under paragraphs 2 (a) and (b), together with any other amounts paid or due to the Contractor under other provisions of the Contract, shall not exceed the Contract Price or the portion thereof that is applicable to the part of the Work that is terminated, and shall not exceed the proportion of the price quoted by the Contractor for all the Work that is reasonably attributable to the proportion of the Work performed to the effective date of the termination.
5. In the subcontracting of any of the Work, the Contractor shall, unless otherwise authorized by the Minister, place subcontracts on terms that will enable the Contractor to terminate the same upon terms and conditions similar in effect to those provided in this section, and generally the Contractor shall co-operate with the Minister and do everything reasonably within its power at all times to minimize the amount of Canada's obligations in the event of a termination under this section.
6. Title to all equipment, work-in-process and finished work in respect of which payment is made to the Contractor shall, upon such payment being made, pass to and vest in Canada unless already so vested under any other provision of the Contract, and such work-in-process and finished work shall be delivered according to the order of the Minister, but Canada will not accept and will not pay for work-in-process that would not have been required to perform the Work or that exceed what would have been required to perform the Work.
7. The Contractor shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason of, or directly or indirectly arising out of, any action or termination notice given by the Minister under this section, except to the extent that this section expressly provides.

**TRA-95 25 (15/12/95) Accounts and Audit**

1. The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor in connection therewith, and shall keep all invoices, receipts and vouchers relating thereto. The Contractor shall not, without the prior written consent of the Minister, dispose of any such accounts, records, invoices, receipts or vouchers until the expiration of 6 years after final payment under this Contract, or until the settlement of all outstanding claims and disputes, whichever is later.

2. All such accounts and records as well as any invoices, receipts and vouchers shall at all times during the retention period referred to in subsection 1 be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits and inspections and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such accounts, records, invoices, receipts and vouchers.

**TRA-95 26 (15/12/95) Notice**

Any notice shall be in writing and may be delivered by hand or by courier, by registered mail, or by facsimile or any other electronic means that provides a paper record of the text of the notice, addressed to the Party for whom it is intended at the address in the Contract or at the last address of which the sender has received notice in accordance with this section. Any notice shall be deemed to be effective on the day that it is received at that address.

**TRA-95 27 (15/12/95) Members of the House of Commons**

No member of the House of Commons shall be admitted to any share or part of the Contract or to any benefit arising from the Contract.

**TRA-95 28 (01/05/96) Conflict of Interest**

1. The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.
2. No employee of the Government of Canada shall be a party to the Contract, nor shall derive any benefit whatsoever therefrom, unless the employee has been so authorized in writing by the Minister who has jurisdiction over the employee.

**TRA-95 29 (15/12/95) Corruption and Conflict of Interest**

1. The Contractor represents and covenants that it has no financial interest in any third-party business that might affect its objectivity in providing the services that are the subject of the Contract.
2. The Contractor represents and covenants that no bribe, gift, benefit or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Canada or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.

**TRA-95 30 (15/12/95) Contingency Fees**

1. The Contractor attests that it has not paid or agreed to pay any covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for solicitation, obtaining or negotiation of the Contract shall be subject to the Accounts and Audit provisions of the Contract.
3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either terminate this Contract for default in accordance with the termination for default provisions of the Contract, or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.

4. In this section:

"contingency fee": means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract, or negotiating the whole or any part of its terms;

"employee": means any person with whom the Contractor has an employer/employee relationship;

"person": includes an individual or a group, a corporation, a partnership, an organization and an association and, without limiting the generality of the preceding, any individual who is required to submit to the registrar a return under section 5 of the Lobbyists Registration Act, R.S.C. 1985, c. 44 (4<sup>th</sup> supplement) and of any amendment that might be made to it from time to time.

**TRA-95 31 (15/12/95) Survival**

All of the Contractor's obligations of confidentiality and all of the Contractor's representations and warranties set out in the Contract as well as the provisions concerning Government Property, indemnity against third-party claims, royalties and infringement, intellectual property rights and accounts and audit shall survive the expiry of the Contract or the termination of the Contract for default, for convenience, or by mutual consent, as shall any other provision of the Contract which, by the nature of the rights or obligations set out therein, might reasonably be expected to be intended to so survive.

**TRA-95 32 (15/12/95) Severability**

If any provision of the Contract is declared by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be severed from the Contract and all other provisions of the Contract shall remain in full force and effect.

**TRA-95 33 (15/12/95) Successors and Assigns**

The Contract shall ensure to the benefit of, and shall be binding upon, the successors and permitted assignees of Canada and of the Contractor.

**TRA-95 34 (15/12/95) Entire Agreement**

The Contract constitutes the entire and sole agreement between the Parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the Parties other than those contained in the Contract. Supplemental General Conditions are used in conjunction with one of the General Condition sets in Section 3. Their purpose is to expand upon and clarify specific points within the context of an identified subject area. For example, Supplemental General Conditions DSS-MAS 1028 - Ship Construction - Firm Price, expands upon the topic of ship construction.

Prior to the introduction of the *Standard Acquisition Clauses and Conditions Manual*, Supplemental General Condition sets were attached to each bid solicitation package. This practice has been replaced by incorporation by reference. The specified Supplemental General Conditions specified in standard clause K0000D form part of the procurement document.

To improve readability, each condition set includes an index section (article) - 00, which details the various subjects covered within the condition set. As well, each section has an effective date. As conditions are updated and modified, only the affected section will receive a new effective date, corresponding to the effective date for the whole condition set; thus making changes more readily identifiable by users.

The following list identifies those sets of Supplemental General Conditions which are currently in use by the Department of Public Works and Government Services, their latest revision date and their title.

1028 00 (16/02/98) Ship Construction - Firm Price

Public Works and Government Services Canada

- 01 Interpretation
- 02 Conduct of Work
- 03 Inspector Final Judge of Work, Materials, etc.
- 04 Re-execution of Inferior Work
- 05 Drawings
- 06 Design Changes and Modifications
- 07 Labour Conditions
- 08 Accommodation
- 09 Care of Vessel during Construction
- 10 Wharfage and Dockage Fee
- 11 Overhanging Charges
- 12 Warranty
- 13 Public Ceremony
- 14 Insurance
- 15 Amendment to General Conditions - DSS-MAS 1026A

**1028 01 (01/06/91) Interpretation**

1. Unless otherwise provided in the agreement,

a "**Design Change**" is any change to approved drawings, specifications, or statements of requirements. Work necessary to eliminate "fouling" points or for the correction of errors made by the Contractor is not a "**Design Change**" within the meaning of this section;

**"the General Conditions"** means *General Conditions* DSS-MAS 1026A (Supplies - Firm Price) forming part of the Contract;

**"Inspector"** means the inspection authority designated in the Contract to carry out the inspection duties;

the expression "**make modifications of, changes in, or additions to, the specifications,**" as the same is employed in section 19 of *the General Conditions* (DSS-MAS 1026A), shall be deemed to include and to apply to "**Design Changes**" as herein before defined.

**"these supplemental conditions"** means these Supplemental General Conditions;

**"vessels"** means the ships or *vessels* to be constructed by the Contractor under the Contract and includes the whole of their respective hulls, engines, boilers, machinery, auxiliaries, equipment, fittings, and appurtenances where the context permits, the term "work" as used in the Contract includes the *vessels* as herein defined;

2. These supplemental conditions shall be read with *the General Conditions*, provided that, in the event of any inconsistencies between the provisions of *the General Conditions* and of *these supplemental conditions*, the latter shall prevail.
3. Where the *Inspector* is not specifically mentioned in the Contract, the Minister may act in respect of any covenant, agreement, condition or matter under the Contract by or through the *Inspector* or by or through such other officers as he may from time to time designate, with power in the *Inspector* or any such officers to delegate in writing or by telegram any of the powers contained in the Contract.

**1028 02 (01/06/91) Conduct of Work**

1. Canadian Labour

To the full extent consistent with availability, proper economy and the expeditious performance of the Contract, the Contractor will employ Canadian labour exclusively. A reasonable proportion of the labour force employed will consist of persons who have been demobilized or honourably discharged from Active Service in Her Majesty's Forces, where such persons are available and qualified for the Work to be performed.

2. Materials

The Contractor hereby warrants, represents, and agrees that it will procure all materials, parts, components and equipment required in connection with the performance of Contract from the sources proposed in its tender or such other sources as may be authorized by the Minister.

3. Performance Control

The Contractor may, at any time, apply to the Minister for advice or direction on matters pertaining to the Contract.

The Contractor shall submit for examination by the *Inspector* and/or the Minister all proposed Contracts including those to be effected by Purchase Orders, if requested to do so.

The Contractor shall permit the *Inspector* to examine any designs, drawings, models or specifications, completed or under preparation by it or on its behalf in connection with the Contract at any time.

All directions and instructions that may, from time to time, be given by the *Inspector* and/or the Minister with respect to the recording and reporting upon the conduct, progress and cost of the work, shall be duly carried out by the Contractor.

**1028 03 (01/06/91) Inspector Final Judge of Work, Materials, etc.**

If any part of the specifications provides for a method of construction or for the supply and/or use of materials, equipment or parts which are not specified with particularity, the Contractor shall have the right of selection provided that the construction so performed and the materials, equipment and parts so supplied and/or used are in accordance with good marine building practice for the type and class of *vesse/s* covered by the Contract, and provided that the specifications and drawings and all other Contract requirements are fully complied with. The *Inspector* shall be the final judge of the quality, quantity and suitability of the workmanship, parts, materials, plant, machinery, apparatus, tools and equipment used in or for the purposes of the Work and as to the meaning or interpretation of the specifications and his decision with regard to the foregoing matters, or any of them, shall be final and binding upon the Contractor. All orders, directions or instructions at any time given by the *Inspector* with respect to the Work or the conduct or progress thereof or with respect to the parts, materials, plant, apparatus, machinery, tools or equipment used in or for the purposes of the work, shall be promptly and fully complied with by the Contractor.

**1028 04 (01/06/91) Re-execution of Inferior Work**

The *Inspector* may reject or refuse to accept or approve any part of the materials or Work if, in his opinion, the same or any workmanship, parts or materials used in the manufacture or production thereof are not in accordance with the provisions of the Contract. The Contractor shall forthwith at its own expense replace or otherwise make good to the satisfaction of the *Inspector* any part of the materials or Work which may have been rejected by the *Inspector*. Her Majesty shall not be under any liability hereunder for any Work done, materials, or parts delivered or assembly made by the Contractor hereunder, unless and until the same shall have been approved by the *Inspector* as evidenced by his certificate in writing.

**1028 05 (01/06/91) Drawings**

1. All drawings, copies of drawings and models, which have been prepared by the Contractor pursuant to the Contract or furnished to the Contractor by Her Majesty, shall be the sole property of Her Majesty and may be used as Her Majesty sees fit.
2. Approval of the drawings, whether express or implied, shall not relieve the Contractor of its responsibility under the Contract to deliver a vessel that will meet the performance requirements in the specifications.
3. Where modifications are requested to the drawings prior to their approval, the Contractor shall be deemed to have accepted such modifications and to have agreed that they do not constitute a change in specifications and that they will not affect the performance of the vessel adversely, unless it notifies the Minister, in writing, within fourteen (14) days after receipt by it or notice of the modification, that it considers that such modification constitutes a change in specification or that it will adversely affect the performance of the vessel. In the event that the Contractor does not withdraw such notice, it shall be deemed to be relieved of any liability for failure of the vessel to perform in accordance with the warranty insofar as such failure can be shown to be the direct result of such modification.
4. The provisions of the preceding subsection shall apply to *Design Changes*, "mutatis mutandis".

**1028 06 (01/06/91) Design Changes and Modifications**

1. Any adjustment to the Contract price made pursuant to section 19 (Suspension of Work and Change in Specifications) of *the General Conditions* DSS-MAS 1026A shall be ascertained and agreed to by the parties hereto prior to the purchase of any materials or the commencement of any Work by the Contractor.
2. If the Contractor proposes to make a claim for adjustment of the Contract price pursuant to section 19 as aforesaid, it must furnish notice to the Minister of its intention to do so within thirty (30) days of the date that it received information that a change within the scope of section 19 has been made. Failure by the Contractor to give such notice within the prescribed period shall be deemed to constitute a waiver by it of any rights that it may have hereunder to adjustment in the Contract price as a result of such change.

**1028 07 (01/06/91) Labour Conditions**

The applicable Labour provisions established by Order-in-Council PC 1954-2029 of December 22, 1954, and by all amendments thereto shall apply and form part of the Contract.

**1028 08 (01/06/91) Accommodation**

1. Personnel

The Contractor shall provide for the *Inspector* and any supervisory or other staff employed by Her Majesty, such office space, office facilities, telephone service, and suitable sanitary and washing facilities as the *Inspector* or the Minister may require from time to time at the Contractor's shipyard.

2. Storage and Handling

The Contractor shall supply suitable warehouse accommodation for all government supply stores issued in connection with the Contract for such length of time as the Minister may direct. The Contractor shall be responsible for the care, handling, embarking, loading, moving and similar duties in respect of supply stores in the custody or control of the Contractor or of the *Inspector* as the *Inspector* or the Minister may from time to time direct.

**1028 09 (01/06/91) Care of Vessel during Construction**

1. All parts of the vessel including, but not limited to, structure, paint work, machinery, auxiliaries, appliances and apparatus shall be maintained in a satisfactory condition during the entire period of construction. Measures shall be taken to keep to a minimum any wear and damage incident to construction, and to prevent corrosion, or other deterioration, especially to unpainted, polished and moving parts. All water piping, heat exchangers, valve chests and equipment shall be kept drained, flushed, and cleaned except during trials and tests. Cold weather precautions will be taken when conditions so require.
2. The Contractor shall be responsible for the care of all machinery and equipment whether furnished by him or by the Crown. Electrical, electronic and interior communication equipment shall, at all times, be fully protected against dust, moisture, or other foreign matter, and shall not be subjected to rapid temperature changes.
3. The Contractor shall ensure that the design form of the vessel is maintained throughout the course of construction and that no distortion of materials occurs which might cause locked-in stresses.

**1028 10 (01/06/91) Wharfage and Dockage Fee**

Until the completion of the Contract, the Contractor shall be responsible for and shall pay all expenses of wharfage, towage, dockage, running lines, electric light, heating water for testing and refilling the tanks and all other charges, fees, expenses and disbursements for incidental to the construction, launching and delivery of the vessel. If at any time after the launching and before final acceptance of the said vessel, any contingency should arise making it, in



the opinion of the *Inspector*, advisable to have such vessel placed in dock for survey, the Contractor shall dock the vessel at its own risk and expense.

**1028 11 (01/06/91) Overhanging Charges**

In the event of any assessments, taxes or duties, or other levies or charges whatsoever, being unpaid after the vessel has been formally accepted by the Minister, and Her Majesty has complied with all the provisions imposed upon Her by the Contract, the Contractor shall reimburse Her Majesty within thirty (30) days thereafter for any such assessments, taxes, duties, levies or charges as may have been paid by Her Majesty.

**1028 12 (01/05/93) Warranty**

The Contractor shall warrant the hull, propelling machinery and auxiliaries, fittings, and equipment of all kinds, for a full period of twelve (12) months after delivery to and acceptance of the vessel by Her Majesty, excluding any time or times in excess of one (1) month upon any single occasion during which the vessel may be out of service while undergoing repair pursuant hereto, against all defects of design, material and workmanship, and undertakes that any part or parts of the vessel which may be found defective or show signs of weaknesses or undue wear within such period, owing to faulty design, material or workmanship, shall be repaired or removed and replaced and all such defects remedied and made good at the sole cost and expense of the Contractor. An immediate notice in writing shall be given by the Minister to the Contractor of the discovery of any such defects, weakness or undue wear, and the Contractor agrees to deliver the necessary part or parts and to fit, complete and make good the defective part or parts at the Contractor's yard at \_\_\_\_\_, but if the vessel is not brought to the Contractor's yard for repairs or replacement of a defective part or parts and such repairs or replacements are made elsewhere, the Contractor shall pay to Her Majesty such sums as are equivalent to the cost of supplying the necessary part or parts and doing the Work at the yard of the Contractor. The Contractor shall not be held responsible for fair wear and tear, or for breakage and defects arising through the negligence or carelessness of any person or persons employed on board the vessel during the warranty period, except the negligence or carelessness of the Contractor's representative if any. The Contractor will not be held responsible for or be under any obligation for consequential damages and delays to the vessel or her cargo.

**1028 13 (01/06/91) Public Ceremony**

Unless otherwise provided in the Contract, the Contractor shall not be entitled to any increase in the Contract price by reason of any public ceremony. The Contractor shall not allow any public ceremony in connection with the Work without having previously obtained the written permission of the Minister.

**1028 14 (01/06/91) Insurance**

1. Notwithstanding any other provisions herein contained, the Contractor shall bear and be subject to all risk of loss or damage of or to the Work or any part thereof until delivery of the vessel and final acceptance of same pursuant to the provisions hereof. If any such loss or damage should occur prior to such delivery and final acceptance, the Contractor shall forthwith (unless otherwise directed by the Minister or the *Inspector* and subject to such conditions as the Minister or the *Inspector* may impose), at its own expense and without making any claim for reimbursement therefor, repair, restore and/or replace the Work or the part thereof so lost or damaged.
2. The Contractor shall indemnify and save harmless Her Majesty against and from any and all claims, damages, loss, costs and expenses which Her Majesty may, at any time or times, suffer or incur as a result of or arising out of any actual or alleged injury to persons (including injuries resulting in death) or damage to property which may be or be alleged to be caused by or suffered as a result of the carrying out of this Contract or any part thereof, whether by the Contractor or by any Subcontractor or assignee of the Contractor.

3. The Contractor shall enter into a contract of insurance issued in the joint names of the Contractor and Her Majesty as their respective interests may appear in the standard form of Marine Builder's Risk Policy to provide full indemnification to Her Majesty for any loss or damage to the vessel or any other materials which are the property of the Crown for installation in the vessel in the custody of the Contractor or any claim or expenses to the Crown as aforesaid for which the Contractor assumes responsibility hereunder, and the premium or cost of such insurance coverage shall be incorporated into and form part of the purchase price.

**1028 15 (01/06/91) Amendment to General Conditions - DSS-MAS 1026A**

The *General Conditions* DSS-MAS 1026A as incorporated herein is amended by deleting section 14 (Care of Crown Property).

1029 00 (16/02/98) Ship Repairs

Public Works and Government Services Canada

- 01 Interpretation
- 02 Contractor to Provide Plant, etc.
- 03 Quality and Workmanship
- 04 Inspector Final Judge of Work, Materials, etc.
- 05 Re-execution of Inferior Work
- 06 Removed Parts, etc., Remain Crown Property
- 07 Wharfage and Dockage Fees and Overhanging Charges
- 08 Where Vessel Remains in Commission
- 09 Where Vessel Out of Commission
- 10 Insurance
- 11 Public Ceremony
- 12 Security Deposit

**1029 01 (01/06/91) Interpretation**

1. Unless the context otherwise requires,

**"the General Conditions"** means General Conditions DSS-MAS 1026 forming part of the contract;

**"these supplemental conditions"** means *these supplemental General Conditions*;

**"vessel"** means the ship or *vessel* to be repaired, fitted, converted or otherwise dealt with by the Contractor under the contract and includes the whole of its hull, engines, boilers, machinery, auxiliaries, stores, equipment, fittings and appurtenances.

2. *These supplemental conditions* shall be read with *the General Conditions*, provided that in the event of any inconsistencies between the provisions of *the General Conditions* and of *these supplemental conditions* the latter shall prevail.

**1029 02 (01/06/91) Contractor to Provide Plant, etc.**

Unless otherwise provided herein, the Contractor shall provide and make available, at its own expense, all labour, superintendence services, machinery, equipment, apparatus, tools, implements, materials, articles and things which may be requisite for the efficient carrying out and completion of the work.

**1029 03 (01/06/91) Quality and Workmanship**

All materials and parts used for the work shall be of the quality required by the specifications and shall be suitable for their particular purposes and shall be employed in the most substantial and workmanlike manner and only as approved by the Inspector.

**1029 04 (01/06/91) Inspector Final Judge of Work, Materials, Etc.**

If any part of the specifications provides for a method of construction or for the supply and/or use of materials, equipment or parts which are not specified with particularity, the Contractor shall have the right of selection provided that the construction so performed and the materials, equipment and parts so supplied and/or used are in accordance with normal marine building practice for the type and class of *vesse/s* covered by the contract, and provided that the specifications and all other contract requirements are fully complied with. Subject to the foregoing, the Inspector shall be the final judge of the quality, quantity and suitability of the workmanship, parts, materials, plant, machinery, apparatus, tools and equipment used in or for the purposes of the work and as to the meaning or interpretation of the specifications and his decision with regard to the foregoing matters, or any of them, shall be final and binding upon the Contractor. All orders, directions or instructions at any time given by the Inspector with respect to the work or the conduct or progress thereof or with respect to the parts, materials, plant, apparatus, machinery, tools or equipment used in or for the purposes of the work, shall be promptly and fully complied with by the Contractor.

**1029 05 (01/06/91) Re-execution of Inferior Work**

If, in the opinion of the Inspector, any part of the work is not in accordance with the contract, the Inspector may notify the Contractor to properly re-execute the same, which shall be done by the Contractor at its own expense, and if the Contractor fails to do so within such reasonable time as may be fixed by the said or any subsequent notice, then the Inspector may cause such work to be re-executed and replaced by any means which he considers advisable and the cost thereof shall be borne by the Contractor.

**1029 06 (01/06/91) Removed Parts, etc., Remain Crown Property**

Any parts, equipment, materials or accessories of any *vesse/* permanently removed in the carrying out of the work, shall remain the property of Her Majesty, and shall be disposed of as the Minister may direct.

**1029 07 (01/06/91) Wharfage and Dockage Fees and Charges**

1. Until the completion of the work, the Contractor shall be responsible for and shall pay all charges, fees, expenses and disbursements of or incidental to the carrying out of the work, including wharfage, towage, dockage, running lines, electric light and water for testing and refilling the tanks.
2. In the event of any assessments, taxes or duties, or other levies and charges whatsoever, being unpaid after the work has been formally accepted by the Minister, and Her Majesty has complied with all the provisions imposed upon him by this contract, the Contractor will reimburse Her Majesty within thirty (30) days thereafter for any such assessments, taxes, duties, levies or charges as may have been paid by Her Majesty.

**1029 08 (01/06/91) Where Vessel Remains in Commission**

1. If the *vesse/* is to remain in commission while the work is being carried out, then
  - (a) the work shall be carried out on the *vesse/* at such place as the *vesse/* is from time to time berthed, provided that every endeavour shall be made consistent with the necessity for speedy execution of the work to have the *vesse/* berthed at such place as will facilitate the work required to be performed thereon by the Contractor;
  - (b) the Contractor shall not be in charge of or responsible for the care and protection of the *vesse/* but shall be liable for all loss or damage or personal injury (to persons other than those in the employ of the Contractor) resulting from any negligent or wrongful act or omission on the part of the Contractor, its officers, servants, agents or employees during the carrying out of the work. If any such loss or damage should occur to the *vesse/* or to the work, the Contractor shall forthwith, unless otherwise directed by the Minister or the Inspector and subject to such conditions as the Minister or the Inspector may impose, at its own expense, repair, restore and/or replace the *vesse/* and/or the work so lost or destroyed. The Contractor shall indemnify and save harmless Her Majesty and the Minister against and from all loss, damages, costs and expenses arising from or in any way connected with any and all claims for or in respect of such loss, damages or personal injuries occasioned as aforesaid.

**1029 09 (01/06/91) Where Vessel out of Commission**

1. If the *vesse/* be out of commission while the work is being carried out, then
  - (a) unless the prior approval of the Minister has been obtained to ground the *vesse/*, it shall be berthed where it will not touch the ground at either high or low water;
  - (b) the Contractor shall be in charge of and be entirely responsible for the care and efficient protection of the *vesse/* from the time of delivery thereof to the Contractor until redelivered to and accepted by the person or persons appointed by the Minister to receive and accept the same;
  - (c) a copy of all lists of fixtures and spare gear will be furnished to the Contractor who shall check the same in conjunction with the Inspector and thereafter acknowledge receipt of the items set forth therein; upon completion of the work, if such items are accounted for to the satisfaction of the Inspector, a clearance will be given to the Contractor;
  - (d) the Contractor shall provide the necessary warehouse or storage accommodation for and maintain in good conditions, lubricated, painted and protected from the weather, all equipment,

fittings, articles or things temporarily removed from the *vesse/* during the work or which may be supplied to the Contractor by Her Majesty for stowing or fitting in place on board the *vesse/* prior to delivery thereof to Her Majesty, and shall redeliver the same to Her Majesty in as good condition as when so removed by or supplied to the Contractor. The Contractor shall also provide safe storage accommodation for any part or parts of the *vesse/* permanently removed until the same are disposed of as hereinbefore provided;

- (e) the Contractor shall take the usual and proper precautions to maintain in a proper state of preservation any machinery, equipment, fittings, stores or things left in the *vesse/* which might become damaged by exposure;
- (f) if the work hereunder necessitates the removal of stores and no secure place of stowage is available on board the *vesse/*, the Contractor shall provide the necessary labour for removal and a secure place for storage. The Contractor shall furnish receipts for such stores. The Contractor undertakes that such stores shall be well and carefully stored and not mingled with property of a similar nature;
- (g) the Contractor shall be liable for all loss or damage of or to the *vesse/* or the work and for personal injury (to persons other than those in the employ of the Contractor) resulting from any negligent or wrongful act or omission on the part of the Contractor, its officers, servants, agents or employees from the time of the taking over of the *vesse/* until delivery of the *vesse/* and final acceptance of the work pursuant to the provisions hereof. If any such loss or damage should occur prior to such delivery and final acceptance, the Contractor shall forthwith (unless otherwise directed by the Minister or the Inspector and subject to such conditions as the Minister or the Inspector may impose), at its own expense, repair, restore and/or replace the *vesse/* and/or the work so lost or damaged. Neither Her Majesty nor the Minister shall be in any manner responsible or liable for any loss or damage which shall or may happen to the *vesse/* and/or the work, or any part or parts thereof (prior to delivery as herein provided), or for any injury including injuries resulting in death, to any person or persons, or for any other damages or injuries whatsoever, caused by or in connection with the *vesse/*, or caused by or resulting from or in any way arising out of the work, and the Contractor shall indemnify and save harmless Her Majesty and the Minister against and from all loss, costs, damages and expenses arising from or in any way connected with any and all claims for or in respect of such loss, damages or injuries.

**1029 10 (01/06/91) Insurance**

The Contractor warrants that it is carrying Shipbuilders' and/or Ship Repairers' Liability insurance in the amount stated in the agreement and hereby agrees to maintain the said insurance in force during the carrying out of the contract; and the Contractor further agrees that, in the event of any loss or liability covered by the said insurance being suffered or incurred by or in relation to the *vesse/* or to the work, the said insurance shall be available for the benefit of Her Majesty as Her Majesty's interest may appear.

**1029 11 (01/06/91) Public Ceremony**

The Contractor shall not allow any public ceremony in connection with the work without having previously obtained the written permission of the Minister.

**1029 12 (01/06/91) Security Deposit**

1. The security (if any) referred to in the agreement shall be held and retained by Her Majesty as security for the due and complete performance, observance and fulfilment by the Contractor of all the covenants and provisions of the contract. Unless and until the security is forfeited to Her Majesty as herein provided, Her Majesty shall remit any revenues and income therefrom (provided that Her Majesty shall in no event be obligated to invest moneys as interest or otherwise) to the Contractor, and in the case of interest coupons, or dividend coupons payable to bearer, shall deliver the same to the Contractor as and when they mature.

In the event of any default by the Contractor in fulfilment of any of the terms and conditions of the contract, the security shall (without prejudice to any and all other rights and recourses accruing to Her Majesty) be forfeited to and retained by Her Majesty as liquidated damages and not as a penalty but, if the Contractor shall have duly performed, observed and fulfilled all the covenants, terms and conditions of the contract, the security shall be returned to the Contractor.

2. Notwithstanding the foregoing, the Minister may, at his discretion, authorize a return of the security to the Contractor at any time before the Contractor has fulfilled all its obligations under the contract. In such event, the return of the security shall not prejudice any rights or recourse accruing to Her Majesty under the contract.





1033 00 (16/02/98) Shipbuilding - Cost Reimbursement

Public Works and Government Services Canada

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- 02 Sources of Labour
- 03 Supervision and Conduct of Work
- 04 Inspector Final Judge of Work, Materials, etc.
- 05 Re-execution of Inferior Work
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- 16 Launching
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- 18 Berthing of Vessel
- 19 Dry-docking of Vessel
- 20 Commissioning of Vessel
- 21 Storage of Materials, Components, etc.
- 22 Drawings
- 23 Trials of Vessel

**1033 01 (01/06/91) Interpretation**

1. Unless otherwise provided in the agreement,

**"the General Conditions"** means General Conditions DSS-MAS 1026B forming part of the contract;

**"these supplemental conditions"** means these Supplemental General Conditions;

**"Inspector"** means the representative designated for the inspection function by the owner department;

**"vessels"** means the ships or vessels to be constructed by the Contractor under the contract and includes the whole of their respective hulls, engines, boilers, machinery, components, auxiliaries, equipment, fittings and appurtenances; and "vessel" shall have a corresponding meaning. Where the context permits, the term "work" as used in the contract includes the vessels or vessel as herein defined.

2. These supplemental conditions shall be read with the General Conditions, provided that, in the event of any inconsistencies between the provisions of the General Conditions and of these supplemental conditions, the latter shall prevail; and in the event of any inconsistencies between these supplemental conditions and the agreement, the latter shall prevail.

**1033 02 (01/06/91) Sources of Labour**

The Contractor shall make a special study of and exert special efforts for the training of its own workmen and employees for the purpose of carrying out the contract and shall not engage or employ any skilled or other workmen or employees engaged or employed in any other shipyards under similar contract with Her Majesty to build vessels.

**1033 03 (01/06/91) Supervision and Conduct of Work**

1. The Contractor shall to such extent, if any, as may from time to time be requested by the Minister or the Inspector:

(a) consult the Minister and the Inspector on matters pertaining to the performance of the contract;

(b) permit the examination by the Minister and the Inspector of all contracts entered into or to be entered into by the Contractor and of all specifications and drawings prepared or under preparation by or for the Contractor in connection with the performance of the contract; and

(c) furnish to the Minister and to the Inspector

(1) copies of all contracts, specifications and drawings as may be necessary to complete their records of the performance of the contract; and

(2) such information and data (including duplicates of orders, progress reports and flow sheets) with respect to the work and the progress thereof as the Minister or the Inspector may from time to time require.

2. All directions and instructions which may from time to time be given by the Minister or the Inspector with respect to the work or the conduct or progress thereof and the recording and reporting of the cost thereof, and/or with respect to the placing of contracts or the making of commitments for the purposes of the work, shall be promptly and fully complied with by the Contractor.

**1033 04 (01/06/91) Inspector Final Judge of Work, Materials, etc.**

If any part of the specifications or drawings provide for a method of construction or for the supply and/or use of materials, equipment or parts which are not specified with particularity, the Contractor shall, subject to the approval

of the Inspector, have the right of selection provided that the construction so performed and the materials, equipment and parts so supplied and/or used are in accordance with normal marine building practice for the type and class of vessels covered by the contract, and provided that the specifications and drawings and all other contract requirements are fully complied with. The Inspector shall be the final judge of the quality, quantity and suitability of the workmanship, parts, materials, plant, machinery, apparatus, tools and equipment used in or for the purposes of the work and as to the meaning or interpretation of the specifications and drawings and his decision with regard to the foregoing matters, or any of them, shall be final and binding upon the Contractor. All orders, directions or instructions at any time given by the Inspector with respect to the work or the conduct or progress thereof or with respect to the parts, materials, plant, apparatus, machinery, tools or equipment used in or for the purposes of the work, shall be promptly and fully complied with by the Contractor.

**1033 05 (01/06/91) Re-execution of Inferior Work**

The Inspector may reject or refuse to accept or approve any part of the materials or work if, in his opinion, the same or any workmanship, parts or materials used in the manufacture or production thereof are not in accordance with the provisions of the contract. Her Majesty shall not be under any liability hereunder for any work done, materials or parts delivered or assembly made by the Contractor hereunder, unless and until the same shall have been approved by the Inspector as evidence by his certificate in writing. The Contractor shall forthwith replace or otherwise make good to the satisfaction of the Inspector any part of the materials or work which may have been rejected by the Inspector.

**1033 06 (01/06/91) Economical Execution and Spoilage**

1. The Contractor shall use its best efforts to launch, complete and equip the vessels as economically as possible and to avoid waste and shall, at all times, apply to the work under the contract, including the purchase and maintenance of inventories of materials and supplies therefor, and shall exercise in respect to the operations under the contract, the same care, skill and supervision as it would if it were constructing the vessels for its own account.
2. The Contractor shall avoid spoilage of materials but, up to the time of final acceptance by Her Majesty of the respective vessels, the cost of correction or replacement of rejected material and workmanship, the cost of rectifications required of component parts or completed vessels, and the cost of any repairs thereto occasioned by or in connection with the demonstration or test or trials thereof shall be part of the cost of the work under the contract and the Contractor shall be reimbursed therefor under and in accordance with the provisions hereof, unless the character and total value thereof shall, in the opinion of the Minister, clearly indicate gross mismanagement, wilful misconduct or lack of good faith on the part of the Contractor.

**1033 07 (01/06/91) Provision of Facilities**

Her Majesty reserves the right to furnish any material or components, or supplementary tools, machinery and equipment necessary for the performance of the contract, and the right to pay private or common carriers any and all freight charges on equipment, materials and component parts.

**1033 08 (01/06/91) Discounts, etc.**

The Contractor shall, as far as practicable, take all cash and trade discounts, rebates, credits, salvage, custom duty drawbacks, commissions and other allowances. In determining the actual net cost of articles and materials of every kind required for the performance of the contract, there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, credits, salvage, custom duty drawbacks, commissions and other allowances as aforesaid. Such benefits lost through no fault or neglect on the part of the Contractor or lost through the fault of Her Majesty shall not be deducted from gross costs.

**1033 09 (01/06/91) Suspension of Work and Changes in Specifications**

The Minister may, at any time and from time to time, order a suspension of the work, in whole or in part, and may, from time to time, make modifications of, changes in or additions to the specifications, and all orders and directions given by the Minister with respect to the foregoing shall be complied with by the Contractor. The Contractor may, with the written approval of the Minister, make any such modifications, changes or additions to the specifications. Should any such suspension, modification, change or addition result in a material increase or decrease in the scope of the work, the Minister may make an adjustment in the Contractor's fee, and the Minister's decision as to the adjustment to be made shall be final.

**1033 10 (01/06/91) Certificates Required**

It shall be the duty of the Contractor, if so required by the Minister, to have the vessels classed and to obtain and deliver to the Inspector all necessary certificates to show the same to be in accordance with approved classification society's survey and/or any governmental requirements, and to provide any necessary documents for obtaining registration under the *Canada Shipping Act* and/or any other relevant statute. Certificates called for under the contract shall be handed over to the Inspector prior to final payment to the Contractor in respect of each vessel.

**1033 11 (01/06/91) Warranty**

Notwithstanding anything in the contract contained, the Contractor warrants and guarantees that the vessels as herein defined will be of first-class quality, materials and workmanship and fully in accordance with the specifications, said warranty and guarantee to continue for a period of twelve (12) months from and after delivery to and acceptance by the Minister of the respective vessels or such longer period as may be provided in the agreement. Such warranty shall apply against all defects of materials or workmanship and includes an undertaking that any part or parts of the vessels (excluding government issue) which may be found defective or with signs of weakness of undue wear within such period (owing to faulty materials or workmanship) shall be repaired or, at the Contractor's option, a new part or parts shall be furnished by the Contractor at the Contractor's shipyard without cost to Her Majesty or Her Majesty may repair or replace such defective part or parts and the Contractor will pay to Her Majesty the cost of such repair or new part or parts not exceeding, however, the cost of a new part or parts, FOB the Contractor's shipyard, provided, however, that notice of such defective part or parts and of the whereabouts of the vessel shall be given by Her Majesty to the Contractor within sixty (60) days following discovery of such defect.

**1033 12 (01/06/91) Title to Vest in Her Majesty**

The vessels and all materials and things acquired or intended for the purpose of the work around or about the premises where any part of the work is being carried on shall at all times be the property of Her Majesty (and, to such extent as may be required by the Inspector, shall be marked with or identified by a statement to that effect) and shall not be removed from the said premises without the written consent of the Minister or the Inspector provided, however, that all materials and things which are normally kept by the Contractor in its common stores for use in its general business shall be at the risk of the Contractor until withdrawn by the Contractor for use in the performance of the work under the contract.

**1033 13 (01/06/91) Risk of Loss or Damage**

1. Notwithstanding anything contained in section 12 of these supplemental conditions and/or any other provision of the contract, the Contractor shall bear and be subject to all risk of loss or damage of any nature whatsoever (except loss or damage the risk of which is assumed by Her Majesty as provided in subsection 3 of this section 13 and except as provided in section 6 of these supplemental conditions) of or to the work or any part thereof until delivery of the vessels and final acceptance of same pursuant to the provisions hereof. If any such loss or damage should occur prior to such delivery and final acceptance, the Contractor shall forthwith (unless otherwise directed by the Minister or the Inspector and subject to such conditions as the Minister or the Inspector may impose) at its own expense and without making any

- claim for reimbursement therefor, repair, restore and/or replace the work or the part thereof so lost or damaged.
2. The Contractor shall indemnify and save harmless Her Majesty and the Minister against and from any and all claims, damages, loss, costs and expenses (except claims, damages, loss, costs and expenses and risk of which is assumed by Her Majesty as provided in subsection (3) of this section 13 which Her Majesty and/or the Minister may, at any time or times, suffer or incur as a result of or arising out of any actual or alleged injury to persons (including injuries resulting in death) or damage to property which may be or be alleged to be caused by or suffered as a result of the carrying out of this contract or any part thereof, whether by the Contractor or by any subcontractor or assignee of the Contractor.
  3. The Contractor shall not (except as and to the extent, if any, specifically required or permitted by the agreement), unless otherwise directed by the Minister, carry, or incur the expense of, any insurance on or in respect of the work. Her Majesty hereby assumes the same risk of loss of, damage to and liability in respect of the work (except to the extent, if any, to which the Contractor is for the time being directed or permitted hereunder to carry insurance) as would have been assumed by the underwriters if the work had been insured throughout the term of the contract for full value under the form of builders' risk policy set forth in standard form of Marine Builders' Risk Policy, forming part of the contract, but excluding therefrom the "Collision" and the "Protection and Indemnity" clauses.
  4. The Contractor will promptly notify the Minister of any action, claim or demand instituted or made in respect of which the Contractor may be entitled to be indemnified by Her Majesty under the provisions of subsection 3 of this section 13, and shall furnish to the Minister the originals or true copies of all proceedings and papers received by the Contractor in respect of each such action, claim or demand, and shall, if hereunto requested by the Minister, authorize representatives of the Minister to settle or to direct or to take conduct of the defence of such action, claim or demand, and, in the absence of such request, the Contractor shall diligently proceed with such defence.
  5. Her Majesty shall be entitled or subrogated to all rights and remedies of the Contractor and/or any subcontractor against third parties in respect of any loss or damage, the risk of which is assumed by Her Majesty hereunder, and the Contractor and/or the said subcontractors shall, at the expense of Her Majesty, do, concur in doing and permit to be done all such acts and things as may be necessary or as the Minister may direct or require for the purpose of enforcing such rights and remedies.
  6. If the work or any part thereof shall be lost or damaged by reason of anything the risk whereof is assumed by Her Majesty hereunder, then the Contractor shall, if the Minister so directs, with all possible speed and with equivalent materials and workmanship, repair, rebuild or replace the same in the like state and condition in every respect as before the happening of the said loss or damage, and the reasonable and proper net cost of such repair, rebuilding or replacement (calculated and determined in accordance with the Contract Cost Principles, form DSS-MAS 1031-2, forming part of the contract) shall be paid or reimbursed to the Contractor as herein provided in respect of the cost of the work, and, in case such loss or damage shall have happened without the actual fault or privity of the Contractor, Her Majesty will pay to the Contractor, in addition to such cost, a profit or fee in such amount as the Minister shall consider reasonable, having regard to all the circumstances.
  7. The term "work" and other words relative thereto, or of like "import", wherever used in this section, shall be deemed to include government issue and any other property owned by Her Majesty which for the purposes of the contract is in the Contractor's possession or subject to the Contractor's control.

**1033 14 (01/06/91) Amendment to General Conditions**

For the purposes of the contract, the words "for a period of thirty (30) days" are hereby added after the word "default" in the first line of subsection 24 (1) of General Conditions DSS-MAS 1026B.

**1033 15 (01/06/91) Accommodation for Inspector**

The Contractor shall provide for the Inspector and any supervisory or other staff employed by Her Majesty, such office space, office facilities, telephone service and suitable sanitary and washing facilities as the Inspector or the Minister may reasonably require from time to time at the Contractor's shipyard. Such staff may, if required by the Inspector, include the ship's company standing by the vessels during the last stages of completion.

**1033 16 (01/06/91) Launching**

1. The Contractor shall launch the vessels safely. Launching calculations shall be made available for inspection by the Inspector and, in the following circumstances, shall also be submitted by the Contractor through the Inspector to the owner department:
  - (a) if the Contractor shall not have previously built and launched a vessel of the same class at its shipyard; or
  - (b) if the Contractor is directed by the owner department to submit such calculations.
2. Neither the submission of launching calculations to the Inspector or to the owner department nor concurrence therein by the Inspector or the owner department shall be deemed to be concurrence by Her Majesty in the adequacy of such calculations.

**1033 17 (01/06/91) Public Ceremonies**

The Contractor shall not allow any public ceremony in connection with the work without having previously obtained the written approval of the Minister. Any ceremony approved by the Minister shall be conducted by the Contractor in accordance with the instructions of the Minister and/or the Inspector.

**1033 18 (01/06/91) Berthing of Vessel**

After the launching or floating out of dock of the vessel, the vessel, while receiving her machinery or being completed, shall be placed by the Contractor in a suitable berth where the vessel cannot touch the ground at any time, unless prior approval shall have been obtained by the Contractor from the Inspector for the use of a particular berth where the vessel may touch bottom. No berth shall be considered a suitable berth unless prior approval thereof, having regard to the size of the vessel, shall have been received from the Inspector.

**1033 19 (01/06/91) Dry Docking of Vessel**

In addition to any dry-docking by the Contractor for the completion of the vessel and for tests and trials, the vessel shall be dry-docked for survey at any time if required by the Minister or the Inspector.

**1033 20 (01/06/91) Commissioning of Vessel**

Her Majesty may commission the vessel before or during trials and shall not, by reason thereof, be deemed to have accepted the vessel.

**1033 21 (01/06/91) Storage of Materials, Components, etc.**

1. The Contractor shall supply suitable warehouse accommodation for the storage of all materials, components and equipment regardless of the source of supply thereof, for such length of time as the Minister may direct.
2. Without limiting the Contractor's responsibility, as provided in the contract, for the care of materials, components and equipment in its custody or control, the Contractor shall carry out such maintenance,

care, minor repairs, calibration, adjustment, handling, embarking, loading, care after loading and similar duties in respect of materials, components and equipment in the custody or control of the Contractor or of the Inspector, as the Minister or the Inspector may from time to time direct.

**1033 22 (01/06/91) Drawings**

All drawings and copies of drawings which have been prepared by the Contractor pursuant to the contract or furnished to the Contractor by Her Majesty, shall be sole property of Her Majesty and may be used as Her Majesty sees fit.

**1033 23 (01/06/91) Trials of Vessel**

1. Each vessel shall, before delivery, be subjected to such trials as are required by the specifications. Delivery of a vessel shall not be complete until after such trials shall have been made to the satisfaction of the Inspector and in accordance with such instructions as may be given to the Contractor in writing by the Minister or the Inspector.
2. The Contractor shall be in charge of the vessel, including the machinery and the electrical installations thereof, and shall provide the staff for navigating the vessel and for the operation of the machinery and the electrical installation at all times during trials and until the vessel is accepted by Her Majesty.
3. During sea trials, the vessel shall be commanded by a Master employed by the Contractor after such Master shall have been approved by the owner department.
4. The vessel shall not move to open water for trials without the written consent of the Inspector.
5. The owner department may place a reasonable number of its naval officers and men, including civilian personnel, on board the vessel during the period of trials and, regardless of their duties, they shall have access to any part of the vessel. The owner department shall designate one of such personnel (who may or may not be the Inspector) to be the owner department representative, and the Contractor shall appoint one of its personnel to be its senior representative. All owner department personnel will observe the manner in which the Contractor conducts the trials and in the event of danger to the ship or its machinery or equipment or to life and property, they will report to the Contractor's senior representative and to the owner department representative. The Contractor shall comply with any instructions which may be given by the owner department representative to the Contractor's senior representative in respect of safety measures to counteract such danger.





1036 00 (16/02/98) Research and Development

Public Works and Government Canada

- 01 Interpretation
- 02 Conduct of the Work
- 03 Ownership of Designs, Reports, Property, etc.
- 04 Inventions, Ownership of
- 05 Officers, Employees, Agents and Subcontractors
- 06 Patents and Royalties

**1036 01 (01/06/91) Interpretation**

1. Unless the context otherwise requires,

**"the General Conditions"** means General Conditions DSS-MAS 1026 forming part of the contract;

**"Work"** includes engineering investigations, tests, designs, technical reports, drawings, plans, specifications, models, prototypes, patterns, and samples procured, made or prepared for the purposes of the contract;

**"Project Officer"** means the person or persons (if any) designated as such in the agreement and/or any person or persons for the time being authorized to act on behalf of Her Majesty or the Minister as the Project Officer under the contract.

2. These supplemental conditions shall be read with the General Conditions provided that, in the event of any inconsistencies between the provisions of the General Conditions and of these supplemental conditions, the latter shall prevail.

**1036 02 (01/06/91) Conduct of the Work**

The Contractor shall carry out the work to the satisfaction of the Project Officer and shall comply with all instructions and directions which may, from time to time, be given by the Minister or the Project Officer with respect to the work or the conduct or progress thereof.

**1036 03 (01/06/91) Ownership of Designs, Reports, Property, etc.**

All designs, technical reports, photographs, drawings, plans, specifications, models, prototypes, patterns, and samples produced by the Contractor in the performance of the work shall vest in and remain the property of Her Majesty. All other property produced or acquired by the Contractor in any manner in connection with the work and the cost of which is paid by Her Majesty shall vest in and remain the property of Her Majesty. The Contractor shall account fully to the Minister in respect of the foregoing in such manner as the Minister shall direct.

**1036 04 (01/06/91) Ownership of Inventions**

Unless otherwise provided in the contract, all technical information, inventions, methods and processes conceived or developed or first actually reduced to practice in carrying out the contract shall be the property of Her Majesty and shall be fully and promptly disclosed in writing to Her Majesty by the Contractor. The Contractor shall have no rights in and to the same, except such rights therein as may be granted by Her Majesty, and shall not apply for any patent in regard thereto without Her Majesty's written consent. The Contractor shall not, without the written consent of Her Majesty, divulge or use such technical information, inventions, methods, and processes other than in the carrying out of the work and, in particular, shall not sell, other than to Her Majesty, any articles or things embodying such technical information, inventions, methods, and processes or grant any license to manufacture such articles or things without the written consent of Her Majesty.

**1036 05 (01/06/91) Officers, Employees, Agents, and Subcontractors**

The Contractor shall take every reasonable measure and precaution to ensure that its officers, employees, agents, and subcontractors shall be bound to observe the provisions of these Supplemental General Conditions. Without limiting the generality of the foregoing, the contractors shall include in any subcontract hereunder clauses similar to these Supplemental General Conditions in terms not less favourable to Her Majesty than the terms of these Supplemental General Conditions. The Contractor shall execute such documents and do such other acts and things as the Minister shall direct to fulfil the purposes of this section.

**1036 06 (01/06/91) Patents and Royalties**

1. The Contractor shall forthwith notify the Minister of all royalties which the Contractor or any of its subcontractors will or may be obligated to pay or proposes to pay for or in respect of the carrying out of the contract, and the basis thereof, and the parties to whom the same are payable, and shall, from time to time, promptly advise the Minister of any and all claims or arrangements made or proposed which would or might result in further or different payments by way of royalties being made by the Contractor or any of its subcontractors.
2. The Contractor shall not pay, and shall direct its subcontractors not to pay, any royalties in respect of the carrying out of the contract except with the consent in writing of the Minister and subject to such conditions as the Minister may impose.
3. Subject to compliance by the Contractor with the foregoing provisions, Her Majesty shall relieve and indemnify the Contractor from and against all claims, actions, or proceedings for payment of such royalties in cases where the Minister withholds such consent.



**Remarks:** Use DSS-MAS 9601-1 with DSS-MAS 9601 or DSS 9601-10 for purchase or lease of hardware. If any software is to be delivered under the Contract, including any software necessary to run the hardware, DSS 9601-3 and DSS 9601-4 must also form part of the Contract. Other supplemental general conditions should also be incorporated if applicable.

**9601-1 00 (24/05/02) Hardware Purchase or Lease**

**Public Works and Government Services Canada**

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**PART I - CONDITIONS COMMON TO LEASE AND PURCHASE****9601-1 01 (31/03/95) Interpretation**

1. In the Contract, unless the context otherwise requires,

**"Availability-level Test"** means the 30-day minimum Availability-level Test set out in subsections 5 and 6 of section 06 (Availability-level Test) or, where the Parties have agreed on an alternate test, the 30-day minimum availability-level test set out or referred to elsewhere in the Contract;

**"General Conditions"** means General Conditions - Long Form, DSS-MAS 9601, or General Conditions - Medium Form, DSS-MAS 9601-10, whichever forms part of the Contract;

**"Hardware"** means the whole of the equipment, materials, matters and things to be furnished by the Contractor to Canada under the Contract, and includes firmware, if any, as described in section 10 (Firmware), but does not include software or services;

**"Hardware Documentation"** means all of the manuals, handbooks, user guides and other human-readable material to be furnished by the Contractor to Canada under the Contract for use with the Hardware, whether that material is to be supplied in printed form or on magnetic tape, disk or other media;

**"Ready for Use"**, in relation to the Hardware, means that the Hardware has been delivered, installed and connected, has successfully passed the Contractor's normal diagnostic tests and inspection by the Inspection Authority and is ready for Availability-level Testing by Canada and for any additional acceptance testing required under the Contract.
2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.
3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.
4. Part I of these Supplemental General Conditions applies to the relationship between the Parties with respect to the purchase or lease of Hardware.
5. Part II of these Supplemental General Conditions applies only to the relationship between the Parties with respect to the purchase of Hardware.
6. Part III of these Supplemental General Conditions applies only to the relationship between the Parties with respect to the lease of Hardware.
7. The sections of the General Conditions entitled "Title" and "Warranty" do not apply to the Hardware. The title and warranty provisions contained in these Supplemental General Conditions apply in place of those sections.

**9601-1 02 (01/12/92) Site Preparation**

1. Except where the Contract provides otherwise, Canada shall prepare the installation site for the Hardware at Canada's own expense in accordance with the site preparation specifications provided by the Contractor.
2. If the site specifications are not contained in the Contract, and if no date is specified in the Contract for delivery of those specifications to Canada, the Contractor shall deliver those specifications to Canada forthwith following execution of the Contract or, where delivery of the Hardware is to occur more than 30 days after execution of the Contract, at any time prior to the 30th day before the date specified in the Contract for delivery of the Hardware. Unless otherwise agreed in writing between the Parties, Canada shall complete preparation of the site prior to the date specified for delivery of the Hardware.

3. Canada shall give notice to the Contractor when the site is prepared, after which the Contractor shall promptly inspect the site and advise the Contracting Authority and the Technical Authority of the results of the inspection. Inspection by the Contractor shall not relieve Canada of Canada's obligation to meet the requirements of the site specifications.
4. The Contractor shall be solely responsible for additional expenses incurred by Canada resulting from necessary alterations or modifications to a site prepared pursuant to the specifications provided by the Contractor when the alterations or modifications are attributable to incomplete or erroneous specifications.
5. If the site is not prepared by Canada in accordance with the site preparation specifications within the time specified in the Contract, and if the delay is for reasons other than an act in Canada's sovereign capacity or the occurrence of an event of force majeure or of any other event reasonably beyond Canada's control, then the Contractor shall be entitled to be paid its additional costs reasonably and properly incurred as a direct result of the delay.
6. The Contractor warrants that, if the site is prepared and maintained in conformity with the site preparation specifications, the resultant environment will permit the operation of the Hardware in conformity with the Specifications.

**9601-1 03 (01/12/92) Transportation and Installation**

1. The Contractor shall arrange for all necessary transportation, rigging and drayage in connection with delivery of the Hardware to the installation site specified in the Contract. Unless otherwise indicated in the Contract, all costs of such transportation, rigging and drayage are included in the Contract Price.
2. If the Contractor is to install the Hardware pursuant to the Contract, the Contractor shall, at no additional cost to Canada:
  - (a) provide all necessary moving and installation resources, including, where applicable, cranes;
  - (b) uncrate, unpack, assemble, integrate and interconnect the Hardware at the installation site; and
  - (c) connect the Hardware to the specified power and, where applicable, water outlets, and provide all necessary cabling and piping to do so.

**9601-1 04 (24/05/02) Certification of Electrical Equipment**

1. The Contractor shall ensure that, prior to delivery to the installation site, all electrical equipment to be furnished under the Contract is either:
  - (a) certified by an organization accredited by the Standards Council of Canada in accordance with the requirements of the Canadian Electrical Code, Part I; or
  - (b) specially inspected by an organization acceptable to the Chief Electrical Inspector in the province, territory or city or where the electrical equipment is to be installed and operated.

**9601-1 05 (01/12/92) Hardware Documentation**

1. Except where otherwise provided in the Contract, the Contractor shall furnish to Canada the same Hardware Documentation as it provides to other purchasers of similar hardware, and shall include all amendments, revisions and adjustments thereto to the date of delivery of the Hardware.
2. Notwithstanding subsection 1, the Contractor represents and warrants that the Hardware Documentation delivered to Canada with the Hardware shall contain sufficient detail to permit Canada to operate, test and use all functions of the Hardware. If the Contract requires the Contractor to furnish maintenance

documentation, then the Hardware Documentation shall also contain sufficient detail to permit Canada, or an authorized third party acting on behalf of Canada, to properly maintain and repair the Hardware, and to test it for that purpose.

- 3. Unless otherwise provided in the Contract, the Contractor shall deliver the Hardware Documentation to Canada on or prior to the date specified in the Contract for delivery of the Hardware.

**9601-1 06 (01/12/92) Availability-level Test**

- 1. In this section:

"Downtime" means the time, to be measured in hours and whole minutes, during which the Hardware is not available for use during User Time due to a malfunction of the Hardware; Downtime commences when Canada notifies the Contractor that the Hardware is not available for use and ceases when the malfunction has been corrected and the Contractor notifies Canada that the Hardware is available for use;

"Operational Use Time" means the time, to be measured in hours and whole minutes, during which the Hardware performs its function or activity in accordance with the Specifications during User Time, and includes all intervals between the stop and start times of the Hardware during User Time that do not constitute Downtime;

"User Time" means the time, to be measured in hours and whole minutes, during which Canada intends to make use of the Hardware; and unless otherwise indicated in the Contract, User Time means the period from 8:00 a.m. to 5:00 p.m., local time at the Hardware installation site, Mondays through Fridays inclusive, excluding statutory holidays observed by Canada at such site.

- 2. If the Contractor is to install the Hardware pursuant to the Contract, the Contractor shall give notice to the Technical Authority when the Hardware is Ready for Use. The Technical Authority shall commence the Availability-level Test within 10 days following receipt of the Ready-for-Use notice referred to above or the Ready-for-Use date specified in the Contract, whichever is later.
- 3. Where installation of the Hardware is the responsibility of Canada, and where Canada intends to subject the Hardware to Availability-level Testing, Canada shall install the Hardware within 10 days following its delivery to Canada or following the delivery date specified in the Contract, whichever is later, and shall immediately commence the Availability-level Test.
- 4. Without prejudice to Canada's other rights under the Contract, Canada shall have access to the Hardware and may make unrestricted operational use of it after the Contractor has given notice that it is Ready for Use or, where installation is the responsibility of Canada, after it is delivered to and installed by Canada. However, the Contractor shall, at all times prior to acceptance of the Hardware, have priority with respect to access to the Hardware to maintain the Hardware and to fulfill the requirements of the Contract.
- 5. The Hardware must achieve a minimum of 95 percent availability level, or such other minimum percentage as may be specified in the Contract, for 30 consecutive calendar days. All Operational Use Time shall be included in determining the availability level. Availability level shall be calculated as follows:

$$\frac{\text{Operational Use Time}}{\text{Operational Use Time} + \text{Downtime}} \times 100\%$$

- 6. The Contractor shall ensure that the 30-day minimum availability level mentioned in subsection 5 is achieved within 90 consecutive calendar days of the first full day after the Technical Authority commences the Availability-level Test in accordance with subsection 2 or 3.



7. Subject to subsection 8, if Canada fails to carry out Availability-level Testing during any period or periods of time during which Canada is obligated under the Contract to carry out such testing, then, for the purposes of calculating the availability level of the Hardware during that time, that time shall be deemed to constitute uninterrupted Operational Use Time.
8. If Canada is unable to commence or continue the Availability-level Test because of an act in Canada's sovereign capacity or the occurrence of an event of force majeure, the Availability-level Test may be temporarily suspended by Canada for a period of time not to exceed 60 days. The time limits for testing referred to in this section or elsewhere in the Contract shall in such cases be extended by the number of calendar days of the suspension.

**9601-1 07 (01/12/92) Acceptance**

1. Canada shall give notice to the Contractor that the Hardware is accepted when all of the following have occurred:
  - (a) the Contractor has completed the whole of the Work in accordance with the terms of the Contract, except for warranty work and any other work which is scheduled under the Contract to be performed after the start of the warranty period defined in subsection 8(1) (Warranty);
  - (b) the Hardware has passed all acceptance tests set out or referred to in the Contract; and
  - (c) where an Availability-level Test is conducted, the Hardware has achieved the minimum availability level in accordance with the provisions of the Availability-level Test.
2. Until such time as Canada gives the notice referred to in subsection 1, Canada reserves the right to reject the whole of the Hardware, including any part or parts of the Hardware previously inspected and accepted by or on behalf of Canada.

**9601-1 08 (01/12/92) Warranty**

1. In this section, unless otherwise indicated in the Contract, "Warranty Period" means a period of 12 months from:
  - (a) where an Availability-level Test is conducted, the first day of the 30-day period in which the Hardware has achieved the minimum availability level in accordance with the provisions of the Availability-level Test; or
  - (b) where Canada does not conduct an Availability-level Test, the date on which the Contractor has completed the whole of the Work in accordance with the terms of the Contract, except for warranty work and any other work which is scheduled under the Contract to be performed after the start of the Warranty Period.
2. Notwithstanding inspection and acceptance of the Work by or on behalf of Canada and without restricting any other provision of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor warrants that, during the Warranty Period, the Hardware shall:
  - (a) be free from all defects in materials or workmanship;
  - (b) conform with the requirements of the Contract, including the Specifications and any ongoing minimum availability-level requirements; and
  - (c) be free from all design defects which prevent the Hardware from conforming with the requirements of the Contract.

3. In the event of a defect or nonconformance in any part of the Hardware during the Warranty Period, the Contractor, at the request of Canada to do so, shall, as soon as possible, repair, replace or otherwise make good at its own option and expense the part of the Hardware found to be defective or not in conformance with the requirements of the Contract.
4. The Hardware or any part thereof found to be defective or non-conforming may be returned to the Contractor's repair facility for replacement, repair or making good; provided that, when in the opinion of Canada it is not expedient to remove the Hardware from its location, the Contractor shall carry out any necessary repair or making good at that location, and shall, except as otherwise provided in the Contract, be paid the fair and reasonable Cost (including reasonable travelling and living expenses) incurred in so doing, with no allowance therein by way of profit, less an amount equal to the Cost of rectifying the defect or nonconformance at the Contractor's repair facility.
5. Except as otherwise provided in the Contract, Canada shall pay the transportation cost associated with returning any Hardware or part thereof to the Contractor's repair facility pursuant to subsection 4, and the Contractor shall pay the transportation cost associated with forwarding the replacement or returning the Hardware or part thereof, when rectified, to the delivery point specified in the Contract, or such lesser cost as may be required to transport the Hardware or part thereof to another location directed by the Technical Authority.
6. The warranties set out in subsection 2 shall not apply to a nonconformance in any part of the Hardware which is caused by:
  - (a) negligence of Canada;
  - (b) failure of electric power or air conditioning or humidity control to perform in accordance with site preparation specifications;
  - (c) failure by Canada to use the Hardware in accordance with the Specifications;
  - (d) a modification to the Hardware made by a person other than the Contractor or a Subcontractor or a person approved by either of them;
  - (e) the use by Canada of consumable supplies or materials that are supplied by a person other than the Contractor or a Subcontractor and that do not conform to the Specifications; or
  - (f) the attachment to the Hardware of equipment which was not designed or approved for use with the Hardware by the Contractor or a Subcontractor.
7. Where the Contractor is to carry out any necessary replacement, repair or making good at Canada's facilities, Canada shall give the Contractor reasonable access to the Hardware. Where provision is made in the Contract for remote diagnostics, Canada shall provide a modem and associated dial-up telephone lines for use by the Contractor for diagnostic purposes. Access, whether remote or on-site, shall at all times be subject to prior authorization by the Technical Authority and to Canada's security requirements.
8. The warranties set out in subsection 2 shall apply for the remainder of the Warranty Period to any part of the Hardware that is repaired, replaced or otherwise made good pursuant to subsection 3. All of the provisions of subsections 3 to 7 inclusive and this subsection apply mutatis mutandis to any such part of the Hardware that is found during that period to be defective or not in conformance with the Contract.

**PART II - ADDITIONAL CONDITIONS: PURCHASE****9601-1 09 (01/12/92) Title to Purchased Hardware**

1. Except as otherwise provided in the Contract, and except as provided in subsection 2, title to the Work or any part thereof shall vest in Canada upon delivery and acceptance thereof by or on behalf of Canada.

2. Upon any payment being made to the Contractor for or on account of materials, parts, work-in-process or finished Work, either by way of progress payments or accountable advances or otherwise, title in and to all materials, parts, work-in-process and finished Work so paid for shall vest in and remain in Canada unless already so vested under any other provision of the Contract.
3. Notwithstanding any vesting of title referred to in this section and except as otherwise provided in the Contract, the risk of loss or damage to the materials, parts, work-in-process or finished Work or part thereof so vested shall remain with the Contractor until their delivery to Canada in accordance with the Contract. The Contractor shall be liable for loss or damage to any part of the Work caused by the Contractor or any Subcontractor after such delivery.
4. Any vesting of title referred to in subsection 2 shall not constitute acceptance by Canada of the materials, parts, work-in-process or finished Work, and shall not relieve the Contractor of its obligation to perform the Work in accordance with the Contract.
5. Where title to any materials, parts, work-in-process or finished Work becomes vested in Canada, the Contractor shall, upon the Minister's request, establish to the Minister's satisfaction that the title is free and clear of all claims, liens, attachments, charges or encumbrances and shall execute such conveyances thereof and other instruments necessary to perfect that title as the Minister may request.
6. If the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D.1, title to the Work or to any materials, parts, work-in-process or finished Work shall vest in Canada free and clear of all claims, liens, attachments, charges or encumbrances, and the Minister shall be entitled at any time to remove, sell or dispose of it or any part of it in accordance with section 20 of that Act.

**9601-1 10 (31/03/95) Firmware**

1. Notwithstanding section 09 (Title to Purchased Hardware) and subsection 11(2) (Title to Leased Hardware), title to computer programs stored in integrated circuits, read-only memory or other similar devices within the Hardware shall not pass to Canada, but Canada shall have a perpetual, non-exclusive, irrevocable, royalty-free license to use such programs with the Hardware.
2. Canada may transfer the license set out in subsection 1 to a third-party purchaser of the Hardware at the time of the sale or disposal of the Hardware by Canada.

**PART III - ADDITIONAL CONDITIONS: LEASE****9601-1 11 (01/12/92) Title to Leased Hardware**

1. Title to the Hardware shall at all times remain with the Contractor unless Canada exercises Canada's option, if any, to purchase the Hardware pursuant to the terms of the Contract, or unless Canada purchases the Hardware under a separate agreement.
2. If the Contract contains a purchase option in relation to the Hardware or any part thereof, title to the Hardware or that part, and the risk of loss or damage to the Hardware or that part, shall, unless otherwise provided in the Contract, pass to Canada on the date of the exercise of that option, and subsections 9(5) and 9(6) (Title to Purchased Hardware) and section 10 (Firmware) shall apply.

**9601-1 12 (01/12/92) Lease Period**

1. The lease period with respect to the Hardware shall commence on the first day of the warranty period defined in subsection 8(1) (Warranty), and shall remain in effect until its expiration in accordance with the Contract, unless terminated earlier as provided in the Contract.

2. If the commencement date of the lease is not on the first day of a calendar month, then the charge for the first and last month of the lease will be a portion of the specified monthly charge determined by multiplying the number of days in the month during which the lease is in effect by 1/30 of the specified monthly charge.

**9601-1 13 (01/12/92) Termination for Convenience**

1. The section of the General Conditions entitled "Termination for Convenience" does not apply to the lease of the Hardware. This section applies in lieu thereof.
2. Notwithstanding anything contained in the Contract, the Minister may terminate the lease with respect to the Hardware or any part thereof at any time during the lease period by giving the Contractor 60 days prior notice.
3. In the event of a termination notice being given pursuant to subsection 2, the Contractor shall be entitled to be paid, to the extent that the Contractor has not already been so paid by Canada:
  - (a) the monthly lease charges for the Hardware, or the part thereof so terminated, incurred to the date of termination, prorated to that date as indicated in subsection 12(2) (Lease Period); and
  - (b) the lease termination charge, if any, which is specified in the Contract.
4. Notwithstanding anything in subsection 3, the total of the amounts to which the Contractor is entitled under paragraphs 3(a) and (b), together with any amounts already paid to the Contractor for the lease of the Hardware, shall not exceed the total Contract Price for the lease of the Hardware, or, in the event of a partial termination, the portion of the Contract Price that is applicable to the lease that is terminated.
5. The Contractor shall have no claim for damages, compensation, loss of profits, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under or pursuant to the provisions of this section, except to the extent that this section expressly provides.

**9601-1 14 (01/12/92) Risk of Loss**

1. The Contractor agrees to bear the risk of loss of or damage to the Hardware during periods of transportation, installation and during the entire time the Hardware is in the possession of Canada, except when the loss or damage is caused by the negligence of Canada or by anyone acting on behalf of Canada.
2. If the Hardware is lost or damaged, and if such loss or damage is caused by the Contractor or by anyone acting on its behalf, Canada shall not be liable to pay lease payments during the time necessary for the Contractor to repair or replace the Hardware, and at Canada's option, the lease shall be extended for a period of time equal to the time necessary for the Contractor to repair or replace the Hardware.
3. If the Hardware is lost or damaged, and if such loss or damage is not caused by the Contractor or by Canada or by anyone acting on behalf of either of them, the Contractor shall, as soon as possible, repair or replace the Hardware at its option and expense. In such event, the lease period, and Canada's liability to pay lease payments, shall not be affected.

**9601-1 15 (01/12/92) Modifications to Hardware**

Canada shall not modify the Hardware without the Contractor's prior written approval, which shall not be unreasonably withheld.

**9601-1 16 (01/12/92) Relocation of Hardware**

The Hardware shall not be moved by Canada from one location to another without the Contractor's written approval, which shall not be unreasonably withheld.

**9601-1 17 (01/12/92) Deinstallation and Removal of Hardware**

The Contractor shall deinstall and remove the Hardware promptly after expiration or termination of the lease. The Contractor shall provide all necessary removal resources, including cranes, and shall arrange for all necessary transportation, rigging and drayage in connection with return of the Hardware to the Contractor's premises. Unless otherwise indicated in the Contract, all costs associated with such deinstallation, removal and return are included in the Contract Price.

**9601-1 18 (01/12/92) Quiet Enjoyment**

1. The Contractor represents and warrants that:

- (a) it has full power and authority to lease the Hardware to Canada; and
- (b) during the period of the lease of the Hardware, if Canada is not in default in carrying out any of Canada's obligations under the Contract, Canada shall have unlimited use of the Hardware without disturbance by the Contractor, except when the Contractor is performing maintenance pursuant to the provisions of the Contract, and without disturbance by any other person lawfully claiming by, through or under the Contractor.

**9601-1 19 (01/12/92) Right to Withhold Lease Payments**

- 1. If the Contractor is in default in carrying out any of its obligations under the Contract, Canada may, without prejudice to any other right which Canada may have, including the right to terminate the Contract for default, withhold the Hardware lease payments from the Contractor until the default is cured.
- 2. Canada may exercise the right set out in subsection 1 by giving notice that describes the event of default to the Contractor from the Contracting Authority. Any amounts withheld pursuant to that notice may be set off by Canada against any amounts owed by the Contractor to Canada as damages as a result of the default.



9601-2 00 (16/02/98) Software Development/Modification Services

Public Works and Government Services Canada

01 Interpretation

**PART I - DEVELOPMENT OF DETAILED DESIGN**

02 Application of Part I  
03 Functional Specifications  
04 Detailed Design Specifications  
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**PART II - IMPLEMENTATION OF CUSTOM SOFTWARE**

07 Application of Part II  
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**PART III - TITLE AND RISK**

15 Title to Media  
16 Risk of Loss  
17 Title to Developed Software

**9601-2 01 (04/01/94) Interpretation**

1. In the Contract, unless the context otherwise requires,

**"Custom Software"** means the computer programs, data bases and documentation which Canada wishes to develop, or to have developed, either as new or substantially new software or by modification of existing software, all as described in the Contract;

**"Detailed Design Specifications"** means the specifications for the detailed technical design of the Custom Software;

**"Functional Specifications"** means the functional description of the Custom Software which is set out or referred to in the Contract, and which specifies the functions which the Custom Software is to perform and the features and capacities which the Custom Software must have;

**"General Conditions"** means General Conditions - Long Form, DSS-MAS 9601, or General Conditions - Research and Development, DSS-MAS 9624, whichever forms part of the Contract

2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.
3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.
4. The sections of the General Conditions entitled "Title" and "Warranty" do not apply to the Custom Software or to the media referred to in section 15 (Title to Media). The title and warranty provisions contained in these Supplemental General Conditions apply in place of those sections.

**PART I - DEVELOPMENT OF DETAILED DESIGN****9601-2 02 (04/01/94) Application of Part I**

This Part applies if the Contract requires the Contractor either to design the Custom Software or to further develop an existing technical design for the Custom Software.

**9601-2 03 (04/01/94) Functional Specifications**

If the Functional Specifications are to be further developed by the Contractor under the Contract, and if the Functional Specifications thereafter developed by the Contractor are accepted by Canada, then the developed Functional Specifications shall be deemed to be incorporated in the Contract by reference, and shall supersede the Functional Specifications which were originally incorporated in the Contract.

**9601-2 04 (04/01/94) Detailed Design Specifications**

1. The Contractor shall develop the Detailed Design Specifications for the Custom Software in conformity with the Functional Specifications and all other requirements of the Contract.
2. Notwithstanding anything contained in section 5 (Review Period), the inspection procedures set out in section 5 shall only apply in the absence of any other detailed procedure in the Contract for review by Canada of the Detailed Design Specifications developed by the Contractor.

**9601-2 05 (04/01/94) Review Period**



1. In this section, unless otherwise indicated in the Contract, "Review Period" means a period of 5 working days from the date on which the Detailed Design Specifications are to be submitted to Canada in accordance with the terms of the Contract, or from the actual date of submission of those Specifications by the Contractor, whichever is later.
2. The Review Period may be extended by Canada by an additional 5 working days by notice given to the Contractor by the Technical Authority within the Review Period.
3. During the Review Period, Canada shall inspect the Detailed Design Specifications submitted by the Contractor and, within 2 working days following the end of the Review Period, shall advise the Contractor whether or not the Detailed Design Specifications have passed inspection.
4. If the Detailed Design Specifications submitted by the Contractor are inconsistent with the Functional Specifications, or fail in any other way to meet the requirements of the Contract, Canada shall prepare a written description of the deficiencies, and shall deliver such description to the Contractor within 2 working days following the end of the Review Period.
5. Upon receipt of Canada's description of the deficiencies mentioned in subsection 4, the Contractor shall thereupon modify the Detailed Design Specifications to correct the deficiencies and shall promptly submit the corrected Work to Canada for inspection.
6. During a second Review Period, Canada shall inspect the corrected Work submitted to Canada pursuant to subsection 5, and subsections 3 and 4 shall apply to that inspection.
7. Notwithstanding anything else contained in this section, the Contractor shall ensure that the Detailed Design Specifications developed by the Contractor pass inspection by Canada within 30 days from the date on which the Detailed Design Specifications were originally to be submitted by the Contractor to Canada in accordance with the terms of the Contract.

**9601-2 06 (04/01/94) Design Warranty**

1. Notwithstanding inspection of the Detailed Design Specifications by Canada, the Contractor warrants that the Detailed Design Specifications will be derived from and be in accordance and consistent with the Functional Specifications and all other requirements of the Contract.
2. If Part II of these Supplemental General Conditions applies, the warranty set forth in subsection 1 shall expire on the date of expiry of the Warranty Period referred to in section 14. If Part II does not apply, the warranty set forth in subsection 1 shall expire upon acceptance of the Work by Canada.

**PART II - IMPLEMENTATION OF CUSTOM SOFTWARE****9601-2 07 (04/01/94) Application of Part II**

This Part applies if the Contract requires the Contractor to develop the Custom Software based on the Detailed Design Specifications and the Functional Specifications.

**9601-2 08 (04/01/94) Coding and Pre-Installation Tests**

1. In the development of the Custom Software, the Contractor shall carry out all detailed programming and coding required in conformity with the Detailed Design Specifications, and, if necessary, shall revise the Detailed Design Specifications in order to ensure that they are derived from and are consistent with the Functional Specifications and all other requirements of the Contract.
2. The Contractor shall conduct pre-installation testing to ensure that the Custom Software will operate in conformity with the Functional Specifications and all other requirements of the Contract. The Contractor

shall notify the Technical Authority of all such tests and, upon the request of the Technical Authority, will give the Technical Authority an opportunity to witness those tests, and a copy of all intermediate and final test records and results.

**9601-2 09 (04/01/94) New Source Code**

1. In this section, "New Source Code" means all of the source code for the Custom Software that is written by the Contractor or any Subcontractor as part of the Work under the Contract.
2. The Contractor shall deliver the New Source Code to Canada at such time or times as the Contract may require, or, if no other time is specified, within 30 days following acceptance of the Custom Software by Canada.
3. The New Source Code furnished by the Contractor shall contain a complete description of the operation of the developed software in sufficient detail to enable a programmer, experienced in the programming language or languages in which the source code is written, to modify all aspects of that software without assistance from the Contractor.

**9601-2 10 (04/01/94) Pre-Existing Software**

1. In this section, "Pre-Existing Software" means software that is not developed as part of the Work under the Contract, and that is proprietary to the Contractor or any of its subcontractors or other suppliers.
2. The Contractor shall not develop the Custom Software by modifying Pre-Existing Software, or incorporate any Pre-Existing Software into the Custom Software, without the prior written consent of the Contracting Authority.
3. Notwithstanding subsection 2, the Contractor is not obligated to seek the consent of the Contracting Authority in relation to any Pre-Existing Software the use of which is specifically authorized in the Contract.
4. If Pre-Existing Software forms part of the Custom Software, and if the Contract does not otherwise require the Contractor to deliver the source code for that software to Canada or to put that source code into escrow for the benefit of Canada, the Contractor shall, at its option and expense, either:
  - (a) deliver the source code for that software to Canada within 30 days following acceptance of the Custom Software by Canada; or
  - (b) deliver that source code, at the time mentioned in paragraph (a), to an escrow agent approved by the Minister to be held in trust by that agent for release to Canada upon the occurrence of any of the following events:
    - (i) Canada terminates for default the Contract or any subsequent support or development arrangement relating to the Custom Software;
    - (ii) the Contractor or its supplier defaults in the performance of its obligations under the escrow agreement relating to the source code;
    - (iii) the Contractor or its supplier ceases to do business in the ordinary course, or ceases to make support or development services in relation to the Custom Software reasonably available to Canada;
    - (iv) the Contractor or its supplier becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors;

- (v) a receiver is appointed for the Contractor or its supplier under a debt instrument, or a receiving order is made against the Contractor or its supplier; or
  - (iv) an order is made or a resolution passed for the winding up of the Contractor or its supplier.
5. The source code delivered by the Contractor to Canada, or to any escrow agent, in relation to any Pre-Existing Software that forms part of the Custom Software, shall contain a complete description of the operation of that Pre-Existing Software in sufficient detail to enable a programmer, experienced in the programming language or languages in which the source code is written, to modify all aspects of that software without assistance from the Contractor. If the source code for the Pre-Existing Software is to be delivered to an escrow agent, the Contractor shall ensure that the source code in the possession of the escrow agent is updated from time to time to correspond with the most current version of the object code in the possession of Canada.
6. Unless otherwise provided in the Contract, or in any escrow agreement signed by Canada, Canada's rights to use, copy, modify and disclose any Pre-Existing Software supplied under the Contract, and any source code for that software, shall be identical to those set out in Supplemental General Conditions DSS-MAS 9601-4 (Licensed Software).
7. Without limiting the generality of the section entitled "Subcontracting" in the General Conditions, the Contractor shall impose on its subcontractors and other suppliers the obligations to Canada imposed under this section, and shall ensure that those obligations are carried out.

**9601-2 11 (04/01/94) Object Code and User Documentation**

1. Without limiting any of the Contractor's other obligations under the Contract, including its obligation with respect to the supply of source code, the Contractor shall furnish all of the developed or modified programs to Canada in executable object code.
2. The operating manuals, technical manuals, and other user documentation furnished by the Contractor to Canada for use with the Custom Software shall describe the operation of the Custom Software in sufficient detail to enable appropriately trained employees of Canada to use all functions and features of the Custom Software without assistance from the Contractor.

**9601-2 12 (04/01/94) Conversion of Data Files**

Where indicated in the Contract, the Contractor shall convert Canada's machine-readable data files, as they exist on any existing computer system used to fulfil all or part of the then-current functional requirements of Canada, to data files designed for use with the Custom Software. Canada is responsible for the accuracy and the completeness of data files delivered to the Contractor, and the Contractor is responsible for the accuracy and completeness of the data files after conversion, and for the compatibility of such data files with the Custom Software.

**9601-2 13 (04/01/94) Acceptance Tests**

1. Notwithstanding anything else contained in this section, the acceptance procedures set out in subsections 2 to 5 inclusive shall only apply in the absence of any other detailed acceptance procedures for the Custom Software set out or referred to in the Contract.
2. Canada shall prepare and provide to the Contractor acceptance test data prior to the date specified in the Contract for the start of pre-installation testing of the Custom Software. Canada will consult with the Contractor in connection with the preparation of such data, and the Contractor shall assist in such preparation to the extent indicated in the Contract. Such data shall be used by Canada and the Contractor to determine whether the Custom Software, when executed on the hardware and its operating system, performs in accordance with the Functional Specifications and all other requirements of the

Contract. Unless otherwise agreed, the test data shall be in the format and media required for direct input to the computer system, as defined in the Detailed Design Specifications.

3. Following receipt of the acceptance test data referred to in subsection 2, and prior to the date specified in the Contract for the start of acceptance testing of the Custom Software (the "Test Start Date"), the Contractor shall provide an "Acceptance Test Plan" to Canada for Canada's review and approval. The Acceptance Test Plan shall consist of a description of a series of tasks and verifications, based on the acceptance test data, in sufficient detail to enable Canada and the Contractor to determine whether the Custom Software performs in accordance with the Functional Specifications and all other requirements of the Contract.
4. On the Test Start Date, the acceptance tests in relation to the Custom Software shall commence using the pre-approved Acceptance Test Plan referred to in subsection 3. The acceptance tests shall be conducted over such period of time as is specified therefor in the Contract, or, if no other acceptance testing period is specified, over a 40-day period from the Test Start Date. If the Custom Software passes the acceptance tests, and if the Contractor has completed all other Work under the Contract in accordance with the terms of the Contract, the Technical Authority shall promptly give notice to the Contractor that the Custom Software is accepted.
5. If the Custom Software fails to pass the acceptance tests referred to in subsection 4, Canada shall prepare a written description of the deficiencies and deliver such description to the Contractor within 10 days following the end of the acceptance testing period referred to in that subsection. Upon receipt of Canada's description of the deficiencies, the Contractor shall thereupon modify the Custom Software to correct the deficiencies and shall do so within 10 days of receipt of such description. All acceptance tests in relation to the Custom Software shall then be repeated, at no additional cost to Canada, and the Contractor shall ensure that the Custom Software passes the second set of acceptance tests within the acceptance testing period.
6. Notwithstanding anything else contained in this section, if Canada is unable to commence or continue the acceptance tests in relation to the Custom Software because of an act in Canada's sovereign capacity or the occurrence of an event of force majeure, the acceptance tests may be temporarily suspended for a period of time not to exceed 60 days. The time limits for testing referred to in this section or elsewhere in the Contract shall in such cases be extended by the number of calendar days of the suspension. If the delay exceeds 60 days, the Parties shall thereafter use reasonable efforts to negotiate a mutually acceptable amendment to the Contract.

**9601-2 14 (04/01/94) Warranty**

1. In this section, unless otherwise indicated in the Contract, "Warranty Period" means a period of 90 days commencing on the date of completion of the whole of the Work by the Contractor, and acceptance of the whole of the Work by Canada, with the exception only of warranty work.
2. Notwithstanding inspection and acceptance of the Custom Software by Canada and without restricting any term or condition of the Contract or any condition, warranty or provision implied or imposed by law, the Contractor warrants that, during the Warranty Period, the Custom Software will perform in accordance with the Functional Specifications and all other requirements of the Contract on the computer system on which the Custom Software is installed under the Contract.
3. During the Warranty Period, the Contractor shall, as soon as possible, provide, at no additional charge to Canada, corrections to the Custom Software where Canada notifies the Contractor in writing of any failure of the Custom Software to perform in accordance with the Functional Specifications or any other requirement of the Contract. If Canada reports a failure to the Contractor, Canada shall give the Contractor reasonable access to the computer system on which the Custom Software resides, and shall provide such information as the Contractor may reasonably request, including sample output and other information, in order to permit the Contractor to expeditiously correct the error which caused that failure.

4. Although the Contractor shall use all reasonable efforts to provide permanent corrections for all software errors, Canada acknowledges that certain errors may not be permanently corrected by the Contractor under the warranty set out in this section. The Contractor shall provide a software patch or by-pass around the error in all cases where the error will not be permanently corrected. As a minimum, any such software patch or by-pass shall cause the Custom Software to meet the functional and performance criteria set out in the Functional Specifications.
5. The Contractor is not obligated to correct errors in the Custom Software which result from modifications to the Custom Software or any part thereof unless those modifications were made by the Contractor or by someone authorized by the Contractor to perform those modifications.

**PART III - TITLE AND RISK****9601-2 15 (04/01/94) Title to Media**

1. For the purposes of this section, the term "media" does not include the information stored on the media.
2. All documents, magnetic tapes and any other tangible media containing the Custom Software or any part thereof, or containing any specification, design, prototype or other information furnished as part of the Work, shall become the property of Canada upon the earlier of delivery to and acceptance thereof by Canada or upon any payment being made to the Contractor for or on account of the media or the information stored thereon, either by way of progress payments or accountable advances or otherwise. It is agreed that the vesting of title in Canada shall not constitute acceptance by Canada of the media or of the information stored thereon and shall not relieve the Contractor of its obligation to perform the Work in conformity with the requirements of the Contract.

**9601-2 16 (04/01/94) Risk of Loss**

1. Risk of loss of or damage to the media referred to in section 15 (Title to Media), or to the information stored thereon, shall pass to Canada upon delivery of the media to Canada in accordance with the Contract, provided, however, that if the Contractor has retained a copy of the information that was stored on the media, the Contractor shall, upon the request of the Minister, replace the lost or damaged media and information at no additional charge to Canada except for any charge for costs reasonably and properly incurred in the carrying out of such replacement.
2. Notwithstanding subsection 1, the Contractor shall be liable for loss of or damage to the media and the information stored thereon that is caused by the Contractor or any of its subcontractors after delivery.

**9601-2 17 (04/01/94) Title to Developed Software**

1. For the purposes of this section, "Developed Software" includes object code, source code, documentation, data bases, specifications, designs, prototypes and other related information conceived, developed or produced as part of the Work under the Contract.
2. Title to the Developed Software shall vest either in Canada or the Contractor, whichever is indicated in the intellectual property provisions of the Contract. If title vests in the Contractor, the Contractor grants to Canada the license with respect to the Developed Software set out or referred to in those provisions.
3. The provisions of this section shall not be interpreted so as to limit in any way the intellectual property provisions of the Contract.



9601-3 00 (16/02/98) Systems Integration

Public Works and Government Services Canada

- 01 Interpretation
- 02 Total System Responsibility
- 03 System Testing and Acceptance
- 04 Government Property
- 05 System Warranty Period
- 06 System Lease Obligations

**9601-3 01 (31/03/95) Interpretation**

1. In the Contract, unless the context otherwise requires,

**"General Conditions"** means General Conditions - Long Form, DSS-MAS 9601, or General Conditions - Medium Form, DSS-MAS 9601-10, whichever forms part of the Contract;

**"Ready for Use"** in relation to the System, means that the System has been delivered, integrated, installed and connected, has successfully passed the Contractor's normal diagnostic tests and inspection by the Inspection Authority and is ready for Availability-level Testing of the Hardware and for all additional acceptance testing required under the Contract;

**"System"** means an integrated combination of Hardware, Licensed Software, Custom Software, if any, and Government Property, if any, all as described in the Contract as forming the System. If the Contract involves the acquisition by Canada of more than one system, then "System", as used in the Contract, means all such systems.

2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.
3. Words and expressions defined in any other set of Supplemental General Conditions forming part of the Contract and used in these Supplemental General Conditions shall have the meanings assigned to them in those Supplemental General Conditions.
4. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.
5. In the event of any inconsistency between these Supplemental General Conditions and any other set of Supplemental General Conditions forming part of the Contract, the applicable provisions of these Supplemental General Conditions shall prevail.
6. The sections of the General Conditions entitled "Title" and "Warranty" do not apply to the System. The title and warranty provisions contained in the Supplemental General Conditions apply in place of those sections.
7. References in these Supplemental General Conditions to other sets of Supplemental General Conditions, or to sections therein, or the use in these Supplemental General Conditions of words or expressions defined in other sets of Supplemental General Conditions, shall not be interpreted as having the effect of incorporating those other sets of Supplemental General Conditions, or any sections thereof, into the Contract. Other sets of Supplemental General Conditions shall not form part of the Contract unless they are incorporated into the Contract by provisions contained elsewhere in the Contract.

**9601-3 02 (31/03/95) Total System Responsibility**

1. Except for Government Property specifically provided for in the Contract, the Contractor shall be fully responsible for the supply of the System as a whole.
2. If the Contractor is to install the System under the Contract, the Contractor shall:
  - (a) integrate and make compatible all the System components to permit the System and all its components to meet the Specifications;
  - (b) supply and install all interfaces and component modifications necessary to meet the requirement specified in paragraph a; and
  - (c) make the System Ready for Use.



3. In the event of any inconsistency between Specifications, the Parties agree that the specified performance criteria for the System shall prevail over the specified performance criteria for any subsystem within the System, and, similarly, for lower-tier subsystems.

**9601-3 03 (01/12/92) System Testing and Acceptance**

1. If Canada intends to subject the Hardware components of the System to Availability-level Testing, then, for the purposes of section 10 (Acceptance Tests) of Supplemental General Conditions, DSS-MAS 9601-4 (Licensed Software) and section 13 (Acceptance Tests) of Supplemental General Conditions, DSS-MAS 9601-2 (Software Development/ Modification Services), the acceptance-testing period for the Licensed Software and any Custom Software components of the System shall be the period specified in the Contract for Availability-Level Testing of the Hardware components of the System.
2. Section 07 (Acceptance) of Supplemental General Conditions DSS-MAS 9601-1 (Hardware Purchase or Lease) shall apply to the System as a whole and, to that end, that section is amended by deleting the word "Hardware" wherever it appears in that section, except where it appears in paragraph 7(1)(c), and substituting therefor the word "System".
3. Section 10 (Acceptance Tests) of Supplemental General Conditions, DSS-MAS 9601-4 (Licensed Software) is amended by deleting subsection 2 of that section in its entirety.

**9601-3 04 (31/03/95) Government Property**

1. Where the Contractor is to incorporate Government Property into the System, the Contractor shall be responsible for the integration of the Government Property into the System and for the performance of the System as a whole, but shall not be liable under the acceptance-testing provisions of the Contract or under subsection (2) for any failure of the System to meet any performance or other requirements of the Specifications caused directly by a defect in any Government Property supplied to the Contractor by or on behalf of Canada, or by a failure of any such Government Property to meet its specifications.
2. During the warranty period referred to in section 05 (System Warranty Period), the Contractor, at the request of Canada to do so, shall, as soon as possible, correct any failure of the System to conform to the Specifications that is caused by improper integration into the System of any Government Property supplied to the Contractor by or on behalf of Canada. The foregoing provision shall survive inspection and acceptance of the Work by or on behalf of Canada and does not limit any of the Contractor's other warranty obligations under the Contract.

**9601-3 05 (01/12/92) System Warranty Period**

Notwithstanding section 13 (Warranty) of Supplemental General Conditions DSS-MAS 9601-4 (Licensed Software) and section 14 (Warranty) of Supplemental General Conditions, DSS-MAS 9601-2 (Software Development/Modification Services), the warranty period with respect to the Licensed Software and any Custom Software components of the System shall be the 12-month period described in subsection 1 of section 08 (Warranty) of Supplemental General Conditions, DSS-MAS 9601-1 (Hardware Purchase or Lease).

**9601-3 06 (01/12/92) System Lease Obligations**

If the Hardware components of the System are leased by Canada under the Contract, then sections 12 (Lease Period), 13 (Termination for Convenience), 14 (Risk of Loss) and 19 (Right to Withhold Lease Payments) of Supplemental General Conditions DSS-MAS 9601-1 (Hardware Purchase or Lease) shall also apply to the Licensed Software and any Custom Software components of the System, and to that end, those sections are amended by deleting the word "Hardware", wherever it appears in those sections, and substituting therefor the word "System".



9601-4 00 (16/02/98) Licensed Software

Public Works and Government Services Canada

- 01 Interpretation
- 02 License Grant
- 03 Personal Computer License
- 04 License Restricting Use to a Designated Computer
- 05 Site or Corporate License
- 06 Licensed Documentation
- 07 Copyright Notices
- 08 Media
- 09 Term of License
- 10 Acceptance Tests
- 11 Non-Disclosure Obligations
- 12 Right to License
- 13 Warranty
- 14 Availability of Source Code
- 15 Right to Modify
- 16 Risk of Loss
- 17 Destruction on Termination

**9601-4 01 (31/03/95) Interpretation**

1. In the Contract, unless the context otherwise requires,

**"General Conditions"** means General Conditions - Long Form, DSS-MAS 9601, or General Conditions - Medium Form, DSS-MAS 9601-10, whichever forms part of the Contract;

**"Licensed Documentation"** means all of the manuals, handbooks, user guides and other human-readable material to be furnished by the Contractor to Canada under the Contract for use with the Licensed Programs, whether that material is to be supplied in printed form or on Media;

**"Licensed Programs"** means all of the computer programs, in object-code form, which are to be furnished by the Contractor to Canada under the Contract, other than those computer programs, if any, which are to be developed by the Contractor under the Contract and which are covered by Supplemental General Conditions, DSS-MAS 9601-2 (Software Development/Modification Services);

**"Licensed Software"** means the Licensed Programs and the Licensed Documentation collectively;

**"Media"** means the material on which the Licensed Programs are stored for delivery to Canada, such as magnetic or other tapes, magnetic disks, or optical disks;

**"User"** means the minister responsible for the department or agency for which the Work is carried out, or, in the event of a transfer under subsection 2(2) (License Grant), the minister to whom the Licensed Software is transferred; and **"minister"**, for the purposes of this definition, includes any employee, agent or contractor duly authorized to act on behalf of the minister.
2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.
3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.
4. The sections of the General Conditions entitled "Title" and "Warranty" do not apply to the Licensed Software and the Media. The title and warranty provisions contained in these Supplemental General Conditions apply in place of those sections.
5. Subsections 5 to 8 inclusive of section 23 (Royalties and Infringement) of General Conditions - Long Form, DSS-MAS 9601, if that set forms part of the Contract, shall only apply to royalties which are payable in connection with the Licensed Software if the Contract is a defence contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c. D-1.

**9601-4 02 (01/12/92) License Grant**

1. The Contractor hereby grants to Canada a non-exclusive license to use and reproduce the Licensed Software in accordance with and subject to the terms and conditions of the Contract.
2. The User shall be the only entity authorized to use and reproduce the Licensed Software on behalf of Canada. If the department or agency for which the User is responsible is reconfigured, absorbed by another government department or agency, or is disbanded entirely, the Minister may, by giving notice to the Contractor, designate another minister as the "User" for the purposes of the Contract.
3. Canada acknowledges that title to the Licensed Software shall remain with the Contractor or its licensor.

**9601-4 03 (01/12/92) Personal Computer License**

1. In this section, "PC Software" means Licensed Software that is designed for use on a personal computer.
2. Subsections 3 and 4 apply to any PC Software furnished under the Contract except for PC Software that is subject to section 5 (Site or Corporate License).
3. The User may use each licensed copy of PC Software only on a single personal computer, the type of which is specified in the Contract or, where the Contract is silent, in the Licensed Documentation related to the PC Software. The User may transfer each such copy from one personal computer to another, without giving notice thereof to the Contractor, provided that the copy is only used on one personal computer at a time.
4. The User may make copies of the PC Software in machine-readable or printed form, for back-up purposes only, in support of the use of each licensed copy on a single personal computer.

**9601-4 04 (31/03/95) License Restricting Use to a Designated Computer**

1. This section applies to Licensed Software that is designed for use on computers other than a personal computer as described in section 03 (Personal Computer License) but does not apply to Licensed Software that is subject to section 05 (Site or Corporate License).
2. Subject to the other provisions of this section, and except as otherwise provided in the Contract, Canada shall only use the Licensed Software with the computer system or systems on which the Licensed Programs are originally installed (each such system is hereinafter called the "Designated Computer System").
3. If the Designated Computer System includes remote terminals, the User shall be free to concurrently access and use the Licensed Programs from such terminals, subject to the limitations, if any, of the usage terms of the Contract.
4. The User may temporarily transfer the Licensed Software to back-up equipment if the Designated Computer System is inoperative, or if Canada's facilities are inaccessible. Should any transfer be expected to exceed a cumulative total of 60 calendar days within any 90-day period, the Contractor shall be given notice of the transfer by the Technical Authority.
5. Canada, by notice from the Contracting Authority to the Contractor, may, at any time, redesignate the Designated Computer System on which the Licensed Software is used.
6. If Canada wishes to transfer the Licensed Software to a new release or upgrade of the Designated Computer System or of its operating system, and if such transfer requires a different version of the Licensed Software in order for the Licensed Software to continue to meet the functional and performance criteria set out in the Specifications, then the Contractor shall provide the appropriate version, if available, to Canada on substantially the same terms and conditions as set out in the Contract, and at a price which shall not exceed the lowest price charged by the Contractor to anyone else for that version, including its most favoured commercial customer.
7. The User may make copies of the Licensed Software in machine-readable or printed form, for back-up purposes only, in support of the use of the Licensed Software on the Designated Computer System.

**9601-4 05 (01/12/92) Site or Corporate License**

1. This section applies to Licensed Software which the Contract indicates is subject to a "site" or "corporate" license.

2. Subject to subsection 3, the User may use the Licensed Software referred to in subsection 1 on any and all computer systems owned, leased or operated by Canada on the date of the Contract or at any time thereafter at the site or sites designated in the Contract.
3. The User shall only use the Licensed Programs on the type of computer system specified in the Contract or, where the Contract is silent, in the Licensed Documentation related to the Licensed Programs.
4. Except where there is an express restriction in the Contract on the number of copies of the Licensed Software that can be made, Canada shall have the right to reproduce the Licensed Software, without restriction, for use by Canada on computer systems at the site or sites designated in the Contract.

**9601-4 06 (01/12/92) Licensed Documentation**

1. Except as provided in sections 03 (Personal Computer License), 04 (License Restricting Use to a Designated Computer) and 05 (Site or Corporate License), and except as otherwise provided in the Contract, Canada shall not reproduce the Licensed Documentation without the prior written consent of the Contractor.
2. The Contractor represents and warrants that the Licensed Documentation shall contain enough detail to permit an experienced user to install, test and use all features of the Licensed Programs. If the source code for the Licensed Programs is to be furnished to Canada under the Contract, the Contractor represents and warrants that the code so furnished shall contain enough detail to permit a programmer, experienced in the use of the programming language or languages in which the source code is written, to modify the Licensed Programs.

**9601-4 07 (01/12/92) Copyright Notices**

If the Licensed Software contains copyright or other proprietary notices, Canada shall reproduce those notices on all copies of the Licensed Software.

**9601-4 08 (01/12/92) Media**

1. The Contractor represents and warrants that the Media shall be compatible with the computer system on which the Licensed Programs are to be installed.
2. The Contractor further represents and warrants that the Media, as supplied by the Contractor, shall be free from computer viruses.
3. Title to the Media shall vest in Canada upon delivery to and acceptance thereof by or on behalf of Canada. "Media", for the purposes of this subsection, does not include the Licensed Software stored on the Media.

**9601-4 09 (01/12/92) Term of License**

1. Unless otherwise indicated in the Contract, Canada's license with respect to the Licensed Software shall be perpetual, subject only to the termination provisions set out in the Contract.
2. If Canada is in breach of Canada's license with respect to the Licensed Software, and if that breach continues for a period of 30 days following receipt by the Contracting Authority of written notice from the Contractor giving particulars of the breach, the Contractor may terminate Canada's license with respect to the Licensed Software by giving the Contracting Authority written notice to that effect.

**9601-4 10 (31/03/95) Acceptance Tests**

1. After installation of the Licensed Programs in accordance with the terms of the Contract, the Technical Authority shall perform the acceptance tests set out or referred to in the Contract to determine whether the Licensed Software and the Media conform to the requirements of the Contract, including the Specifications. If the Contract does not provide for any such tests, the Parties may agree upon the acceptance tests to be conducted, provided, however, that if the Parties do not or are unable to agree, the Technical Authority may conduct whatever acceptance tests it reasonably deems necessary to verify conformity with the requirements of the Contract. Unless otherwise specified in the Contract, the acceptance tests shall be conducted at Canada's facilities.
2. Except as otherwise provided in the Contract, the acceptance tests referred to in subsection (1) shall be conducted over a period of 40 days from the date of installation of the Licensed Software at Canada's facilities. If the Licensed Software and Media pass those acceptance tests, the Technical Authority shall give notice to the Contractor that the Licensed Software and Media are accepted.
3. Notwithstanding anything else contained in this section, if Canada is unable to commence or continue the acceptance tests in relation to the Licensed Software because of an act in Canada's sovereign capacity or the occurrence of an event of force majeure, the acceptance tests may be temporarily suspended for a period of time not to exceed 60 days. The time limits for testing referred to in this section or elsewhere in the Contract shall in such cases be extended by the number of calendar days of the suspension. If the delay exceeds 60 days, the Parties shall thereafter use reasonable efforts to negotiate a mutually acceptable amendment to the Contract.

**9601-4 11 (31/03/95) Non-Disclosure Obligations**

1. Canada acknowledges that the Licensed Software contains information which the Contractor considers to be proprietary and confidential. Subject to the *Access to Information Act*, R.S.C. 1985, c. A-1, and to Canada's rights under the Contract to disclose such information to contractors and agents of Canada engaged in the work of the User, Canada shall not release or disclose such information outside the Government of Canada without the prior written consent of the Contractor. The foregoing obligation does not apply to information that:
  - (a) is publicly available from a source other than Canada;
  - (b) is or becomes known to Canada from a source other than the Contractor, except from any source that is known to Canada to be under an obligation to the Contractor not to disclose the information; or
  - (c) is developed by Canada without the use of the information of the Contractor or its licensor.

**9601-4 12 (01/12/92) Right to License**

1. The Contractor represents and warrants that it has the right to license the Licensed Software and full power and authority to grant to Canada the rights granted under the Contract. The Contractor further represents and warrants that all necessary consents to that grant have been obtained.
2. Except to the extent that those conditions may be expressly incorporated in the Contract, it is agreed that conditions accompanying or enclosed with the Licensed Software, if any, shall not form part of Canada's license or affect the rights of the Parties in any manner whatsoever. In no event shall Canada or any end user be required to enter into any further license agreement with respect to the Licensed Software or any portion thereof after the effective date of the Contract.

**9601-4 13 (01/12/92) Warranty**

1. In this section, unless otherwise indicated in the Contract, "Warranty Period" means a period of 90 days from the date on which the Contractor has completed the whole of the Work in accordance with the terms

of the Contract, except for warranty work and any other work which is scheduled under the Contract to be performed after the start of the Warranty Period.

2. The Contractor warrants that, during the Warranty Period, the Licensed Programs shall operate in conformity with the Specifications on the computer system or systems on which the Licensed Programs are installed. In the event that the Licensed Programs fail to meet the foregoing warranty at any time during the Warranty Period, the Contractor, at the request of Canada to do so, shall, as soon as possible, correct, at its expense, any programming errors and defects and make such additions, modifications or adjustments to the Licensed Software as may be necessary to keep the Licensed Programs in operating order, in accordance with the Specifications. Although the Contractor shall use all reasonable efforts to provide permanent corrections for all software errors, Canada acknowledges that certain errors may not be permanently corrected by the Contractor under the foregoing warranty. The Contractor shall provide a software patch or by-pass around the error in all cases where the error will not be permanently corrected. As a minimum, any such software patch or by-pass shall cause the Licensed Programs to meet the functional and performance criteria set out in the Specifications.
3. The Contractor warrants that, during the Warranty Period, the Licensed Documentation shall be free from all defects in materials and shall conform with the requirements of the Contract. If Canada discovers a defect or nonconformance in any part of the Licensed Documentation during the Warranty Period, the Contractor, at the request of Canada to do so, shall, as soon as possible, correct, at its expense, the part of the Licensed Documentation found to be defective or not in conformance with the requirements of the Contract.
4. The Contractor warrants that, during the Warranty Period, the Media shall be free from all defects in materials or workmanship, and shall conform with the requirements of the Contract. Canada may return nonconforming or defective Media to the Contractor within the Warranty Period, with notice of the nonconformance or the defect, and the Contractor shall promptly replace such Media with corrected Media at no additional cost to Canada.
5. If the Contractor is to perform support services with respect to the Licensed Software during the Warranty Period, it is agreed that the provisions concerning support shall not be interpreted so as to derogate from the warranty provisions set out in this section.
6. The warranties set out in this section shall survive inspection and acceptance of the Work by or on behalf of Canada, and do not restrict any other provision of the Contract or any condition, warranty or provision implied or imposed by law.

**9601-4 14 (01/12/92) Availability of Source Code**

1. This section applies if the Contract does not otherwise require the Contractor to provide the source code for the Licensed Software to Canada.
2. If the Contractor and Canada have not entered into a separate escrow agreement concerning the source code with an escrow agent on or prior to the effective date of the Contract, then the Contractor shall put in place for Canada, at no additional charge, whatever escrow arrangements, if any, it usually puts in place for its customers, and shall give Canada, within 30 days of the date of execution of the Contract, a copy of the agreement with its escrow agent which sets out the terms under which the escrow agent is authorized to release the source code to Canada.

**9601-4 15 (01/12/92) Right to Modify**

If the source code for the Licensed Programs is provided to Canada under the terms of the Contract, that code shall form part of the "Licensed Software" for the purposes of the Contract, and Canada shall have the right, at Canada's discretion, to independently copy and modify the Licensed Software for Canada's own purposes and use, through the services of Canada's own employees or of independent contractors provided such contractors agree not to disclose or distribute any part of the Licensed Software to any other person or entity or otherwise violate the



proprietary rights of the owner of the Licensed Software. Canada shall be the owner of any such modifications, but shall obtain no ownership interest in the Licensed Software, and any portion of the Licensed Software contained in such modifications shall remain subject to the terms and conditions of Canada's license. The Contractor shall not incorporate any such modifications into its software for distribution to third parties unless Canada has granted the necessary distribution rights to the Contractor pursuant to a written license agreement. The provisions of this section shall not be interpreted so as to preclude the Contractor or its third-party licensors from independently developing modifications.

**9601-4 16 (01/12/92) Risk of Loss**

1. Risk of loss of or damage to the Licensed Software or the Media, or to any part thereof, shall pass to Canada upon delivery of the Licensed Software or the Media, or that part, to Canada.
2. Notwithstanding subsection 1, the Contractor shall be liable for loss or damage to the Licensed Software or Media that is caused by the Contractor or any of its Subcontractors after delivery.

**9601-4 17 (01/12/92) Destruction on Termination**

In the event of termination or expiration of Canada's license, Canada will, upon the written request of the Contractor, either return all copies of the Licensed Software to the Contractor or, at Canada's option, will represent in writing to the Contractor that all copies of the Licensed Software have been destroyed except for one copy which may be retained by Canada for archival purposes only.



9601-5 00 (16/02/98) Support Services for Licensed Software

Public Works and Government Services Canada

- 01 Interpretation
- 02 Error Correction Services
- 03 Updates
- 04 Media
- 05 New Releases
- 06 Hotline Service
- 07 Support Charges and On-Site Services
- 08 Canada's Responsibilities
- 09 Excluded Services
- 10 Termination for Convenience

**9601-5 01 (31/03/95) Interpretation**

1. In the Contract, unless the context otherwise requires,

**"General Conditions"** means General Conditions - Long Form, DSS-MAS 9601, or General Conditions - Medium Form, DSS-MAS 9601-10, whichever forms part of the Contract;

**"Software Error"** means any software instruction or statement contained in or absent from the Licensed Programs, which, by its presence or absence, prevents the Licensed Programs from operating in accordance with the Specifications;

**"Software Support Period"** means the period, specified in the Contract, during which the Contractor is obligated to support the Licensed Software in accordance with the terms of the Contract;

**"Updates"** has the meaning assigned to it in section 3 (Updates).

2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.
3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.
4. If Supplemental General Conditions, DSS-MAS 9601-4 (Licensed Software) form part of the Contract, words and expressions defined in those Supplemental General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in those Supplemental General Conditions.
5. If Supplemental General Conditions, DSS-MAS 9601-4 (Licensed Software) do not form part of the Contract, then, for the purposes of the Contract,

**"Licensed Documentation"** means all of the manuals, handbooks, user guides and other human-readable material which have been furnished by the Contractor to Canada for use with the Licensed Programs, whether supplied in printed form or on magnetic tape, disk or other Media;

**"Licensed Programs"** means all of the computer programs, in object-code form, which are to be supported by the Contractor under the Contract, other than those computer programs, if any, which have been developed for Canada by the Contractor and which are covered by Supplemental General Conditions, DSS-MAS 9601-2 (Software Development/ Modification Services);

**"Licensed Software"** means the Licensed Programs and the Licensed Documentation collectively.

6. The sections of the General Conditions entitled "Title" and "Warranty" do not apply to the Licensed Software and the Media. The title, warranty and support provisions contained in these Supplemental General Conditions and in Supplemental General Conditions, DSS-MAS 9601-4, if that set forms part of the Contract, apply in place of those sections.

**9601-5 02 (01/12/92) Error Correction Services**

1. Any failure of the Licensed Programs to operate in accordance with the Specifications may be reported by Canada to the Contractor during the Software Support Period. Canada may report failures either in writing or by telephone or other remote communication. Upon receipt of a report of a failure from Canada, the Contractor shall use all reasonable efforts to provide Canada, within the time frames established in subsections 2 and 3, with a permanent correction of the Software Error which caused the failure or, at the Contractor's option, with a software patch or by-pass around the Software Error as a temporary correction. As a minimum, any such software patch or by-pass shall cause the Licensed Programs to meet the functional and performance criteria set out in the Specifications. Although the Contractor shall use all reasonable efforts to provide permanent corrections for all Software Errors, Canada acknowledges that

certain Software Errors may not be permanently corrected by the Contractor under the Contract. All Software Error corrections, whether temporary or permanent, shall become part of the Licensed Software and shall be subject to the terms and conditions of Canada's license with respect to the Licensed Software.

2. The Contractor shall respond to a report of a Software Error in accordance with the severity of the Software Error, as detailed in subsection 3. The severity shall be reasonably determined by Canada, and communicated to the Contractor, based on the following definitions:

- Severity 1: indicates total inability to use a licensed program, resulting in a critical impact on user objectives;
- Severity 2: indicates ability to use a licensed program but user operation is severely restricted;
- Severity 3: indicates ability to use a licensed program with limited functions which are not critical to overall user operations;
- Severity 4: indicates that the problem has been by-passed or otherwise temporarily corrected and is not affecting user operations.

3. The Contractor shall use reasonable efforts to correct Software Errors as follows:

- Severity 1: within 24 hours of notification by Canada;
- Severity 2: within 72 hours of notification by Canada;
- Severity 3: within 14 days of notification by Canada;
- Severity 4: within 120 days of notification by Canada.

4. If Canada reports a Software Error to the Contractor, Canada shall give the Contractor reasonable access to the computer system on which the Licensed Program resides, and shall provide such information as the Contractor may reasonably request, including sample output and other diagnostic information, in order to permit the Contractor to expeditiously correct the Software Error.

**9601-5 03 (01/12/92) Updates**

During the Software Support Period, the Contractor shall provide Canada, at no additional cost, with all enhancements, extensions or other modifications to the Licensed Software (herein collectively called "Updates") when such enhancements, extensions or other modifications are developed or published by the Contractor or its licensor and made generally available to other licensees of the Licensed Software at no additional cost. All Updates shall become part of the Licensed Software and shall be subject to the terms and conditions of Canada's license with respect to the Licensed Software.

**9601-5 04 (01/12/92) Media**

1. All Software Error corrections and Updates shall be provided by the Contractor to Canada on Media which are free of defects and of computer viruses, and which are compatible with the computer system on which the Licensed Programs are installed.
2. Title to Media provided to Canada in the performance of the software support services shall vest in Canada upon delivery to and acceptance thereof by or on behalf of Canada. "Media", for the purposes of this subsection, does not include the Licensed Software stored on the Media.

**9601-5 05 (01/12/92) New Releases**

During the Software Support Period, the Contractor shall keep Canada informed of, and make available to Canada through separate license agreements, all new Releases of the Licensed Software. "Releases", for the purposes of this section, means enhancements or modifications to the Licensed Software or new modules or supplementary modules that function in conjunction with the Licensed Software, that represent the next generation of Licensed Software, and which the Contractor or its licensor has decided to make available to its customers only for an additional charge. The Contractor shall make any new Releases available to Canada at the same time as it makes them available to its other customers and on substantially the same terms and conditions as set out in Canada's license with respect to the Licensed Software.

**9601-5 06 (01/12/92) Hotline Service**

Where the Contract provides for hotline services, the Contractor shall provide Canada remote access to the Contractor's personnel, to help Canada in answering questions with respect to the Licensed Software, during the hours specified in the Contract, or if not otherwise specified, during the hours of 8:00 a.m. to 5:00 p.m., local time at the site where the Licensed Programs are installed, Monday through Friday, exclusive of statutory holidays observed by Canada at such site. Canada's access to the Contractor's personnel shall include both telephone access and access by means of the Contractor's electronic mail service if and when made available by the Contractor, provided, however, that all costs incurred by Canada in the use of telephone and terminal equipment shall be the responsibility of Canada. By notice in writing to the Contractor, Canada shall appoint a user representative or representatives who shall be the only individuals entitled to access the hotline on behalf of Canada. Canada may change any such appointment by subsequent notice to the Contractor.

**9601-5 07 (01/12/92) Support Charges and On-site Services**

Except as otherwise expressly provided in the Contract, the monthly or yearly support charge specified in the Contract is inclusive of all software support services described in the Contract except for on-site Software Error correction services. The Contractor shall provide on-site services, when requested by the Technical Authority, at the hourly or daily labour rates specified in the Contract. Reasonable travel and living costs incurred by the Contractor in connection with on-site services, if approved in advance by the Technical Authority, shall be reimbursed to the Contractor in accordance with the guidelines specified in the Contract, or, if no guidelines are specified, in accordance with applicable Treasury Board guidelines. All such pre-approved costs shall be invoiced to Canada as a separate charge and may include a reasonable administrative overhead thereon, but shall not include any element of profit thereon.

**9601-5 08 (01/12/92) Canada's Responsibilities**

1. Unless otherwise provided in the Contract, Canada shall maintain, for the Software Support Period, a modem and associated dial-up telephone line for use in connection with the software support services. Canada shall be responsible for installation, maintenance and use of such equipment and associated telephone charges. The Contractor may use the modem and telephone line in connection with the provision of the software support services.
2. Unless otherwise provided in the Contract, Canada shall be responsible for installation of all Software Error corrections and Updates.
3. Canada shall not modify the Licensed Software during the Software Support Period without the prior approval of the Contractor, which approval shall not be unreasonably withheld.
4. Canada shall protect data from loss by implementing back-up procedures.

**9601-5 09 (01/12/92) Excluded Services**

1. The Contractor is not obligated to correct a failure of the Licensed Programs to operate in accordance with the Specifications if the failure results from:

- (a) use of the Licensed Software by Canada other than in accordance with Canada's license;
- (b) conditions resulting from the use of hardware or software that is supplied by a person other than the Contractor or a Subcontractor and that is not in accordance with the Specifications; or
- (c) modifications to the Licensed Software other than as approved by the Contractor or a Subcontractor.

**9601-5 10 (01/12/92) Termination for Convenience**

1. The section of the General Conditions entitled "Termination for Convenience" does not apply to the support services for the Licensed Software. This section applies in lieu thereof.
2. Notwithstanding anything contained in the Contract, the Minister may, at any time during the Software Support Period, by giving 30 days prior notice to the Contractor (hereinafter sometimes referred to as a "termination notice"), terminate the Contract as regards all or any part of the software support services. Upon a termination notice being given, the Contractor shall cease work in accordance with and to the extent specified in the notice, but shall continue to perform such part or parts of the software support services as are not affected by the termination notice. The Minister may, at any time or from time to time, give one or more additional termination notices with respect to any or all parts of the software support services not terminated by any previous termination notice.
3. In the event of a termination notice being given pursuant to subsection 2, the Contractor shall be entitled to be paid, on the basis of the Contract Price, for all software support services terminated by the termination notice and performed to the date of termination, but only to the extent that costs have been reasonably and properly incurred for the purposes of performing the software support services and only to the extent that the Contractor has not already been so paid or reimbursed by Canada. If the date of termination falls on a day other than the last day of a calendar month (in the case of a monthly support charge) or on a day other than the last day of the support year (in the case of a yearly support charge), the charge for the month or year in which termination occurs will be a portion of the specified monthly or yearly charge determined by multiplying the number of days in the month or year to the date of termination by 1/30 or 1/365 of the specified monthly or yearly charge, as the case may be. In the case of an advance payment, the Contractor shall refund the unliquidated portion of the specified monthly or yearly support charge to Canada upon written demand from the Contracting Authority. The unliquidated portion of the support charge shall be determined using the formula set out above in this subsection.
4. The Contractor shall have no claim for damages, compensation, loss of profits, allowance or otherwise by reason of, or directly or indirectly arising out of, any action taken or termination notice given by the Minister under this section, except to the extent that this section expressly provides.





9601-6 00 (10/12/01) Contractor to Own Intellectual Property Rights in Foreground Information

**Public Works and Government Services Canada**

- 01 Interpretation
- 02 Disclosure of Foreground Information
- 03 Contractor to Own Intellectual Property Rights in Foreground Information
- 04 License to Intellectual Property Rights in Foreground Information
- 05 License to Intellectual Property Rights in Background Information
- 06 Right to License
- 07 Transfer of Intellectual Property Rights in Foreground Information
- 08 Sale, Assignment, Transfer or Licensing of Intellectual Property Rights in Foreground Information
- 09 Access to Information; Exception to Contractor Rights
- 10 Waiver of Moral Rights

**9601-6 01 (25/05/01) Interpretation**

## 1. In the Contract,

"Background Information" means all Technical Information that is not Foreground Information and that is proprietary to or the confidential information of the Contractor, its subcontractors or any other supplier of the Contractor;

"Commercial Exploitation in Competition with the Contractor" does not include exploitation by Canada or by any contractor where the good or service produced through such exploitation is for end use by Canada, nor does it include dissemination or distribution by Canada to persons or to other governments at or below cost of any good or service delivered under the Contract or produced through such exploitation;

"Firmware" means any computer program stored in integrated circuits, read-only memory or other similar devices;

"Foreground Information" means any Invention first conceived, developed or reduced to practice as part of the Work under the Contract and all other Technical Information conceived, developed or produced as part of the Work under the Contract;

"General Conditions" means General Conditions - Long Form, DSS-MAS 9601;

"Intellectual Property Right" means any intellectual property right recognized by the law, including any intellectual property right protected through legislation (such as that governing patents, copyright, industrial design, integrated circuit topography, or plant breeders' rights) or arising from protection of information as a trade secret or as confidential information;

"Invention" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter, whether or not patentable;

"Software" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, and includes modifications to any of the foregoing;

"Technical Information" means all information of a scientific, technical or artistic nature relating to the Work, whether oral or recorded in any form or medium and whether or not subject to copyright, including but not limited to any Inventions, designs, methods, processes, techniques, know-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, collections of information, manuals and any other documents, and Software. Technical Information does not include data concerned with the administration of the Contract by Canada or the Contractor, such as internal financial or management information, unless it is a deliverable under the Contract.

## 2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.

## 3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.

## 4. The General Conditions are amended by deleting the section entitled "Copyright" in its entirety.

**9601-6 02 (25/05/01) Disclosure of Foreground Information**

## 1. The Contractor shall promptly report and fully disclose to the Minister all Foreground Information that could be Inventions, and shall report and fully disclose to the Minister all other Foreground Information not

later than the time of completion of the Work or such earlier time as the Minister or the Contract may require.

2. The Contractor shall, in each disclosure under this section, indicate the names of all Subcontractors at any tier, if any, in which Intellectual Property Rights to any Foreground Information have vested or will vest.
3. Before and after final payment to the Contractor, the Minister shall have the right to examine all records and supporting data of the Contractor which the Minister reasonably deems pertinent to the identification of Foreground Information.

**9601-6 03 (25/05/01) Contractor to Own Intellectual Property Rights in Foreground Information**

1. Subject to subsection 3 and section 07 (Transfer of Intellectual Property Rights in Foreground Information), and without affecting any Intellectual Property Rights or interests therein that have come into being prior to the Contract or that relate to information or data supplied by Canada for purposes of the Contract, all Intellectual Property Rights in the Foreground Information shall immediately, as soon as they come into existence, vest in and remain the property of the Contractor.
2. Notwithstanding the Contractor's ownership of the Intellectual Property Rights in Foreground Information that is a prototype, model or custom or customized system or equipment together with associated manuals and other operating and maintenance documents and tools, Canada shall have unrestricted ownership rights in those deliverables, including the right to make them available for public use, whether for a fee or otherwise, and, except in the case of Software that is not necessary for the operation of the prototype, model or system or equipment, the right to sell them.
3. (a) Where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada or personal information referred to in paragraph (b), then the Intellectual Property Rights that shall vest under subsection 1 shall be restricted to the Intellectual Property Rights in Foreground Information that is capable of being exploited without the use of the information or data supplied by Canada or such personal information. All Intellectual Property Rights in any database or other compilation, the Foreground Information in which cannot be exploited without the use of such information, data, or personal information, shall vest in Canada. The Contractor agrees that it shall not use or disclose any such information or data or personal information for any purpose other than completing the Work under the Contract, and shall not dispose of it except by returning it to Canada. The Contractor shall comply with the General Conditions of the Contract in regard to maintaining the confidentiality of such information, data or personal information. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, data or personal information, together with every copy, draft, working paper and note thereof that contains such information, data, or personal information, upon the completion or termination of the Contract or at such earlier time as the Minister may require.
- (b) Notwithstanding subsection 1, if the Work under the Contract involves the collection of personal information as that term is defined in the *Privacy Act* (R.S.C., c. P-21), then all Intellectual Property Rights in and title to that personal information shall, immediately upon the collection of it by the Contractor, vest in Canada, and the Contractor shall have no right or interest in it.

**9601-6 04 (25/05/01) License to Intellectual Property Rights in Foreground Information**

1. In consideration of Canada's contribution to the cost of development of the Foreground Information, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, world-wide, fully-paid and royalty-free license to exercise all Intellectual Property Rights in the Foreground Information that vest in the Contractor pursuant to section 03, for any public purpose except Commercial Exploitation in Competition with the Contractor. Canada's license to the Intellectual Property Rights in the Foreground

- Information also includes the right to disclose the Foreground Information to other governments for information purposes only. The Intellectual Property Rights arising from any modification, improvement, development or translation of the Foreground Information that is effected by or for Canada in the exercise of this license shall vest in Canada, or in such person as Canada shall decide.
2. The Contractor acknowledges that Canada may wish to award contracts for any of the purposes contemplated in subsection 1 and that such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in the Foreground Information that vest in the Contractor pursuant to section 03, includes the right to disclose the Foreground Information to bidders for such contracts, and to sub-license or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require the bidder or the contractor not to use or disclose any Foreground Information except as may be necessary to bid for or to carry out that contract.
  3. For greater certainty and without limiting the generality of subsections 1 and 2, Canada's right to modify, improve, translate, reproduce or further develop any Foreground Information pursuant to subsections 1 and 2:
    - (a) applies to Foreground Information that is Software, notwithstanding any terms to the contrary delivered by the Contractor with any deliverable, including the wording on any shrink-wrapped license attached to any deliverable; and
    - (b) includes the right to reproduce and use Foreground Information that is Software, or any modified or improved or translated or further developed form of it, on any and all computer systems owned, leased or operated by Canada anywhere in the world.
  4. Notwithstanding subsections 1, 2, and 3, if any Foreground Information arises solely from correction by the Contractor of errors in Background Information that is Software, or from minor modifications made by the Contractor to such Software, then the license set out in subsections 1, 2 and 3 shall not apply to that Foreground Information and, unless otherwise agreed, the license that applies to such Background Information shall apply to that Foreground Information.
  5. Where the Intellectual Property Rights in any Foreground Information are or will be owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 1, 2 and 3 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Foreground Information.
  6. If the Contractor wishes to make use of any Canada-owned information that was supplied for purposes of the Contract, for the commercial exploitation or further development of any of the Foreground Information, then the Contractor may make a written request for a license to exercise the required Intellectual Property Rights in that Canada-owned information, to the minister for whose department or agency the Work is being or was carried out. The Contractor shall give that minister an explanation as to why such a license is required. That minister shall respond in writing to the request within a reasonable period of time. If the request is refused, the response shall provide an explanation for the refusal. Should that minister agree to grant such a license, it shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.
  7. The Contractor may apply to the minister for whose department or agency the Work is being or was carried out for a license to commercially exploit a translation of the Foreground Information which is effected by or for Canada, subject to the same restrictions and obligations as apply under the Contract to commercial exploitation of the Foreground Information that was translated. Any such license shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.

**9601-6 05 (10/12/01) License to Intellectual Property Rights in Background Information**

1. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada, in relation to any custom-designed or custom-manufactured part of the Work, a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required for the following purposes:
  - (a) for the use, operation, maintenance, repair or overhaul of the custom-designed or custom-manufactured parts of the Work;
  - (b) in the manufacturing of spare parts for maintenance, repair or overhaul of any custom-designed or custom-manufactured part of the Work by Canada if those parts are not available on reasonable commercial terms to enable timely maintenance, repair or overhaul;
  - (c) for disclosure to any contractor engaged by Canada (or bidder for such a contract) to be used solely for a purpose set out in paragraph (a) or (b), but in the case of paragraph (b), only if the Contractor is unable or unwilling to provide the spare parts on reasonable commercial terms and within reasonable delivery times;and the Contractor agrees to make any such Background Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.
2. Notwithstanding subsection 1, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 1 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms.
3. Canada may wish to award contracts to third party contractors under subsection 1, and such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in Background Information includes the right to disclose the Background Information to bidders for such contracts, and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.
4. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsection 1 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.

**9601-6 06 (10/12/01) Right to License**

The Contractor represents and warrants that the Contractor has, or the Contractor shall obtain, without delay, the right to grant to Canada the license to exercise the Intellectual Property Rights in the Foreground Information and the Background Information as required by the Contract.

**9601-6 07 (25/05/01) Transfer of Intellectual Property Rights in Foreground Information**

1. Until the Contractor completes the Work and discloses all of the Foreground Information in accordance with section 02 (Disclosure of Foreground Information), the Contractor shall not, without the prior written permission of the Minister, sell, assign or otherwise transfer title to the Intellectual Property Rights in any Foreground Information, or license or otherwise authorize the use of the Intellectual Property Rights in any of the Foreground Information by any person.
2. If Canada terminates the Contract in whole or in part for default, or if the Contractor fails to disclose any Foreground Information in accordance with section 02, the Minister may, by notice given not later than 90 days from the date of termination or from the date Canada learns of the failure to disclose, as the case may be, require the Contractor to convey to Canada all of the Intellectual Property Rights in the Foreground Information or, in the case of a notice based on failure to disclose, all of the Intellectual Property Rights in the Foreground Information not disclosed. In the case of either notice, the rights to be conveyed shall include the Intellectual Property Rights in any Foreground Information that have vested or are to vest in a Subcontractor at any tier. In the case of Intellectual Property Rights in Foreground Information which have been sold or assigned to a party other than a Subcontractor at any tier, the Contractor shall not be obligated to convey rights to Canada in accordance with this subsection, but shall pay to Canada on demand an amount equal to the consideration which the Contractor received from the sale or assignment of the Intellectual Property Rights in that Foreground Information or, in the case of a sale or assignment that was not at arm's length, the fair market value of the Intellectual Property Rights in that Foreground Information, in each case including the value of future royalties or license fees.
3. In the event of the issuance by the Minister of a notice under subsection 2, the Contractor shall, at its own expense and without delay, execute such conveyances or other documents relating to title to the Intellectual Property Rights as the minister for whose department or agency the Work is being or was carried out may require, and the Contractor shall, at Canada's expense, afford that minister all reasonable assistance in the preparation of applications and in the prosecution of any applications for, or any registration of, any Intellectual Property Right in any jurisdiction, including without limitation the assistance of the inventor in the case of Inventions.

**9601-6 08 (25/05/01) Sale, Assignment, Transfer or Licensing of Intellectual Property Rights in Foreground Information**

1. In any sale, assignment, transfer or license of Intellectual Property Rights in Foreground Information by the Contractor except a sale or license for end use of a product based on Foreground Information, the Contractor shall impose on the other party all of its obligations to Canada in relation to the Intellectual Property Rights in the Foreground Information and any restrictions set out in the Contract on the use or disposition of the Intellectual Property Rights in the Foreground Information (and, if applicable, the Foreground Information), including the obligation to impose the same obligations and restrictions on any subsequent transferee, assignee or licensee.
2. The Contractor shall promptly notify Canada of the name, address and other pertinent information in regard to any transferee, assignee or licensee referred to in subsection 1, and shall ensure that such party is required to do the same with regard to any subsequent transferee, assignee or licensee.
3. The Contractor shall not charge or permit any person to charge a royalty or other fee to Canada in respect of the Intellectual Property Rights in any Foreground Information for purposes of a contract or other arrangement with Canada. Where the contract or other arrangement is for a product based on Foreground Information or on any modification or improvement thereof, the Contractor shall grant to Canada a reasonable credit against its commercial price for that product to take into account Canada's financial contribution toward the development of the product, and in the case of a product owned by a transferee, assignee or licensee of the Intellectual Property Rights in any Foreground Information, the Contractor shall ensure that such party is required to do the same.

**9601-6 09 (25/05/01) Access to Information; Exception to Contractor Rights**

1. Subject to the *Access to Information Act*, R.S.C., c. A-1 and to any right of Canada under the Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any information delivered to Canada under the Contract that is confidential information or a trade secret of the Contractor or a Subcontractor.
2. Notwithstanding subsection 1, nothing in these terms and conditions shall be construed as limiting Canada's right to exercise the Intellectual Property Rights in any Foreground Information or any Background Information, or to disclose any Foreground Information or any Background Information, to the extent that such information:
  - (a) is or becomes in the public domain, or to the extent that the Contractor does not benefit from or ceases to benefit from any Intellectual Property Rights protection for such information under legislation or at law (other than under the terms of the Contract), for any reason including as a result of Canada's use or disclosure of deliverables under the Contract for any purpose whatever that is not expressly excluded under the Contract;
  - (b) is or becomes known to Canada from a source other than the Contractor, except from any source that is known to Canada to be under an obligation to the Contractor not to disclose the information;
  - (c) is independently developed by or for Canada; or
  - (d) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.

**9601-6 10 (25/05/01) Waiver of Moral Rights**

1. The Contractor shall obtain a written permanent waiver of moral rights (as this term is defined in the *Copyright Act*, R.S.C., c. C-42), in a form acceptable to the Minister, from every author that contributes to any Foreground Information which is subject to copyright protection and which is deliverable to Canada under the terms of the Contract. At the request of the Minister (be it at the completion of the Work or at any other time as the Minister may require), the Contractor shall provide the written waiver(s) of moral rights to the Minister.
2. If the Contractor is an author of the Foreground Information referred to in subsection 1, the Contractor hereby permanently waives the Contractor's moral rights in that Foreground Information.





9601-7 00 (10/12/01) Canada to Own Intellectual Property Rights in Foreground Information

**Public Works and Government Services Canada**

- 01 Interpretation
- 02 Disclosure of Foreground Information
- 03 Canada to Own Intellectual Property Rights in Foreground Information
- 04 License to Intellectual Property Rights in Background Information
- 05 Right to License
- 06 Access to Information; Exception to Contractor Rights
- 07 Waiver of Moral Rights

**9601-7 01 (25/05/01) Interpretation**

## 1. In the Contract,

"Background Information" means all Technical Information that is not Foreground Information and that is proprietary to or the confidential information of the Contractor, its subcontractors or any other supplier of the Contractor;

"Firmware" means any computer program stored in integrated circuits, read-only memory or other similar devices;

"Foreground Information" means any Invention first conceived, developed or reduced to practice as part of the Work under the Contract and all other Technical Information conceived, developed or produced as part of the Work under the Contract;

"General Conditions" means General Conditions - Long Form, DSS-MAS 9601;

"Intellectual Property Right" means any intellectual property right recognized by the law, including any intellectual property right protected through legislation (such as that governing patents, copyright, industrial design, integrated circuit topography, or plant breeders' rights) or arising from protection of information as a trade secret or as confidential information;

"Invention" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter, whether or not patentable;

"Software" means any computer program whether in source or object code (including Firmware), any computer program documentation recorded in any form or upon any medium, and any computer database, and includes modifications to any of the foregoing;

"Technical Information" means all information of a scientific, technical or artistic nature relating to the Work, whether oral or recorded in any form or medium and whether or not subject to copyright, including but not limited to any Inventions, designs, methods, processes, techniques, know-how, models, prototypes, patterns, samples, schematics, experimental or test data, reports, drawings, plans, specifications, photographs, collections of information, manuals and any other documents, and Software. Technical Information does not include data concerned with the administration of the Contract by Canada or the Contractor, such as internal financial or management information, unless it is a deliverable under the Contract.

## 2. Words and expressions defined in the General Conditions and used in these Supplemental General Conditions shall have the meanings assigned to them in the General Conditions.

## 3. In the event of any inconsistency between the General Conditions and these Supplemental General Conditions, the applicable provisions of these Supplemental General Conditions shall prevail.

## 4. The General Conditions are amended by deleting the section entitled "Copyright" in its entirety.

**9601-7 02 (25/05/01) Disclosure of Foreground Information**

## 1. The Contractor shall promptly report and fully disclose to the Minister all Foreground Information that could be Inventions, and shall report and fully disclose to the Minister all other Foreground Information not later than the time of completion of the Work or at such earlier time as the Minister or the Contract may require.

## 2. Before and after final payment to the Contractor, the Minister shall have the right to examine all records and supporting data of the Contractor which the Minister reasonably deems pertinent to the identification of Foreground Information.

**9601-7 03 (25/05/01) Canada to Own Intellectual Property Rights in Foreground Information**

1. Without affecting any Intellectual Property Rights or interests therein that have come into being prior to the Contract, all Intellectual Property Rights in the Foreground Information shall immediately, as soon as they come into existence, vest in and remain the property of Canada. The Contractor shall have no right in or to any such Intellectual Property Rights in the Foreground Information except any right that may be granted in writing by Canada.
2. The Contractor shall incorporate the copyright symbol and either of the following copyright notices, as appropriate, into all Foreground Information that is subject to copyright, regardless of the form in or medium upon which it is recorded:  
  
© HER MAJESTY THE QUEEN IN RIGHT OF CANADA (year)  
  
or  
  
© SA MAJESTÉ LA REINE DU CHEF DU CANADA (year)
3.
  - (a) For greater certainty, the Contractor agrees that where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada or personal information referred to in paragraph (b), then the Contractor shall not use or disclose any such information or data or personal information for any purpose other than completing the Work under the Contract. The Contractor shall not dispose of such information or data or personal information except by returning it to Canada. The Contractor shall comply with the General Conditions of the Contract in regard to maintaining the confidentiality of such information, data, or personal information. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, data, or personal information, together with every copy, draft, working paper and note thereof that contains such information, data, or personal information upon completion or termination of the Contract or at such earlier time as the Minister may require.
  - (b) For greater certainty and without limiting paragraph 3(a), if the Work under the Contract involves the collection of personal information as that term is defined in the *Privacy Act* (R.S.C., c. P-21), then all Intellectual Property Rights in and title to that personal information shall, immediately upon the collection of it by the Contractor, vest in Canada, and the Contractor shall have no right or interest in it.
4. The Contractor shall execute such conveyances or other documents relating to the Intellectual Property Rights in the Foreground Information as the minister for whose department or agency the Work is being or was carried out may require, and the Contractor shall, at Canada's expense, afford that minister all reasonable assistance in the preparation of applications and in the prosecution of any applications for registration of any Intellectual Property Right in any jurisdiction, including without limitation the assistance of the inventor in the case of Inventions.

**9601-7 04 (10/12/01) License to Intellectual Property Rights in Background Information**

1. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada, in relation to any custom-designed or custom-manufactured part of the Work, a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required for the following purposes:

- (a) for the use, operation, maintenance, repair or overhaul of the custom-designed or custom-manufactured parts of the Work;
- (b) in the manufacturing of spare parts for maintenance, repair or overhaul of any custom-designed or custom-manufactured part of the Work by Canada if those parts are not available on reasonable commercial terms to enable timely maintenance, repair or overhaul;
- (c) for disclosure to any contractor engaged by Canada (or bidder for such a contract) to be used solely for a purpose set out in paragraph (a) or (b), but in the case of paragraph (b), only if the Contractor is unable or unwilling to provide the spare parts on reasonable commercial terms and within reasonable delivery times;

and the Contractor agrees to make any such Background Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.

2. Notwithstanding subsection 1, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 1 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms.
3. Canada may wish to award contracts to third party contractors under subsection 1, and such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in Background Information includes the right to disclose the Background Information to bidders for such contracts, and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.
4. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsection 1 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.

**9601-7 05 (10/12/01) Right to License**

The Contractor represents and warrants that the Contractor has, or the Contractor shall obtain, without delay, the right to grant to Canada the license to exercise the Intellectual Property Rights in the Background Information as required by the Contract.

**9601-7 06 (25/05/01) Access to Information; Exception to Contractor Rights**

1. Subject to the *Access to Information Act*, R.S.C., c. A-1, and to any right of Canada under the Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any Background Information delivered to Canada under the Contract that is confidential information or a trade secret of the Contractor or a Subcontractor.
2. Nothing in these terms and conditions shall be construed as limiting Canada's right to exercise the Intellectual Property Rights in any Background Information, or to disclose any Background Information, to the extent that such information:

- (a) is or becomes in the public domain, or to the extent that the Contractor does not benefit from or ceases to benefit from any intellectual property rights protection for such information under legislation or at law (other than under the terms of the Contract), for any reason including as a result of Canada's use or disclosure of deliverables under the Contract for any purpose whatever that is not expressly excluded under the Contract;
- (b) is or becomes known to Canada from a source other than the Contractor, except from any source that is known to Canada to be under an obligation to the Contractor not to disclose the information;
- (c) is independently developed by or for Canada; or
- (d) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.

**9601-7 07 (25/05/01) Waiver of Moral Rights**

1. The Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of moral rights (as that term is defined in the *Copyright Act*, R.S.C., c. C-42), in a form acceptable to the Minister, from every author that contributed to any Foreground Information which is subject to copyright protection and which is deliverable to Canada under the terms of the Contract.
2. If the Contractor is an author of the Foreground Information referred to in subsection 1, the Contractor hereby permanently waives the Contractor's moral rights in that Foreground Information.



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LAB-180      00      (12/05/00)      Labour Conditions - Fair Wages and Hours of Labour

**Public Works and Government Services Canada**

- 01 Interpretation
- 02 General Fair Wage Clause
- 03 Hours of Work
- 04 Labour Conditions to be Posted
- 05 The Contractor to Keep Records which are to be Kept Open for Inspection
- 06 Departmental Requirements before Payment made to Contractor
- 07 Authority to pay Wages in the Event of Default by the Contractor
- 08 Conditions of Subcontracting
- 09 Non-discrimination in Hiring and Employment of Labour

**LAB-180      01      (12/05/00)      Interpretation**

## 1. In these Conditions

"*Act*" means the Fair Wages and Hours of *Labour Act*;

"*Regulations*" means the Fair Wages and Hours of Labour Regulations made pursuant to the Act;

"*Contract*" means the contract of which these Labour Conditions are part;

"*Contracting Authority*" means the department of Government or a crown corporation with whom the contract is made;

"*Contractor*" means the person who has entered into the contract with the contracting authority;

"*Regional Director*" means the director of a regional office of the Department of Human Resources Development or the director's designated representative;

"*Inspector*" has the meaning assigned to the term by Part III of the Canada Labour Code.

"*Minister*" means the Minister of Labour of Canada;

"*persons*" means those workers employed by the contractor, subcontractor or any other person doing or contracting to do the whole or any part of the work contemplated by the contract;

**LAB-180      02      (12/05/00)      General Fair Wage Clause**1. All persons in the employ of the *Contractor*, subcontractor, or any other person doing or contracting to do the whole or any part of the work contemplated by the *Contract*, shall during the continuance of the work:

(a) be paid fair wages that is, such wages as are generally accepted as current for competent workers in the district in which the work is being performed for the character or class of work in which such workers are respectively engaged; and

(b) in all cases, be paid no less than the minimum hourly rate of pay established by the Labour Program of the Department of Human Resources Development in the Fair Wage Schedules which form a part of this *Contract* as Appendix A to these Labour Conditions; and

(c) for contracts covering work performed in the province of Quebec, be paid at least the wage rates established by that province for the purposes of the Quebec "Construction Decree".

2. Where there is no wage rate in the schedules referred to in 1. for a particular character or class of work, the *Contractor* shall pay wages for that character or class of work at a rate not less than the rate for an equivalent character or class of work.3. Where during the term of the *Contract*, the *Contractor* receives notice from the *Contracting Authority* of any change in wage rates, the *Contractor* shall pay not less than the changed wage rate beginning on the first day after receipt, by the *Contractor*, of the notice of the change in wage rates.**LAB-180      03      (12/05/00)      Hours of Work**1. The hours of work in a day and in a week of *persons* employed in the execution of the *Contract*, including the hours of work in excess of which a person shall be paid overtime at a rate at least equal to one and one half times the fair wage, are the hours of work for the province in which the work is being performed as set out from time to time in an Act of that province.



2. The daily or weekly hours of work referred to in paragraph 1. may be exceeded in accordance with the applicable provincial law.

**LAB-180      04      (12/05/00)      Labour Conditions to be Posted**

For the information and the protection of all *persons*, the *Contractor* agrees to post and keep posted, in a conspicuous place on the premises where work contemplated by the *Contract* is being carried out or on premises occupied or used by persons engaged in carrying out such work, a copy of these Labour Conditions, and a copy of the applicable Fair Wage Schedules along with any subsequent changes.

**LAB-180      05      (12/05/00)      The Contractor to Keep Records which are to be Kept Open for Inspection**

1. The *Contractor* agrees to keep books and records showing the names, addresses, classifications of employment and work of all workers employed under the *Contract*, the rate of wages to be paid, the wages paid and the daily hours worked by the workers.
2. The *Contractor* also agrees that the *Contractor's* books, records and premises will be open at all reasonable times for inspection by an *Inspector*.
3. The *Contractor* also agrees to furnish the *Inspector* and the *Contracting Authority*, on request, with such further information as is required to ascertain that the requirements of the *Act*, the *Regulations* and the *Contract* with respect to wages, hours of work and other labour conditions have been complied with.

**LAB-180      06      (12/05/00)      Departmental Requirements before Payment made to Contractor**

1. The *Contractor* agrees that the *Contractor* will not be entitled to payment of any money otherwise payable under the *Contract* until the *Contractor* has filed with the *Contracting Authority* in support of a claim for payment a sworn statement:
  - (a) that the *Contractor* has kept the books and records required by these *Regulations*,
  - (b) that there are no wages in arrears in respect of work performed under the *Contract*, and
  - (c) that to the *Contractor's* knowledge, all the conditions in the *Contract* required by the *Act* and the *Regulations* have been complied with.
2. The *Contractor* also agrees that, where fair wages have not been paid by the *Contractor* to *persons* employed under the *Contract*, the *Contracting Authority* shall withhold from any money otherwise payable under the *Contract* to the *Contractor* the amount necessary to ensure that fair wages are paid to all employees until fair wages are paid.

**LAB-180      07      (12/05/00)      Authority to pay Wages in the Event of Default by the Contractor**

1. The *Contractor* agrees that where the *Contractor* is in default of payment of fair wages to an employee, the *Contractor* will pay the *Minister* the amount the *Contractor* is in default.
2. The *Contractor* agrees that where the *Contractor* fails to comply with paragraph 1., the *Contracting Authority* will pay to the Receiver General, out of any money otherwise payable to the *Contractor*, the amount for which the *Contractor* is in default.

**LAB-180      08      (12/05/00)      Conditions of Subcontracting**

The *Contractor* and the subcontractor agree that in subcontracting any part of the work contemplated by the *Contract*, they will place in the subcontract the conditions respecting fair wages, hours of work and other labour conditions set out in the *Contract* and the requirements set out in Section 4. The *Contractor* further agrees that the *Contractor* will be responsible for carrying out these conditions in the event the subcontractor fails to carry them out.

**LAB-180      09      (12/05/00)      Non-discrimination in Hiring and Employment of Labour**

1. The *Contractor* agrees that in the hiring and employment of workers to perform any work under the *Contract*, the *Contractor* will not refuse to employ and will not discriminate in any manner against any person because
  - (a) of that person's race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, disability, conviction for which a pardon has been granted, or family status;
  - (b) of the race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, disability, conviction for which a pardon has been granted, or family status of any person having a relationship or association with that person, or
  - (c) a complaint has been made or information has been given in respect of that person relating to an alleged failure by the *Contractor* to comply with subparagraph (a) or (b).

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**LAB-180B      00      (16/02/98)      Labour Conditions**

Public Works and Government Services Canada

(For use in contracts for the manufacture and supply of articles and things)

- 01 Fair Wages and Hours Provisions
- 02 Fair Wages Provisions to be Posted
- 03 Contractor to Keep Records which are to be Open for Inspection
- 04 Premises and Work to be Kept Open for Inspection
- 05 Conditions of Subcontracting
- 06 Workmen to be Residents of Canada
- 07 Departmental Requirements before Payments made to Contractor
- 08 Authority to Pay Wages in Event of Default by Contractor
- 09 Non-discrimination Provision

**LAB-180B 01 (06/91) Fair Wages and Hours Provisions**

1. All workmen, labourers, or other persons who perform labour in the construction of the work hereby contracted for, shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged, and if there be no current rate in such district, then a fair and reasonable rate. In no event shall the wages for the particular classification or classifications of labour concerned be less than those established by statute or regulation of the province in which the work is being performed.
2. The working hours shall be those fixed by the custom of the trade as respects hours in the district where the work is carried on, or if there be no custom of the trade as respects hours in the district, then fair and reasonable hours, except for the protection of life and property, or on due cause shown to the satisfaction of the Minister of Labour.
3. Where there are special circumstances which in the judgment of the Minister of Labour make it expedient that he should do so he may decide what are the current or fair and reasonable rates of wages for overtime, and what is the proper classification of any work for the purposes of wages and hours. Immediately upon receipt of notice of any decision of the Minister of Labour hereunder the contractor shall adjust the wages and hours and classification of work so as to give effect to such decision. In the event of a dispute arising as to what is the current or a fair and reasonable rate of wages, or what are the current hours fixed by the custom of the trade or fair and reasonable hours or as to rates for overtime it shall be determined by the Minister of Labour, whose decision shall be final; payment may also be withheld of any moneys which would otherwise be payable to the contractor until the Minister of Labour's decision has been complied with.

By the term "current wages" and the term "hours of labour fixed by the custom of the trade", in the foregoing, are meant respectively the standard rates of wages and hours of labour either recognized by signed agreements between employers and workmen in the district from which the labour required is necessarily drawn or actually prevailing, although not necessarily recognized by signed agreements.

**LAB-180B 02 (06/91) Fair Wages Provisions to be Posted**

The contractor shall post and keep posted in a conspicuous place on the premises where the contract is being executed, occupied or frequented by the workpeople, the foregoing fair wages provisions for the protection of the workpeople employed.

**LAB-180B 03 (06/91) Contractor to Keep Records which are to be Kept Open for Inspection**

The contractor shall keep proper books and records showing the names, ages, trades and addresses of all workmen in his employ and the wages paid to and time worked by each workman and the books and documents containing such records shall be open for inspection by a Fair Wages Officer of the Government at any time it may be expedient to the Minister of Labour to have the same inspected.

**LAB-180B 04 (06/91) Premises and Work to be Kept Open for Inspection**

The contractor's premises and the work being performed under this contract shall be open for inspection at all reasonable times by any officer authorized by the Minister of Labour for this purpose; all such premises shall be kept by the contractor in sanitary condition.

**LAB-180B 05 (06/91) Conditions of Subcontracting**

With a view to avoidance of any abuses which might arise from the subletting of contracts it shall be understood that subletting is prohibited unless the approval of the Minister is obtained; subcontractors shall be bound in all cases to conform to the Conditions of the main contract, and the main contractor shall be held responsible for strict adherence to all contract conditions on the part of subcontractors; the contract shall not, nor shall any portion thereof be transferred without the written permission of the Minister; no portion of the work to be performed shall be done at the homes of the workpeople, or, except as specially provided for under legislative authority, by inmates of penal institutions.

**LAB-180B 06 (06/91) Workmen to be Residents of Canada**

All workmen employed upon the work comprehended in and to be executed pursuant to this contract shall be residents of Canada, unless the Minister is of opinion that Canadian labour is not available or that special circumstances exist which would render it contrary to the public interest to enforce this provision.

**LAB-180B 07 (06/91) Departmental Requirements before Payments made to Contractor**

1. The contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the contract in respect of work and labour performed in the execution of the contract unless and until he shall have filed in the office of the Minister in support of his claim for payment a statement attested by statutory declaration showing:
  - (a) the rates of wages and hours of labour of the various classes of workmen employed in the execution of the contract;
  - (b) whether any wages in respect of the said work and labour remain in arrears;
  - (c) that all the labour conditions of the contract have been duly complied with; or, in the event of notice from the Minister of Labour of claims for wages, until the same are adjusted. The contractor shall also from time to time furnish to the Minister such further detailed information and evidence as the Minister may deem necessary in order to satisfy him that the Conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid upon the portion of the work in respect of which payment is demanded have been paid in full.

**LAB-180B 08 (06/91) Authority to Pay Wages in Event of Default by Contractor**

In the event of default being made in payment of any money owing in respect of wages of any workman employed on the said work, and if a claim therefor is filed in the office of the Minister and proof thereof satisfactory to the Minister is furnished, the said Minister may pay such claim out of the moneys at any time payable by Her Majesty under said contract and the amount so paid shall be deemed payments to the contractor.

**LAB-180B 09 (06/91) Non-discrimination Provision**

1. In the hiring and employment of workmen to perform any work under this contract, the contractor shall not refuse to employ and shall not discriminate in any manner against any person because
  - (a) of that person's race, national origin, colour, religion, age, sex or marital status,
  - (b) of the race, national origin, colour, religion, age, sex or marital status of any person having any relationship or association with that person, or
  - (c) a complaint has been made or information has been given by or in respect of that person relating to an alleged failure by the contractor to comply with subparagraph (a) or (b).

2. If any question arises at any time as to whether or not there has been a failure on the part of the contractor to comply with the provisions of this clause, the Minister or Deputy Minister of Labour or any other person designated by the Minister of Labour for the purpose shall decide the question, subject to subsection 5, and his decision shall be final for the purpose of this contract.
3. The contractor shall make available to the Minister or Deputy Minister of Labour or any person instructed by the Minister or Deputy Minister of Labour to inquire into any complaint of non-compliance with the provisions of this clause or to otherwise make inquiries as to compliance by the contractor with the provisions thereof, his books and records and shall furnish to him such additional information as is required by him for the purposes of the inquiry.
4. Failure of the contractor to comply with any of the provisions of this clause shall constitute a material breach of the contract.
5. If the contractor is dissatisfied with a decision under subsection 2 of this clause, he may, within thirty days after the decision was made, request the Minister of Labour to refer the question to a judge, and thereupon the Minister of Labour shall refer the question to a judge of a superior, county or district court, whose decision is final for the purposes of this contract.

### **TABLE OF CONTENTS**

**NOTE:** Readers will note that "REMARKS" have been provided for many clauses. These Remarks are intended to serve as a quick reference for procurement officers regarding the recommended use of certain clauses. The use of a particular clause in a solicitation or contractual document is determined by the procurement officer after an examination of the specific requirement and any special circumstances which surround it.

Subsection:

#### **A. INSTRUCTIONS TO BIDDERS AND CONTRACTORS**

|            |                                           |
|------------|-------------------------------------------|
| A0000      | Incorporation by Reference                |
| A0001-0999 | Consideration of Bids/Evaluation Criteria |
| A1000-1999 | Authorities                               |
| A2000-2999 | Use of Non-Permanent Residents            |
| A7000-7999 | Maintenance/Services                      |
| A8000-8999 | Lease/Rentals                             |
| A9000-9999 | Other                                     |

#### **B. REQUIREMENTS DEFINITION**

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| B1000-1999 | Materiel                                |
| B2000-2999 | Qualified, Approved, Certified Products |
| B3000-3999 | Equivalent Substitutes                  |
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| B5000-5999 | Design Changes                          |
| B6000-6999 | Care of Crown Property                  |
| B7000-7999 | Quantity                                |
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#### **C. PRICE**

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| C0001-0499 | Firm Price                                   |
| C0500-0999 | Fixed Time Rates                             |
| C1000-1499 | Ceiling Price                                |
| C2000-2999 | Taxes and Duties                             |
| C3000-3999 | Foreign Exchange and Escalation of Materials |

C4000-5999    Transportation Expenses  
C6000-6999    Financial Limitations  
C9000-9999    Other

**D. DELIVERY, INSPECTION AND ACCEPTANCE**

|            |                           |
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| D0001-0999 | Delivery Requirements     |
| D1000-3999 | Preparation for Delivery  |
| D4000-4999 | Shipment and FOB          |
| D5000-5999 | Inspection and Acceptance |
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**E. FINANCIAL SECURITY**

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**F. INDUSTRIAL SECURITY**

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| G3000-3999 | Government Property        |
| G4000-4999 | Aircraft Charter           |
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**H. TERMS OF PAYMENT**

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| H1000-2999 | Method of Payment            |
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| H9000-9999 | Other                        |

**I. TO BE ASSIGNED**



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**K. GENERAL CONDITIONS - MODIFICATIONS**

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| M0001-1999 | Instructions to Bidders and Contractors |
| M2000-2999 | Requirements Definition                 |
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| M7000-7999 | Reports                                 |
| M8000-8999 | Applicable General Conditions           |
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**N-O TO BE ASSIGNED**

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| W0040-0049 | Inuit of Nunavut Land Claims Agreement                                                                                                                                                                 |
| W0050-0119 | Umbrella Final Agreement, Council for Yukon Indians                                                                                                                                                    |
| W0120-0129 | Sahtu Dene and Metis Comprehensive Land Claim Agreement                                                                                                                                                |
| W0130-0139 | Agreement for the Establishment of a National Park on Banks Island                                                                                                                                     |
| W0140-0149 | Tuktut Nogait National Park Co-management Agreement                                                                                                                                                    |
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**X. RESERVED FOR LOCAL CLAUSES ON ABE (not published in SACC Manual)**

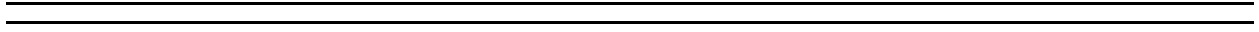
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## **Section 5**

# **STANDARD PROCUREMENT CLAUSES**





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## **Section 5**

### **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contract documents in conjunction with clauses A0000T, "Standard Instructions and Conditions" and K0000D, "Conditions". For Standing Offers, refer to clause M0000C.

**A0000C (13/12/02) Standard Instructions and Conditions**

### Terms and Conditions of the Contract

1. Pursuant to the *Department of Public Works and Government Services Act*, S.C. 1996, c.16,
  - (a) the general terms, conditions and clauses identified herein by title, number and date, are hereby incorporated by reference into and form part of this Contract, as though expressly set out herein, subject to any other express terms and conditions herein contained.
  - (b) the Conditions set out in part B of the Standard Instructions and Conditions DSS-MAS \_\_\_\_\_ (\_\_\_\_\_), of the *Standard Acquisition Clauses and Conditions Manual*, are hereby incorporated by reference into and form part of this Contract.

### Standard Acquisition Clauses and Conditions Manual

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

A hard copy of the SACC Manual (Catalogue No. P60-4/1) is available through your local book seller or by mail from:

Canadian Government Publishing  
Communication Canada  
Ottawa, Ontario K1A 0S9

Telephone: (819) 956-4800  
Fax: (819) 994-1498  
Orders only: 1-800-635-7943

An electronic version is also available at the following PWGSC Website:

<http://www.pwgsc.gc.ca/sacc>.

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**A0000C (24/05/02) Standard Instructions and Conditions**

Effective 13/12/02, this clause is superseded by A0000C.

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# A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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## **A0000D (01/12/92) Standard Instructions and Conditions**

Effective 29/10/93, this clause is superseded by A0000T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitations in conjunction with clauses A0000C, "Standard Instructions and Conditions" and K0000D, "Conditions". Contracting officers are to specify, where indicated, the applicable set of Standard Instructions and Conditions, including title, number and date. For Standing Offers, refer to clause M0000T.

## **A0000T (13/12/02) Standard Instructions and Conditions**

### **Terms and Conditions of Solicitation and Resulting Contract**

1. Pursuant to the *Department of Public Works and Government Services Act*, S.C. 1996, c.16,
  - (a) the general terms, conditions and clauses identified herein by title, number and date, are hereby incorporated by reference into and form part of this bid solicitation and any resulting contract, as though expressly set out herein, subject to any other express terms and conditions herein contained.
  - (b) the Conditions set out in Part B of Standard Instructions and Conditions, DSS-MAS \_\_\_\_ (\_\_\_\_), of the *Standard Acquisition Clauses and Conditions* Manual, are hereby incorporated by reference into and form part of this solicitation. Submission of a bid constitutes acknowledgement that the Bidder has read and agrees to be bound by such instructions.

### **Standard Acquisition Clauses and Conditions Manual**

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

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0000T (24/05/02) Standard Instructions and Conditions**

Effective 13/12/02, this clause is superseded by A0000T.

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**A0001T (01/12/92) Survey of Facilities**

Effective 31/03/95, this clause is superseded by A0020T.

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**A0002C (01/06/91) Recoupment Charges - Defence Supplies**

This clause is cancelled effective 29/10/93.

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**A0002T (01/06/91) Recoupment Charges - Defence Supplies**

This clause is cancelled effective 29/10/93.

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**A0003T (01/06/91) Evaluation Criteria and Relative Weights**

This clause is cancelled effective 31/03/95.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0004T            (01/05/93)            GATT - Notice to Suppliers**

Effective 29/10/93, this clause is superseded by A0048T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The procurement officer must edit the clause as required by the situation.

**A0005T            (12/05/00)            Evaluation Criteria - Goods**

1.        The following factors will be taken into consideration in the evaluation of each bid:

- (a)        Technical compliance;
  - (b)        Delivery requirement;
  - (c)        Inspection requirement;
  - (d)        Packaging requirement;
  - (e)        Descriptive literature (where applicable);
  - (f)        Transportation costs (where applicable);
  - (g)        Compliance with proposed pricing methods;
  - (h)        Price;
  - (i)        Acceptance of PWGSC terms and conditions as mentioned in the bid solicitation;
  - (j)        Completion of the solicitation.
- 
- 

**A0005T            (31/03/95)            Evaluation Criteria - Goods**

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**A0006T            (01/12/00)            Request for Proposal**

This clause is cancelled effective 13/12/02.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0006T (29/10/93) Request for Proposal**

Effective 01/12/00, this clause is superseded by A0006T.

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**A0007T (01/04/92) FTA - Notice to Suppliers**

Effective 29/10/93, this clause is superseded by A0048T.

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**A0008T (01/04/92) GATT - Notice to Suppliers**

Effective 01/05/93, this clause is superseded by A0004T.

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**A0009T (01/06/91) Instructions to Suppliers**

This clause is cancelled effective 01/12/92.

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**A0010T (01/06/91) Instructions to Suppliers**

Effective 29/10/93, this clause is superseded by A0048T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0011T (13/12/02) Work Schedule**

1. With its bid, the Bidder must provide a realistic target date for each of the following significant events:

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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- (a) \_\_\_\_\_;
- (b) \_\_\_\_\_;
- (c) \_\_\_\_\_;
- (d) \_\_\_\_\_;
- (e) \_\_\_\_\_;
- (f) \_\_\_\_\_;
- (g) \_\_\_\_\_.

2. The Bidder selected to carry out the Work will be required to provide to the Minister and the Inspector a detailed bar chart work schedule two (2) weeks after award of Contract. This schedule must highlight the specific dates for the events listed above and all items listed in the \_\_\_\_\_ as well as the trials. Furthermore, the schedule is to be regularly updated and available in the Contractor's office for review by the Crown's authorities to determine the progress of the Work.
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**A0011T (01/06/91) Work Schedule**

Effective 13/12/02, this clause is superseded by A0011T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in competitive bid solicitations.

**A0012T (13/12/02) Communications - Solicitation Period**

1. To ensure the integrity of the competitive bid process, enquiries and other communications regarding this procurement, from the issue date of the solicitation up to the award date, are to be directed **only** to the individual named on page one (1) of the bid solicitation. Enquiries and other communications are **not** to be directed to any other government official(s). Failure to comply with this paragraph 1 will (for that reason alone) result in disqualification of your bid.
  2. Enquiries must be **in writing**.
  3. Enquiries must be received no less than \_\_\_\_\_ calendar days prior to the bid closing date to allow sufficient time to provide a response. Enquiries received after that time might not be answered prior to the bid closing date.
  4. To ensure consistency and quality of information provided to bidders with respect to significant enquiries received, and the replies to such enquiries, any information will be provided simultaneously to bidders to which this solicitation has been sent, without revealing the sources of the enquiries.
- 
-

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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### **A0012T (12/05/00) Enquiries - Solicitation Stage**

Effective 13/12/02, this clause is superseded by A0012T.

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### **A0013T (01/06/91) Invitation to Submit Proposal**

Effective 29/10/93, this clause is superseded by A0006T.

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### **A0014T (01/06/91) Unscheduled Work and Evaluation Price**

Effective 01/12/92, this clause is superseded by C0417T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. THIS CLAUSE IS TO BE USED AS A GUIDE ONLY.** Contracting officers must edit the list of criteria and indicate for each whether it is mandatory or desirable as required by the situation. A clause concerning contractor selection method should be included in the bid solicitation.

### **A0015T (15/12/95) Evaluation of Bids**

1. Canada will evaluate the bids received and such evaluation will be based on the following factors:
  - (a) compliance with the terms and conditions of this bid solicitation;
  - (b) the lowest evaluation price for a technically compliant proposal to Canada for the Work, having regard to qualifications, exceptions or alterations to the technical requirements;
  - (c) assessment of all technical documentation and information for technical compliance;
  - (d) delivery date;
  - (e) other criteria:

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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[Procurement officer to list criteria. The number of criteria should be adequate for comparative judgement. They should measure both the competence of the bidder and the worth of the bidder's particular technical approach.

The former set of considerations would include such factors as those relating to managerial structure, key personnel, prior industrial experience, facilities and financial strength. The latter set would include the proposed work breakdown structure, identification of key technical problems and outlines of solutions, proposed schedule of milestones, quality and time control systems to be employed.]

2. Canada reserves the right to reject any bid which does not comply with this solicitation. Any deviation is to be clearly identified and supported with full details.
3. Any bidder may be required to demonstrate to Canada's satisfaction that it is capable of successfully completing the Work in accordance with this solicitation. A Liquidated Damages clause may form part of any resulting contract.
4. Should the Bidder provide the requested information to Canada in confidence while indicating that the disclosed information is confidential, then Canada will treat the information in a confidential manner as provided in the *Access to Information Act*.

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**A0015T            (31/03/95)            Evaluation of Bids**

Effective 15/12/95, this clause is superseded by A0015T.

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**A0016T            (01/06/91)            Notes to Bidders**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
Procurement officers are to insert the place, time and date for the public bid opening.

**A0017T            (29/10/93)            Public Opening**

A public bid opening will be held in \_\_\_\_\_ (insert place) at \_\_\_\_\_ (insert time and time zone) on \_\_\_\_\_ (insert date).



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0017T            (01/06/91)            Public Opening**

Effective 29/10/93, this clause is superseded by A0017T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0018T            (24/05/02)            Motors - Specifications**

1. The Bidder **must** provide the following information on the motor(s) supplied with the equipment quoted on:

- (a) Manufacturer
- (b) Model
- (c) Rating:
  - Horse-power
  - Voltage
  - Phase
  - Type of insulation
- (d) Speed

Electrical components certified by an organization accredited by the Standards Council of Canada:

**YES** \_\_\_\_\_      **NO** \_\_\_\_\_

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**A0018T            (29/10/93)            Motors - Specifications**

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**A0019T            (31/01/92)            Assessment**

This clause is cancelled effective 29/10/93.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause is to be used whenever bidders' status and capabilities form part of the evaluation criteria.

**A0020T            (31/03/95)            Bidder - Information on Capabilities**

During the bid evaluation phase and upon Canada's request, the bidder will allow Canada to conduct an evaluation, which may include but not be limited to, bidder's legal status, facilities and technical, financial and managerial capabilities to fulfill the requirements stated in this bid solicitation. The information must be provided within ten (10) calendar days of the request.

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**A0021T            (01/08/92)            Enquiries**

Effective 29/10/93, this clause is superseded by A0012T.

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**A0022T            (01/08/92)            Enquiries**

Effective 01/12/92, this clause is superseded by M0006T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations covering professional services requirements.

**A0023T            (15/06/98)            Presentation of Proposals**

**(\*\*DELETE ALL LINES WITHIN ASTERISKS [\*\*], AS WELL AS THIS INSTRUCTION, WHEN ALL EDITS ARE COMPLETE \*\*)**

Bidders are required to provide three (3) copies of their bid in two separate parts, as follows:

- Technical Proposal
- Proposed Basis of Payment

**RULES FOR TECHNICAL PROPOSAL**

Your technical proposal should address each of the following elements in the order in which they appear below.

**1.            Mandatory Requirement**

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**[\*\*THE CONTRACTING OFFICER IS TO GROUP UNDER THIS HEADING THOSE OF THE FOLLOWING REQUIREMENTS THAT ARE MANDATORY\*\*]**

### **2. Requirements Subject to Point Rating**

**[\*\*THE CONTRACTING OFFICER IS TO GROUP UNDER THIS HEADING THOSE OF THE FOLLOWING REQUIREMENTS THAT ARE SUBJECT TO POINT RATING, MAKING SURE THAT THE SCORING METHOD FOR EACH IS INCLUDED IN THE SOLICITATION\*\*]**

#### **REQUIREMENTS**

##### **1. Proposed Personnel:**

**[\*\*INCLUDE THE FOLLOWING IF MANDATORY\*\*]**

The proposed project team must include the following categories of personnel, as a minimum:

- (a) The proposed \_\_\_\_\_ must have a \_\_\_\_\_ (degree, certificate, etc).
- (b) The proposed \_\_\_\_\_ must have a minimum of \_\_\_\_\_ years experience in \_\_\_\_\_.
- (c) The personnel proposed must have participated in \_\_\_\_\_ project(s) similar in scope to this requirement.

**[\*\*INCLUDE THE FOLLOWING IF SUBJECT TO POINT RATING\*\*]**

- (a) Specify educational attainments possessed by \_\_\_\_\_.
- (b) Specify number of years of experience in \_\_\_\_\_ possessed by \_\_\_\_\_.
- (c) Specify number of projects similar in scope to this requirement in which \_\_\_\_\_ has acted in a comparable capacity.

**[\*\*THE FOLLOWING MUST ACCOMPANY THE ABOVE TEXT, WHETHER MANDATORY OR OTHERWISE\*\*]**

In order to demonstrate that the proposed personnel possess the qualifications specified above, bidders (should/must) provide:

- (a) detailed résumés for each person proposed stating the individual's education, work history and other relevant details, which clearly indicate that the individual meets the qualifications. Failure to provide sufficient details may result in your bid being evaluated as non-responsive;
- (b) a list of relevant projects, including a brief description of the project, the responsibilities of each of the personnel proposed, the project duration, the dollar value and the client from whom the work was done.

The following certification MUST form part of any bid:

#### **CERTIFICATION**

"We hereby certify that all the information provided in the attached résumés and supporting material, particularly as this information pertains to education achievements, experience and work history, has been verified by us to be true and accurate. We further certify that, should we be awarded a contract, the

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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personnel proposed will be available to perform the tasks described herein, as and when required by the Project Authority."

\_\_\_\_\_  
Signature of Authorized  
Company Official

\_\_\_\_\_  
Date

### 2. Firm's experience and expertise

**[\*\*INCLUDE THE FOLLOWING IF MANDATORY\*\*]**

The firm must have completed \_\_\_\_\_ projects similar in scope to the requirement defined herein.

**[\*\*INCLUDE THE FOLLOWING IF SUBJECT TO POINT RATING\*\*]**

State the number of projects similar in scope to the requirement defined herein: \_\_\_\_\_ projects

**[\*\*THE FOLLOWING MUST ACCOMPANY THE ABOVE TEXT, WHETHER MANDATORY OR OTHERWISE\*\*]**

In order to demonstrate that the firm possesses the required qualifications, bidders (should/must) provide a list of relevant projects completed, including a brief description of each project, the responsibilities of the firm, the project duration, the dollar value and the client for whom the work was performed.

### 3. Approach and methodology

**[\*\*THIS REQUIREMENT IS ALWAYS SUBJECT TO A POINT RATING AND MUST BE INCLUDED IN THE SOLICITATION\*\*]**

This section must outline the comprehensive approach to be followed in completing all aspects of the Scope of Work. A detailed work plan, outlining the methodology, specific activities planned, the timing and associated level of effort by labour category or individual, must be provided for each task specified under the Scope of Work. Sufficient detail is to be provided to allow a complete understanding of how the work is to be carried out. The team organization and the responsibilities of each team member must also be described.

The information provided in a bid will also be used to assess the bidder's understanding of the problems and objectives of this requirement.

### 4. Corporate name

**[\*\*THIS REQUIREMENT IS ALWAYS MANDATORY FOR A BIDDER THAT IS INCORPORATED\*\*]**

The bid must contain a statement giving the date and jurisdiction under which the bidder was legally incorporated and the current percentage of Canadian ownership.

\_\_\_\_\_

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0023T (31/03/95) Presentation of Proposals**

Effective 15/06/98, this clause is superseded by A0023T.

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**A0024D (01/08/92) Presentation of Offers**

Effective 01/12/92, this clause is superseded by M0007T.

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**A0025C (31/01/92) Basis of Selection**

This clause is cancelled effective 29/10/93.

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**A0026D (01/08/92) Basis of Selection**

Effective 01/12/92, this clause is superseded by M0008T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0027D (29/10/93) Format and Content of Proposal**

1. Three (3) copies of your proposal are required. It must be presented in the following three parts:
  - (a) Request for Proposal (RFP) document:  
Duly completed and signed.
  - (b) Technical Proposal:  
Your technical proposal addressing each of the criteria specified in this RFP by clause and subclause.

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(c) Cost Proposal:

Your cost proposal addressing each of the cost elements specified in this RFP.

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### **A0027D (31/01/92) Format and Content of Proposal**

Effective 29/10/93, this clause is superseded by A0027D.

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### **A0028D (31/01/92) Completion of Proposal**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

### **A0029T (29/10/93) Evaluation of Proposals**

1. Proposals will be assessed using the criteria specified herein based on the information the Bidder has been asked to provide in its proposal, namely:
    - (a) Technical Proposal
    - (b) Proposed Basis of Payment
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### **A0029T (01/08/92) Evaluation of Proposals**

Effective 29/10/93, this clause is superseded by A0029T.

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**A0030T            (31/01/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0034T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when selection will be on the basis of the lowest priced bid meeting mandatory minimum requirements only.

**A0031T            (31/03/95)            Basis of Selection**

To be considered responsive, a bid must meet all of the mandatory requirements of this solicitation. Bids not meeting all of the mandatory requirements will be given no further consideration. The lowest priced responsive bid will be recommended for award of a contract or issuance of a standing offer, as the case may be.

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**A0031T            (31/01/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0031T.

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**A0032T            (31/01/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0035T.

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**A0033T            (31/01/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0036T.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the evaluation will be done using mandatory minimum requirements and point rating where the selection will be on the basis of the lowest-priced responsive bid. In the first blank, contracting officers are to insert the percentage minimum number of points and in the second blank the total point rating scale. It must be used in conjunction with A0200T or similar clause. An alternate clause to this could be A0265T.

**A0034T            (31/03/95)            Basis of Selection**

1. To be considered responsive, a bid must:
    - (a) meet all the mandatory requirements of this solicitation; and
    - (b) obtain the required minimum of \_\_\_\_\_ percent of the points for the criteria specified in this solicitation, which are subject to point rating. The rating is performed on a scale of \_\_\_\_\_ points.
  2. Bids not meeting (a) or (b) above will be given no further consideration. The lowest priced responsive bid will be recommended for award of a contract or issuance of a standing offer, as the case may be.
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**A0034T            (31/01/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0034T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the evaluation will be done using mandatory minimum requirements and point rating where the selection will be on the basis of the best overall value. In the first blank, contracting officers are to insert the percentage minimum number of points and in the second blank the total point rating scale. It must be used in conjunction with A0200T or similar clause. An alternate clause to this could be A0270T.

**A0035T            (31/03/95)            Basis of Selection**

1. To be considered responsive, a bid must:
  - (a) meet all the mandatory requirements of this solicitation; and
  - (b) obtain the required minimum of \_\_\_\_\_ percent of the points for the criteria which are subject to point rating specified in this solicitation. The rating is performed on a scale of \_\_\_\_\_ points.
2. Bids not meeting (a) or (b) above will be given no further consideration. Neither the responsive bid that scores the highest number of rated points nor the one that contains the lowest price will necessarily be accepted. The responsive bid with the lowest price



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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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per rated point will be recommended for award of a Contract or issuance of a standing offer, as the case may be.

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**A0035T (31/01/92) Basis of Selection**

Effective 31/03/95, this clause is superseded by A0035T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the evaluation will be done using mandatory minimum requirements and point rating and where the selection will be on the basis of the highest rated technical proposal. This clause must be used in conjunction with A0200T or similar clause. In the first blank, procurement officers are to insert the percentage minimum number of points and in the second blank the total point rating scale. Consideration should be given to using this clause in conjunction with A0210T Maximum Funding, or some other clause which indicates to prospective bidders the level of effort required. An alternate clause to this could be A0275T.

**A0036T (31/03/95) Basis of Selection**

1. To be considered responsive, a bid must:
    - (a) meet all the mandatory requirements of this solicitation; and
    - (b) obtain the required minimum of \_\_\_\_\_ percent of the points for the criteria which are subject to point rating. The rating is performed on a scale of \_\_\_\_\_ points.
  2. Bids not meeting (a) or (b) above will be given no further consideration. The responsive bid that scores the highest number of rated points will be recommended for award of a contract or issuance of a standing offer, as the case may be, provided that the estimated total price does not exceed the funds available for this requirement.
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**A0036T (31/01/92) Basis of Selection**

Effective 31/03/95, this clause is superseded by A0036T.

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**A0037T (13/12/99) Instructions to Proposers**

Effective 12/05/00, this clause is superseded by A0012T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations covering air charters for the transportation of goods and passengers.

**A0038T (13/12/02) Air Transport**

1. In the operation of the service described herein, the Carrier shall comply with the provisions of the *Canada Transportation Act, 1996*, the *Aeronautics Act* and with all directions, orders, rules and regulations made thereunder which are applicable to the said service.
  2. The pilot-in-command of the aircraft shall receive and act upon instructions given by the authorized representative of the Charterer in respect of the scheduling and operational use of the Carrier's aircraft, subject to the serviceability of the aircraft and weather conditions.
  3. When, for safety or other reasons, the Carrier or pilot-in-command temporarily suspends a flight or any portion of the specified service, the Charterer shall have the right to demand a written statement of cause.
  4. The aircraft provided for the purpose of this charter shall be equipped with serviceable radio equipment capable of transmitting and receiving on frequencies in use at departure, en route and destination; and with an Emergency Locator Transmitter (ELT).
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**A0038T (29/10/93) General Specifications**

Effective 13/12/02, this clause is superseded by A0038T.

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**A0039T (01/08/92) Basis for Selection of Carrier**

Effective 29/10/93, this clause is superseded by A0031T.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0040T (01/08/92) Basis of Selection of Carrier**

Effective 01/12/92, this clause is superseded by M0009T.

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**A0041T (01/08/92) Technical Proposal**

This clause is cancelled effective 31/03/95.

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**A0041T (31/01/92) Technical Proposal**

Effective 01/08/92, this clause is superseded by A0041T.

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**A0042T (01/08/92) Technical Proposal**

Effective 01/12/92, this clause is superseded by M0010T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0043T (29/10/93) Facility Evaluation**

The Carrier agrees that, for the purpose of evaluating its proposal, representatives of the Crown may conduct, as deemed necessary, a survey of its facilities, technical capabilities, and financial status, to determine if they are adequate to ensure the proper performance of any work described herein. The Carrier hereby agrees to make its facilities available for this purpose.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A0043T (31/01/92) Facility Evaluation**

Effective 29/10/93, this clause is superseded by A0043T.

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**A0044T (31/01/92) Facility Evaluation**

Effective 01/12/92, this clause is superseded by M0011T.

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**A0045D (31/01/92) Offer Cost**

Effective 01/12/92, this clause is superseded by M0012T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause for solicitation and contract documents covering air charter services for specialty air charters.

**A0046D (13/12/02) Rules, Orders and Regulations**

The Carrier shall comply with the provisions of the *Canada Transportation Act*, 1996, the *Aeronautics Act*, and with all directions, orders, rules and regulations made thereunder which are applicable to the said service. In particular, the Carrier must hold a valid Operating Certificate issued by Transport Canada.

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**A0046D (29/10/93) Rules, Orders and Regulations**

Effective 13/12/02, this clause is superseded by A0046D.

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**A0046T (31/01/92) Rules, Orders, and Regulations**

Effective 29/10/93, this clause is superseded by A0046D.

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**A0047D (31/01/92) Notes to Proposer**

This clause is cancelled effective 29/10/93.

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**A0048T (01/05/96) Notice to Bidders**

This clause is cancelled effective 03/02/97.

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**A0048T (01/06/94) Notice to Bidders - GATT and NAFTA**

Effective 01/05/96, this clause is superseded by A0048T.

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**A0049D (31/03/95) Recoupment Charges - Defence Supplies**

This clause is cancelled effective 15/12/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations issued by Department of Public Works and Government Services headquarters.

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**A0050T            (03/02/97)            Bid Receiving/Return Address (HQ)**

Bids must be submitted to the following address:

Bid Receiving Unit  
Department of Public Works and Government Services  
Level 0A1, Phase III  
11 Laurier Street  
Hull, Quebec K1A 1C9

Fax No.:            (819) 997-9776

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**A0050T            (31/03/95)            Bid Receiving/Return Address (HQ)**

Effective 03/02/97, this clause is superseded by A0050T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations issued by Department of Public Works and Government Services regional offices.

**A0051T            (23/11/98)            Bid Receiving/Return Address**

Bids must be submitted to the address indicated on page 1 of this bid solicitation.

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**A0051T            (31/03/95)            Bid Receiving/Return Address**

Effective 23/11/98, this clause is superseded by A0051T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0052T            (15/12/95)            Offer Cost**

No payment shall be made for costs incurred in the preparation and submission of your offer in response to this request.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0053T            (01/05/96)            Format, Numbering System**

It is requested that the Bidder's proposal use a numbering system corresponding to that of the Request For Proposal (RFP) and Statement of Work. All references to descriptive material, technical manuals and brochures must be included in the Bidder's proposal.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0054T            (21/06/99)            Proposal Format**

It is required that proposals follow the response format/instructions as detailed herein.

The medium for all proposal data is 8½ x 11 inch bond paper.

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**A0054T            (01/05/96)            Proposal Format**

Effective 21/06/99, this clause is superseded by A0054T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0055T            (01/05/96)            Proposal**

1. Bidders must provide \_\_\_\_\_ copies of their proposal in three (3) separate parts, as follows:

- (a) Technical Proposal;
  - (b) Financial Proposal;
  - (c) Certifications.
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the technical evaluation requires compliance with mandatory requirements and further evaluation subject to point rating.

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**A0056T            (01/05/96)            Technical Proposal Evaluation**

The Technical Proposal shall be divided in two (2) separate parts, as follows:

1.     Mandatory Requirements
2.     Requirements Subject to Point Rating

1.     **Mandatory Requirements**

Proposals will be examined to determine their compliance with the mandatory requirements as detailed in the attached Appendix/Annex "\_\_\_\_". Bidders are instructed to address each requirement in sufficient depth to permit a complete analysis and assessment by the Evaluation Team. Only proposals found to meet the mandatory requirements will be further evaluated in accordance with the evaluation criteria subject to point rating.

2.     **Requirements Subject to Point Rating**

Proposals will be evaluated and scored in accordance with specific evaluation criteria as detailed in the attached Appendix/Annex "\_\_\_\_".

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0057T            (01/05/96)            Technical Proposal**

**Mandatory Requirements:**

Proposals will be examined to determine their compliance with the mandatory requirements as detailed in the attached Appendix/Annex "\_\_\_\_". Bidders are instructed to address each requirement in sufficient depth to permit a complete analysis and assessment by the Evaluation Team. Bids not meeting all of the mandatory requirements will be given no further consideration.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when bidders are required to propose firm per diem rates for personnel for the contract period and option period(s).

**A0058T            (01/05/96)            Financial Proposal**

This section of the proposal shall include a cost summary of the services requested or required.

Indicate a firm per diem rate(s) for the proposed personnel for the period of the proposed Contract, and for any applicable option period(s) as indicated in Article \_\_\_\_\_, Basis of Payment.



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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the bidder is required to propose a firm lot price for the work and price breakdown for milestones/deliverables.

**A0059T (01/12/00) Financial Proposal**

This section of the proposal shall include a cost summary of the services requested or required.

Indicate a firm lot price for the proposed work and for any applicable option(s) with a price breakdown tied to each milestone/deliverable as identified in the Statement of Work document, Appendix/Annex "\_\_\_\_\_". It shall also include the proposed method and schedule of payment where payments are tied to milestones and/or deliverables as specified. The proposal shall also include the level of effort by skill type and cost (firm per diem rates).

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**A0059T (01/05/96) Financial Proposal**

Effective 01/12/00, this clause is superseded by A0059T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0060T (01/05/96) Financial Proposal - Costs**

Costs shall not appear in any other area of the proposal except in the financial proposal section.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0061T (01/05/96) Evaluation Procedures of Proposals**

1. The evaluation of TECHNICAL proposals will be based on the criteria specified in the attached Appendices/Annexes "\_\_\_\_\_".
2. **Technical Proposal**  
  
TECHNICAL proposals received will be compared separately against the evaluation criteria identified herein for the total requirement of this Request for Proposal (RFP) and in conjunction with the accompanying Statement of Work.
3. **Evaluation Methodology**
  - (a) Only those proposals which satisfy all MANDATORY requirements detailed herein will be further evaluated. IT IS MANDATORY FOR EVALUATION PURPOSES THAT PROPOSALS BE PREPARED IN THE FORMAT

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DESCRIBED HEREIN. FAILURE TO DO SO SHALL RENDER A PROPOSAL NON-COMPLIANT.

(b) Point-Rated Evaluation

The evaluation process to complete the selection will take place as follows:

(i) Mandatory Criteria:

Bids not meeting ALL mandatory requirements will be eliminated from further consideration.

(ii) Point-Rated Evaluation:

A technical rating, up to the maximum points available as identified in Appendix/Annex "\_\_\_\_\_", will be assigned by the Evaluation Team to score each rated criterion specified herein.

Any proposal not meeting the minimum points required on each of the rated sections will not be considered any further in the evaluation process.

(iii) Cost:

Cost will be evaluated on the total requirement (Contract period and any applicable option period(s) to extend using all personnel and estimated number of days per professional as stated in "\_\_\_\_\_) OR (firm lot price for Contract period and any applicable option(s)).

*(Contracting officers should insert either "all personnel and estimated number of days..." or "firm lot price...").*

Proposals may be accepted in whole or in part, with or without negotiation. It is anticipated that only one Contract will be awarded pursuant to this RFP.

Neither the qualifying proposal which scores the highest number of rating points nor the one which contains the lowest cost estimate will necessarily be accepted.

The Contract award will be made on the basis of best overall value to Canada in terms of both technical merit and cost. Best overall value is determined by the lowest cost per point as calculated from a ratio of the technical points scored to the price for each compliant proposal evaluated.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when any resulting contract will be issued to the lowest technically responsive bidder.

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**A0062T            (01/05/96)            Evaluation Procedures of Proposals**

1. The evaluation of TECHNICAL proposals will be based on the criteria specified in the attached Appendices/Annexes "\_\_\_\_\_."

**2. Technical Proposal**

TECHNICAL proposals received will be compared separately against the evaluation criteria identified herein for the total requirement of this Request for Proposal (RFP) and in conjunction with the accompanying Statement of Work.

**3. Evaluation Methodology**

(a) Only those proposals which satisfy all MANDATORY requirements detailed herein will be further evaluated. IT IS MANDATORY FOR EVALUATION PURPOSES THAT PROPOSALS BE PREPARED IN THE FORMAT DESCRIBED HEREIN. FAILURE TO DO SO SHALL RENDER A PROPOSAL NON-COMPLIANT.

(b) Mandatory Criteria

The evaluation process to complete the selection will take place as follows:

(i) Mandatory Criteria:

Bids not meeting ALL mandatory requirements will be eliminated from further consideration.

(ii) Cost:

Cost will be evaluated on the total requirement (Contract period and any applicable option period(s) to extend using all personnel and estimated number of days per professional as stated in "\_\_\_\_\_") OR (firm lot price for Contract period and any applicable option(s)).

*(Contracting officers should insert either "personnel and estimated number of days..." or "firm lot price...").*

Proposals may be accepted in whole or in part, with or without negotiation. It is anticipated that only one Contract will be awarded pursuant to this RFP.

Any resulting Contract will be issued to the Lowest Responsive Bidder.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0063T            (01/05/96)            Evaluation Procedures of Proposals**

1. The Statement of Work and other terms and requirements of the Request for Proposal (RFP) are categorized as MANDATORY and/or INFORMATION. In the event that a mandatory requirement/item cannot be complied with or if it is not supported by proper and adequate detail, the submitted proposal will not receive any further consideration by Canada.

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2. Any Contract resulting from this RFP will be issued to the Bidder(s) whose proposal:
- (a) meets all mandatory requirements; and
  - (b) complies with the General Conditions DSS-MAS 9676 for services OR if not, contains terms and conditions that are acceptable to Canada; and
  - (c) represents the lowest aggregate cost in accordance with Article " \_\_\_\_ " of this section.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for on-site maintenance of specified equipment when the total cost includes monthly and hourly rates. (This clause should be used with clause A0063T.)

### **A0064T (15/09/97) Cost Proposal Evaluation**

1. If a Contract is issued as a result of this Request for Proposal, it will be issued to the Bidder whose proposal has the **LOWEST TOTAL COST** over the potential Contract period of \_\_\_\_ months (proposed Contract period is \_\_\_\_ months plus \_\_\_\_ option periods of \_\_\_\_ months).
2. The **TOTAL COST** will include the following:
- (a) the monthly rates quoted to provide on-site preventive and remedial maintenance services for the equipment listed in Appendices " \_\_\_\_ " to " \_\_\_\_ " during the Principal Period of Maintenance (PPM); AND
  - (b) the hourly rates quoted to provide on-site preventive and remedial maintenance services outside the PPM, as detailed in Appendix " \_\_\_\_."

The aggregate of the above will be used to calculate the total cost of the total requirement (the Contract period plus any applicable option periods). This total will then be used for evaluation purposes.

The evaluation of bids will not include the estimated amount of Goods and Services Tax or Harmonized Sales Tax as applicable.

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### **A0064T (01/05/96) Cost Proposal Evaluation**

Effective 15/09/97, this clause is superseded by A0064T.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for maintenance service Requests for Proposal when the costs for items to be maintained will be grouped.

**A0065T            (15/09/97)            Cost Proposal Evaluation**

1. A proposal may be accepted in whole or in part and may be accepted on a LOWEST COST PER GROUP OF ITEMS identified below OR GROUPS OF ITEMS OR on a LOWEST AGGREGATE COST basis.
    - (a) Items of Group A are shown in Appendix " \_\_\_\_ " attached hereto.
    - (b) Items of Group B are shown in Appendix " \_\_\_\_ " attached hereto.
    - (c) Items of Group C are shown in Appendix " \_\_\_\_ " attached hereto.
    - (d) Items of Group D are shown in Appendix " \_\_\_\_ " attached hereto.

**(Contracting Officers should delete those groups that do not apply.)**
  2. The total cost for each group of items will include the following:
    - (a) the monthly rates quoted to provide on-site preventive and remedial maintenance services for the equipment listed in each group during the Principal Period of Maintenance (PPM); AND
    - (b) the hourly rates quoted to provide on-site preventive and remedial maintenance services outside the PPM, for the equipment listed in each group; AND
    - (c) the hourly rates quoted to provide relocation and installation services during and outside PPM.
  3. The aggregate of the above will be used to calculate the total cost for each group of items of the proposal over the following potential Contract periods:
    - (a) For group(s) \_\_\_\_: \_\_\_\_ months (proposed Contract period is \_\_\_\_ months plus two option periods of \_\_\_\_ months).
    - (b) For group(s) \_\_\_\_: \_\_\_\_ months (proposed Contract period is \_\_\_\_ months plus two option periods of \_\_\_\_ months).

**(Contracting Officers should indicate the applicable groups).**
  4. The evaluation of bids will not include the estimated amount of Goods and Services Tax or Harmonized Sales Tax as applicable.
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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A0065T            (01/05/96)            Cost Proposal Evaluation**

Effective 15/09/97, this clause is superseded by A0065T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause should be used with clause A0063T, Evaluation Procedures of Proposals.

**A0066T            (01/05/96)            Item Pricing**

It is MANDATORY that the bidders submit firm prices/rates for all items listed in Appendices " \_\_\_\_\_ " attached hereto.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause should be used with clause A0063T, Evaluation Procedures of Proposals.

**A0067T            (01/05/96)            Item Pricing**

Bidders may quote on all groups of items or any combination of the groups listed below. However, IT IS MANDATORY that bidders submit prices/rates for all items listed in the group(s) of items quoted by the bidders. The groups of items are as follows:

- (a)     Group A: All items listed in Appendix " \_\_\_\_\_ "
  - (b)     Group B: All items listed in Appendix " \_\_\_\_\_ "
  - (c)     Group C: All items listed in Appendix " \_\_\_\_\_ "
  - (d)     Group D: All items listed in Appendix " \_\_\_\_\_ "
- 
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to detail evaluation criteria in bid solicitations for projects and services requirements. **THIS CLAUSE IS TO BE USED AS A GUIDE ONLY.** Minimum point ratings must be specified for each criterion and/or group of criteria as required by the situation. This is to be done by selecting either (a), (b) or (c) choices as indicated at the beginning of the clause and deleting the (a), (b), or (c) choices that are not applicable. Maximum point ratings must be specified for each group of criteria as appropriate. Criteria which are MANDATORY are to be set out as appropriate within each of the groupings. Use in conjunction with A0265T, A0270T or A0275T.

**A0200T            (31/03/95)            Evaluation Criteria**

Each bid will be evaluated and scored in accordance with the following criteria. In order to be considered further, bids must achieve...

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**[\*\*PROCUREMENT OFFICERS ARE TO CHOOSE ONE OF THE FOLLOWING A), B) OR C) CHOICES AND DELETE THE ONES FROM A), B) OR C) THAT ARE NOT APPLICABLE\*\*]**

- (a) the specified minimum points for each rated criterion and group of criteria.
- (b) the specified minimum points for each group of criteria.
- (c) the specified minimum points for the overall bid.

### 1. TECHNICAL PROPOSAL

(a) MANDATORY CRITERIA:

\_\_\_\_\_

(b) POINT-RATED CRITERIA: (maximum \_\_\_\_\_ points, minimum \_\_\_\_\_ points)

- (i) understanding of scope and objectives (\_\_\_\_\_ points)
- (ii) proposed work feasibility, approach and methodology (\_\_\_\_\_ points)
- (iii) recognition of problems and adequacy of solutions proposed (\_\_\_\_\_ points)
- (iv) human resources asserted to be required by bidder:
  - (1) level of competence (\_\_\_\_\_ points)
  - (2) level of effort (\_\_\_\_\_ points)
- (v) human resources offered:
  - (1) team organization planned (\_\_\_\_\_ points)
  - (2) backup offered (\_\_\_\_\_ points)
- (vi) technical capability of the firm:
  - (1) references on similar work (\_\_\_\_\_ points)
  - (2) language, systems, software, facilities to be used (\_\_\_\_\_ points).

\_\_\_\_\_

### 2. MANAGEMENT PROPOSAL

(a) MANDATORY CRITERIA:

\_\_\_\_\_

(b) POINT-RATED CRITERIA: (maximum \_\_\_\_\_ points, minimum \_\_\_\_\_ points)

- (i) work plan time schedule (\_\_\_\_\_ points)
- (ii) quality/control plan (\_\_\_\_\_ points)
- (iii) project manager capability:

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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(1) relevant experience, qualifications (\_\_\_\_ points)

(2) references (\_\_\_\_ points)

(iv) demonstration of availability of team members and backup (\_\_\_\_ points).

\_\_\_\_\_

### 3. FINANCIAL PROPOSAL

(a) MANDATORY CRITERIA:

\_\_\_\_\_

(b) POINT-RATED CRITERIA: (maximum \_\_\_\_ points, minimum \_\_\_\_ points)

(i) compliance with proposed pricing methods (\_\_\_\_ points)

(ii) acceptance of other proposed terms and conditions as mentioned in the bid solicitation (\_\_\_\_ points)

(iii) capability of the bidder to finance the performance of the work (\_\_\_\_ points)

(iv) socio-economic factors (Canadian industrial performers, Canadian Content) (\_\_\_\_ points)

\_\_\_\_\_

### 4. GENERAL

(a) MANDATORY CRITERIA:

(i) compliance with all other bid solicitation mandatory requirements

\_\_\_\_\_

(b) POINT-RATED CRITERIA: (maximum \_\_\_\_ points, minimum \_\_\_\_ points)

(i) compliance with other bid solicitation desirable requirements (\_\_\_\_ points)

\_\_\_\_\_

5. TOTAL: (maximum \_\_\_\_ points, minimum \_\_\_\_ points ).

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the bid solicitation requests a technical, management and financial proposal as part of the bid. PROCUREMENT OFFICERS ARE TO DELETE THE LAST SENTENCE OF PARAGRAPH 2 IF NOT REQUIRED.



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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A0205T            (31/03/95)            Bids - Form of**

The bid must address each of the evaluation criterion in sufficient details to permit evaluation.

The technical proposal shall contain sufficient data sheets and representations to ascertain compliance. A detailed compliance statement on a clause-by-clause basis must be submitted with your proposal.

The bid should contain \_\_\_\_\_ copies of the technical and management proposal, and, separately, \_\_\_\_\_ copies of the financial proposal which shall include page 1 of the bid solicitation document duly completed and signed as well as other pages of, annexes to, and forms mentioned in the bid solicitation, with fill-ins duly completed.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause is to be used when budget funds are limited. It is generally used in conjunction with A0005T, A0200T, or a shorter version of the latter.

**A0210T            (15/09/97)            Maximum Funding**

The funding for this project is limited to \$\_\_\_\_\_ (Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate). Bids valued in excess of this amount will be considered non-responsive. This disclosure of project funds does not commit Canada to pay such an amount.

**A0210T            (31/03/95)            Maximum Funding**

Effective 15/09/97, this clause is superseded by A0210T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0220T            (15/09/97)            Evaluation of Price**

The price of bids will be evaluated in Canadian dollars, the Goods and Services Tax (GST) or the Harmonized Sales Tax (HST) excluded, FOB destination for goods, Customs duties and Excise taxes included.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0220T            (01/05/96)            Evaluation of Price**

Effective 15/09/97, this clause is superseded by A0220T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when Canadian and foreign bids may be received, and use in conjunction with clause C2000D.

**A0221T            (15/09/97)            Evaluation of Price**

1.     (a)     For Canadian-based bidders, prices must be firm with Canadian customs duties and excise taxes as applicable INCLUDED, and Goods and Services Tax (GST) or Harmonized Sales Tax (HST) as applicable, EXCLUDED.  
  
       (b)     For foreign-based bidders, prices must be firm and EXCLUDE Canadian customs duties, excise taxes and GST or HST, as applicable. CANADIAN CUSTOMS DUTIES AND EXCISE TAXES PAYABLE BY THE CONSIGNEE WILL BE ADDED, FOR EVALUATION PURPOSES ONLY, TO THE PRICES SUBMITTED BY FOREIGN-BASED SUPPLIERS.
  2.     Although Canada reserves the right to award the contract(s) either on an FOB plant or FOB destination basis, bidders are requested to provide prices FOB their plant or shipping point and FOB destination as indicated in this solicitation document. Proposals will be assessed on an FOB destination basis.
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**A0221T            (01/05/96)            Evaluation of Price**

Effective 15/09/97, this clause is superseded by A0221T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This evaluation clause is to be used when it is deemed advisable to ask the bidder to estimate Canada's monthly disbursements during the term of the proposed contract to allow for a more precise comparison of PRICE with a present value analysis.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A0230T      (31/03/95)      Evaluation - Multi Payments**

## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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If required, a present value analysis will be performed by Canada during the evaluation phase to determine the price for evaluation purposes. This analysis will be based on anticipated disbursements by Canada, with an annual interest rate determined by the Contracting Authority. To this end, the bid must include a schedule of Canada's anticipated monthly disbursements on account of the proposed Work.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

Contracting officers shall use the latest table (Eastern Canada) or (Western Canada) approved by the Director, Marine Directorate, to prepare the list of shipyard/shiprepair facilities, as required under section 3 of this clause, where the work could potentially be undertaken. Contracting officers are to include from the table the applicable vessel transfer costs for each shipyard/shiprepair facility in the list based on the vessel's home port location and based on whether the work is under a manned refit. Where the table does not provide a specific home port for the vessel or the name of a potential shipyard/shiprepair facility where work could potentially be undertaken, contracting officers must contact the Director, Marine Directorate (Place du Portage, Phase III - 6C2, Phone: 819-956-0664 / Fax: 819-956-0897) to obtain the necessary data.

Contracting officers are to enter the number of calendar days in subsection 2(b).

**A0240T (15/09/97) Vessel Transfer Costs**

1. The evaluation price shall include the cost for transferring the vessel from its home port to the shipyard/shiprepair facility where the Work will be undertaken and the cost of transferring the vessel to its home port following completion of the Work, in accordance with the following:
2. (a) The Bidder shall enter below the location of the shipyard/shiprepair facility where it proposes to undertake the Work together with the applicable vessel transfer cost from the list provided under section 3 of this clause:

**BIDDER TO ENTER:**

Proposed shipyard/shiprepair facility: \_\_\_\_\_  
Applicable vessel transfer cost: \_\_\_\_\_.

- (b) Should the list in section 3 of this clause not provide the shipyard/shiprepair location where the Bidder intends to undertake the Work, then the Bidder must advise the Contracting Authority, in writing, no later than \_\_\_\_\_ days **(Contracting officer to enter number of calendar days in this fill-in and delete this statement)** prior to the bid closing date, of its proposed location for undertaking the Work. The Contracting Authority will acknowledge to the Bidder, in writing, no later than \_\_\_\_\_ days **(Contracting officer to enter number of calendar days in this fill-in and delete this statement)** prior to the bid closing date, the location of the shipyard/shiprepair and confirm the applicable vessel transfer cost.

**A proposal that specifies a location for undertaking the Work which is not in the list under section 3 of this clause, and for which a notification in writing has not been received by the Contracting Authority no later than \_\_\_\_\_ days (Contracting officer to enter number of calendar days in this fill-in and delete this statement) prior to the bid closing date, shall be deemed to be non-responsive.**

## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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3. List of shipyard/shiprepair facilities and applicable vessel transfer costs

**Vessel:** \_\_\_\_\_

**Home port:** \_\_\_\_\_

Note 1: Transfer costs in the case of vessels transferred using a government delivery crew include the fuel cost at the vessel's most economical speed of transit and for unmanned refits only, crew transportation costs for the delivery crew based on the location of the vessel's homeport and the shipyard/shiprepair facility. Crew transportation costs do not include any members of the delivery crew who remain at the shipyard/shiprepair facility in order to discharge project responsibilities related to the vessel being transferred.

Note 2: Transfer costs in the case of vessels transferred unmanned by either commercial towing, railway, highway or other suitable means of transportation shall be: (i) included as part of the bidder's price proposal in the case where the bidder is responsible for the transfer; or (ii) identified as the applicable vessel transfer cost, as given in the list below, in the case where the Government is responsible for the transfer.

**(Contracting officers are to enter the list of shipyard/shiprepair facilities where the Work could potentially be undertaken together with the applicable vessel transfer costs based on the latest approved table issued by the Marine Directorate and DELETE THIS STATEMENT).**

| Shipyard/shiprepair facility | Applicable vessel transfer cost |
|------------------------------|---------------------------------|
| _____                        | _____                           |
| _____                        | _____                           |
| _____                        | _____                           |
| _____                        | _____                           |

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitations when the evaluation methodology is provided by the client or when it is deemed important to specify, in an annex, the methodology used to evaluate the mandatory, desirable or rated criteria specified in the bid solicitation.

**A0250T (31/03/95) Evaluating Methodology**

The bid evaluation methodology is described at Annex \_\_\_\_ .

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitations in order to select a contractor on the basis of lowest price compliant bid without point rating. Use in conjunction with A0005T or similar list of mandatory requirements.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A0260T            (31/03/95)            Method of Evaluation**

1. The bids shall be evaluated as follows:
  - (a) compliance with all mandatory evaluation criteria;
  - (b) among the fully compliant bids, lowest price will be the determining factor in awarding the Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause with A0200T or similar clause when the selection is to be made on the basis of lowest price responsive bid/offer with a point rating system. An alternate clause to this could be A0034T.

**A0265T            (31/03/95)            Basis of Selection**

1. To be considered responsive, a bid/offer must:
  - (a) meet all the mandatory requirements of this solicitation; and
  - (b) obtain the required minimum points specified in this solicitation.
2. Bids/offers not meeting (a) or (b) above will be given no further consideration. The lowest priced responsive bid/offer will be recommended for award of a Contract or issuance of a standing offer, as the case may be.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the selection of a contractor will be made on the basis of best overall value in terms of lowest price per point. It must be used in conjunction with A0200T or similar clause. An alternate clause to this could be A0035T.

**A0270T            (31/03/95)            Basis of Selection**

1. To be considered responsive, a bid/offer must:
  - (a) meet all the mandatory requirements of this solicitation; and
  - (b) obtain the required minimum points for the criteria which are subject to point rating specified in this solicitation.
2. Bids/offers not meeting (a) or (b) above will be given no further consideration. Neither the responsive bid/offer that scores the highest number of rated points nor the one that contains the lowest price will necessarily be accepted. The responsive bid/offer with the lowest price per rated point will be recommended for award of a Contract or issuance of a standing offer, as the case may be.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the selection of a contractor is to be made on the basis of highest score responsive bid. It is generally used with A0210T. It must be used with A0200T or similar clause. An alternate clause to this could be A0036T.

**A0275T            (31/03/95)            Basis of Selection**

1. To be considered responsive, a bid/offer must:
    - (a) meet all the mandatory requirements of this solicitation; and
    - (b) obtain the required minimum points specified in this solicitation for the criteria which are subject to point rating.
  2. Bids/offers not meeting (a) or (b) above will be given no further consideration. The responsive bid/offer that scores the highest number of rated points will be recommended for award of a Contract or issuance of a standing offer, as the case may be, provided that the estimated total price does not exceed the funds available for this requirement.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A0290D            (10/12/01)            Hazardous Waste - Vessels**

1. It is recognized and acknowledged that sufficient information has been provided by Canada with respect to the location and estimated amount of hazardous materials such as asbestos, lead, PCB's, silica or other hazardous materials or toxic substances.
  2. The price includes all costs associated with the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCB's, silica and other hazardous materials or toxic substances on board vessel, including those costs resulting from the need to comply with applicable laws and regulations in relation to the removal, handling, disposal or storage of hazardous materials or toxic substances.
  3. The completion date for the Work takes into account the fact that the removal, handling, storage, disposal and/or working in the vicinity of hazardous materials such as asbestos, lead, PCB's and silica or other hazardous materials or toxic substances may be affected by the need to comply with laws or regulations applicable to removal or handling or disposal or storage of hazardous materials or toxic substances and shall not be deemed to be an excusable delay.
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**A1001C            (01/06/91)            Science Contracting Officer**

Effective 29/10/93, this clause is superseded by A1024C.

## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A1002C**      (01/06/91)      **Science Contracting Officer**

This clause is cancelled effective 15/09/97.

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**A1003C**      (01/06/91)      **Scientific Authority**

Effective 31/03/95, this clause is superseded by A1029C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when the Technical Authority has officially delegated some responsibilities and tasks to a technically qualified person.

**A1004C**      (15/09/97)      **Technical Liaison Officer**

The Technical Liaison Officer for this Contract is:

Name: \_\_\_\_\_  
Title of Officer: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_  
Postal Code: \_\_\_\_\_

Telephone:     (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
Facsimile:     (\_\_\_\_) \_\_\_\_ - \_\_\_\_

The Technical Liaison Officer is responsible for the day-to-day technical liaison between the Contractor and the Technical Authority, and will also be responsible for reviewing draft reports submitted by the Contractor. The Technical Liaison Officer has no authority to authorize any deviations from this Contract.

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**A1004C**      (29/10/93)      **Technical Liaison Officer**

Effective 15/09/97, this clause is superseded by A1004C.



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when there is a requirement to identify a site authority in the solicitation and contract documents. Procurement officers are to enter fill-in information as appropriate and as stated on the requisition. The responsibility of the site authority should be described in the statement of work.

**A1005D (31/03/95) Site Authority**

The Site Authority for the Contract is:

Name: \_\_\_\_\_  
Title of Officer: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_

Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

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**A1005D (01/06/91) Site Authority**

Effective 31/03/95, this clause is superseded by A1005D.

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**A1006C (01/06/91) Authorities**

Effective 01/12/92, this clause is superseded by M0013C.

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**A1007C (01/06/91) Authorities**

Effective 01/12/92, this clause is superseded by M0014C.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A1008T            (01/06/91)            Examination of Site**

Effective 01/12/92, this clause is superseded by A9038T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A1009D            (29/10/93)            Establishment, Contractor's**

The Contractor shall permit free access to its establishments and those of its subcontractors to authorized representatives of Canada, as necessary for the performance of their duties as they relate to the Contract.

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**A1009D            (01/06/91)            Establishment, Contractor's**

Effective 29/10/93, this clause is superseded by A1009D.

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**A1010D            (01/06/91)            Hovercraft - Technical Authority**

This clause is cancelled effective 01/12/92.

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**A1011T            (01/06/91)            Contacts During Tender Period**

Effective 29/10/93, this clause is superseded by A0012T.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A1012D (01/08/92) Authorities**

Effective 31/03/95, this clause is superseded by A1022D.

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**A1013D (01/08/92) Enquiries**

Effective 29/10/93, this clause is superseded by A0012T.

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**A1014D (31/03/95) Authorities (GQAA)**

This clause is cancelled effective 15/09/97.

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**A1014D (29/10/93) Authorities (CQAA)**

Effective 31/03/95, this clause is superseded by A1014D.

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**A1014T (01/08/92) Authorities**

Effective 29/10/93, this clause is superseded by A1014D.

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**A1021D (01/08/92) Administrative Authority**

Effective 01/12/92, this clause is superseded by M0015D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when there is a requirement to identify a project authority in the solicitation and contract documents. Procurement officers are to enter fill-in information as appropriate and as stated on the requisition. The responsibility of the project authority should be described in the statement of work.

**A1022D (31/03/95) Project Authority**

The Project Authority for the Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_

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**A1022D (31/01/92) Project Authority**

Effective 31/03/95, this clause is superseded by A1022D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The following clause is to be used in contracts for goods and services where complete specifications are provided and where no substitution or deviation is permitted or such procedures provided.

**A1024C (29/10/93) Authority, Contracting**

The Contracting Authority is the contracting officer named on page one (1) of this Contract and is responsible for the management of this Contract. Any changes to the Contract must be authorized in writing by the Contracting Authority. The Contractor is not to perform work in excess of or outside the scope of this Contract based on verbal or written requests or instructions from any government personnel other than the aforementioned officer.

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**A1024C (01/08/92) Contracting Authority**

Effective 29/10/93, this clause is superseded by A1024C.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A1026C            (31/01/92)            Authorities**

Effective 31/03/95, this clause is superseded by A1022D.

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**A1027C            (01/08/92)            Authorities**

Effective 29/10/93, this clause is superseded by A1024C.

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**A1028D            (31/01/92)            Enquiries**

Effective 29/10/93, this clause is superseded by A0012T.

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**A1029C            (31/03/95)            Technical Authority**

Effective 15/09/97, this clause is superseded by A1030C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A1030C            (15/12/95)            Technical Authority**

The Technical Authority for this Contract is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Department/Agency: \_\_\_\_\_  
Address: \_\_\_\_\_  
Postal Code: \_\_\_\_\_

Telephone:    ( ) \_\_\_\_ - \_\_\_\_  
Facsimile:    ( ) \_\_\_\_ - \_\_\_\_

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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The Technical Authority is responsible for all matters concerning the technical content of the Work under this requirement. Any proposed changes to the scope of the Work are to be discussed with the Technical Authority, but any resulting change can only be confirmed by a contract amendment issued by the Contracting Authority.

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**Remarks:** Use the following clause where the wording in the statement of work, solicitation or contract could give the impression that a partnership or joint venture relationship with Canada was established.

**A1035D (13/12/99) No Partnership**

1. Nothing in the Contract is intended to constitute or shall be interpreted as constituting a partnership or a joint venture or an agency relationship between the Parties.
  2. In its dealings with third parties in relation to the Contract, the Contractor shall not represent itself as an agent or a representative of the Government of Canada. It is understood and agreed that neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of Canada.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitations/contracts with a Canadian company for goods and services that may result in the need for services of non-permanent residents to be performed in Canada.

**A2000D (25/05/01) Non-Permanent Resident (Canadian Company)**

The Contractor is responsible for compliance with the immigration requirements applicable to non-permanent residents entering Canada to work on a temporary basis in fulfillment of the Contract. In some instances, the employment authorization necessary to enter Canada cannot be issued without prior approval of Human Resources Centre Canada (HRCC). HRCC should always be contacted as soon as the decision to bring in a non-permanent resident is made. The Contractor will be responsible for all costs incurred as a result of non-compliance with immigration requirements.

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**A2000D (29/10/93) Non-Permanent Resident (Canadian Company)**

Effective 25/05/01, this clause is superseded by A2000D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitations/contracts with a foreign company for goods and services that may result in the need for services of non-permanent residents to be performed in Canada.

**A2001D (29/10/93) Non-Permanent Resident (Foreign Company)**

The Contractor shall ensure that non-permanent residents intending to work in Canada on a temporary basis in fulfilment of the Contract, who are neither Canadian citizens nor United States nationals, receive all appropriate documents and instructions relating to Canadian immigration requirements and secure all required employment authorizations prior to their arrival at the Canadian port of entry. The Contractor shall ensure that United States nationals having such intentions receive all appropriate documents and instructions in that regard prior to their arrival at the Canadian port of entry. Such documents may be obtained at the appropriate Canadian Embassy/Consulate in the Contractor's country. The Contractor shall be responsible for all costs incurred as a result of non-compliance with immigration requirements.

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**A2001D (01/06/91) Non-Permanent Resident (Foreign Co.)**

Effective 29/10/93, this clause is superseded by A2001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitation and contract documents issued to Canadian universities, affiliated institutions, or colleges when the students doing the work must be Canadian citizens or permanent residents.

**A2100C (29/10/93) Students - Graduate and Undergraduate**

Graduate and undergraduate students employed in the performance of the Work, including those paid from funds provided under this Contract, should be either Canadian citizens or permanent residents. The employment in this Contract of non-Canadian citizens who are not permanent residents, shall require the prior written authorization of the Contracting Authority.

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**A2100C (01/06/91) Graduate and Undergraduate Students**

Effective 29/10/93, this clause is superseded by A2100C.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A7000T (01/06/91) Software Maintenance/Enhancements**

This clause is cancelled effective 29/10/93.

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**A7001D (01/06/91) Principal Period of Maintenance**

Effective 31/03/95, this clause is superseded by A7008D.

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**A7002D (01/06/91) Maintenance Services**

Effective 31/03/95, this clause is superseded by A7008D.

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**A7003D (01/06/91) Maintenance Services**

Effective 31/03/95, this clause is superseded by A7008D.

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**A7004D (01/06/91) Maintenance Services**

Effective 31/03/95, this clause is superseded by A7008D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A7005D (01/06/91) Equipment Availability/Remedy**

1. Monthly maintenance charges shall be suspended for any item of equipment which is not operational.



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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2. A maintenance credit shall apply to all items of equipment which are not operational and whose availability falls below 90 percent over any thirty-day (30) period. The credit shall be equal to the monthly maintenance rate for that non-operational equipment multiplied by the difference between 100 percent and the availability of the equipment.
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**A7006D (01/12/92) Maintenance Services**

Effective 31/03/95, this clause is superseded by A7008D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A7007D (29/10/93) Cylinder Maintenance Responsibility**

The Contractor will maintain tanks and equipment, including painting, as required, to the satisfaction of the consignee.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations and contract documents covering maintenance service requirements. Contracting officers are to fill in the hours and days prior to issuing the bid solicitation.

**A7008D (31/03/95) Maintenance Services**

Maintenance service provided must be such that equipment is kept in good working condition and that maintenance, when necessary, is completed within the shortest possible time to ensure continual operation. The responsibility for maintaining the equipment in good working condition rests with the Contractor.

For the purposes of the Contract, the "Principal Period of Maintenance" or the "PPM" means the period between the hours of \_\_\_\_ to \_\_\_\_, \_\_\_\_ (day) to \_\_\_\_ (day), excluding statutory holidays.

The following services are to be provided:

**1. PREVENTIVE MAINTENANCE:**

Preventive maintenance shall be performed during the Principal Period of Maintenance.

**2. REMEDIAL MAINTENANCE:**

The Contractor shall also provide remedial maintenance as requested. Remedial maintenance, including labour and replacement of unserviceable parts, shall commence within \_\_\_\_ hours of notification from Canada that it is required.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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### 3. MAINTENANCE PERSONNEL:

The Contractor shall provide the necessary personnel to perform the above services. The Contractor shall provide to the Technical Authority the name and telephone number of the Contractor's maintenance service depot manager who shall have full authority to act on behalf of the Contractor in connection with any matter relating to the maintenance services.

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#### **A7010D (01/06/91) Service to be Performed**

This clause is cancelled effective 29/10/93.

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#### **A7011D (01/06/91) Furniture - Repair and Refinishing**

##### 1. Classes of repair

- (a) **Class A** - Replacement of cover to match existing upholstery repairs, monitor repairs, refinishing.
- (b) **Class B** - Patching of cover to match existing upholstery repairs, minor repairs, refinishing.
- (c) **Class C** - Upholstery repairs, minor repairs, refinishing.
- (d) **Class D** - Refinishing, minor repairs.

##### 2. Upholstery repairs will include, as necessary:

- (a) Replacement and/or repair of springs, stretchers, burlap, padding, filling, bottom covering.
- (b) Tightening of loose seats or backs.
- (c) Reinforcement of corners showing strain.
- (d) Repair of broken seams.

##### 3. Minor repairs will include, as necessary:

- (a) Replacement of broken or missing casters, glides, ferrules, screws, braces, corner brackets, etc.
- (b) Repair of loose fittings or joints to make them solid, using glue and screws or nails.
- (c) Repair and lubrication of the swivel mechanism of swivel chairs.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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4. **Refinishing will include**, as necessary:
- (a) Scraping and sanding smooth including the removal of nicks, scratches, dents, burns, wax, etc.
  - (b) Staining wood to match original colour.
  - (c) Application of two (2) coats of wood sealer for natural or maple furniture, and wood filler for oak, followed in each case by three (3) coats of clear furniture grade lacquer, sanding smooth between coats.
  - (d) Cleaning of cover.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Contracting officers are to insert the length of time that services will be required.

**A7012D (29/10/93) Warranty/Repair Service**

The Contractor shall provide complete maintenance and repair services, and shall be required to stock adequate spare parts for the specified equipment, for \_\_\_\_\_, through the following representative:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_.

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**A7012T (01/06/91) Warranty/Repair Service**

Effective 29/10/93, this clause is superseded by A7012D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in any service or supply and install requirement documents, as well in bid solicitations and contract documents involving controlled goods.

**A7013D (13/12/02) Licensing**

The Contractor must obtain and maintain all permits, licences and certificates of approval required for the Work to be performed under any applicable federal, provincial or municipal legislation. The Contractor shall be responsible for any charges imposed by such legislation or

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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regulations. Upon request, the Contractor shall provide a copy of any such permit, licence, or certificate to Canada.

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**A7013D (01/12/00) Licensing**

Effective 13/12/02, this clause is superseded by A7013D.

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**A7014D (01/06/91) Suitability of Service**

This clause is cancelled effective 29/10/93.

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**A7015D (01/06/91) Personnel Qualifications and Backup**

This clause is cancelled effective 29/10/93.

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**A7016D (01/06/91) Personnel**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contractual documents ONLY when specific personnel who will be doing the work will be named in the contract, and when this topic is NOT ADEQUATELY COVERED in the particular set of General Conditions which will be incorporated into the contract. Procurement officers shall complete the fill-in.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A7017D (31/03/95) Personnel, Replacement of Specified**

1. When specific persons have been named in the Contract as the persons who must perform the Work, the Contractor shall provide the services of the persons so named unless the Contractor is unable to do so for reasons beyond its control.
2. If at any time the Contractor is unable to provide the services of any specific person named in the Contract, it shall provide a replacement person with similar qualifications and experience. The Contractor shall, within \_\_\_\_\_ calendar days, give notice to the Minister of:
  - (a) the reason for the removal of the named person from the Work;
  - (b) the name, qualifications and experience of the proposed replacement person; and
  - (c) proof that the person has the required security clearance granted by Canada, if applicable.
3. The Minister may order the removal from the Work of any such replacement person and the Contractor shall immediately remove the person from the Work and shall, in accordance with subsection (2), secure a further replacement.
4. The fact that the Minister does not order the removal of a replacement person from the Work shall not relieve the Contractor from its responsibility to meet the requirements of the Contract.

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**A7017D (01/06/91) Personnel, Replacement of Specified**

Effective 31/03/95, this clause is superseded by A7017D.

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**A7018D (01/06/91) Personnel and Replacement, Specified**

Effective 31/03/95, this clause is superseded by A7017D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A7019T**      **(01/06/91)**      **Bid/Proposal**

This clause is cancelled effective 29/10/93.

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**A7020D**      **(01/06/91)**      **Licensing**

Effective 31/03/95, this clause is superseded by A7013D.

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**A7022D**      **(01/08/92)**      **Services to be Provided**

Effective 01/12/92, this clause is superseded by M0016D.

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**A7023D**      **(31/01/92)**      **Bidders' Conference**

Effective 01/12/92, this clause is superseded by M0017T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in solicitation and contract documents where post orders are required for contracts for security guard services.

**A7025D**      **(29/10/93)**      **Post Orders**

Post orders shall be furnished to the Contractor by the Consignee. Post orders shall be in sufficient detail to permit guard personnel to effectively carry out their duties.

The Contractor shall ensure that security personnel comply fully with post orders, and with written and oral instructions from the authorized Consignee representative.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A7025D (01/08/92) Post Orders**

Effective 29/10/93, this clause is superseded by A7025D.

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**A7026D (31/01/92) Post Orders**

Effective 01/12/92, this clause is superseded by M0018D.

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**A7028D (31/01/92) EMR Personnel**

This clause is cancelled effective 01/12/00.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use in service contracts where specific individuals will be proposed for the work.

**A7030T (01/05/96) Availability and Status of Personnel**

**AVAILABILITY OF PERSONNEL**

The Bidder certifies that, should it be authorized to provide services under any contract resulting from this solicitation, the persons proposed in its bid will be available to commence performance of the work within a reasonable time from contract award, or within the time specified herein, and will remain available to perform the work in relation to the fulfilment of this requirement.

**STATUS OF PERSONNEL**

If the Bidder has proposed any person in fulfilment of this requirement who is not an employee of the Bidder, the Bidder hereby certifies that it has written permission from such person (or the employer of such person) to propose the services of such person in relation to the work to be performed in fulfilment of this requirement and to submit such person's résumé to the Contracting Authority.

During the bid evaluation, the Bidder MUST upon the request of the Contracting Authority provide a copy of such written permission, in relation to any or all non-employees proposed. The Bidder agrees that failure to comply with such a request may lead to disqualification of the Bidder's proposal from further consideration.

## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**A8000T (01/06/91) Purchase Option**

This clause is cancelled effective 31/03/95.

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**A8001D (01/06/91) Training**

This clause is cancelled effective 31/03/95.

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**A8002D (01/06/91) Technical Terminology**

This clause is cancelled effective 29/10/93.

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**A8003D (01/06/91) Spoiled Photocopies**

This clause is cancelled effective 31/03/95.

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**A8004D (01/06/91) Invoicing Instructions**

This clause is cancelled effective 31/03/95.



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A8005D (01/06/91) Supplies**

This clause is cancelled effective 31/03/95.

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**A8006D (01/06/91) Life Cycle Cost**

This clause is cancelled effective 29/10/93.

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**A8007D (01/06/91) Rental Rebate, from Rental to Purchase**

This clause is cancelled effective 31/03/95.

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**A8008D (01/06/91) Invoicing for Supplies Items**

This clause is cancelled effective 31/03/95.

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**A8009D (01/06/91) Rental - Annual**

This clause is cancelled effective 29/10/93.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause with General Conditions DSS-MAS 9329 and DSS-MAS 9601. This clause is standard boiler plate for rental agreements. The wording of this clause is suitable for use in standing offers.

**A8010D            (31/03/95)            Lessor/Lessee - Responsibilities**

Unless otherwise stated herein, the following shall apply:

1. The Contractor shall be responsible for:
  - (a) Delivery to the destination specified in the contract.
  - (b) Pick up at time of expiry or termination of the contract.
  - (c) Pick up and return of vehicle for servicing.
  - (d) Vehicle licensing, permits or exemptions.
  - (e) Full maintenance due to normal wear and tear.
  - (f) Replacement of tires and tire repairs.
  - (g) Provision of snow tires when requested.
  - (h) Supply of another licensed vehicle of the same type and size to replace a specific vehicle when a unit is taken out of service for repairs for a period greater than twenty-four (24) hours. Down time will be considered when computing the monthly charges.
  - (i) Provision of bulkheads separating cargo area from the driver/passenger area in all cargo vans.
  - (j) All warranty servicing. Warranty servicing shall mean the supply of parts normally provided by the manufacturer's warranty together with the labour necessary to install such parts. The warranty period shall in no case cover a period of less than twelve (12) months. The warranty service as outlined above shall be made available at any dealer for the make of vehicle rented, within Canada.
  
2. The Consignee shall be responsible for:
  - (a) the supply of fuel;
  - (b) oil between changes;
  - (c) washing;
  - (d) return to the contractor, all vehicle parts replaced, including damaged or worn tires.
  
- (3) General:

Repair routing is to be given to the consignee on acceptance of vehicle. Authorization to proceed with repairs is to be obtained from the contractor. The cost of replacements which are made will be credited to the consignee's account by the contractor upon receipt by the contractor of a paid invoice covering such replacement.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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Only the terms and conditions referenced in this document shall apply.

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**A8010D (29/10/93) Lessor/Lessee - Responsibilities**

Effective 31/03/95, this clause is superseded by A8010D.

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**A8011D (01/06/91) Rental Conditions**

Effective 31/03/95, this clause is superseded by A8010D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A8012D (29/10/93) Option to Purchase**

Her Majesty may, upon written notice to that effect to the Contractor, purchase any or all of the leased products at any time during the rental period. In this event, \_\_\_ percent of the rental paid up to a maximum of \_\_\_ percent of the offered unit purchase price will be credited at the time of purchase.

Unit Purchase Price: \$\_\_\_\_\_ Item \_\_\_\_\_

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**A8012D (01/06/91) Option to Purchase**

Effective 29/10/93, this clause is superseded by A8012D.

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**A8013D (01/06/91) Photocopier Rental**

This clause is cancelled effective 31/03/95.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A8014D (01/06/91) Ninety Day Extension Option**

Effective 29/10/93, this clause is superseded by A9009C.

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**A8015D (01/06/91) Periodic Reports**

This clause is cancelled effective 29/10/93.

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**A8016D (01/06/91) Fittings and Adaptors**

This clause is cancelled effective 29/10/93.

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**A8017D (01/06/91) Authorization of Work**

This clause is cancelled effective 29/10/93.

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**A8018D (31/01/92) Work Location**

Effective 29/10/93, this clause is superseded by A1009D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A8019D            (31/01/92)            Invoicing Instructions**

Effective 31/03/95, this clause is superseded by H3018D.

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**A8500D            (01/06/91)            Charter - Period**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A8501D            (01/06/91)            Vessel Charter**

1. The vessel must meet the requirements listed in the attached specifications. The Bidder is to provide the following details of his vessel:
  - (a) Name of Vessel \_\_\_\_\_ ;
  - (b) Official Number \_\_\_\_\_ ;
  - (c) Length, Beam, Displacement \_\_\_\_\_ ;
  - (d) Name of Vessel's Skipper during Charter Period \_\_\_\_\_ .
  
2. The vessel must meet the following requirements:
  - (a) Vessel must be seaworthy, the engine must be in good running order and all gear and equipment in good repair.
  - (b) The owner agrees to keep and maintain the boat, engines, gear and equipment in good and sufficient repair during the period stated herein and agrees to pay for all necessary repairs, renewals and maintenance.
  
3. The Owner agrees:
  - (a) to indemnify and save harmless Her Majesty from and against any claim for loss or damage to this vessel or any other vessel and to the engines, gear, or equipment thereof, arising from this charter, and for injury to the person or property of persons aboard any such vessel, excepting other injury to the person or property of Her Majesty's servants or agents;
  - (b) that if the vessel is disabled or is not in running order or is laid up without the consent of Her Majesty's representative, then Her Majesty shall not be liable for payment for the hire of the vessel during such period, and if such period exceeds one week, Her Majesty may terminate the charter immediately;
  - (c) that if any gear or equipment necessary for the efficient operation of the vessel for the purpose of this charter is not in good working order for any period of time,

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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then the payment of hire shall cease for the time thereby lost, and if upon the voyage the speed be reduced by defect in or breakdown of any part of the hull, machinery or equipment, the time lost shall be deducted from the hire. Her Majesty shall be the sole judge of the capability of the vessel;

- (d) that the operation shall be carried out by the duly authorized representatives of Her Majesty nominated by the Service Site Authority;
- (e) that life-jackets for all persons on board shall be in readily accessible positions at all times;
- (f) that the use or possession of illegal drugs or intoxicating spirits for beverage purposes is prohibited and if any member of the crew is found under the influence of such drugs and/or intoxicants while on duty, it shall be cause for the termination of the Charter Agreement;
- (g) that if the said boat is unable to operate safely in the area of the survey because of sea or weather conditions, as agreed upon by the representative of the owner and the representative of the Charterer, then the charter for the day shall be terminated and a pro-rated payment made to the Contractor for that period engaged in the survey in accordance with the terms and conditions of this Contract;
- (h) that if the particulars furnished by the Owner and set out in this agreement and in the "Offer to Charter" for letting are incorrect or misleading, the Charterer may, at the Charterer's discretion, declare this agreement to be null and void and the Charterer shall thereupon be relieved of all liability in connection therewith or with the said boat.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A8999C (01/05/96) Experience and Education**

The Contractor certifies that all statements made with regard to the education and the experience of individuals proposed for completing the subject Work are accurate and factual, and the Contractor agrees that the Minister reserves the right to verify any information provided in this regard and that untrue statements may result in the Contract being terminated for default pursuant to the terms of the general conditions forming part of this Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A8999T (01/05/96) Education and Experience - Certification**

We certify that all statements made with regard to the education and the experience of individuals proposed for completing the subject Work are accurate and factual, and we are aware that the Minister reserves the right to verify any information provided in this regard and that untrue statements may result in the proposal being declared non-responsive.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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Should a verification by the Minister disclose untrue statements, the Minister shall have the right to treat any contract resulting from this Bid as being in default and to terminate it accordingly.

Failure to include this representation and warranty with the Bid by executing the signature block immediately following this paragraph shall render the bid non-responsive.

\_\_\_\_\_  
Signature

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
Treasury Board approval must be obtained prior to the use of this clause.

### **A9000C (01/06/94) Ammunition Handling**

1. Except in cases of emergency, ammunition shall not be moved, handled or stored in the vicinity of the Contractor's premises by the officers, agents or employees of Canada or by officers, agents or employees of the Contractor while the vessel is docked at or situated upon the Contractor's premises.
2. If Canada's Officer-in-charge of ammunition considers a state of emergency exists that requires the moving, storage or handling of ammunition from the vessel or in the vicinity of the Contractor's premises, then Canada shall indemnify the Contractor against any and all damages suffered by the Contractor that result from:
  - (a) injury (includes injury resulting in death) to persons; and,
  - (b) loss of or damage to property of a third party or to property of the Contractor,that arise from the discharge or detonation of ammunition so moved, handled or stored regardless that such damage is direct or consequential and regardless that such injury, loss or damage arises through error in judgement or through negligence by any person.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations where statements of education and experience are relied upon to award the contract.

### **A9001T (31/03/95) Education/Experience Certification**

1. Bids, to be considered responsive, must contain the following certification:

"The Bidder hereby certifies that all statements made with respect to education and experience are true and that any person proposed by the Bidder to perform the Work or part of

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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the Work is either an employee of the Bidder or under a written agreement to provide services to the Bidder."

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

2. Canada reserves the right to verify the above certification and to declare the bid non-responsive for any of the following reasons:
- (a) unverifiable or untrue statement;
  - (b) unavailability of any person proposed on whose statement of education and experience Canada relied to evaluate the bid and award the Contract.

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**A9001T            (01/06/91)            Education/Experience Certification**

Effective 31/03/95, this clause is superseded by A9001T.

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**A9002C            (01/06/91)            Contract Title**

Effective 29/10/93, this clause is superseded by A9002D.

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

When used, this clause should be inserted at the beginning of page 2 of bid solicitation and contract documents. If funding is being provided through the federal Panel on Energy Research and Development (PERD), federal/provincial Mineral Development Agreements (MDA), other programs, or through a cost-sharing agreement, a note to that effect should be added following the title, i.e. "Part of the [name of the program]" or "Cost-shared: X%/Y%, Crown/Contractor." If the contract is going to be issued to a Canadian university, the name of the principal investigator and the faculty/department should follow the title.

**A9002D            (29/10/93)            Contract Title**

\_\_\_\_\_ (insert Title).



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9002D**      **(31/01/92)**      **Contract Title**

Effective 29/10/93, this clause is superseded by A9002D.

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**A9003C**      **(01/06/91)**      **Contract Title**

Effective 29/10/93, this clause is superseded by A9002D.

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**A9004C**      **(01/06/91)**      **Principal Investigator**

Effective 29/10/93, this clause is superseded by A9002D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contracts where the award was issued via electronic transmission.

**A9005C**      **(30/10/96)**      **Confirmation of Contract Award**

This document confirms the Contract award issued by \_\_\_\_\_ (insert telegram, facsimile or telephone as applicable) dated \_\_\_\_\_. The Work specified in that notice is not to be duplicated.

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**A9005C**      **(29/10/93)**      **Confirmation of Contract Award**

Effective 30/10/96, this clause is superseded by A9005C.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9006C**      **(01/06/91)**      **Defence Contract**

Effective 01/05/96, this clause is superseded by A9006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in all Department of National Defence documents.

**A9006D**      **(21/06/99)**      **Defence Contract**

The Contract is a defence contract within the meaning of the *Defence Production Act* and shall be read accordingly.

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**A9006D**      **(01/05/96)**      **Defence Contract**

Effective 21/06/99, this clause is superseded by A9006D.

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**A9007C**      **(01/06/91)**      **Prior Rights and Obligations**

This clause is cancelled effective 31/03/95.

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**A9008C**      **(01/06/91)**      **Period of Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9009C (01/07/91) Option to Extend Contract**

Effective 31/03/95, this clause is superseded by A9009D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitation and contract documents when the client department requests that the option to extend the contract be included in the contractual arrangement.

**A9009D (15/12/95) Option to Extend Contract**

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by a period of \_\_\_\_\_ under the same terms and conditions. Canada may exercise this option at any time by sending a notice to the Contractor at least \_\_\_\_\_ calendar days prior to the Contract expiry date.

The Contractor agrees that, during the extended period of the Contract, the rates/prices will be in accordance with the provisions of the Contract.

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**A9009D (31/03/95) Option to Extend Contract**

Effective 15/12/95, this clause is superseded by A9009D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause is recommended for use in any "You are Requested" type contract. In addition, this clause is to be used whenever DSS-MAS 1053 General Conditions - Universities and Other Institutions are incorporated into the contract.

**A9010C (31/03/95) Entire Agreement**

This Contract constitutes the entire agreement between the parties with respect to the subject matter of this Contract and supersedes all previous negotiations and documents related to it.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9010C            (01/06/91)            Entire Agreement**

Effective 31/03/95, this clause is superseded by A9010C.

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**A9011C            (01/06/91)            Amendment**

This clause is cancelled effective 29/10/93.

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**A9012C            (01/06/91)            Subcontracting**

This clause is cancelled effective 04/01/94.

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**A9013C            (09/08/91)            Replacement of Personnel**

Effective 31/03/95, this clause is superseded by A7017D.

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**A9014C            (01/06/91)            Replacement of Personnel**

Effective 29/10/93, this clause is superseded by A9014D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitation and contract documents where the contractor must provide the services of personnel with specific qualifications and experience as requested by the client department in order to perform the Work.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9014D (29/10/93) Specified Personnel**

The services of the following personnel/job categories shall be provided by the Contractor to perform the Work in accordance with the Contract: \_\_\_\_\_

\_\_\_\_\_

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contracts when experimental animals will be utilized during the performance of the work.

**A9015C (30/10/96) Experimental Animals**

The Contractor shall adhere to the requirements outlined in the current issue of the *Guide to the Care and Use of Experimental Animals* and any supplements thereto prepared by, and available from the:

Canadian Council on Animal Care  
315-350 Albert Street  
Ottawa, ON K1R 1B1

\_\_\_\_\_

**A9015C (29/10/93) Care and Use of Experimental Animals**

Effective 30/10/96, this clause is superseded by A9015C.

\_\_\_\_\_

**A9015D (31/01/92) Rates for Option Period**

Effective 01/12/92, this clause is superseded by M0019T.

\_\_\_\_\_

**A9016C (01/06/91) Hazardous Waste Disposal**

Effective 31/03/95, this clause is superseded by A9016D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contractual documents when hazardous wastes bought, created or used during the performance of the work must be disposed of by the contractor.

**A9016D            (31/03/95)            Hazardous Waste Disposal**

The Contractor shall have full responsibility for disposal of any hazardous waste removed or uncovered in the performance of the Work. Title to such waste shall pass to the Contractor as soon as the Contractor takes possession of the waste, and the Contractor shall dispose of such waste in accordance with the requirements of the Contract, if any, and in accordance with applicable law, whether federal, provincial or municipal.

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**A9017C            (01/06/91)            Vessel Condition**

Effective 29/10/93, this clause is superseded by A9017D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in requirements where the contractor has to charter a vessel in order to perform the work.

**A9017D            (29/10/93)            Vessel Condition**

The Contractor warrants that the vessel provided to the Crown is mechanically sound, completely seaworthy, equipped with readily accessible lifesaving equipment, shall be adequately manned and in full accordance with the *Canada Shipping Act*.

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**A9018C            (01/06/91)            Status of Contractor**

This clause is cancelled effective 29/10/93.

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**A9019T            (01/06/91)            Labour Agreement, Valid**

This clause is cancelled effective 31/03/95.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9020D (29/10/93) Cylinder Hook-Up**

The Contractor shall be responsible for the hook-up of cylinders.

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**A9020T (01/06/91) Cylinder Hook-Up**

Effective 29/10/93, this clause is superseded by A9020D.

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**A9021D (01/06/91) Period of Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in "as and when requested" type contracts.

**A9022T (29/10/93) Period of Contract**

The Contract is in effect from \_\_\_\_\_ to \_\_\_\_\_ inclusive.

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**A9022T (01/06/91) Period of Contract**

Effective 29/10/93, this clause is superseded by A9022T.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9023D (01/06/91) Performance**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9024D (01/06/91) List of Names**

Effective 31/03/95, this clause is superseded by A9014D.

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**A9025D (01/06/91) Vehicles**

This clause is cancelled effective 29/10/93.

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**A9026D (01/06/91) Maintenance Services**

Effective 01/12/92, this clause is superseded by A7006D.

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**A9027T (01/06/91) Instructions to Bidders**

This clause is cancelled effective 29/10/93.

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**A9028D (01/06/91) Cylinder Maintenance Responsibility**

Effective 29/10/93, this clause is superseded by A7007D.



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9029D            (01/06/91)            Laws, Applicable**

Effective 29/10/93, this clause is superseded by A9070D.

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**A9030D            (01/06/91)            Unsatisfactory Service**

This clause is cancelled effective 29/10/93.

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**A9031D            (01/06/91)            Worker's Compensation Board**

This clause is cancelled effective 29/10/93.

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**A9032D            (01/06/91)            Classification, Vendors**

Effective 01/12/92, this clause is superseded by M0020C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations when the financial capability of the bidder forms part of the evaluation criteria.

**A9033T            (31/03/95)            Financial Statements**

In order to confirm a bidder's financial capability to perform the subject requirement, the Contracting Authority reserves the right to have access, during the bid evaluation phase, to current bidder financial information. If requested, the financial information to be provided shall include, but not be limited to, the bidder's most recent audited financial statements or financial statements certified by the bidder's chief financial officer.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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Should the bidder provide the requested information to the Crown in confidence while indicating that the disclosed information is confidential, then the Crown will treat the information in a confidential manner as provided in the *Access to Information Act*.

In the event that a bid is found to be non-compliant on the basis that the bidder is considered NOT to be financially capable of performing the subject requirement, official notification shall be provided to the bidder.

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**A9033T            (01/06/91)            Financial Stability**

Effective 31/03/95, this clause is superseded by A9033T.

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**A9034T            (01/06/91)            Current Operational Chart**

This clause is cancelled effective 29/10/93.

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**A9035D            (01/06/91)            Governing Law**

Effective 29/10/93, this clause is superseded by A9070D.

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**A9036D            (01/06/91)            Temporary Employees, Classification of**

This clause is cancelled effective 29/10/93.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9037D            (01/06/91)            Temporary Employees, Classification of**

This clause is cancelled effective 29/10/93.

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**A9038D            (01/06/91)            Protection of Property**

Effective 29/10/93, this clause is superseded by A9062D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when it would be beneficial for bidders to view the work site to improve their understanding of the requirement. Procurement officers are to edit the clause to specify the location of the site and the date and time of the visit. In the case of marine requirements, the word Vessel may be inserted after the title.

**A9038T            (31/03/95)            Site Visit (Optional)**

It is recommended that the bidder or a representative of the bidder visit the work site and examine the scope of work required and the existing conditions.

Arrangements have been made for a tour of the work site. The site visit will be held on \_\_\_\_\_, at \_\_\_\_\_, and bidders should communicate with the Contracting Authority prior to the visit to confirm attendance. Bidders that do not attend are not precluded from submitting a bid. Bidders are to provide the Contracting Authority with the names of its representatives and a list of issues that it wishes to table no later than \_\_\_\_\_ days prior to the scheduled site visit.

The person conducting the site visit will have an attendance form which is to be signed by the bidder's representatives in attendance. The attendance form will be submitted to the Contracting Authority immediately after the visit has been conducted. Bidders are advised that any clarifications or changes resulting from the site visit shall be included as an amendment to the bid solicitation document.

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**A9038T            (01/12/92)            Site Visit (Optional)**

Effective 31/03/95, this clause is superseded by A9038T.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9039T            (01/06/91)            Site Visit**

Effective 31/03/95, this clause is superseded by A9040T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when it is mandatory for bidders to view the work site to improve their understanding of the requirement. Contracting officers are to edit the clause to specify the location of the site and the date and time of the visit. In the case of marine requirements, the word "Vessel" may be inserted after the title.

**A9040T            (31/03/95)            Site Visit (Mandatory)**

1. It is mandatory that the bidder or a representative of the bidder visit the site and examine the scope of the work required and the existing conditions.
2. Arrangements have been made for a tour of the work site. The site visit will be held on \_\_\_\_\_, at \_\_\_\_\_, and bidders should communicate with the Contracting Authority prior to the visit to confirm attendance. Bidders who, for any reason, cannot attend at the specified date and time will not be given an alternative appointment to view the site and their bids, therefore, will be rejected as non-compliant. **NO EXCEPTIONS WILL BE MADE.**
3. Proof of attendance at the site visit must be provided to the Contracting Authority. The following forms of evidence are acceptable:
  - (a) Canada's signature on this clause or on a Visit Certification; or,
  - (b) Canada's Attendance Form submitted directly to the Contracting Authority by the person conducting the Site Visit.

\_\_\_\_\_  
Canada's Signature      Bidder's Signature      Date

4. Bidders are advised that any clarifications or changes resulting from the site visit shall be included as an amendment to the bid solicitation.
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**A9040T            (01/06/91)            Site Visit**

Effective 31/03/95, this clause is superseded by A9040T.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9041D (29/10/93) Salvage**

All scrap and waste material, except items specifically listed in the specifications, will become the property of the Contractor who shall remove it from the site.

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**A9041D (01/06/91) Salvage**

Effective 29/10/93, this clause is superseded by A9041D.

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**A9042T (01/06/91) Tenders/Quotations by Telex**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when reissuing bid solicitations. Procurement officers are to insert the number, date and closing time and date of the solicitation which is being superseded.

**A9043T (29/10/93) Reissue of Solicitation**

THIS CANCELS AND SUPERSEDES PREVIOUS SOLICITATION NUMBER \_\_\_\_\_ DATED \_\_\_\_\_ WHICH WAS DUE AT \_\_\_\_\_ ON \_\_\_\_\_.

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**A9043T (01/06/91) Bid Date Change**

This clause is cancelled effective 29/10/93.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause is to be used in solicitations for procurements exceeding \$25 000, for requirements that are not classified, when a list is used to invite suppliers.

**A9044T (01/05/96) Bidders List - Release**

The list of suppliers being invited to bid on this requirement is included. This list will not be updated as new bidders request bid packages.

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**A9044T (29/10/93) Bidders List - Release**

Effective 01/05/96, this clause is superseded by A9044T.

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**A9045C (01/06/91) Confirmation**

Effective 01/12/92, this clause is superseded by A9005C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9046T (01/06/91) Reference to the Word "Tender"**

Reference to the words "Invitation to Tender" and "Tender": wherever "Invitation to Tender" and "Tender" appears in this document and in the General Conditions, substitute the words "Request for Proposal" and "Proposal".

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9047D (29/10/93) Title to Property**

The Contract is a defence contract within the meaning of the *Defence Production Act*. In accordance with the provisions of section 20 of the Act, title to any Government Issue (as defined in that Act) furnished or made available to the Contractor, or obtained or constructed by the Contractor with money provided by Canada, remains vested or vests in Canada free and clear of all claims, liens, charges and encumbrances and notwithstanding any law in force in any

## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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province or any territory of Canada but subject to the provisions of the Contract. Canada is entitled at any time to remove, sell or dispose of the Government Issue.

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### **A9047D (01/12/92) Title to Property**

Effective 29/10/93, this clause is superseded by A9047D.

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### **A9048D (01/06/91) Technical Representative**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contractual documents covering the procurement of vehicles.

### **A9049D (31/03/95) Vehicles**

Each vehicle supplied must meet the provisions of the *Motor Vehicle Safety Act* of Canada and the regulations thereunder that are in force on the date of its manufacture.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitations and contract documents for the procurement of equipment.

### **A9050D (31/03/95) Publications - Commercial**

The manufacturers' existing commercial manuals will be accepted without formal submission and review of sample copies, on the assurance of the supplier that they contain adequate instructions for the operation, maintenance and repair of the equipment, as well as parts list containing illustrations, exploded views, and drawings and associated lists, necessary for the proper identification of all parts, assemblies, and special equipment. The contractor shall specify the manufacturer's identification numbers for the publications to be provided and shall certify that they are correct issues for the equipment being purchased.

One copy of each publication submitted shall be shipped with each unit of equipment.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9050D (01/06/91) Publications - Commercial**

Effective 31/03/95, this clause is superseded by A9050D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitations and contract documents for the procurement of equipment when the rights to translation of existing commercial publications are involved. This clause is to be used in conjunction with clause A9050D. Procurement officers are to insert the number of copies which are required and insert the name of the organization within the Department of National Defence where the publications are to be sent.

**A9051D (31/03/95) Publications - Technical - Translation**

Canada shall have the right to translate and reproduce for government use only, all or any part of the publications supplied under the Contract.

In addition to the copies which are to be supplied with the equipment, \_\_\_\_\_ copies of each publication shall be forwarded to:

Department of National Defence  
MGen George Pearkes Building  
Ottawa, Canada  
K1A 0K2

Attention: \_\_\_\_\_

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**A9051D (01/06/91) Publications - Technical - Translation**

Effective 31/03/95, this clause is superseded by A9051D.

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**A9052D (01/06/91) Warranty**

This clause is cancelled effective 15/12/95.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9053D (15/09/97) Trade-in Allowance**

The Trade-In Allowance has taken into consideration the fact that the used vehicle will be retained until the new vehicle is exchanged, and that no adjustment will be made to allow for depreciation arising out of normal wear and tear on the used vehicle between the time of appraisal and the time the new vehicle is exchanged. Any significant change in the condition of the trade-in vehicle must be reported by the fastest means to the Department of Public Works and Government Services Contracting Authority.

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**A9053D (01/06/91) Trade-in Allowance**

Effective 15/09/97, this clause is superseded by A9053D.

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**A9054D (01/06/91) Vessel, Viewing of**

Effective 29/10/93, this clause is superseded by A9054T.

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**A9054T (29/10/93) Vessel, Viewing of**

Effective 31/03/95, this clause is superseded by A9038T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9055D (01/06/91) Scrap and Waste Material**

Notwithstanding the provisions of DSS-MAS 1026A, scrap and waste materials other than accountable material, derived from the Contract, shall revert to the Contractor as part of the Contract Price.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9056T            (01/06/91)            Safety Measures for Fuel - DND**

With the bid submission, the Bidder shall provide details of its standard safety measures for fuelling and disembarking fuel from Department of National Defence (DND) vessels and the name of the person in charge of this activity.

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**A9057T            (01/06/91)            Telegraphic Bids**

This clause is cancelled effective 29/10/93.

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**A9058T            (01/06/91)            Bids - Submission**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9059D            (12/05/00)            Jurisdictions HMC Dockyard**

When a Contractor performs work in the CFB Esquimalt Dockyard, that is usually performed by employees of the Ship Repair Group, such work shall normally be performed in accordance with the methods, practices, or work distribution prevailing at the said Dockyard which takes into consideration the trade jurisdictional limitations of the Federal Government Dockyards Trades and Labour Council (Victoria) affiliates.

Should there be a need for any work permit, this requirement shall be borne by the Contractor or subcontractor. In this instance, the work permit will be ten dollars (\$10) per worker per week and will be paid only when the workers of the outside Contractor or subcontractor do not belong to the same unions affiliated with the Federal Government Dockyards Trades and Labour Council (Victoria).

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9059D**      **(01/06/91)**      **Jurisdictions HMC Dockyard**

Effective 12/05/00, this clause is superseded by A9059D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
Procurement officers are to specify the number of people for which accommodation is required, the type of equipment required, etc.

**A9060D**      **(03/02/97)**      **Office Accommodation**

For the duration of the Contract, the Contractor shall provide furnished office accommodation for customer's staff and/or Department of Public Works and Government Services representative as follows: \_\_\_\_\_.

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**A9060D**      **(29/10/93)**      **Office Accommodation**

Effective 03/02/97, this clause is superseded by A9060D.

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**A9061D**      **(01/06/91)**      **Subcontracts - DND**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9062D**      **(29/10/93)**      **Site Regulations**

The Contractor undertakes and agrees to comply with all standing orders or other regulations, in force on the site where the work is to be performed, relating to the safety of persons on the site or the protection of property against loss or damage from any and all causes including fire.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9062D (01/06/91) Site Regulations**

Effective 29/10/93, this clause is superseded by A9062D.

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**A9063D (01/06/91) Hovercraft - Warranty**

This clause is cancelled effective 01/12/92.

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**A9064D (01/06/91) Warranty - DND**

Effective 01/12/92, this clause is superseded by K0027D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9065D (01/06/91) Security and Personnel Identification**

As a security precaution, it is required that all employees engaged in work or business for the Contract be readily identifiable. To this end, all company workmen, foremen, and subcontractor personnel are to wear, in a conspicuous place, the identification badge issued to them. In addition, it is recommended that a corresponding number be painted on the front of the safety helmet worn.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all ship refit contracts, and in all ship/ship system repair and overhaul contracts where the ship must be docked at contractor's facility or service facility other than client department's own docking facility.

**A9066D (29/10/93) Vessel - Access by Canada**

Canada reserves the right to carry out limited work by its personnel on equipment on board the vessel. Such work will be carried out at times mutually acceptable to Canada and to the Contractor.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9066D (01/06/91) Vessel - Crown Access**

Effective 29/10/93, this clause is superseded by A9066D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitations and contract documents with agencies and re-sellers.

**A9067D (31/03/95) Warranty**

The warranty contained in the Contract is no less beneficial to Canada in any respect than the standard warranty terms offered by the manufacturer or designer in respect of the goods or services to be supplied under the Contract.

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**A9069T (01/06/91) Bid Receiving/Return Address**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The contracting officer shall ensure that the applicable law selected by the proposed contractor, or in absence of such selection, the law indicated in the RFP, is inserted in the blank.

**A9070C (24/05/02) Applicable Laws**

This Contract shall be interpreted and governed, and the relations between the Parties, determined by the laws in force in \_\_\_\_\_.

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**A9070C (15/12/95) Applicable Laws**

Effective 24/05/02, this clause is superseded by A9070C.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9070D (01/06/91) Applicable Law**

Effective 15/12/95, this clause is superseded by A9070C, A9070T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The contracting officer shall indicate the Canadian province or territory the law of which Canada proposes to apply to the resultant contract. Bidders will be instructed to propose any change to applicable provincial or territorial law, in their formal bid response.

**A9070T (24/05/02) Applicable Laws**

The Contract shall be interpreted and governed, and the relations between the Parties, determined by the laws in force in \_\_\_\_\_.

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

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**A9070T (15/12/95) Applicable Laws**

Effective 24/05/02, this clause is superseded by A9070T.

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**A9071D (31/01/92) Period of Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9072D (01/08/92) Period of Proposed Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9073D (31/01/92) Period of Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9074D (31/01/92) Period of Proposed Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9075D (31/01/92) Period of Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9077C (01/12/92) Period of Contract**

Effective 31/03/95, this clause is superseded by A9009D.

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**A9078C (31/01/92) Period of Proposed Contract**

Effective 31/03/95, this clause is superseded by A9009D.

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## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9079C            (31/01/92)            Period of Proposed Contract**

Effective 31/03/95, this clause is superseded by A9009D.

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**A9080C            (01/08/92)            Period of Proposed Contract**

Effective 29/10/93, this clause is superseded by D0025D.

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**A9081C            (31/01/92)            Government Smoking Policy**

This clause is cancelled effective 25/05/01.

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**A9082C            (31/01/92)            Replacement of Personnel**

Effective 31/03/95, this clause is superseded by A7017D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** A bidders' conference should be called when it is required to ensure that bidders fully understand the technical, operational and performance specifications and/or the full extent of the financial, security and other contractual obligations related to the bid solicitation. Bidders' conferences are optional only.

**A9083T            (25/05/01)            Bidders' Conference**

1. A bidders' conference, will be held at ***(Insert address)*** on ***(Insert date)***. The conference will begin at ***(Insert time)***, in ***(Insert location)*** meeting room. Bidders who do not attend are not precluded from submitting a bid.
2. Bidders are requested to communicate with the Contracting Authority prior to the bidders' conference to confirm attendance. Bidders are to provide the Contracting Authority, in writing, the names of its representatives who will be attending and a list of issues that it



## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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wishes to table no later than \_\_\_\_\_ working days prior to the scheduled bidders' conference.

3. Bidders, or a representative of the bidder, are requested to attend this conference during which the requirements outlined in this bid solicitation document will be reviewed and any questions will be answered. In order to fully understand the scope of the requirement, it is recommended that bidders who intend submitting a bid attend or send a representative.
4. Bidders are advised that any clarifications or changes resulting from the bidders' conference shall be included as an amendment to the bid solicitation document.

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**A9083T            (31/03/95)            Bidders' Conference**

Effective 25/05/01, this clause is superseded by A9083T.

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**A9084C            (01/08/92)            Extension of Charter**

This clause is cancelled effective 29/10/93.

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**A9084C            (31/01/92)            Extension of Charter**

Effective 01/08/92, this clause is superseded by A9084C.

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**A9085C            (31/01/92)            Subcontracting**

This clause is cancelled effective 01/08/92.

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9085T (01/08/92) Telex/Fascimile Proposal**

This clause is cancelled effective 29/10/93.

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**A9085T (31/01/92) Telex/Fascimile Proposal**

Effective 01/08/92, this clause is superseded by A9085T.

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**A9086T (01/08/92) Telex/Fascimile Proposal**

This clause is cancelled effective 29/10/93.

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**A9086T (31/01/92) Telex/Fascimile Proposal**

Effective 01/08/92, this clause is superseded by A9086T.

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**A9087D (31/01/92) Meetings**

This clause is cancelled effective 29/10/93.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9088D (29/10/93) Safety Regulations and Labour Codes**

The Contractor must adhere to all safety rules, regulations and labour codes in force in all jurisdictions where the Work is to be performed.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9088D (31/01/92) Safety Regulations and Labour Codes**

Effective 29/10/93, this clause is superseded by A9088D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when form PWGSC-TPSGC 1137, Application for Permission to Subcontract, is required.

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**A9089C (13/12/02) Subcontract - Permission to**

When consent is required to subcontract a portion of the work, the Contractor shall submit to the Contracting Authority a completed "Application for Permission to Subcontract", form PWGSC-TPSGC 1137. (The French version, "*Demande d'autorisation de sous-traiter*", form PWGSC-TPSGC 1137-1, is also available.)

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**A9089C (31/03/95) Subcontract - Permission to**

Effective 13/12/02, this clause is superseded by A9089C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the contractor has started, on its own initiative and at its own risk, work that is part of an identifiable contract requirement and the customer department has confirmed, in writing, its intention to purchase this work. This clause must not be used when the contractor has started work before a contract award based on specific verbal or written instructions received from the customer department. In such instances, a Confirming Order must be prepared by the Directorate Legal Advisor.

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**A9090C (16/02/98) Prior Rights and Obligations**

1. The Work undertaken by the Contractor from the \_\_\_\_ day of \_\_\_\_ (month and year) to the date hereof shall be considered to have been undertaken solely in support of its obligations and undertakings herein contained, and the benefits of this Precontractual Work shall vest in and remain the property of Canada from the date of the Contract. All rights moral and otherwise, title, and interest in and to the technical data, intellectual property, patents and trademarks, inventions and acquisitions, except as otherwise

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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provided in the Contract, shall be and are hereby transferred and assigned irrevocably to Canada.

2. In consideration of the foregoing, the Contractor shall be paid a sum for such Precontractual work calculated in accordance with the Basis of Payment herein and the said sum shall form part of Canada's liability to the Contractor as set forth under the Limitation of Expenditure.
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**A9091T (01/06/91) Form of Bidding**

This clause is cancelled effective 29/10/93.

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**A9092C (31/03/95) Precontractual Work - Authorized**

This clause is cancelled effective 15/09/97.

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**A9092D (31/01/92) Boundaries of National Capital Region**

Effective 01/12/92, this clause is superseded by M0021D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9093D (25/05/01) Workers' Compensation**

It is mandatory that all persons performing the work be covered under the applicable workers' compensation legislation provided for the benefit of injured employees.

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**A9093D**            (01/12/00)            **Workers' Compensation**

Effective 25/05/01, this clause is superseded by A9093D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause should be used when a proposed contractor has started work at its own risk without the authorization of a government official, prior to contract authorization, and the work has not been completed. This will ensure that the work done prior to the contract date will be covered by the contract. If the work has been completed, the contracting authority must request that a confirming order be prepared by legal counsel.

**The second paragraph is to be deleted if the client department does not wish to retain the rights to the intellectual property.** In addition, add clause C0210C to the Basis of Payment.

**A9094C**            (16/02/98)            **Precontractual Work - Not Authorized**

1. In order to complete the Work called for by the Contract within the delivery requirements set forth herein, it is recognized that the Contractor, as of \_\_\_\_\_ (start date), has incurred certain costs relating directly to the performance of this Contract prior to the effective date of this Contract, which, if they had been incurred after such date, would have been otherwise treated as costs reasonably and properly incurred by the Contractor in the performance of this Contract. It is recognized by Canada and the Contractor that the Contractor was authorized in writing by Canada to expend certain amounts otherwise reimbursable under the Contract prior to the effective date of the Contract in order to meet the deliver dates specified in the Contract. Inasmuch as the incurring of these costs was authorized and necessary to comply with the terms of this Contract, such cost shall be treated as costs reasonable and properly incurred by the Contractor in performance of this Contract.
  
  2. The parties confirm that ownership of any intellectual property, including technical documentation, prototypes, inventions and technical information, produced by the Contractor in the performance of the Precontractual Work shall vest and remain in Canada.
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**A9094C**            (31/03/95)            **Precontractual Work - Not Authorized**

Effective 16/02/98, this clause is superseded by A9094C.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9095C            (31/03/95)            Precontractual Work - Ongoing Services**

This clause is cancelled effective 15/09/97.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9096T            (01/05/96)            Validity of Bid**

1. It is requested that proposals submitted in response to this Request for Proposal (RFP) be:
    - (a) valid in all aspects, including price, for not less than one hundred and twenty (120) days from the closing date of this RFP; and,
    - (b) signed by an authorized representative of the Bidder in the space provided on the RFP; and,
    - (c) provide the name and telephone number of a representative who may be contacted for clarification or other matters relating to the Bidder's proposal.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9097T            (01/05/96)            Certification of Compliance**

1. The Bidder is requested to provide a certification that clearly indicates the Bidder's compliance with all the articles, clauses, terms and conditions contained in Section "\_\_\_\_" of this document and the Statement of Work, or referenced in this Request For Proposal.
  2. On a clause-by-clause basis, please provide one of the following two responses:
    - (a) COMPLIANT - indicates willingness to comply with or accept this clause or terms and conditions in all respects; no further explanation is necessary; OR
    - (b) NON-COMPLIANT - the Bidder is to specifically indicate all areas with which it will not comply or specify terms and conditions which it would propose as substitutes for those specified.
  3. Words such as "Comply with Intent", "Understood", or the like are inadmissible and shall result in the proposal being removed from further consideration.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9098T            (01/05/96)            Education / Experience - Certification**

By signing the first page of this Request for Proposal, the Bidder certifies that all statements made with regard to the education and the experience of individuals proposed for completing the subject Work are accurate and factual, and the Bidder is aware that Canada reserves the right to verify any information provided in this regard and that untrue statements may result in the Proposal being declared non-responsive or in other action which Canada may consider appropriate.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9099T            (01/05/96)            Information to Assess**

1. Specifically, the Evaluation Team shall use the following information to assess proposals:
    - (a) All information provided in, and documentation provided with, the proposal which is relevant to the stated evaluation criteria.
    - (b) Information obtained from reference checks conducted by the Evaluation Team.
    - (c) Additional supporting or supplementary data which might be requested and provided during the evaluation process.
    - (d) Information obtained in interview with proposed personnel if conducted during the evaluation process.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations.

**A9100T            (01/12/00)            Vendor Performance**

1. Canada may reject a bid where any of the following circumstances is present:
  - (a) the Bidder, or any employee or subcontractor included as part of the bid, has been convicted under section 121 ("*Frauds on the government*" & "*Contractor subscribing to election fund*"), 124 "*Selling or purchasing office*"), or 418 ("*Selling defective stores to Her Majesty*") of the Criminal Code; or
  - (b) the Bidder is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Policy, which renders the Bidder ineligible to bid on the Work;
  - (c) an employee or subcontractor included as part of the bid, is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Policy, which

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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would render that employee or subcontractor ineligible to bid on the Work, or the portion of the Work the employee or subcontractor is to perform;

- (d) with respect to current or prior transactions with the Government of Canada
- (1) the Bidder is bankrupt or where, for whatever reason, its activities are rendered inoperable for an extended period;
  - (2) evidence, satisfactory to Canada, of fraud, bribery, fraudulent misrepresentation or failure to comply with any law protecting individuals against any manner of discrimination, has been received with respect to the Bidder, any of its employees or any subcontractor included as part of its bid;
  - (3) Canada has exercised its contractual remedies of suspension or termination for default with respect to a Contract with the Bidder, any of its employees or any subcontractor included as part of its bid; or
  - (4) Canada determines that the Bidder's performance on other contracts, including the efficiency and workmanship as well as the extent to which the Bidder executed the work in accordance with contractual terms and conditions, is sufficiently poor to jeopardize the successful completion of the requirement being bid on.

2. Where Canada intends to reject a bid pursuant to a provision of paragraph 1, other than 1(b), the Contracting Authority will so inform the Bidder and provide the Bidder ten (10) days within which to make representations, prior to making a final decision on the bid rejection.

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**A9100T (12/05/00) Vendor Performance**

Effective 01/12/00, this clause is superseded by A9100T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9101T (01/05/96) Evaluation Team**

The Evaluation Team reserves the right to interview, at the sole cost of the Bidder, any or all of the resources proposed to fulfil the requirement, at a site selected by Canada, on 48 hours notice, contact any or all of the references supplied, and request supporting or supplementary data. The Bidder warrants that supporting data shall be made available upon request and within a time frame acceptable to the Evaluation Team.



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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9102T            (01/05/96)            Technical Proposal**

TECHNICAL proposals received will be assessed separately against the evaluation criteria identified herein for the total requirement of this Request for Proposal.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for all competitive bid solicitations where the potential contractor may be a Former Public Servant in receipt of a Lump Sum Payment (see Supply Manual procedure 6D.482). This clause is to used in conjunction with clause A9105C and A9106T.

**A9103T            (01/12/00)            Work Force Reduction Programs**

1. As a result of the recent implementation of various programs to reduce the public service, Bidders must provide information regarding their status as former public servants in receipt of either a lump sum payment or a pension, or both, pursuant to the terms of the Early Departure Incentive (EDI) Program, the Early Retirement Incentive (ERI) Program, the Forces Reduction Program, the Executive Employment Transition Program and any other current and future similar programs implemented by Treasury Board. Therefore, bidders must make available the following details:
    - (a) date and amount of lump sum payment incentive;
    - (b) terms and conditions of the lump sum payment incentive (including termination date);
    - (c) rate of pay on which the lump sum payment was based;
    - (d) whether or not the \$5,000 exemption has been reached.
  
  2. In the event that a Contract is awarded to a former public servant during the period covered by the lump sum payment, the contract fee must be abated (reduced) by an amount corresponding to the number of weeks remaining in the Contractor's lump sum payment period after the beginning of the Contract.
  
  3. This reduction is subject to an exemption of a maximum of \$5,000 (including Goods and Services Tax or Harmonized Sales Tax, as appropriate) applicable to one or more contracts during the period covered by the lump sum payment.
  
  4. For the purposes of this solicitation, former public servants is defined as:
    - (a) an individual;
    - (b) an individual who has incorporated;
    - (c) a partnership made up of former public servants; or
    - (d) a sole proprietorship or entity where the affected individual has a major interest in the entity.
  
  5. The information specified must be provided with, and be attached to the bid, and must be provided on, or before, bid closing. Failure to meet this condition of bidding will render the bid non-responsive.
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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**A9103T            (15/09/97)            Work Force Reduction Programs**

Effective 01/12/00, this clause is superseded by A9103T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for all non-competitive bid solicitations where the potential contractor may be a Former Public Servant in receipt of a Lump Sum Payment (see Supply Manual 6D.482). This clause is to used in conjunction with clause A9105C and A9106T.

**A9104T            (01/12/00)            Work Force Reduction Programs**

1. As a result of the recent implementation of various programs to reduce the public service, Bidders must provide information regarding their status as former public servants in receipt of either a lump sum payment or a pension, or both, pursuant to the terms of the Early Departure Incentive (EDI) Program, the Early Retirement Incentive (ERI) Program, the Forces Reduction Program, the Executive Employment Transition Program and any other current and future similar programs implemented by Treasury Board. Therefore, bidders must make available the following details:
  - (a) date and amount of lump sum payment incentive;
  - (b) terms and conditions of the lump sum payment incentive (including termination date);
  - (c) rate of pay on which the lump sum payment was based;
  - (d) whether or not the \$5,000 exemption has been reached.
2. In the event that a Contract is awarded to a former public servant during the period covered by the lump sum payment, the contract fee must be abated (reduced) by an amount corresponding to the number of weeks remaining in the Contractor's lump sum payment period after the beginning of the Contract.
3. This reduction is subject to an exemption of a maximum of \$5,000 (including Goods and Services Tax or Harmonized Sales Tax, as appropriate) applicable to one or more contracts during the period covered by the lump sum payment.
4. For the purposes of this solicitation, former public servants is defined as:
  - (a) an individual;
  - (b) an individual who has incorporated;
  - (c) a partnership made up of former public servants; or
  - (d) a sole proprietorship or entity where the affected individual has a major interest in the entity.
5. Former public servants in receipt of a pension will additionally be subject to a contract fee reduction, in accordance with the Post-Employment Guidelines, following completion of the period covered by the lump sum payment.
6. The information specified must be provided with, and be attached to the bid, and must be provided on, or before, bid closing. Failure to meet this condition of bidding will render the bid non-responsive.

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**A9104T            (15/09/97)            Work Force Reduction Programs**

Effective 01/12/00, this clause is superseded by A9104T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts where clauses A9103T or A9104T and clause A9106T were used.

**A9105C            (15/12/95)            Work Force Reduction Programs**

1. It is a term of this contract:
    - (a) that the Contractor has declared to the Contracting Authority whether the Contractor has received a lump sum payment made pursuant to any work force reduction program, including but not limited to the Work Force Adjustment Directive, the Early Departure Incentive Program, the Early Retirement Incentive Program or the Executive Employment Transition Program, which has been implemented to reduce the public service;
    - (b) that the Contractor has informed the Contracting Authority of the terms and conditions of that work force reduction program, pursuant to which the Contractor was made a lump sum payment, including the termination date, the amount of the lump sum payment and the rate of pay on which the lump sum payment was based; and
    - (c) that the Contractor has informed the Contracting Authority of any exemption in respect of the abatement of a contract fee received by the Contractor under the Early Departure Incentive Program Order or paragraph 4 of Policy Notice 1995-8, of July 28, 1995.
  2. The Contractor represents and warrants that the information submitted with its bid is accurate and complete. The Contractor acknowledges that the Minister has relied upon such representation to enter into this Contract. Such representation may be verified in such manner as the Minister may reasonably require.
  3. The Contractor acknowledges that in the event of a breach of such covenant, the Minister shall have the right to rescind the Contract.
  4. Nothing in this clause shall be interpreted as limiting the rights and remedies which Canada or the Minister may otherwise have in relation to or pursuant to this Contract.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause with either clause A9103T or A9104T.

**A9106T (23/11/98) Work Force Reduction Program - Details**

1. In accordance with the requirements of clause \_\_\_\_\_ (specify A9103T or A9104T), bidders must provide information regarding their status as former public servants in receipt of either a lump sum payment or a pension, or both, pursuant to the terms of the Early Departure Incentive (EDI) Program, the Early Retirement Incentive (ERI) Program, the Forces Reduction Program, the Executive Employment Transition Program and any other current and future similar programs implemented by Treasury Board.
  
2. All bidders shall indicate their status by checking the applicable line and sign the certification below. Bids that are subject to the Work Force Reduction Program (s), shall also include the specified details. Failure to indicate the status will be considered as having not met this requirement and will render the bid non-responsive.

( ) This bid (is not) subject to the Work Force Reduction Program(s).

( ) This bid (is) subject to the Work Force Reduction Program(s).

Name of Contractor: \_\_\_\_\_

Terms and Conditions of the Lump Sum Payment Incentive - copy attached: \_\_\_\_\_

Date of Termination of Employment as a Public Servant: \_\_\_\_\_

Amount of Lump Sum Payment: \$ \_\_\_\_\_

Rate of Pay on which Lump Sum Payment is based: \$ \_\_\_\_\_ /Week

Period of Lump Sum Payment:

Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_ Weeks: \_\_\_\_\_

Other contracts subject to Work Force Reduction Program Restrictions:

| Contract Number | Contract Amount<br>(Professional Fees) |
|-----------------|----------------------------------------|
| _____           | \$ _____                               |
| _____           | \$ _____                               |
| _____           | \$ _____                               |
|                 | Total: \$ _____                        |

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

## **A - INSTRUCTIONS TO BIDDERS/CONTRACTORS**

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**A9106T (16/02/98) Work Force Reduction Program - Details**

Effective 23/11/98, this clause is superseded by A9106T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**A9107T (15/06/98) Civil Employment - Military Personnel**

Article 19.42 of the Queen's Regulations and Orders for the Canadian Forces, is reproduced below:

“19.42 CIVIL EMPLOYMENT

1. Subject to paragraph 3. of this Article, no officer or non-commissioned member on full-time service shall engage in any civil employment or undertaking which in the opinion of his commanding officer:
  - (a) is or is likely to be detrimental to the interests of the Canadian Forces; or
  - (b) reflects or is likely to reflect discredit upon the Canadian Forces; or
  - (c) in the case of officers and non-commissioned members of the Regular Force, is continuous.
2. No officer or non-commissioned member on full-time service shall authorize the use of his name or photograph in connection with a commercial product, except so far as his name may be part of a firm name.
3. Except that he shall not engage in any civil employment or undertaking which effects or is likely to reflect discredit upon the Canadian Forces, this article does not apply to an officer or non-commissioned member who is:
  - (a) on leave immediately preceding release; or
  - (b) on leave without pay.”

It is MANDATORY that bidders disclose the military employment status of all individuals proposed. Every individual proposed that is on full-time service with the Canadian Forces MUST, without exception, have included, as part of his or her résumé, a written clearance from the individual's commanding officer which contains a date as to when that individual will be available to provide the services specified herein. This written clearance must not be dated more than ninety (90) days prior to the Request for Proposal closing date. Any résumé provided that require the aforesaid written clearance and date of availability that fail to do so, will not be considered.

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**A9107T (01/05/96) Civil Employment - Military Personnel**

Effective 15/06/98, this clause is superseded by A9107T.

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**Remarks:** Since September 10, 2001, ABE contains an edit that prevents the release of a contract to a Canadian company that does not have a PBN. Therefore, the requirement for a PBN must be included in all solicitation documents processed through ABE.

**A9109T (13/12/02) Procurement Business Number**

1. For procurement purposes, the Government of Canada uses a unique Procurement Business Number (PBN) to identify a company and its branches, divisions, or offices, where appropriate. The PBN is created using the entity's Canada Customs and Revenue Agency Business Number.
  2. All Canadian companies are required to have a PBN prior to contract award in order to receive a Public Works and Government Services Canada (PWGSC) contract. In exceptional circumstances, PWGSC may decide to award, at its own discretion, a contract to a company without a PBN. Non-Canadian companies are strongly encouraged to obtain a PBN.
  3. Companies may register for a PBN in the Supplier Registration Information (SRI) service on line at the Contracts Canada Internet site at: <http://contractscanada.gc.ca>. In order for companies to be sourced by government buyers, they must complete the registration process and activate their account in the SRI service.
  4. For non-Internet registration, contact the Contracts Canada InfoLine at 1-800-811-1148 or (819) 956-3440, in the National Capital Area, to obtain the telephone number of the nearest Supplier Registration Agent.
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**A9109T (10/12/01) Procurement Business Number**

Effective 13/12/02, this clause is superseded by A9109T.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

Insert the following clause in full text at the beginning of the bid solicitation when the procurement is being set aside under the Land Claims Set-Aside Policy. Ensure that the applicable trade agreement is identified in the clause.

**A9110T (24/05/02) Land Claims Set-Aside**

This procurement is set aside from \_\_\_\_\_ (*Insert as applicable: the North American Free Trade Agreement Annex 1001.2b, Article 1(d); World Trade Organization - Agreement on Government Procurement, Appendix I, article 1(d); the Canada-Korea Procurement of Telecommunications Equipment Agreement (CKTEA), Article 1, part 5, and/or Agreement on Internal Trade (AIT), Article 1802.*)

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**A9110T (10/12/01) Land Claims Set-Aside**

Effective 24/05/02, this clause is superseded by A9110T.

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**Remarks:** Use the following clause in procurements involving applicable service requirements, if the service component is \$500 or more in the year, as well as procurements involving a mix of goods and services. This includes contracts or standing offers with Canadians undertaking government work abroad. Use in conjunction with one of H3023D, A9116D, or A9117D, as applicable.

**A9115D (13/12/02) T1204 Government Service Contract Payments**

Pursuant to paragraph 221 (1)(d) of the *Income Tax Act*, payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip. To enable departments and agencies to comply with this requirement, the Contractor is required to provide its Procurement Business Number (PBN) or its Social Insurance Number. For the PBN, the Contractor is to ensure the accuracy of its information in the Supplier Registration Information service.

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**A9115D (23/11/98) T4A Supplementary Slip Requirement**

Effective 13/12/02, this clause is superseded by A9115D.

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## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks:** Use the following clause in conjunction with A9115D whenever the client department wishes to receive the contractor information directly, following contract award.

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**A9116D (13/12/02) T1204 Information Reporting by Contractor**

1. The Contractor shall provide the following information, or their Procurement Business Number, within \_\_\_\_\_ calendar days from date of award of the contract:
  - (a) the legal name of the entity or individual, as applicable, i.e. the name associated with the Social Insurance Number (SIN) or Business Number (BN), as well as the address and the postal code;
  - (b) the status of the Contractor, i.e. individual, partnership, or corporation;
  - (c) for individuals, the Contractor's SIN and, if applicable, the BN, or if applicable, the Goods and Services Tax/Harmonized Sales Tax (GST/HST) number;
  - (d) for partnerships and corporations, the BN, or if this is not available, the GST/HST number. If there is no BN or GST/HST number, corporations must provide their T2 Corporation Tax number, while partnerships must provide the SIN of the partner who has signed the contract; and,
  - (e) the following certification signed by the Contractor or an authorized officer:

*"I certify that I have examined the information provided above, including the legal name, address, and Canada Customs and Revenue Agency identifier, (c) or (d) as applicable, and that it is correct and complete, and fully discloses the identification of this Contractor."*
  
2. The information is to be forwarded to the contact and address specified below, and where the required information includes a SIN, i.e. when the Contractor is an individual or in partnership, such information should be provided in an envelope marked "PROTECTED".

**NOTE:** *(Contracting Officer to insert contact and address specified by client department)*

Contact: \_\_\_\_\_  
Address: \_\_\_\_\_.

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**A9116D (12/05/00) T4A Information Reporting by Contractor**

Effective 13/12/02, this clause is superseded by A9116D.



## A - INSTRUCTIONS TO BIDDERS/CONTRACTORS

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**Remarks:** Use the following clause in conjunction with A9115D whenever the client department wishes to contact contractors directly to obtain the required information.

**A9117D (13/12/02) T1204 Information - Direct Request by Client Department**

Contractors are required to provide Canada Customs and Revenue Agency the identifying information referred to in clause A9115D, as and when requested by the client department. (These requests may take the form of a general call-letter to suppliers or individual contact, in writing or by telephone).

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**A9117D (12/05/00) T4A Information - Direct Request by Client Department**

Effective 13/12/02, this clause is superseded by A9117D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitation documents when there is access to "controlled goods".

**A9130D (24/05/02) Controlled Goods - Access**

As this procurement requires access to "controlled goods", which are subject to the *Defence Production Act*, contractors are hereby advised that only persons who are registered, exempt or excluded under the Controlled Goods Program are lawfully entitled to examine, possess or transfer "controlled goods".

Requests for "controlled goods" should be made to the contracting authority identified herein. Details on how to register are available at: <http://www.cgp.gc.ca>.

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**A9130D (10/12/01) Controlled Goods - Access**

Effective 24/05/02, this clause is superseded by A9130D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitation documents when there is a requirement to produce or have access to “controlled goods”.

**A9131D (24/05/02) Controlled Goods - Production**

As this procurement will result in the production of “controlled goods”, or requires access to “controlled goods” in the course of production, which are subject to the *Defence Production Act*, contractors are hereby advised that only persons who are registered, exempt or excluded under the Controlled Goods Program are lawfully entitled to examine, possess or transfer “controlled goods”.

Details on how to register are available at: <http://www.cgp.gc.ca>.

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**A9131D (10/12/01) Controlled Goods - Production**

Effective 24/05/02, this clause is superseded by A9131D.

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## **Section 5**

### **B - REQUIREMENTS DEFINITION**

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## **B - REQUIREMENTS DEFINITION**

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. If the following clause is used, enter fill-in data.

**B0001T**            (01/06/91)            **Sample - Sealed**

The supplies shall conform to the sealed sample which may be seen on application to: \_\_\_\_\_.

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**B0002D**            (01/06/91)            **Sample - Sealed**

The supplies shall conform to the sealed sample provided.

=====

**B0003D**            (01/06/91)            **Delivery - Samples**

This clause is cancelled effective 31/03/95.

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**B0004D**            (30/10/96)            **Test Samples**

Should one or more of the deliverable end items be destroyed by the Contractor while being tested for the purpose of demonstrating performance, it shall be at the expense of the Contractor, and shall not vary the Contractor's obligations hereunder respecting quantity.

=====

**Remarks:** Use this clause to advise the contractor of the availability of test facilities if such tests are required.

**B0005D**            (30/10/96)            **DND Test Facilities, Use of**

Subject to availability, the Contractor may use the facilities at the Proof and Experimental Test Establishment (PETE) at Nicolet, Quebec, for contract related tests and proofs. The costs of any tests performed at PETE shall be borne by the Contractor.

## **B - REQUIREMENTS DEFINITION**

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**B1000D (15/12/95) Materiel**

Materiel supplied shall be new and conform to the latest issue of the applicable drawing, specification and/or part number that is in effect on the solicitation closing date.

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**B1000D (01/06/91) Materiel**

Effective 15/12/95, this clause is superseded by B1000D.

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**B1001D (01/06/91) Hovercraft - Materiel**

This clause is cancelled effective 01/12/92.

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**B1002D (01/06/91) Hovercraft - Replacement Parts**

This clause is cancelled effective 01/12/92.

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**B1003D (01/06/91) Weatherization - Equipment**

This clause is cancelled effective 15/12/95.

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## **B - REQUIREMENTS DEFINITION**

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**B1004D (15/12/95) Weatherization - Aircraft**

Where applicable, this materiel shall be weatherized in accordance with the latest issue of CFTO C-05-010-012/AM-000, Weatherization and Marking of Aircraft Hydraulic Accessories and Components.

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**B1004D (01/06/91) Weatherization - Aircraft**

Effective 15/12/95, this clause is superseded by B1004D.

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**B1005D (01/06/91) Screws - Recessed Head Screws (Phillips)**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B1006T (25/05/01) Materiel Supplied**

1. Materiel is to be **new production of current manufacture** supplied by the principal manufacturer or its accredited agent and is to conform to the current issue of the applicable drawing, specification and/or part number as applicable.  
  
OR
2. If materiel is not new production of current manufacture or is from a source other than the principal manufacturer or its accredited agent, it is to be **unused and in new condition** released and processed by an approved Contractor with the latest approved modifications incorporated as applicable, covered by its release notes.
3. The Bidder is to specify in its bid whether 1. or 2. is being offered.  
  
**SPECIFY: \_\_\_\_\_**
4. If definition 2. above is used, the Bidder shall provide the following information with its bid:
  - (a) name of manufacturer;

## **B - REQUIREMENTS DEFINITION**

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- (b) date of manufacture; and
  - (c) if item contains elastomeric material, cure date for such must be provided.
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**B1006T (31/03/95) Materiel Supplied**

Effective 25/05/01, this clause is superseded by B1006T.

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**B1200D (16/02/98) Storage - Shelf Life**

1. All material having a shelf life shall include:

- (a) date of manufacture;
  - (b) manufacturer's part number;
  - (c) specification number;
  - (d) expiration date of shelf life.
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**B1200D (15/12/95) Storage - Shelf Life**

Effective 16/02/98, this clause is superseded by B1200D.

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**B1201D (15/12/95) Shelf Life/Cure Date**

Packages containing items having a shelf life must be marked with the date of manufacture. Where the item contains elastomeric material, the cure date is to be shown in addition to the date of manufacture or date of overhaul. Markings are to be placed in accordance with the identification requirements of the current issue of the applicable Marking Specification D-LM-008-002/SF-001.

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## **B - REQUIREMENTS DEFINITION**

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**B1201D**      **(01/06/91)**      **Cure Date (Rubber)**

Effective 15/12/95, this clause is superseded by B1201D.

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**B1202D**      **(15/12/95)**      **Age Control (Elastomeric Material)**

Age control for age sensitive elastomeric materials as specified in Canadian Forces Specification D-05-001-001/SF-000 shall be applied to all aircraft, aircraft components, aircraft accessories and to elastomeric items when the elastomeric items are used in contact with fuel, hydraulic fluid, oil, alcohol, or oxygen, or when the elastomeric items form part of a pneumatic, coolant or any other fluid or gaseous systems.

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**B1202D**      **(31/03/95)**      **Age Limitation (Rubber Items)**

Effective 15/12/95, this clause is superseded by B1202D.

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**B1203D**      **(15/12/95)**      **Shelf Life**

Not more than 25 percent of the manufacturer's recommended shelf life shall have expired at date of delivery.

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**B1203D**      **(01/06/91)**      **Shelf Life**

Effective 15/12/95, this clause is superseded by B1203D.

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## **B - REQUIREMENTS DEFINITION**

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**B1400D (01/06/91) Age Limitations**

This clause is cancelled effective 15/12/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B1500D (15/12/95) P.C.P. Act**

Only products registered with Agriculture and Agri-food Canada, for sale in Canada under the *Pest Control Products (P.C.P.) Act* will be accepted.

P.C.P. Registration No.: \_\_\_\_\_

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**B1500D (01/06/91) P.C.P. Act**

Effective 15/12/95, this clause is superseded by B1500D.

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**Remarks:** Use the following clause when electrical equipment purchased for use within Canada should be certified by a certification organization.

**B1501D (24/05/02) Electrical Equipment**

1. All electrical equipment supplied under the Contract must be certified or approved for use in accordance with the Canadian Electrical Code, Part 1, prior to delivery, by a certification organization accredited by the Standards Council of Canada (SCC).

**NOTE:** Suppliers may obtain further information by contacting the SCC, at (613) 238-3222.

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**B1501D (13/12/99) Electrical Equipment**

Effective 24/05/02, this clause is superseded by B1501D.

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## **B - REQUIREMENTS DEFINITION**

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**B1502D           (01/06/91)           Certification**

This clause is cancelled effective 31/03/95.

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**B1503D           (31/03/95)           Installation**

The installation shall be in accordance with the Canadian Gas Association Standard CAN/CGA-B149.2 and any applicable propane regulations within the province of use.

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**B1503D           (01/06/91)           Installation**

Effective 31/03/95, this clause is superseded by B1503D.

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**B1504D           (16/02/98)           State of Charge**

Lead acid batteries are to be supplied in a dry charged state. Alkaline batteries are to be supplied in a wet uncharged state. In the event that the supplier advises in writing that the item(s) demanded is(are) not available as specified above, the originator of the requirement shall be contacted prior to the awarding of the Public Works and Government Services Canada (PWGSC) contract. Batteries that are supplied contrary to this clause, without prior approval of the PWGSC Contracting Authority, will be returned at the supplier's expense to his plant for exchange or credit.

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**B1504D           (01/06/91)           State of Charge**

Effective 16/02/98, this clause is superseded by B1504D.

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## **B - REQUIREMENTS DEFINITION**

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**B1505D (15/12/95) WHMIS Regulations**

The Contractor must label and ship goods falling within the *Hazardous Products Act*, R.S.C. 1985, c. H-3 and regulation(s) thereunder in accordance with the said Act and regulation(s) accompanied by the Material Safety Data Sheet(s) completed in either English or French.

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**B1600D (15/12/95) Exchange Parts Plan**

The worn or damaged parts and components covered by the terms of the contractual document will be exchanged for factory rebuilt parts on the basis of one-for-one and like-for-like. In the event factory rebuilt parts are not available, new and unused parts and components will be supplied instead.

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**B1600D (01/06/91) Exchange Parts Plan**

Effective 15/12/95, this clause is superseded by B1600D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** If the following clause is used, enter fill-in data.

**B2000D (01/06/91) Qualified Products**

The materiel identified in the Canadian or the U.S. Qualified Products List under Qualification Reference Number \_\_\_\_\_ shall be supplied. The supplied materiel shall comply with all conditions set forth in the Qualifications Certificate or in the Letter of Recognition that was granted for this materiel.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B2001D (01/06/91) Approved Products**

\_\_\_\_\_ are approved products. Only those products appearing on the Approved Products List (APL) will be considered/accepted.

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## **B - REQUIREMENTS DEFINITION**

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**B2002D (03/02/97) Approved Plants**

This clause is cancelled effective 01/12/00.

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**B2002D (01/06/91) Approved Plants**

Effective 03/02/97, this clause is superseded by B2002D.

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**B2003D (01/06/91) Approved Plants**

This clause is cancelled effective 15/12/95.

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**B2004D (15/12/95) Grade Marking**

All lumber supplied is to be stamped showing the grade, species and name of the grading agency authorized to grade mark lumber in Canada by the Canadian Lumber Standards Accreditation Board (CLSAB).

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**B2004D (01/06/91) Grade Marking**

Effective 15/12/95, this clause is superseded by B2004D.

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## **B - REQUIREMENTS DEFINITION**

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**B2005D (16/02/98) Fish - Quality Stamping**

1. Fish shall have been processed and packed in an establishment approved by the Department of Fisheries and Oceans in accordance with the *Fish Inspection Act* and Regulations, and shall be identified as follows:
    - (a) Fresh fish shall be identified by the words "Processed under Government Supervision" or "Canada Inspected" within a line drawing of a maple leaf marked on wrappers, inserts containers or master containers.
    - (b) Frozen fish shall be identified by the words "Canada Inspected" within a line drawing of a maple leaf marked on the wrappers, or containers, or where practicable on the whole fish.
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**B2005D (01/06/91) Fish - Quality Stamping**

Effective 16/02/98, this clause is superseded by B2005D.

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**B2006D (01/06/91) Hovercraft - Airworthiness Certification**

This clause is cancelled effective 01/12/92.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause where a manufacturer's brand name, model and/or part number are used in the item description and substitutes will be considered. Prior to issuing the solicitation, the contracting officer should contact the client to discuss the potential for equivalent products and any mandatory performance criteria related to the item being specified that must be included in the solicitation to ensure proper evaluation of a substitute item's equivalency.

**Note:** Contracting officers must ensure that all references to a manufacturer's brand name, model and/or part number contained anywhere within the solicitation are followed by the words "or equivalent".

**B3000T (13/12/02) Equivalent Substitutes**

1. Products that are equivalent in form, fit, function and quality will be considered where the Bidder:

## **B - REQUIREMENTS DEFINITION**

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- (a) designates the brand name, model and/or part number of the equivalent product being substituted;
  - (b) states that the substitute is fully interchangeable with the item specified;
  - (c) provides complete specifications and descriptive literature for each substitute item,
  - (d) provides compliance statements that include technical specifics showing the substitute item meets all mandatory performance criteria that are specified in the solicitation; and
  - (e) clearly identifies those areas in the specifications and descriptive literature that support the substitute items compliance with any mandatory performance criteria.
2. Products offered as equivalent in form, fit, function and quality will **NOT** be considered if:
- (a) the bid fails to provide all the information requested to allow the Contracting Authority to fully evaluate the equivalency of each substitute item; or
  - (b) the substitute item fails to meet or exceed the mandatory performance criteria specified in the solicitation for that item.

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**B3000T (16/02/98) Substitute - Equivalent**

Effective 13/12/02, this clause is superseded by B3000T.

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**B3001T (01/06/91) Interchangeability**

Effective 15/12/95, this clause is superseded by B3000T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B3002T (15/12/95) Product Demonstration**

The equivalence of the Bidder's product(s) may have to be ensured by trial prior to award of purchase order, contract or standing offer. The Bidder must be prepared to demonstrate the effectiveness of product(s) herein at the "DESTINATION" specified below at no additional cost to Canada.

## **B - REQUIREMENTS DEFINITION**

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Address of destination: \_\_\_\_\_

\_\_\_\_\_

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**B3002T (01/06/91) Product Demonstration**

Effective 15/12/95, this clause is superseded by B3002T.

\_\_\_\_\_

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**B3003D (15/12/95) Grades - Meat**

If the grade name stipulated is not available, a higher grade name, in all cases, must be supplied.

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**B3003D (01/06/91) Grades - Meat**

Effective 15/12/95, this clause is superseded by B3003D.

\_\_\_\_\_

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**B3004T (16/02/98) Substitutions**

Effective 21/06/99, this clause is superseded by B3000T.

\_\_\_\_\_

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** If the following clause is used, enter fill-in data.

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**B4000T (01/06/91) Drawings and Specifications**

A receipt for drawings and specifications must be returned to the address shown below on the day they are received. These drawings and specifications must be returned on the day the bid closes.



## **B - REQUIREMENTS DEFINITION**

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Address:

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**B4001T (01/06/91) Stores Certification**

Effective 15/12/95, this clause is superseded by B4024T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when drawings and specifications have been mailed under separate cover.

**B4002T (15/12/95) Technical Data Package**

A copy of the \_\_\_\_\_ referred to herein has been forwarded to the Bidder by \_\_\_\_\_.

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**B4002T (01/06/91) Technical Data Package - DND**

Effective 15/12/95, this clause is superseded by B4002T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** If the following clause is used, enter fill-in data.

**B4003T (21/06/99) Specifications - CGSB**

A copy of the \_\_\_\_\_ referred to herein is available and may be purchased from:

CGSB Sales Centre  
Place du Portage, Phase III, 6B1  
11 Laurier Street  
Hull, Québec K1A 1G6

Phone: (819) 956-0425, or  
1-800-665-CGSB (Canada only)  
Fax: (819) 956-5644

Internet address: <http://www.pwgsc.gc.ca/cgsb>

## **B - REQUIREMENTS DEFINITION**

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**B4003T (16/02/98) Specifications - CGSB**

Effective 21/06/99, this clause is superseded by B4003T.

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**B4004C (16/02/98) Approval**

1. Approval of the first complete production unit or any part thereof must be obtained from the Design Authority. Approval of any part of a production unit shall not preclude the Design Authority from final approval of the complete unit.
  2. The Contractor shall, simultaneously with the production of the first unit, prepare an equipment specification which shall be amended by the manufacturer in the manner required by the Design Authority prior to the approval of the first complete production unit.
  3. The first complete production unit, as approved, together with the equipment specification, as amended, shall be the standard for inspection of the remaining production units by the Inspection Authority.
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**B4004C (01/06/91) Approval**

Effective 16/02/98, this clause is superseded by B4004C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** If the following clause is used, enter fill-in data.

**B4005C (01/06/91) Test Data Evaluation**

Test data, proving that the specification has been met, shall be supplied with the prototype equipment submitted for evaluation. Such data shall be certified by a responsible officer of the Contractor's company.

Particulars of the make, type, serial number and location of the test equipment used to obtain such test data shall be provided. Rejection or approval of the prototype shall be given within \_\_\_\_ days from the date of submission.

## **B - REQUIREMENTS DEFINITION**

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Test data requirements: \_\_\_\_\_ .

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**B4006D (15/12/95) Product, Use of (Pending Approval)**

This clause is cancelled effective 21/06/99.

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**B4006D (01/06/91) Product, Use of (Pending Approval)**

Effective 15/12/95, this clause is superseded by B4006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contracts when the Statement of Work provided by the customer department constitutes the sole specification for the work to be performed.

**B4007C (01/06/91) Statement of Work**

The Contractor shall perform the Work in accordance with the Statement of Work attached hereto as Annex "\_\_\_\_" and forming part of this Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contracts when the Statement of Work provided by the customer department is the prevailing specification, while the contractor's technical and management proposals merely provide details regarding the approach and general manner in which the work will be conducted.

**B4008C (31/01/92) Statement of Work**

The Contractor shall perform the Work as outlined in the Statement of Work attached hereto as Annex "\_\_\_\_" and in accordance with the Contractor's technical and management portions of the Contractor's proposal entitled "\_\_\_\_," dated \_\_\_\_\_, and forming part of this Contract.

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**B4008C (01/06/91) Statement of Work**

Effective 31/01/92, this clause is superseded by B4008C.

## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contracts when the contractor's proposal constitutes the specification for the work to be performed.

**B4009C            (31/01/92)            Statement of Work**

The Work to be performed shall be in accordance with the technical and management portions of the Contractor's proposal entitled "\_\_\_\_," dated \_\_\_\_\_, and forming part of this Contract.

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**B4009C            (01/06/91)            Statement of Work**

Effective 31/01/92, this clause is superseded by B4009C.

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**B4010C            (16/02/98)            Requirement**

Effective 25/05/01, this clause is superseded by B4010D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B4010D            (25/05/01)            Requirement**

1. To perform the work (repair and docking) on and for (***Insert name of vessel***) in accordance with:
    - (a) the Maintenance and Repair Specification List number \_\_\_\_\_ dated \_\_\_\_\_;
    - (b) supplementary specifications, amendments and clarifications presented at and recorded in the Minutes of the Bidders' Conference;
    - (c) written answers provided to bidders on questions raised during the bid period.
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## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
When using this clause for requirements in Ontario, insert "Ontario Regulation 250-94," and for requirements in the rest of Canada, insert "the Canadian Gas Association National Standard of Canada, CAN 1-B149.2-M95."

**B4011T (15/12/95) Testing Responsibility**

The Bidder shall be responsible for testing and legal remarking of cylinders/tanks at five-year intervals starting from the date of manufacture, in accordance with \_\_\_\_\_.

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**B4011T (01/06/91) Testing Responsibility**

Effective 15/12/95, this clause is superseded by B4011T.

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**B4012D (01/06/91) Preservative**

All open bearing are to be inhibited with a preservative compound conforming to standard 31-GP-3M (MIL-C-16173) Gr 2 or MIL-C-11796B.

All seals or shielded bearings must be of current production. Bearings manufactured within a period of one year from date of delivery to DND will be accepted as current production.

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**Remarks:** Use this clause in conjunction with B4003T, Specifications - CGSB.

**B4013D (15/12/95) Flame Resistance Requirements**

The carpet mentioned herein must conform to the flame resistance requirements contained in Canadian General Standards Board (CGSB) standard 4-GP-129. As proof of this, a certificate from a qualified independent public test laboratory must be submitted with the bid.

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## **B - REQUIREMENTS DEFINITION**

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**B4013D            (01/06/91)            Flame Resistance Requirements**

Effective 15/12/95, this clause is superseded by B4013D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

When filling in the blanks, contracting officers are to specify either calendar days or working days.

**B4014D            (01/06/91)            Proofs**

Proofs will be submitted within \_\_\_\_\_ days from receipt of copy and must be returned to meet delivery date within \_\_\_\_\_ days.

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**B4015D            (01/06/91)            Proofs**

This clause is cancelled effective 15/12/95.

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**Remarks:** Use this clause when the design data is the property of DND. It does not apply to ammunition produced under the global contract with SNC IT Inc.

**B4016D            (30/10/96)            Drawings and Specifications**

Manufacture, packaging and inspection shall be governed by drawings, specifications and schedules approved by the Director Ammunition Materiel Management (DAMM) and issued under Canadian Forces Design Data List.

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**Remarks:** Use this clause when the design data is not the property of DND. It does not apply to ammunition procured from FMS.

**B - REQUIREMENTS DEFINITION**

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**B4017D (30/10/96) Drawings and Specifications**

## **B - REQUIREMENTS DEFINITION**

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1. Deliverable end items shall conform to drawings and specifications approved by the Design Authority. The following shall be forwarded to the Design Authority for approval prior to the commencement of manufacture:
  - (a) two (2) data lists of all drawings and specifications;
  - (b) two (2) sets of drawings detailing:
    - (1) complete round markings;
    - (2) method of packing, including dimensions;
    - (3) packing markings; and
    - (4) method of palletization.
  
2. The Design Authority shall return, within thirty (30) days, one copy either approved or showing the changes which Canada requires.

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**B4018C            (15/12/95)            Specifications**

The Contractor warrants that the equipment specified in this Contract is capable of performing all the functions described in the Contractor's advertising and technical literature and is in complete accordance with the specifications contained therein.

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**B4018C            (01/06/91)            Specifications**

Effective 15/12/95, this clause is superseded by B4018C.

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**B4019D            (30/10/96)            US Military Specifications and Standards**

The Contractor is responsible for obtaining copies of all US military specifications and standards which may be applicable to this requirement. These specifications and standards are available commercially, or may be obtained directly from the US Department of Defense, Philadelphia, telephone: (215) 697-2179/2667; facsimile: (215) 697-1462.



## **B - REQUIREMENTS DEFINITION**

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**B4020D**      **(01/06/91)**      **Print Quality**

This clause is cancelled effective 31/03/95.

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**B4021D**      **(15/12/95)**      **Warranty - Civilian**

This clause is cancelled effective 21/06/99.

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**B4021D**      **(01/06/91)**      **Warranty - Civilian**

Effective 15/12/95, this clause is superseded by B4021D.

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**B4022D**      **(01/06/91)**      **Documentation**

Effective 15/12/95, this clause is superseded by B4025D.

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**B4023D**      **(01/06/91)**      **Hovercraft - Standard of Work**

This clause is cancelled effective 01/12/92.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the contracting officer will only accept the goods that are specified in the bid solicitation. When equivalent substitutes will be considered, clause B3000T should be used instead.

## **B - REQUIREMENTS DEFINITION**

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**B4024T (01/12/00) Stores Certifications**

The item(s) offered conform(s) strictly with the purchase description, including packaging requirements and quality assurance provisions if applicable, contained in the bid solicitation.

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**B4024T (01/06/91) Stores Certifications**

Effective 01/12/00, this clause is superseded by B4024T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

When used in a standing offer, contracting officers are to delete the reference to the "Contractor's offer" and insert "Offeror's offer". This list should be amended according to each situation.

**B4025D (25/05/01) Priority of Documents**

The documents specified below form part of and are incorporated into the Contract. If there is a discrepancy between the wording of any documents which appear on the list, the wording of the document which first appears shall prevail over the wording of any document which subsequently appears on the list.

1. the written agreement between the parties (includes annexes/appendices)
2. General Conditions (*Insert title and number*)
- 3.
- 4.

Last - the Contractor's offer (**Date of offer** \_\_\_\_\_)

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**B4025D (15/12/95) Priority of Documents**

Effective 25/05/01, this clause is superseded by B4025D.

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## **B - REQUIREMENTS DEFINITION**

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**B4026D (31/01/92) Priority of Documents**

Effective 01/12/92, this clause is superseded by M2016D.

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**B4027D (01/08/92) Air Charter Services**

This clause is cancelled effective 15/12/95.

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**B4027D (31/01/92) Air Charter Services**

Effective 01/08/92, this clause is superseded by B4027D.

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**B4030D (31/03/95) Aircrew Reqts - Fixed Wing Aircraft**

The pilot-in-command must have flown a minimum of 1,000 hours on fixed wing aircraft, including 500 hours as pilot-in-command of the type of aircraft specified and 250 hours in areas similar to the contract area of operation.

When so requested by the Charterer, the Contractor shall provide documentary proof in the form of an affidavit of such experience.

At any time during the course of the operations, when the flight crew or maintenance crew are deemed by the Charterer to be unsatisfactory for safety or other reasons, the Charterer shall inform the Contractor in writing that the flight crew or maintenance crew must be replaced, whereupon the Contractor is to withdraw such crew. The aircraft involved shall be considered unserviceable until a satisfactory crew resumes operations. The Charterer must advise the Contracting Authority of the problem with the crew(s) and the Contractor must advise the Contracting Authority of the corrective action taken.

Cause for consideration of the crew as being unsatisfactory shall include but is not limited to the following: incompetence and/or inexperience in operating and maintaining the aircraft for normal operations.

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## **B - REQUIREMENTS DEFINITION**

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**B4031D            (31/03/95)            Aircrew Reqts - Rotary Wing**

The pilot-in-command must have flown a minimum of 1,000 hours on rotary wing aircraft, including 500 hours as pilot-in-command of the type of aircraft specified and 250 hours in areas similar to the contract area of operation.

When so requested by the Charterer, the Contractor shall provide documentary proof in the form of an affidavit of such experience.

At any time during the course of the operations, when the flight crew or maintenance crew are deemed by the Charterer to be unsatisfactory for safety or other reasons, the Charterer shall inform the Contractor in writing that the flight crew or maintenance crew must be replaced, whereupon the Contractor is to withdraw such crew. The aircraft involved shall be considered unserviceable until a satisfactory crew resumes operations. The Charterer must advise the Contracting Authority of the problem with the crew(s) and the Contractor must advise the Contracting Authority of the corrective action taken.

Cause for consideration of the crew as being unsatisfactory shall include but is not limited to the following: incompetence and/or inexperience in operating and maintaining the aircraft for normal operations.

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**Remarks:** The clause must be included in all contracts and standing offers for air travel requirements.

**B4032D            (30/10/96)            Safety Briefing**

The pilot-in-command of the aircraft shall provide a safety briefing for all passengers before flight. Said briefing is to be conducted in accordance with the document entitled "Safety Briefing", and documented by the signature of the senior representative of the Charterer boarding the aircraft. Such documentation may be provided on a separate confirmation form, provided it contains, as a minimum, the information stipulated under the heading "Customer Safety Briefing Confirmation". Copies of the Safety Briefing document can be obtained from the Contracting Authority named on page 1 of this document.

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**B4032D            (31/03/95)            Safety Briefing**

Effective 30/10/96, this clause is superseded by B4032D.

## **B - REQUIREMENTS DEFINITION**

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**Remarks:** Use this clause when the Director Ammunition Materiel Management (DAMM) requests data cards.

**B4033D (30/10/96) Ammunition Data Cards**

Ammunition Data Cards shall be prepared in accordance with Canadian Forces Specification D-09-002-002/SG-000 or standard MIL-STD-1167 and shall be forwarded both to the consignee and to the following:

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

**Attention: DAMM**

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**B4034D (30/10/96) Proof Data**

A copy of the original proof results and a copy of the results of any surveillance test performed on the ammunition subsequent to manufacture shall be forwarded to:

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

**Attention: DAMM**

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**B4035D (30/10/96) Specialized Shipping Containers**

In addition to the specified packaging procedures outlined herein, when shipping any repaired or overhauled items, the Contractor shall use the containers provided by Canada, if any. If necessary and where practicable, containers shall be repaired. All non-pertinent markings shall be obliterated by the use of a suitable masking paint and all loose or curled labels shall be removed prior to the application of new labels.

The Contractor shall monitor for items requiring special packaging or handling, and shall recommend appropriate methods to the Requisition Authority.

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## **B - REQUIREMENTS DEFINITION**

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**B4037D (30/10/96) Aerospace Engineering Change Proposal**

With respect to engineering change proposals, the procedures set out in Aerospace Engineering Change Proposal (AECF) CFTO C-05-002-001/AG000 (current issue) shall apply.

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**B4039D (30/10/96) Aircraft Tire Balancing**

All tires requiring balancing hereunder shall be balanced by balance patches only.

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**Remarks:** Use the following clause to define the method of tire age identification.

**B4040D (30/10/96) Tire Age Identification**

1. All tires shall show year of manufacture, by one of the following methods:

- (a) Tires shall be coded by one circumferential band of 3/4 inch to 1 inch wide tape, completely around and approximately centred on the tread. Alternate numbers shall be inverted to ensure legibility on tire rakes. The appropriate colour is shown on the chart below; or

| <b>YEAR OF MANUFACTURE</b> | <b>TAPE COLOUR</b> |
|----------------------------|--------------------|
| 1995                       | Yellow             |
| 1996                       | Magenta            |
| 1997                       | Red                |
| 1998                       | Silver/Grey        |
| 1999                       | Green              |
| 2000                       | Blue               |
| 2001                       | Orange             |
| 2002                       | Yellow             |

- (b) Tires shall be coded by one circumferential band of white tape 3/4 inch wide, completely around and approximately centred on the tread, with the year of manufacture shown in black numbers 1/2 inch high repeated at 12 inch intervals. Alternate numbers shall be inverted to ensure legibility on tire racks.
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## B - REQUIREMENTS DEFINITION

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**Remarks:** Use this clause for items which contain radioactive material (RAM) in schedule quantity (SQ) as defined by Atomic Energy Control Regulations pursuant to the *Atomic Energy Control Act*. SQ of RAM is used in DND equipment for illuminating (compasses, sight units, beta lights, dials, etc.), regulating (oxygen regulators, helicopter wing, etc.), coating lenses (MK 102 telescope, light armour vehicles, etc.), detecting system (CAM, EVD, TDV, etc.), check sources and calibrators (AN UDM 1A, FDR 502, UDM 501, etc.), lasers (laser range finder, CF 18 laser target acquisition), radars (ADATS), engineering equipment (troxlers, safe lane markers, etc.), nuclear gauges, industrial radiography, among other uses.

### **B4041D (30/10/96) Radioactive Material**

The Contractor shall report all radioactive materials which are in schedule quantities as provided for in the *Atomic Energy Control Act* and Regulations. The Contractor shall conform to the current issue of CFTO C-02-040-003/TP-000 in respect of all aspects of licensing, reporting, marking, transporting, packaging, warnings in manuals, disposal, repair procedures, and other subject areas provided for therein.

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### **B4042D (30/10/96) Identification Plates**

1. Where identification plates are required, the Contractor shall arrange for their design and manufacture in accordance with the current issue of Canadian Forces Specification D-02-002-001/SG-001. Such plates shall be affixed to the deliverable end items prior to delivery.
2. Identification plates applicable to the U.S. Navy F-18 program shall be manufactured in accordance with the current issue of MIL-STD-130, except that the "U.S." shall be blanked out and the Canadian Contract number, prefixed with the word "CANADA", shall be specified in the Contract Number block.
3. Prior to production, identification plate drawings are to be submitted for approval to:

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

**Attention: DCIP 5-4-5**

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**Remarks:** Use the following clause to obtain nomenclature for equipment of military design, and where the life cycle material manager (LCMM) requests it, for commercial equipment.

**B - REQUIREMENTS DEFINITION**

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**B4043D (30/10/96) Military Nomenclature**



## **B - REQUIREMENTS DEFINITION**

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1. The Contractor shall prepare nomenclature data (or confirm existing data), in accordance with the current issue of the following Canadian Forces Specifications:
  - (a) for Electronic Equipment: D-01-000-200/SF-001 (CA) or MIL-STD-196D (US);
  - (b) for Aeronautical Equipment: D-01-000-200/SF-002 (CA) or MIL-STD-875A (US);
  - (c) for Photographic Equipment: D-01-000-200/SF-003 (CA) or MIL-STD-155 (US).
  
2. The Contractor shall submit such nomenclature data to:

National Defence Headquarters  
MGen George R. Pearkes Building  
101 Colonel By Dr  
Ottawa ON K1A 0K2

**Attention: DCIP 5-4-5**

no later than ninety (90) days prior to delivery of the deliverable end items to which the data relate.

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**Remarks:** Use this clause to define the packing and marking for food requirements.

**B4044D (30/10/96) Year of Pack and Marking**

All food packages shall contain only the current season's crop of the country of origin. Each packing case shall be marked on one end with the month and year of packing in letters one half to one inch in height.

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**Remarks:** Use this clause to define the requirements for shipping containers for food.

**B4045D (30/10/96) Shipping Containers**

All food shipping containers shall meet the requirements of the Railway Transport Committee Regulations and Canadian Freight Classification No. 22.

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**Remarks:** Use the following clause to define the requirement for food batch numbers.

**B4046D (30/10/96) Batch Number**

All food batch numbers shall be marked on the exterior of each case of meat, meat products, poultry and poultry products.

## **B - REQUIREMENTS DEFINITION**

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**Remarks:** Use the following clause in aerospace application when marking of hose assemblies is required.

**B4047D (30/10/96) Marking - Aircraft Hose Assemblies**

All rubber hose assemblies and all medium and high pressure teflon hose assemblies for aerospace applications, shall have a permanent identification band attached by welding.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for first article testing and approval to ensure that the Contractor can produce for acceptance a product that conform to all Contract requirements.

**B4048D (30/10/96) First Article Testing and Approval**

1. The Contractor shall carry out all required first article inspections and tests to verify conformance to the specified requirements prior to production.
2. The Contractor shall provide a copy of the proposed first article test procedure to the Contracting Authority who, in conjunction with the Design or Technical Authority (DA/TA), must approve before testing can commence. The test procedure shall be forwarded to the Contracting Authority within \_\_\_\_ days from the effective date of the Contract. The Contracting Authority shall notify the Contractor, in writing, within \_\_\_\_ days of receipt of the approval or rejection of the first article test procedures. First article testing shall not commence until notification is received from the Technical Authority that the first article test procedure has been approved.
3. The Contractor shall test \_\_\_\_ first article units of \_\_\_\_ (Name of deliverable end item). Test data submitted for approval shall be verified to the satisfaction of the Quality Assurance Representative (QAR).
4. The first article or first article test data, as provided for herein, together with appropriate evidence of QAR verification, shall be forwarded to the Contracting Authority for approval within \_\_\_\_ days from the effective date of the Contract. The Contracting Authority shall notify the Contractor, in writing, within \_\_\_\_ days of receipt of the approval or rejection of the first article. The notice of approval shall not relieve the Contractor from its obligation to comply with all of the requirements of the Contract. A notice of approval may be conditional on further action required by the Contractor. A notice of rejection shall state the reasons for the rejection.
5. The commencement of production prior to first article acceptance by Canada is at the sole risk of the Contractor.
6. Unless otherwise provided in the Contract, the Contractor may deliver an approved first article as part of the deliverable end items if it meets all Contract requirements for acceptance.

## **B - REQUIREMENTS DEFINITION**

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7. If the first article or first article test report is rejected, the Contractor, upon request, shall repeat any or all first article tests. After each request for additional tests the Contractor shall either make any necessary changes, modifications, or repairs to the first article or select another first article for testing. The Contractor shall then delivery another first article or first article test report to Canada within \_\_\_\_ days of so being requested. All costs related to these tests shall be borne by the Contractor.
8. If the Contractor fails to deliver any first article or first article test report by its due date, or if any first article or test report is rejected, the Contractor shall be deemed to have failed to make delivery by the due date and shall be in default under the Contract.
9. In this first article test clause,  
  
    **"approval"** means written notice to the Contractor accepting the first article or first article test data as conforming with the specified contractual requirements.  
  
    **"first article"** means a preproduction model or sample, initial production sample, test sample, first lot, pilot lot, or pilot model.  
  
    **"first article testing"** means testing and evaluating the first article for conformance with contract requirements before or in the initial stage of production.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define a requirement for a Long Lead Time Item List for new equipment acquisitions. In variable <<1>> insert "bid" at the solicitation stage and insert "Contract" at the contract stage.

### **B4049D            (13/12/02)            Long Lead Time Item List**

1. The Contractor shall, within \_\_\_\_ days of the effective date of the Contract, provide both to the Contracting Authority and to DND at the address cited below, a Long Lead Time Item List (LLTIL), prepared in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000. The cost of preparing the LLTIL may be included in the <<1>> \_\_\_\_ price. Any item with a procurement lead time (from placement of order to delivery) of greater than \_\_\_\_ months shall be included. Specific details of the data elements required in the LLTIL are listed on the Provisioning Documentation Selection Sheet appended at Annex \_\_\_\_.
2. Supplementary Provisioning Technical Documentation (SPTD) for the codification and cataloguing of items listed in the LLTIL, shall also be provided by the Contractor in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000.
3. Should the Contractor have any questions regarding the preparation, format or content of the provisioning documentation, they shall be directed to:

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

Attention:            Director, Technical Information and Codification Services

## B - REQUIREMENTS DEFINITION

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**B4049D (24/05/02) Long Lead Time Item List**

Effective 13/12/02, this clause is superseded by B4049D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define the requirement for an Interim Spares List for new equipment acquisitions. In variable <<1>> insert "bid" at the solicitation stage and insert "Contract" at the contract stage.

**B4050D (13/12/02) Interim Spares List**

1. The Contractor shall, within \_\_\_\_\_ days of the effective date of the Contract, provide both to the Contracting Authority and to DND at the address cited below, an Interim Spares List (ISL) prepared in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF000. The cost for preparing the ISL may be included in the <<1>> \_\_\_\_\_ price and the ISL shall include \_\_\_\_\_ the approximate number of line items appearing therein. The ISL shall specify those spares which must be delivered prior to or concurrently with the goods to which the spares relate, in order to support those goods from the first day of delivery until the receipt of spares from the Provisioning Parts Breakdown (PPB) / Recommended Spare Parts List (RSPL). Specific details of the data elements required are listed on the Provisioning Documentation Selection Sheet appended at Annex \_\_\_\_\_.
2. Supplementary Provisioning Technical Documentation (SPTD) for the codification and cataloguing of items listed in the ISL shall also be provided by the Contractor along with the ISL, in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000.
3. Should the Contractor have any questions regarding the preparation, format or content of the provisioning documentation they shall be directed to:

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

Attention: Director, Technical Information and Codification Services

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## B - REQUIREMENTS DEFINITION

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**B4050D (24/05/02) Interim Spares List**

Effective 13/12/02, this clause is superseded by B4050D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define a requirement for a Provisioning Parts Breakdown for new equipment acquisitions. In variable <<1>> insert "bid" at the solicitation stage and insert "Contract" at the contract stage.

**B4051D (13/12/02) Provisioning Parts Breakdown**

1. The Contractor shall, within \_\_\_\_\_ days of the effective date of the Contract, provide both to the Contracting Authority and to DND at the address cited below, a Provisioning Parts Breakdown (PPB) prepared in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF0-000. The cost for preparing the PPB may be included in the <<1>> \_\_\_\_\_ price. Specific details of the data elements required are listed on the Provisioning Documentation Selection Sheet appended at Annex \_\_\_\_\_.
2. Supplementary Provisioning Technical Documentation (SPTD) for configuration verification and the codification and cataloguing of all items listed in the PPB shall also be provided by the Contractor along with the PPB in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000.
3. Should the Contractor have any questions regarding the preparation, format or content of the provisioning documentation, they shall be directed to:

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

Attention: Director, Technical Information and Codification Services

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**B4051D (24/05/02) Provisioning Parts Breakdown**

Effective 13/12/02, this clause is superseded by B4051D.

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## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define a requirement for a Recommended Spare Parts List for new equipment acquisitions. In variable <<1>> insert "bid" at the solicitation stage and insert "Contract" at the contract stage.

**B4052D (13/12/02) Recommended Spare Parts List**

1. The Contractor shall, within \_\_\_\_\_ days of the effective date of the Contract, provide to the Contracting Authority and to DND address cited below, a Recommended Spare Parts List (RSPL) prepared in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000. The cost for preparing the RSPL may be included in the <<1>> \_\_\_\_\_ price. Specific details of the data elements required are listed on the Provisioning Documentation Selection Sheet appended at Annex \_\_\_\_\_.
2. Supplementary Provisioning Technical Documentation (SPTD) for the codification and cataloguing of all items listed in the RSPL shall also be provided by the Contractor along with the SPTD in accordance with the current issue of Canadian Forces Specification D-01-100-214/SF-000.
3. Should the Contractor have any questions regarding the preparation, format or content of the provisioning documentation, they shall be directed to:

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

Attention: Director, Technical Information and Codification Services

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**B4052D (24/05/02) Recommended Spare Parts List**

Effective 13/12/02, this clause is superseded by B4052D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** To define a requirement for an Initial Provisioning Guidance Conference (IPGC) for new equipment acquisitions.

**B4053D (30/10/96) Initial Provisioning Guidance Conference**

1. Subject to paragraph 2., the Contractor shall plan and hold an Initial Provisioning Guidance Conference (IPGC) for the clarification of the requirements of the Initial Provisioning documentation called up in the Contract. The Conference, of which the Contractor shall keep formal minutes, shall be held at the Contractor's facility and shall

## **B - REQUIREMENTS DEFINITION**

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take place as soon as practicable after the effective date of the Contract. There shall be no cost to Canada for the IPGC.

2. The Contractor shall contact \_\_\_\_ at telephone ( ) \_\_\_\_ - \_\_\_\_ immediately following the effective date of the Contract to establish:
  - (a) whether a Guidance Conference is necessary in the particular instance; and
  - (b) to confirm arrangements if the conference is deemed necessary.
3. Canada's IPGC representation would normally consist of either one or two DND representatives, and a conference would not normally last longer than one day.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** To define a requirement for an Initial Provisioning Conference (IPC) for new equipment acquisitions. In variable <<1>> of paragraph "1." insert the number of days. In variable <<2>> insert the name of the contact person. In variable <<3>> insert "bid" at the solicitation stage and "Contract" at the contract stage.

### **B4054D (30/10/96) Initial Provisioning Conference**

1. The Contractor shall within <<1>> day of the effective date of the Contract, contact <<2>> by telephone at ( ) \_\_\_\_ - \_\_\_\_ to arrange an Initial Provisioning Conference (IPC) to be held at the Contractor's facility. The cost per day for an IPC shall be included in the <<3>> price.
2. The purpose of the IPC is:
  - (a) if a Provisioning Parts Breakdown (PPB) has been included in the contract, to allow Canada to verify that the PPB reflects the current and complete configuration of the equipment being procured by comparing it to full assembly drawings; and
  - (b) if a PPB has not been included in the contract, to select the spares required to support the deliverable end items during an initial period of service.
3. The Contractor shall have available:
  - (a) a suitable conference room;
  - (b) engineering and product support assistance;
  - (c) equipment for a physical examination, if practicable;
  - (d) engineering, reliability and maintainability data;
  - (e) modification data, if applicable;
  - (f) Supplementary Provisioning Technical Documentation (SPTD) as defined in the current issue of Canadian Forces Specification D-01-100-214/SF-000.

## **B - REQUIREMENTS DEFINITION**

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4. Canada's provisioning representation would normally consist of five representatives from the technical and logistic areas.
  5. The Contractor may still be required to provide logistic and engineering clarification or assistance and shall be required to provide SPTD should it subsequently be decided that a provisioning conference is not necessary.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define a requirement for Materiel Change Notices (MCNs) for new equipment acquisitions. In variable <<1>> insert "bid" at the solicitation stage and insert "Contract" at the contract stage.

### **B4055D (30/10/96) Material Change Notice**

1. Should there be any change to the information contained in the Provisioning Parts Breakdown (PPB), the Contractor shall prepare and submit Materiel Change Notices (MCNs) in accordance with the current issue of Canadian Forces Specification D-01-100-215/SF-000. The cost per MCN shall be included in the <<1>> price.
2. Supplementary Provisioning Technical Documentation (SPTD) for the codification and cataloguing of each new item listed on an MCN shall also be provided by the Contractor in accordance with the current issue of Canadian Forces Specification D-01-100-215/SF-000.
3. Should the Contractor have any questions regarding the preparation, format or content of an MCN, they shall be directed to:

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

**Attention: DCIP** \_\_\_\_\_

Telephone: (613) \_\_\_\_\_ - \_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause for contracts for goods requiring spare parts for which existing initial provisioning documentation is required to be revised.

### **B4056D (30/10/96) Revision of Provisioning Parts Breakdown**

1. The Provisioning Parts Breakdown (PPB), provided in electronic media consistent with the current issue of Canadian Forces Specification D-01-100-214/SF-000, shall be amended by the Contractor to reflect all design changes.



## **B - REQUIREMENTS DEFINITION**

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2. Should the Contractor have any questions regarding the provisioning documentation, and its delivery, they shall be directed to:

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

**Attention: DCIP** \_\_\_\_\_

Telephone: (613) \_\_\_\_\_ - \_\_\_\_\_

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### **B4057D (30/10/96) Bilingual Publications**

1. The Contractor shall provide and clearly label all technical publications required for description, operation, installation, maintenance and repair of the deliverable end items.
2. The Contractor shall provide as part of is proposal:
  - (a) a recommended list of publications for approval by the Technical Authority, and
  - (b) a price quotation for all such publications based on options 1 through 4 following. The price structure shall be itemized in such a way as to clearly reflect the price differential between the different options and to clearly indicate what costs are directly attributable to the second official language requirement. Bidders shall also specify lead times required for delivery for each of the following options.

#### **Option 1: Newly Written Manuals**

All publications produced in both English and French, in side-by side format, in full conformance with **the current issues of** C-01-100-100/AG-002 and C-01-100-100/AG-003.

#### **Option 2: Existing Manuals**

All publications provided as existing commercial or foreign government off-the-shelf manuals in both English and French, in side-by-side format, meeting the requirements of the current issue of C-01-100-100/AG-005, provided that where existing commercial publications are not available, Option 1 shall apply.

#### **Option 3: Alternate Format**

All publications provided in any cost effective format in both English and French, provided they meet the requirements of the current issue of C-01-100-100/AG-005. This option requires the written approval of the Technical Authority prior to awarding of Contract.

#### **Option 4: Right to Translate and Reproduce**

All publications provided as existing unilingual commercial format, provided they meet the requirements of the current issue of C-01-100-100/AG-005, and provided that Canada is given the right to translate and reproduce, for Government use, any or all part of any publications supplied under the Contract.

## **B - REQUIREMENTS DEFINITION**

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### **Unilingual Publications**

1. The Contactor shall provide and clearly label all technical publications required for description, operation, installation, maintenance and repair of the deliverable end items.
2. The Contractor shall provide as part of its proposal
  - (a) a recommended list of publications for approval by the Technical Authority;
  - (b) a price quotation for publications based on Options 5 and 6 following;
  - (c) lead times required for delivery for each of the options.

### **Option 5: Newly Written Manuals**

All publications produced in full conformance with the current issue of C-01-100-100/AG-002 and C-01-100-100/AG-003.

### **Option 6: Existing Manuals**

All publications provided as existing commercial or foreign government off-the-shelf manuals in accordance with the current issue of C-01-100-100/AG-005, provided that where existing commercial publications are not available, Option 5 shall apply.

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### **B4058D (30/10/96) Publications, Specs. and Standards**

1. Publications constituting deliverable end items shall be produced in conformance to the following specifications:
  - (a) **Format**

The current issue of C-01-100-100/AG-002 - Preparation of Technical Manuscripts by contractors.

The current issue of C-01-100-100/AG-003 - Production of Reproducible for Department of National Defence Technical Publications.

The current issue of C-01-100-100/AG-005 - Acceptance of Commercial and Foreign Government Publications as Adopted Publications.
  - (b) **Procurement**

The current issue of D-01-000-100/SF-000 - Specification for Procurement of Publishing Services and Published Works.
  - (c) **Packaging**

The current issue of D-LM-008-022/SG-000 - Standard of Packaging for Documentation.
  - (d) **Policy and Procedures**

## **B - REQUIREMENTS DEFINITION**

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The current issue of A-AD-100-100/AG-000 - National Defence Publishing Policy and Administration Procedures.

(e) **Technical Content**

The technical content shall meet the requirements of the current issue of the following specifications:

D-01-100-200/SF-000 - Preparation of Equipment Data Summaries;  
D-01-100-202/SF-000 - Preparation of Equipment Descriptions;  
D-01-100-203/SF-000 - Preparation of Operating Instructions;  
D-01-100-204/SF-000 - Preparation of Preventative Maintenance Instructions;  
D-01-100-205/SF-000 - Preparation of Corrective Maintenance Instructions;  
D-01-100-207/SF-000 - Preparation of Parts Identification Lists.

(f) **Quality Assurance**

The Contractor shall conform to the Quality Assurance Program detailed in the current issue of C-01-100-100/AG-002 and C-01-100-100/AG-003.

2. Additional specifications may be called up by the Technical Authority respecting any specific publication deliverable end item.

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**Remarks:** Use this clause for the provision of documents to the Contractor.

**B4059D (30/10/96) Government Supplied Technical Documents**

1. Should the Contractor require government drawings and publications or other technical documents, they shall be obtained from the nearest Canadian Forces Quality Assurance Region office.
2. At the conclusion of the Contract, the Contractor shall provide the Technical Authority with a list of all DND owned Canadian Forces Technical Orders (CFTOs) and microform production material, with a request for disposal instructions.

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**Remarks:** Use this clause when NATO Stock Numbers (NSNs) are not available when the original requisition is raised.

**B4060D (30/10/96) Cataloguing Requirements**

Unless authorized by the Contracting Authority, the Contractor shall not release for shipment any item which is not identified with a NATO Stock Number (NSN). If an NSN has not been provided, the Contractor shall request an NSN from the Contracting Authority sixty (60) days prior to the scheduled shipment date. Such request shall include the technical documentation required to allow for the cataloguing and assignment of the NSN.

## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause for Capital Acquisition Procurement Requirements, in bid solicitations and contract documents when controlled goods are to be purchased or repaired.

**B4061D (13/12/02) Technical Data Summary**

The Contractor shall furnish the Technical Authority with a Technical Data Summary, or a Technical description, or a Technical specification, which shall include the physical and performance characteristics and a functional description of the deliverable end item, and where applicable a complete list of accessories and peripheral items required to complete the deliverable end item being supplied. For a deliverable end item procured by the Contractor from a sub-contractor or vendor, the Contractor shall furnish the name of the manufacturer and its part numbers along with the necessary documentation. The Contractor must also identify any "controlled goods" as defined in the Schedule to the *Defence Production Act*. (See Standard Acquisition Clauses and Conditions Manual clause A9130D). All data shall be submitted at least sixty (60) days prior to the scheduled delivery date of the deliverable end item.

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**B4061D (30/10/96) Technical Data Summary**

Effective 13/12/02, this clause is superseded by B4061D.

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**B4062D (30/10/96) Nomenclature and Identification Plates**

Effective 01/12/00, this clause is superseded by B4042D, B4043D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B4066D (30/10/96) Service Bulletins**

The Contractor shall deliver to the Technical Authority \_\_\_\_ copies of any Service Bulletins produced which cover modifications, improvements, or special maintenance actions to the deliverable end items purchased by Canada. This service shall continue for a period of \_\_\_\_ year(s) after delivery of the goods.

## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B4068D (30/10/96) Government Review Period**

1. The Contractor shall provide to the Contracting Authority, a production and delivery schedule for the publications which constitute deliverable end items that will ensure availability of the publications concurrently with the delivery of the goods to which the publications relate. The Contractor's schedule shall account for the time required by Canada to conduct reviews and provide acknowledgement or comments.
2. **Stages**  
The following production milestone review stages shall be used for initial planning purposes:
  - (a) English Manuscript Approval
  - (b) French Manuscript Translation Accuracy Check (TAC)
  - (c) Camera-ready Pages (Reproducible)
  - (d) Printed Copy
  - (e) Consignment of approved manuals
3. **Quantities**  
Following Certificate of Compliance approval, \_\_\_\_\_ copies of the publications which constitute deliverable and items shall be delivered to the consignees provided for herein.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define the marking requirements for materiel with a limited shelf-life. Choose from the following listing:

- (a) specification number (type, grade, class) of item;
- (b) manufacturer's name;
- (c) manufacturer's part or drawing number;
- (d) manufacturer's batch or serial number;
- (e) qualification number;
- (f) cure date of rubber components;
- (g) other data required by the contract or by the commodity specification;
- (h) date of repair or overhaul;
- (j) date of manufacture;
- (k) name of repair or overhaul contractor;
- (m) modification status; and
- (n) serial number of item.

**B4069D (30/10/96) Markings - Shelf Life Materiel**

1. The Contractor shall ensure that markings on interior and exterior packages of items \_\_\_\_\_ include the following special markings:
2. List of Markings required: \_\_\_\_\_

## **B - REQUIREMENTS DEFINITION**

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3. These markings shall be applied and positioned in accordance with Canadian Forces Packaging Specifications (CFPS) D-LM-008-002/SF-001.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause to define the status of Contractor employees. The contracting officer shall insert "officer" or "non-commissioned officer" in the fill-in.

**B4070D (30/10/96) Status**

Employees of the Contractor, when performing their duties at an establishment of the Department of National Defence will be accorded \_\_\_\_\_ status.

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**Remarks:** The contracting officer will edit the clause by specifying the applicable standard - W47.1 or W47.2.

**B4075D (25/05/01) Welding Certification**

Welding shall be undertaken only by a Contractor approved by the Canadian Welding Bureau (CWB) to meet the requirements of Canadian Standards Association (CSA) Standard: W47.1, Certification of Companies for Fusion Welding of Steel Structures, or W47.2, Certification of Companies for Fusion Welding of Aluminum. Approved welding procedures by the CWB shall be supplied on demand to the Inspection Authority.

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**B5000C (15/12/95) Design Change**

This clause is cancelled effective 13/12/99.

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**B5000C (01/06/91) Design Change**

Effective 15/12/95, this clause is superseded by B5000C.

## B - REQUIREMENTS DEFINITION

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause when the responsibility to authorize design changes or deviations is retained by Canada.

**B5001C (13/12/02) Design Change/Deviation**

1. Design change/deviations from contract specifications must be authorized in advance as follows:
  - (a) the Contractor will prepare Section 1 of form PWGSC-TPSGC 9038, Design Change/Deviation (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>), and forward \_\_\_\_\_ copies to:  
  
Name of Design Authority: \_\_\_\_\_  
Address: \_\_\_\_\_,  
  
and one copy to:  
  
Name of Contracting Authority: \_\_\_\_\_  
Address: \_\_\_\_\_.
  - (b) after approval by the Design Authority, \_\_\_\_\_ copies of form PWGSC-TPSGC 9038 shall be forwarded to the Contracting Authority for official authorization and incorporation into the Contract.

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**B5001C (16/02/98) Design Change/Deviation**

Effective 13/12/02, this clause is superseded by B5001C.

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**Remarks:** The following clause is to be used in contracts for goods and services where complete specifications are provided.

**B5002C (15/12/95) Substitution/Deviation - Authorization**

Unless otherwise specifically provided for in the Contract, nobody but the Contracting Authority is authorized to modify the specifications or the conditions under which supply is to be made or services to be rendered.

## **B - REQUIREMENTS DEFINITION**

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**B5002C            (01/06/91)            Substitution/Deviation - Authorization**

Effective 15/12/95, this clause is superseded by B5002C.

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**B5003D            (16/02/98)            Author's Alterations**

1. Author's alterations of a minor nature resulting from proof submission are permitted; however, full details of these alterations and related charges must be submitted to the Contracting Authority for review before their payment may be authorized.
  2. No change to the specification may be made without prior approval of the Contracting Authority.
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**B5003D            (01/06/91)            Author's Alterations**

Effective 16/02/98, this clause is superseded by B5003D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B5006D            (15/09/97)            Design Changes**

1. In the event that modifications, i.e. Design Changes or additional work are introduced, costs for this work will be negotiated under Design Change Procedure. Even if there is no change in cost, the Design Change form shall be completed to provide a formal reference to the change in Specification.
2. Should the Owner deem it advisable to make any reasonable changes in the arrangement or details during the course of the work, provided they are ordered before that particular part of work to which the Owner refers is commenced and they involve no extra cost to the Contractor, they shall be implemented without invalidating the Contract.
3. The costs of Design Changes will be negotiated as follows:
  - (a) Labour at a Firm Hourly Chargeout rate of \$\_\_\_\_\_ per person-hour.
  - (b) Material at Laid Down Cost, plus of mark-up of \_\_\_\_\_ percent.
  - (c) Goods and Services Tax or Harmonized Sales Tax to be shown as a separate item.



## **B - REQUIREMENTS DEFINITION**

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**B5006D (01/06/91) Design Changes**

Effective 15/09/97, this clause is superseded by B5006D.

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**Remarks:** Use this clause for new construction, repair or re-fit of ships, general construction, or in any other contract where the possibility of design changes or additional work arising exists.

**B5007D (13/12/02) Design Change or Additional Work**

In the event of Design Changes, Additional Work or New Work being introduced to the Contract, the procedure given below must be followed:

**Design Changes, Additional or New Work Originating from the Technical Authority:**

1. The Technical Authority will inform the Contracting Authority of the requirement, giving sufficient details.
2. The Contracting Authority will forward this information to the Contractor requesting estimates for the Work on a firm price basis wherever possible (increased or decreased).
3. The Contractor shall submit an estimate, supported by full details, to the Contracting Authority on:
  - (a) form PWGSC-TPGSC 9038, Design Change/Deviation, (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>) or
  - (b) form PWGSC-TPSGC 1379, Work Arising or New Work, or
  - (c) other forms as may be designated by the Contracting Authority.
4. The Contracting Authority will evaluate and negotiate with the Contractor as necessary and, upon agreement being reached, authorize the Work and amend the Contract accordingly.

**Design Changes, Additional or New Work Originating from the Contractor:**

1. The Contractor will submit the proposal to the Contracting Authority, supported by full details including specifications and drawings if necessary, and reasons for the submission, together with the estimated cost (increased or decreased) for the Work, and request approval for same.
2. The Contracting Authority will present the proposal to the Technical Authority for their review and approval.
  - (a) If approved, the Contracting Authority will negotiate with the Contractor, finalize prices, authorize the Work and amend the Contract.

## **B - REQUIREMENTS DEFINITION**

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- (b) If not approved, the Contracting Authority will advise the Contractor.
- (c) If approved with modifications, the procedures outlined under "*Design Changes .... Originating from the Technical Authority*" will be followed.

### **Authority**

The Contractor shall not proceed with any design change, additional work or new work without the written authorization of the Contracting Authority. Any work taken in hand without the Contracting Authority's written authorization shall be considered to be work carried out outside the scope of the known contracted work and no extra payment shall be made for any such work.

### **Local approvals:**

1. Design Changes of a minor nature and low-dollar value, and particularly those requiring urgent decisions, WHEREVER POSSIBLE, will be dealt with by the Contracting Authority's on-site representative.
2. The Contracting Authority's on-site representative will negotiate a "firm price" with the Contractor for the Work, discuss same with the Technical Authority and, upon agreement, approve and advise the Contractor to proceed.
3. The Contract will be amended.
4. Forms will be provided for the proper reporting of the above indicating individual and cumulative maximum dollar values.

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**B5007D (10/12/01) Design Change or Additional Work**

Effective 13/12/02, this clause is superseded by B5007D.

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**Remarks:** Use the following clause in aircraft overhaul and maintenance contracts with relation to controlled procurement inventory.

**B6000C (15/12/95) Controlled Procurement Inventory**

Prior to the purchasing of any spares estimated to be necessary for the performance of this Contract, a list of such spares shall be submitted to the Contracting Authority. The Contracting Authority will forward the list of spares to the Technical Authority for review to determine if any existing stocks of spares belonging to Canada may be used as government issue in the performance of this Contract. When the list has been reviewed, the Contracting Authority shall advise the Contractor in writing of those spares, if any, which will be government issue under this Contract; provided that this clause shall not be construed as approval by Canada of the Contractor's estimates of the spares to be required in the performance of the Work; and provided further that this clause shall not be deemed to alter or modify any other provision of this Contract

## **B - REQUIREMENTS DEFINITION**

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or relieve the Contractor from any responsibility in carrying out the Contract or impose any obligation on Canada.

The Contractor shall keep all such spares purchased or acquired by it, physically segregated from the Contractor-furnished material and shall furnish the Contracting Authority with an accounting of its acquisition, storage, handling and use of such spares as Canada may require. The Contractor shall allow the Contracting and/or Technical Authority to have access to the Contractor's provisioning methods, allowing for the inspection of the inventories, accounting method, storage, handling, care, and the use of such spares.

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**B6000C (01/06/91) Controlled Procurement Inventory**

Effective 15/12/95, this clause is superseded by B6000C.

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**B6001D (01/06/91) Design - Property of Canada**

Effective 15/12/95, this clause is superseded by K3006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B6002D (16/02/98) Government-Owned Cylinders, Servicing of**

**1. OPERATION 1:**

Hydrostatic testing including washing, drying and valving \$\_\_\_\_\_ per cylinder.

**2. OPERATION 2:**

Washing, drying and valving only \$\_\_\_\_\_ per cylinder.

**3. OPERATION 3:**

Painting and stencilling \$\_\_\_\_\_ per cylinder.

**4. OPERATION 4:**

(a) Replacing valves \$\_\_\_\_\_ per cylinder.

(b) Repairing Valves \$\_\_\_\_\_ per cylinder.

## **B - REQUIREMENTS DEFINITION**

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**B6002D (01/06/91) Government-Owned Cylinders, Servicing of**

Effective 16/02/98, this clause is superseded by B6002D.

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**B6003D (01/06/91) Components of the Work**

This clause is cancelled effective 15/12/95.

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**Remarks:** Use this clause in contract documents which incorporate General Conditions such as DSS-MAS 1034 and DSS-MAS 9329, which do not include provisions for damage to or loss of Crown property.

**B6004D (21/06/99) Crown Property, Damage to or loss of**

The Contractor shall reimburse Canada any cost or expenses due to the damage to or loss of Crown-owned property resulting from the Contract or the carrying out thereof, or shall, upon reasonable notice, promptly repair such damage or substitute such loss to Canada's satisfaction.

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**B6004D (15/12/95) Crown Property, Damage to or loss of**

Effective 21/06/99, this clause is superseded by B6004D.

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**B6005D (31/01/92) Ownership of Product**

All products and materials provided to perform the work and any modifications made by the selected Contractor shall be the property of the Crown.

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## **B - REQUIREMENTS DEFINITION**

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**Remarks:** Use the following clause in contracts for licenced software.

**B6010C (01/12/00) Licenced Software - Transfer**

The licences obtained pursuant to this Contract are freely transferable by the Licensee to any Canadian government department, corporation or agency as defined in schedules I, I.1, II or III of the *Financial Administration Act* or to any other party for which the Department of Public Works and Government Services has been authorized to act pursuant to section 8 of the *Department of Public Works and Government Services Act*, upon the terms and conditions set out herein, provided however, that the Licensee shall inform the Contractor of the transfer and the location(s) of the licensed software within thirty (30) days of the transfer occurring.

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**B6010C (03/02/97) Licenced Software - Transfer**

Effective 01/12/00, this clause is superseded by B6010C.

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**Remarks:** Use this clause in all ship repair requirements for a military unmanned refit.

**B6100D (25/05/01) Stability**

The Contractor shall be solely responsible for the stability and trim of the ship during the period the ship is in the Contractor's facility, including docking and undocking. To this end, the Contractor shall maintain weight change information pertinent to the ship's stability during the docking period. The Department of National Defense will supply the Contractor with cross curves of stability, hydrostatic curves, tank status, location of centre of gravity, and other information relevant to the ship's condition upon handing over of the vessel.

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**Remarks:** The following clause is used by Aerospace, Marine and Electronics Systems Sector, where applicable.

**B6300C (16/02/98) Shortages, Issue Equip. Owned by Canada**

The Contractor shall conform to such Canadian Forces supply instructions as issued by the Technical Services Agency covering the demanding, handling, storage and maintaining of adequate records of contract issue stores owned by Canada. Notice of any shortages shall be given in duplicate on form CF 152 to the Contracting Authority named on page 1, who shall determine whether such shortage or shortages are normal, consideration being given to the volume of such stores handled by the Contractor. Each notice shall be supported by a letter setting forth the reasons for the deficiencies and indicating on a percentage basis the

## **B - REQUIREMENTS DEFINITION**

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relationship of the quantity of such shortage to the total quantity acquired per item. The Contractor shall be responsible for any shortage in excess of such normal shortage.

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**B6300C (01/06/91) Shortages, Issue Equipment Owned by Can.**

Effective 16/02/98, this clause is superseded by B6300C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in Defence Production Revolving Fund contracts when government-supplied materiel or government-furnished equipment will be provided to the contractor.

**B6700C (15/12/95) Government Issue**

Items of government issue described in this Contract will be supplied to the Contractor for incorporation by the Contractor in the supplies required to be produced and delivered.

The Contractor shall segregate and store such items of government issue as Canada's property pending incorporation in the supplies.

Any items of government issue to be supplied directly from Canada's stock will be made available to the Contractor, subject to the availability of stock.

All other components, etc., not explicitly mentioned above are to be supplied by the Contractor.

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**B6700C (01/06/91) Government Issue**

Effective 15/12/95, this clause is superseded by B6700C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when Government Supplied Materiel (GSM) is to be provided for ammunition packaging or to be incorporated in the ammunition item.

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**B6701C (30/10/96) Government Supplied Materiel**

The following Government Supplied Materiel (GSM) will be supplied, subject to Department of National Defence Headquarters/Director Ammunition Material Management (NDHQ/DAMM) receiving not less than six (6) weeks advance notification in writing.

**List of Items**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**Remarks:** Use this clause when the contractor will have to purchase non-consumable equipment and/or materials in order to perform the work, and the cost of these items are to be billed against the contract.

**B6800C (15/12/95) Non-Consumable Equipment and Material**

The Contractor shall take reasonable and proper care of all non-consumable equipment and material charged against this Contract while it is in the possession of the Contractor.

Concurrently with the submission of the final report, the Contractor shall provide the Technical Authority with a detailed list of all such equipment and material and request disposal instructions. A copy of the list shall also be forwarded to the Contracting Authority.

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**B6800C (01/06/91) Non-Consumable Equipment and Material**

Effective 15/12/95, this clause is superseded by B6800C.

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**B6801C (01/06/91) Work-Site Regulations - Compliance**

Effective 31/03/95, this clause is superseded by A9062D.

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**B6802C (16/02/98) Government Facilities and Chattels**

The supplier understands and agrees that the temporary help employees are not to use the government facilities and chattels for personal purposes.

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**B6802C (01/06/91) Government Facilities and Chattels**

Effective 16/02/98, this clause is superseded by B6802C.

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**B6803D (01/06/91) Accommodation**

Office space will be supplied as Government-Furnished Equipment.

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**B6804D (01/06/91) Components of the Work**

This clause is cancelled effective 15/12/95.

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**B6805D (15/12/95) Loan of Equipment**

Where a requirement exists for the Contractor to borrow any equipment for use while carrying out the Work, the Contractor is responsible for returning such equipment in good working order on completion of the operation.

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**B6805D (01/06/91) Loan of Equipment**

Effective 15/12/95, this clause is superseded by B6805D.



## **B - REQUIREMENTS DEFINITION**

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**Remarks:** The following clause should be used only with the appropriate security clause(s) as detailed in subsection "5-F" of the Standard Acquisition Clauses and Conditions Manual.

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**B6806C            (16/02/98)            Work Location**

Normally, the Work shall be performed at the Contractor's own place of business. However, provision will be made for the Contractor's personnel, on a need-to-know basis, to have access to sensitive (designated/classified) information or assets as required. Contractor's personnel requiring access to sensitive information or assets must hold a valid, appropriate level of personnel security screening in accordance with the security requirements of the Contract. Facilities will be provided as necessary by the Project Authority. Technical and clerical support, supplies and equipment necessary to accomplish tasks are to be provided by the Contractor.

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**B6806C            (15/12/95)            Work Location**

Effective 16/02/98, this clause is superseded by B6806C.

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**B6807C            (01/08/92)            Work Location**

Effective 15/12/95, this clause is superseded by B6806C.

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**B6808C            (31/01/92)            Work Location**

This clause is cancelled effective 15/12/95.

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**B6808T            (31/01/92)            Work Location**

This clause is cancelled effective 01/08/92.

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**B6809C**      **(31/01/92)**      **Work Location**

Effective 01/12/92, this clause is superseded by M2017C.

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**B6811C**      **(15/12/95)**      **Crown Property**

Title to the equipment/furnishings charged against this Contract shall vest in Canada upon payment of invoiced amounts and shall remain so vested at all times.

For each item of equipment/furnishings that is purchased, the Contractor is to record the name, manufacturer, model number, serial number, optional equipment, supplier and price and forward this information to the Project Authority.

The Contractor shall label all equipment/furnishings as being the property of Canada.

Notwithstanding the fact that the equipment/furnishings under this Contract become vested in Canada, the equipment/furnishings shall remain within the custody and control of the Contractor until such time as the Project Authority provides instructions for its delivery. During this period of time, the Contractor shall take reasonable and proper care of the equipment/furnishings.

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**B6811C**      **(01/08/92)**      **Crown Property**

Effective 15/12/95, this clause is superseded by B6811C.

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**B6812D**      **(16/02/98)**      **Laundering**

**REQUIREMENT:** For the laundering of items as per appendix "A", on an "as and when requested" basis.

1.      **Prices to include:**

- (a)      Pick-up and delivery of garments.
- (b)      Minor repairs to be done automatically such as mending rips, patching, sewing on buttons. Contractor to supply buttons and patching materials.

## B - REQUIREMENTS DEFINITION

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2. Garments requiring major repairs, or which are beyond repair, must be identified as such by the Contractor and returned so identified to the point of origin.
3. Laundry shall be identified and parcelled, then returned on specified day with proper identification.
4. **Accounting:** The Contractor's delivery agent shall accept the client's count of soiled garments, towels and sheets, which the agent may check, and sign a delivery slip to be kept by the client. The Contractor's delivery slips for cleaned items will be signed by the client.
5. **Cleaning:** The Contractor's shall clean garments, towels and sheets by the usual commercial or any patented process to remove dirt, grime, dust, grease or other usual industrial type of soil likely to be encountered in a laboratory, workshop or ore dressing mill. Garments and sheets must be neatly pressed and folded.

Surgical garments must be rinsed in cold water and protein dissolving substance to remove protein, blood, etc., before laundering.

6. **Formula for all whites:** The following sequence of operations shall be used for washing of grease-laden undyed cotton clothing:

|     | OPERATION | SUPPLIES                                      |     | INCHES<br>OF WATER | TEMP.<br>(°F) | TIME<br>(MIN) |
|-----|-----------|-----------------------------------------------|-----|--------------------|---------------|---------------|
| 1)  | Flush     | N/A                                           |     | 12                 | 100           | 2             |
| 2)  | Flush     | N/A                                           |     | 12                 | 120           | 2             |
| 3)  | Break     | Liquid emulsifier<br>and alkali               |     | 8                  | 215*          | 12            |
| 4)  | Flush     | N/A                                           |     | 12                 | 180           | 3             |
| 5)  | Suds      | Soap plus alkali to<br>give good running suds | 7   | 190                | 10            |               |
| 6)  | Suds      | Soap plus alkali to<br>give good running suds | 7   | 190                | 8             |               |
| 7)  | Suds      | Bleach and soap to give<br>good running suds  |     | 7                  | 160           | 8             |
| 8)  | Rinse     | N/A                                           |     | 12                 | 180           | 3             |
| 9)  | Extract   | N/A                                           | N/A | N/A                | 2             |               |
| 10) | Rinse     | Water                                         | N/A | 160                | 2             |               |
| 11) | Rinse     | Water                                         | N/A | 140                | 2             |               |
| 12) | Rinse     | Water                                         | N/A | 140                | 2             |               |
| 13) | Rinse     | Water                                         | N/A | 120                | 2             |               |
| 14) | Rinse     | Water                                         | N/A | 100                | 2             |               |

## **B - REQUIREMENTS DEFINITION**

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|     |                            |     |     |   |
|-----|----------------------------|-----|-----|---|
| 15) | Sour Water,<br>sour (acid) | N/A | 100 | 5 |
|-----|----------------------------|-----|-----|---|

\* Boil with live steam.

Last three (3) rinses shall be checked for colour. If last rinses are not perfectly clear and free from supplies, additional rinses must be added before souring operation.

DO NOT OVERLOAD.

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### **B6812D (15/12/95) Laundering**

Effective 16/02/98, this clause is superseded by B6812D.

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### **B6813D (15/12/95) Garments and Towels - Rental and Laundry**

REQUIREMENT: FOR THE RENTAL AND LAUNDRY OF GARMENTS AND TOWELS AS DETAILED HEREIN.

Clients will provide the Contractor with a list of names of people requiring garments, along with the quantity of towels required.

The Contractor shall take all the necessary measurements to ensure that there is a clean garment available each week (or as arranged) for each person on the list, and buttons are to be non-metallic when requested.

The charges shall be computed as follows: [Quantity of items arranged for] x [item price] = [total cost per week (or period arranged for)].

These charges will be rental prices and will be charged whether the items are laundered or not.

In case of loss by theft from the client's premises or where major damage is caused by fire or otherwise, Canada's liability shall be limited to the cost appearing in the final column of Appendix "A."

Exchanges of delivered garments or towels are to be arranged on a weekly basis, unless indicated otherwise by a client.

Time of pick-up and exchange and other delivery conditions shall be stipulated by the client.

**HAND TOWELS:** Laundering: The Contractor shall launder towels by the usual commercial or any patented process to ensure removal of dirt, grime, dust, grease, paint or other industrial types of soil.

## **B - REQUIREMENTS DEFINITION**

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**FITTING OF GARMENTS:** Each employee is to be outfitted with three (3) garments. The Contractor shall visit each client, take measurements and determine the size of garments required for each employee.

**IDENTIFICATION:** Each garment shall be marked or labelled by the Contractor to identify the employee for whom it has been fitted.

**SPECIFICATIONS:** Garments shall be equal in quality and style to those normally provided commercially for this type of service.

**ACCOUNTING:** The Contractor's delivery agent shall accept the client's count of soiled garments and towels, which the agent may check, and sign a delivery slip to be kept by the client. The Contractor's delivery slips for cleaned items will be signed by the client.

**REPAIR AND REPLACEMENT:** Buttons are to be replaced and all garments in reasonable condition of wear shall be repaired and neatly patched by the Contractor. Garments showing unreasonable wear and non-durable garments are to be replaced by the Contractor without charge to the client.

**CLEANING:** The Contractor shall clean garments and towels by the usual commercial or any patented process to remove dirt, grime, dust, grease or other usual industrial type of soil likely to be encountered in a laboratory, workshop or ore dressing mill. Garments must be neatly pressed and folded.

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**Remarks:** Use this clause in conjunction with B7005D.

**B7000D (16/02/98) Outright Rejections**

1. If prevalent throughout, the following conditions will cause rejection of the full pieces:
  - (a) mill creases/calendar marks;
  - (b) edge to edge shading;
  - (c) tears, holes or marks beyond 12 mm from the outer edge of the selvedge;
  - (d) poor dye penetration and/or streaks;
  - (e) weak or tender fabric;
  - (f) warp or filling defects throughout.

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**B7000D (01/05/96) Outright Rejections**

Effective 16/02/98, this clause is superseded by B7000D.

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## **B - REQUIREMENTS DEFINITION**

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**Remarks:** Use this clause in conjunction with B7005D.

**B7001D (16/02/98) Outright Rejections**

1. If prevalent throughout, the following conditions will cause rejection of the full pieces:
  - (a) poor dye penetration and/or streaks;
  - (b) weak or tender fabric;
  - (c) warp or filling defects throughout.

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**B7001D (01/05/96) Outright Rejections**

Effective 16/02/98, this clause is superseded by B7001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7002T (15/09/97) Government Supplied Material Usage**

1. Government Supplied Material (GSM) shall be used in the manufacture of the item(s) detailed herein. The bidder is required to state the required quantity per unit for each item. Material usage must be accurately estimated, as material required in addition to that estimated below must be purchased from Canada at the price indicated herein. Usage of GSM is a component of the bid price and will factor in bid evaluation. Failure to indicate the GSM required for each item will result in your bid being considered non-responsive.
2. Canada will provide to the Contractor the GSM specified in the Contractor's bid free of charge, including transportation charges to: \_\_\_\_\_.

Government Supplied Material:

- (a) Description;
- (b) Minimum Width;
- (c) Item
- (d) Quantity per unit
- (e) Price per unit \*.

\_\_\_\_\_ m/ea

\* Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate,

## **B - REQUIREMENTS DEFINITION**

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**B7002T            (01/05/96)            Government Supplied Material Usage**

Effective 15/09/97, this clause is superseded by B7002T.

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**B7003D            (16/02/98)            Government Supplied Material**

1. Government Supplied Material (GSM) is the property of the Government of Canada. The Contractor is responsible for maintaining satisfactory records of the disposition of all GSM.
2. The GSM described herein must be used in the manufacture of the item(s) contracted. Only the quantity of material stated herein will be supplied by Canada without charge.
3. If additional GSM is required for Contract completion, it shall be purchased from Canada at the unit price stated herein, Goods and Services Tax or the Harmonized Sales Tax extra. Payment for excess material shall be in the form of a certified cheque payable to the Receiver General for Canada and shall be sent with the request for additional material directly to the attention of the Contracting Authority at the address specified on page 1. This material will be shipped to the Contractor, transportation charges collect.
4. Where pre-production sample(s) is a requirement of the Contract, the Contractor agrees that no GSM, with the exception of material required for the pre-production sample(s), shall be cut, used or processed until the government Technical Authority has approved the pre-production sample and provided a formal notice of acceptance. Damage incurred as a result of cutting GSM prior to acceptance of any pre-production sample(s) shall be the Contractor's responsibility.
5. The Contractor shall replace or make good, at its own expense, any goods which fail to conform to the Contract requirements, as a result of faulty or inefficient cutting, manufacture or workmanship.
6. In the event of problems with the GSM supplied, the Contractor shall advise the Contracting Authority immediately, identifying the specific problem. Should the Contractor proceed without guidance from the Contracting Authority, any costs incurred, and loss of GSM shall be at the Contractor's expense.
7. The Contractor shall be required to rebate Canada for the value of GSM applicable to any quantity not delivered against the Contract. The value shall be calculated at the unit price and usage stated herein.
8. Upon completion of the total Contract quantity, should there be GSM with a total value in excess of \$250, the Contractor is required to either:
  - (a) return the material to the sender with transportation charges to the account of Canada. The Contracting Authority is to be contacted to make appropriate arrangements; OR
  - (b) apply for an overrun to the Contract quantity. Prior approval by the Contracting Authority for an overrun is required under a formal Contract amendment.

## **B - REQUIREMENTS DEFINITION**

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9. Canada will not be obligated to pay for work performed on any GSM that is damaged or lost while in the Contractor's care.
  10. GSM and/or rejected units containing GSM shall not be disposed of without written approval of the Contracting Authority. Transportation charges for the return of GSM where the Contract has not been satisfactorily completed shall be at the Contractor's expense.
  11. While a final GSM accounting is not automatically required for every Contract, Canada reserves the right to request a final accounting at any time within one year of the Contract completion date.
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**B7003D (01/05/96) Government Supplied Material**

Effective 16/02/98, this clause is superseded by B7003D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7004D (16/02/98) Sponging - Wool or Wool Blend Material**

1. All wool or wool blend fabrics supplied by Canada shall be sponged before cutting. The sponging costs and any shrinkage loss is included in the quoted price.
2. Canada will provide the Government Supplied Material free of charge to the Contractor, including transportation charges to the sponger indicated herein. The Contractor will be responsible for transportation costs from the sponger to its plant.

Name of Sponger: \_\_\_\_\_

Address : \_\_\_\_\_.

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**B7004D (01/05/96) Sponging - Wool or Wool Blend Material**

Effective 16/02/98, this clause is superseded by B7004D.

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## **B - REQUIREMENTS DEFINITION**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7005D (01/05/96) Assessment of Faults in Textile Fabrics**

1. The material covered by this Contract shall be free from imperfections and blemishes such as may adversely affect its appearance or serviceability as determined when viewed under inspection conditions satisfactory to the Quality Assurance Representative.
2. Such defects (imperfections or blemishes) shall be strung (flagged) along the right hand selvedge of the face side using colourfast strings for each two (2) linear decimetres in which the defect occurs (not applicable to narrow fabrics 15 cm or less in width).
3. Allowances shall be deducted from the gross piece length for each defect or splice, on the basis of two (2) linear decimetres per fault. Gross length, net length and number of splices shall be recorded on each piece ticket. Net length shall be the basis for payment.
4. Fabric with more than \_\_\_\_\_ defects per 100 metres \*\*\*square or linear\*\*\* shall be rejected.

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**B7007D (03/02/97) Tooling**

1. The tooling listed herein shall be required for the performance of this Contract.
2. Cost of repair of damaged tooling through mishandling will be charged against the Contractor. Sharpening or slight nicking will not be considered mishandling.
3. Upon completion of contract, all related tooling owned by Canada on loan agreement shall be inspected 100 percent by the Contractor for condition and count. Any unserviceable items found shall be returned to serviceable condition. Non-repairable items will be reported to the Department of Public Works and Government Services (DPWGS).

Form CF 1280 will be prepared by the Contractor to confirm this has been done and will list any components which have been lost or are non-repairable.

Department of National Defence (DND) (Canadian Forces Technical Services Detachment) will verify action taken and DPWGS will authorize release of tooling for return to DND or for use on next contract.

**Return of Tooling**

4. Items shall be packaged in accordance with best commercial standards to ensure safe arrival at destination. The exterior of each box being returned to Canadian Forces Supply Depots shall be identified as follows:
  - (a) description;
  - (b) NATO Stock Number;
  - (c) size;
  - (d) quantity.

## **B - REQUIREMENTS DEFINITION**

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5. Items not identified or not packaged in accordance with this requirement shall be returned to the Contractor. The Contractor shall be liable for return shipping costs and associated labour costs involved.
6. The cost of shipping the tooling to DND shall be paid by Canada provided such costs have been approved by the DPWGS Contracting Authority prior to shipment. Terms shall be FOB Delivery Destination.
7. All terms and conditions of Loan Agreement form DSS-MAS 7118 (11/76), and those under Section 21 of General Conditions DSS-MAS 9601 shall form part of this Contract.

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**B7007D (01/05/96) Tooling**

Effective 03/02/97, this clause is superseded by B7007D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7008D (01/05/96) Production Run for Patterns for Sealing**

The Contractor will be required to make patterns for sealing as a special lot after acceptance of the Pre-production Sample, if applicable, and prior to production. These patterns must conform to the technical requirements in all respects.

Patterns not acceptable for sealing will be returned to the Contractor indicating their non-conformance and will require replacement.

Patterns for sealing will be forwarded from the Contractor's plant with a properly signed release document (CF 1280), if applicable, to:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

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**B7009D (16/02/98) Tooling for Metal Insignia**

1. The tooling required to perform the work under this Contract, and listed below, will be supplied FOB Destination by the Department of National Defence (DND). The cutting tools will not be supplied.
2. It is anticipated that the tooling will be available within fifteen (15) days of Contract award. However, in the event of a delay in delivery of this tooling, the Contractor shall not be entitled to have or submit a claim resulting from any delay in the delivery of this

## B - REQUIREMENTS DEFINITION

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tooling. The title to the tooling shall remain vested in Canada including any replacement thereof.

3. Notwithstanding the provisions of Section 21 of General Conditions DSS-MAS 9601, during the course of the Contract, the Contractor shall take reasonable and proper care of the tooling while in his custody and shall maintain and/or replace the tooling at his expense if damaged through his mishandling or negligence. At the conclusion of the Contract, the Contractor will have in his possession a complete set of the tooling in a usable condition. The Contractor will not be responsible for any loss or damage to the tooling caused by fire.
4. Upon completion of the Contract, all related DND Canada-owned tooling shall be 100 percent inspected by the Contractor for condition and count. Any items found unserviceable shall be returned to serviceable condition. Non-repairable items will be reported to the Department of Public Works and Government Services Contracting Authority. A form CF 1280 will be raised by the Contractor to confirm the tooling being returned and will list any components which have been lost or are not repairable. The DND Quality Assurance representative will verify action taken by the Contractor and will authorize release of the tooling for return to Quality Engineering Test Establishment (QETE), Quebec City, for inspection and storage.
5. (a) Upon completion of the Contract, the tooling shall be immediately returned prepaid to:  
  
Quality Engineering Test Establishment  
Metrology Mechanics Laboratory  
57A St. Louis Street  
Quebec, Quebec G1R 3Z2
- (b) The exterior of each box being returned to QETE shall be identified as follows:
  - description;
  - kit no.; and
  - quantity.
- (c) Items not identified or not packaged in accordance with this requirement and/or subsequently found to be unserviceable, shall be returned to the Contractor. The Contractor shall be liable for return shipping costs and all costs involved in restoring the tooling.

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**B7009D (01/05/96) Tooling for Metal Insignial**

Effective 16/02/98, this clause is superseded by B7009D.

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## **B - REQUIREMENTS DEFINITION**

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**B7010D (01/05/96) Labelling**

NOTE 1: This clause constitutes a deviation to the specification for marking and care labelling instructions.

1. Labels shall be clearly marked in accordance with the following:

(a) Marking: A label shall be positioned as described in the technical data. The label and markings shall be in accordance with D-80-001-055/SF-001. The markings shall include in characters not less than 1/8 inch (3.2 mm) not more than 1/4 inch (6.3 mm) in height the following information:

- (1) Contract Number;
- (2) NATO Stock Number (number will be designated on the contract for item or size);
- (3) size identification (see Scale of Measurements); and
- (4) date of start of production (month and year).

e.g.: W8463-2-BD0W/01-PC  
8415-21-909-7043  
6732  
12 1992

NOTE 2: Where marking of items per above is not feasible, the NATO Stock Number shall be etched or indelibly marked where possible.

(b) Care labelling: As specified in the technical data, using the care symbols in accordance with CAN/CGSB-86.1 and as specified in item description herein.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7011D (01/05/96) Samples**

**SELECT PARAGRAPH AS APPLICABLE:**

**Government Available Material:**

The Contractor shall be required to purchase within seven (7) calendar days following the date of award sufficient materials from the Royal Canadian Mounted Police (RCMP) to make up pre-production sample(s) and submit same for approval prior to commencing production.

**Pre-Production Samples:**

\*\*\*One or two\*\*\* pre-production samples, accompanied by the sealed sample where applicable, shall be forwarded to the Technical Authority for acceptance within \_\_\_\_\_ calendar days from notification of award of Contract \*\*\*and receipt of Government Supplied Material\*\*\* and receipt of Tooling\*\*\*.

**Production Samples:**

## **B - REQUIREMENTS DEFINITION**

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A production sample two (2) metres in length, full width, shall be taken from the first production run and shall be forwarded to the Technical Authority, accompanied by the sealed sample(s), for acceptance within \_\_\_\_\_ calendar days from notification of award of Contract.

If the first sample(s) is/are rejected, second sample(s) shall be submitted within \_\_\_\_\_ calendar days of notification of requirement.

The Contractor shall carry out all required inspection and tests to verify conformance to the technical requirements of the Contract.

The sample(s), and a copy of the inspection and test report(s), shall be forwarded to the Technical Authority, transportation charges prepaid, and without charge to Canada.

The Technical Authority shall notify the Contractor, in writing, of the conditional acceptance, acceptance or rejection of the sample(s). The notice of conditional acceptance or acceptance shall not relieve the Contractor from complying with all requirements of the specification(s) and all other terms of the Contract.

The Contractor shall not commence or continue with production of the items under this contract and, if applicable, shall not make any deliveries in response to any call-ups (DSS-MAS 942), until the Contractor has received notification from the Technical Authority that the sample(s) are acceptable. The production of the Contract balance prior to sample acceptance is at the sole risk of the Contractor.

Where the second sample(s) submitted by the Contractor is/are rejected by the Technical Authority for failing to meet the contract requirements, the Contract may be terminated by the Minister for the default of the Contractor. Any such termination shall be pursuant to and governed by Section 26, Default by the Contractor, of General Conditions DSS-MAS 9601.

The Contractor shall contact the Technical Authority for direction prior to proceeding with this requirement. Sample(s) may not be required if the Contractor is currently in production. The request for waiver of samples must be made by the Contractor in writing. The waiving of this requirement will be at the discretion of the Technical Authority and shall be in writing.

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**B7020D            (25/05/01)            Material**

Material required to perform the work and not specified as Government Supplied Material shall be provided by the Contractor and all costs thereof are to be included in the price.

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**B7500D            (16/02/98)            Quantity Specified**

The Contractor will deliver the quantity of goods specified in the Contract only. Canada does not accept liability for any shipment in excess of that quantity.

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## **B - REQUIREMENTS DEFINITION**

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**B7500D (01/06/91) Quantity Specified**

Effective 16/02/98, this clause is superseded by B7500D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7800D (16/02/98) Quantity - Minimum/Maximum**

A minimum delivery of \_\_\_\_ percent or a maximum delivery of \_\_\_\_ percent of the total quantity is acceptable to satisfy this requirement.

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**B7800D (15/12/95) Quantity - Minimum/Maximum**

Effective 16/02/98, this clause is superseded by B7800D.

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**B7801D (01/06/91) Quantity - Minimum (95%)**

Effective 15/12/95, this clause is superseded by B7800D.

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**B7802D (16/02/98) Quantity - Guarantee (85 percent)**

1. In consideration of Canada guaranteeing to accept 85 percent of the maximum quantity specified, the Contractor agrees:
    - (a) to be ready during the period specified to supply to Canada the remaining 15 percent, and
    - (b) to give to Canada an irrevocable option to purchase the remaining 15 percent at any time during the period at the prices shown herein.
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## **B - REQUIREMENTS DEFINITION**

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**B7802D (01/06/91) Quantity - Guarantee (85%)**

Effective 16/02/98, this clause is superseded by B7802D.

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**B7803D (01/06/91) Quantity - Approximation**

Effective 15/12/95, this clause is superseded by P1001D.

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**B7804D (01/06/91) Overruns**

Effective 15/12/95, this clause is superseded by P1027D, P1028D.

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**B7805D (01/06/91) Overruns**

Effective 15/12/95, this clause is superseded by P1027D, P1028D.

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**B7806D (01/06/91) Overruns/Underruns**

Effective 15/12/95, this clause is superseded by P1030D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B7807D (01/06/91) Commercial Pack Quotation**

Bidders are to quote on the pack quantities as specified for each of the applicable items in Appendix "B". In addition, if your commercial pack quantities differ from the basic, intermediate

## **B - REQUIREMENTS DEFINITION**

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and bulk pack quantities shown in Appendix "B", you may indicate your commercial pack quantities and prices FOB Plant and Destinations on the attached Appendix "\_\_\_\_". These prices may or may not be considered at the time of evaluation of tenders. If considered, the contract quantities would be adjusted, as necessary, to conform to the selected pack quantities.

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**Remarks:** This clause is used to offer to provide a copy of the Canadian Government Catalogue of Materiel (CGCM) on CD-ROM as part of the information provided by the Government and to ensure the subsequent protection of the data. Use the following clause to inform the contractor of the terms and conditions for the distribution of the CGCM on CD-ROM. The contracting officer must ensure that the address of the National Defence quality assurance representative is clearly indicated in the contract.

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**B8041D (24/05/02) Catalogue of Materiel (CGCM) on CD-ROM**

1. The Department of National Defence will provide a copy of the Canadian Government Catalogue of Materiel (CGCM) on CD-ROM, Publication A-LM-137-COM/LX-001 to the Contractor, upon written request to the National Defence Quality Assurance Representative (NDQAR) as specified in the Contract. The CGCM includes limited rights data of certain NATO countries or manufacturers, and such information is proprietary to these entities. Therefore, as required by NATO Standardization Agreement (STANAG) 4438, the Contractor shall be required to sign a non-disclosure agreement and protect the data in accordance with the conditions of the said Agreement.
  2. Provisions of the CGCM will be coordinated through the NDQAR.
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**B8041D (13/12/99) Catalogue of Material (CDCM) on CD-ROM**

Effective 24/05/02, this clause is superseded by B8041D.

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**B8044D (16/02/98) Mobile Repair Parties**

The Contractor's Mobile Repair Parties (MRP's) shall comply with the procedures set forth in Canadian Forces Technical Order CFTO C-02-005-011/AM-000, Mobile Repair Parties Manned by Contractor Personnel. All matters pertaining to the performance of the Work on the site shall be referred to the appropriate Base Technical Services Officer (or to his appointed delegate), who shall oversee the conduct of the Work and shall when appropriate signify satisfactory completion and acceptance of the Work by signing a copy of Appendices "C" and "D" to the aforementioned CFTO. On completion of the Work, the Contractor shall provide the Contracting Authority with a cost breakdown by category including person hours by trade, travel expenses,



## **B - REQUIREMENTS DEFINITION**

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living expenses, etc. Costs shall be all inclusive, and shall reflect the actual amount being claimed.

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**B8044D (30/10/96) Mobile Repair Parties**

Effective 16/02/98, this clause is superseded by B8044D.

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**B9000D (01/06/91) Requirement**

This clause is cancelled effective 15/12/95.

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**B9001D (01/06/91) Official Languages**

This clause is cancelled effective 15/12/95.

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**B9001T (01/08/92) Introduction**

This clause is cancelled effective 15/12/95.

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**B9001T (31/01/92) Introduction**

Effective 01/08/92, this clause is superseded by B9001T.

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## **B - REQUIREMENTS DEFINITION**

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**B9002D (01/06/91) Mechanic Qualifications**

All maintenance and repair work is to be performed by licensed mechanics, or apprentice mechanics under the direct supervision of a licensed mechanic.

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**B9003D (01/06/91) Recovery of Information**

This clause is cancelled effective 15/12/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B9004D (16/02/98) Equipment**

1. The Contractor has the following equipment available for the performance of the Work:

| <b>DESCRIPTION</b> | <b>QUANTITY</b> |
|--------------------|-----------------|
| (a) _____          | _____           |
| (b) _____          | _____           |
| (c) _____          | _____           |

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**B9004D (15/12/95) Equipment**

Effective 16/02/98, this clause is superseded by B9004D.

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**B9005D (01/06/91) Gaseous Pressure**

This clause is cancelled effective 15/12/95.

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## **B - REQUIREMENTS DEFINITION**

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**B9006D (01/06/91) Docking Facility Certification**

Effective 15/12/95, this clause is superseded by B9006T.

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**B9006T (15/12/95) Docking Facility Certification**

Bidders are to include with their Bid current and valid certification of the capacity and condition of the docking facility to be used for the Work. This certification shall be provided by a recognized consultant or classification society following an inspection of the docking facility.

Although a dry docking facility may have a total capacity greater than the vessel to be docked, the weight distribution of the vessel may cause individual block loading to be exceeded. Also, while the physical dimensions of a dry docking facility may indicate acceptability for docking of a specific vessel, other limitations such as spacing of rails on a marine railway, concrete piers of abutments adjoining the dry dock may, in fact, preclude the facility from being considered as a possible dry docking site. The Bidder is further required to demonstrate to the satisfaction of Canada that the certified capacity of its dry docking facility is adequate for the anticipated loading as specified in the related dry docking plans and other documents.

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**B9007D (15/12/95) Outstanding Work**

The Department of National Defence (DND), Quality Assurance Representative (QAR), in conjunction with the Contractor, will prepare a list of outstanding work items at the end of the refit. This list will form the annexes to the formal acceptance document, Record of Inspection, CF1148.

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**B9007D (01/06/91) Outstanding Work**

Effective 15/12/95, this clause is superseded by B9007D.

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## **B - REQUIREMENTS DEFINITION**

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**B9008T            (01/06/91)            Hovercraft - Requirement**

This clause is cancelled effective 01/12/92.

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**B9009D            (15/12/95)            Data Collection**

To enable the Department of National Defence (DND) to establish data with respect to availability and location of spares required for refits to auxiliary vessels, the Contractor is to supply the DND Quality Assurance Representative (QAR) with a copy of all purchase orders relating to spare parts used for work specified in the Maintenance and Repair Specification List (MRSL) and unscheduled work. Information on cost of spares is not required in these instances.

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**B9009D            (01/06/91)            Data Collection**

Effective 15/12/95, this clause is superseded by B9009D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B9010D            (01/06/91)            Requirement**

To supply and deliver the item(s) listed on Annex "\_\_\_" attached hereto and forming part of this document.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The contracting officer must list the equipment agreed to in B9011T.

**B9011C            (16/02/98)            Required Equipment**

1. The Contractor shall have the following equipment available for the performance of the Work:

| <b>DESCRIPTION</b> | <b>QUANTITY</b> |
|--------------------|-----------------|
| (a) _____          | _____           |

## **B - REQUIREMENTS DEFINITION**

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(b) \_\_\_\_\_

(c) \_\_\_\_\_

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**B9011C (15/12/95) Required Equipment**

Effective 16/02/98, this clause is superseded by B9011C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B9011T (16/02/98) Required Equipment**

1. The following equipment is to be available for the performance of the Work:

| DESCRIPTION | QUANTITY |
|-------------|----------|
|-------------|----------|

(a) \_\_\_\_\_

(b) \_\_\_\_\_

(c) \_\_\_\_\_

2. The Bidder may propose alternate equipment/quantity to that stated above, provided the alternate equipment/quantity proposed is adequate to provide the same performance as the stated equipment.

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**B9011T (15/12/95) Required Equipment**

Effective 16/02/98, this clause is superseded by B9011T.

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**B9013T (01/08/92) Services to be provided**

This clause is cancelled effective 15/12/95.

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## **B - REQUIREMENTS DEFINITION**

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**B9017T            (01/08/92)            Period of Service**

Effective 31/03/95, this clause is superseded by A9009D.

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**B9020T            (01/08/92)            Bidder's Conference**

This clause is cancelled effective 31/03/95.

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**B9021D            (01/08/92)            Insurance Requirements**

Effective 01/12/92, this clause is superseded by G6000D.

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**B9022D            (01/08/92)            Insurance Requirements**

Effective 01/12/92, this clause is superseded by M2018D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for on-site maintenance services of equipment.

**B9023C            (01/05/96)            Requirement**

1.     The Contractor shall perform on-site preventive and remedial maintenance services during the Principal Period of Maintenance (PPM) for Canada-owned electronic data processing equipment as identified in Appendices "\_\_\_\_" hereto; and
2.     On an as-and-when-requested basis, the Contractor shall perform on-site preventive and remedial maintenance services outside the PPM, as detailed in Appendix "\_\_\_\_" hereto;

## **B - REQUIREMENTS DEFINITION**

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3. The services are described in detail in Appendix "\_\_\_\_\_" attached hereto.
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**B9024C (01/05/96) Optional Requirement**

Effective 30/10/96, this clause is superseded by B9024D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**B9024D (30/10/96) Optional Requirement**

1. The Contractor hereby grants to Canada and Canada shall retain an irrevocable option exercisable at any time during the Contract period to procure any or all of the optional services described in the Statement of Work and to require the Contractor to continue to perform the services detailed herein, in accordance with the terms and conditions contained or referenced herein, at the firm lot price specified in the Basis of Payment.
  2. The Contractor shall be given a minimum of "\_\_\_\_\_" working days notice in writing by the Contracting Authority indicating that Canada intends to exercise the option.
  3. The option may only be exercised by the Contracting Authority, and the exercise of the option will be evidenced through a formal Contract Amendment.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for "as-and-when requested" on-site maintenance of Canada-owned equipment.

**B9025C (01/05/96) Requirement**

1. The Contractor shall perform on-site maintenance and related services with respect to Canada-owned equipment and components located at \_\_\_\_\_ sites, as identified in Appendix "\_\_\_\_\_" attached hereto. The work shall be performed on an AS-AND-WHEN REQUESTED basis in accordance with the Statement of Work attached hereto as Appendix "\_\_\_\_\_."
  2. This Contract shall not oblige Canada or the Maintenance Coordinator to authorize or order all or any of the services specified, or to spend the total estimated cost or any part thereof. Canada's liability under this Contract shall be limited to that which arises from Work Requests issued by the Maintenance Coordinator, against this Contract, made within the period specified herein.
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## **B - REQUIREMENTS DEFINITION**

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**Remarks:** Use the following clause in solicitations and contracts for maintenance services of Canada equipment.

**B9026D (01/05/96) Modifications of Equipment List**

Canada reserves the right to add equipment to and/or delete equipment from the Contract upon thirty (30) days' written notice. The Contract price shall be adjusted to reflect any change in price resulting from any such additions or deletions.

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**B9027D (01/05/96) Replacement Parts**

It is the responsibility of the Contractor to supply all parts and components necessary to satisfy the services required by Canada. Replacement parts and subassemblies provided by the Contractor must be of new or like-new quality and equivalent in function to original equipment parts. Replaced parts shall become the property of the Contractor with the exception of any media or electronic component which contains Canada's confidential information. This information is to be erased in conjunction with, and with the permission of Canada. All Contractor-supplied parts and associated labour will carry a ninety-day (90) warranty.

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**B9028D (01/05/96) Access to Canadian Facilities**

1. Access to the following Canada facilities, equipment, documentation and personnel may be required during the Contract period in order to perform the Work:
    - (a) client's premises;
    - (b) client's computer systems (micro computer network);
    - (c) documentation;
    - (d) personnel for consultation;
    - (e) office space, telephones, desk space, manuals and terminals.
  2. Canada's facilities, equipment, documentation and personnel are not automatically at the disposal of the Contractor. The Contractor is responsible for timely identification of the need for access to the referenced facilities, equipment, documentation and personnel.
  3. Subject to the approval of the Project Authority, arrangements will be made for the Contractor to access the required facilities, equipment, documentation and personnel at the client's convenience.
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**B9029D (21/06/99) Administration Provisions**

1. For the purposes of this requirement, the following working hours and overtime periods shall apply:



- (a) A normal working day shall be any 7.5-hour period between the hours of 7:00 a.m. and 5:00 p.m., Monday to Friday inclusive, and totaling 37.5 hours per week.
- (b) Overtime Monday to Friday will commence after 7.5 hours of continuous work each day.
- (c) Overtime Saturday and Sunday will be any period worked either Saturday or Sunday.
2. Travel beyond a 40-kilometers radius of the work site will, when authorized by the Department of Public Works and Government Services (DPWGS) Inspection Office, be paid in accordance with Treasury Board Travel Directives for the Public Service, current issue in force at the time, and such expense incurred shall be paid without any allowance for overhead or profit.
3. No allowance will be made for any removal expense incurred by the assigned personnel either to or from the work area.
4. During the term of the Contract, the scheduling of vacation time and/or time off for the incumbent shall be as per agreement with and the prior approval of the DPWGS Inspection Office, whose prime concern will be to ensure adequate staff is available at all times.
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**B9035D (10/12/01) Progress Meetings**

Progress meetings, chaired by the Contracting Authority, will take place at the Contractor's facility and will be scheduled by the Public Works and Government Services Canada Contracting Authority as and when required. Contractor's attendees at these meetings, as a minimum, will be the Contract Administrator and Project Manager.

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## Section 5

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**B - REQUIREMENTS DEFINITION**

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**C - PRICE**

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for non-competitive acquisitions of all products and services valued over \$50,000 from foreign suppliers.

**C0001T (01/06/91) Price Certification**

The Bidder certifies that the price quoted is not in excess of the lowest price charged anyone else, including the Bidder's most favoured customer, for like quality and quantity of the products/services.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for non-competitive acquisitions of commercial products/services, other than petroleum products, valued over \$50,000 from Canadian suppliers other than agency and resale outlets.

**C0002T (01/06/91) Price Certification**

The Bidder certifies that the price quoted is not in excess of the lowest price charged anyone else, including its most favoured customer, for like quality and quantity of the products/services, does not include an element of profit on the sale in excess of that normally obtained by the Bidder on the sale of products/services of like quality and quantity, and does not include any provision for discounts to selling agents.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use of the following clause for non-competitive acquisitions of non-commercial products/services valued over \$50,000 from Canadian suppliers.

**C0003T (01/06/91) Price Certification**

The Bidder certifies that the price quoted is based on costs computed in accordance with Contract Cost Principles, DSS-MAS 1031-2, and includes an estimated amount of profit of \$\_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for non-competitive acquisitions of commercial products/services valued over \$50,000 from Canadian agency and resale outlets, including subsidiaries of foreign manufacturers.

**C0004T (01/06/91) Price Certification**

The Bidder certifies that the price quoted is not in excess of the lowest price charged anyone else, including the Bidder's most favoured customer, for like quality and quantity of the products/services and does not include an element of profit on the sale in excess of that normally obtained by the Bidder on the sale of products/services of like quality and quantity.

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## **C - PRICE**

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**C0005T            (01/06/91)            Price Certification**

Effective 31/03/95, this clause is superseded by C0003T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for non-competitive acquisitions of petroleum products valued over \$50,000.

**C0006T            (01/06/91)            Price Certification**

The Bidder certifies that the price is not in excess of the lowest price charged anyone else, including the Bidder's most favoured customer, for like quality and quantity, time, place and method of delivery of the products. The Bidder further certifies that its profit does not exceed that normally obtained on the sale of like quality and quantity, time, place and method of delivery of the products, and does not include any provisions for discounts to selling agents.

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**C0007T            (01/06/91)            Price Certification**

Effective 01/05/96, this clause is superseded by C0008T.

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**C0008T            (01/05/96)            Price Support**

The Bidder, in support of the quoted price, is required to provide:

- (a) a copy of the applicable current published price list; or
  - (b) a copy of a paid invoice for like items (like quality and quantity) sold to other customers; or
  - (c) a completed Price Analysis form, DSS-MAS 1116 (English) or DSS-MAS 1116-1 (French).
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**C0008T            (01/06/91)            Price Support**

Effective 01/05/96, this clause is superseded by C0008T.

## C - PRICE

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**C0009T (24/05/02) Sole Bid - Price Support**

1. In the event that your bid is the sole bid received, Government Contract Regulations require price support be submitted in conjunction with the offer. Acceptable price support is one or more of the following:
- (a) current published price list indicating the percentage discount available to the Department of Public Works and Government Services; or
  - (b) paid invoices for like items (like quality and quantity) sold to other customers; or
  - (c) price breakdown showing, if applicable, the cost of direct labour, direct materials, purchased items, engineering and plant overheads, general and administrative overhead, transportation, profit, etc.
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**C0009T (25/05/01) Sole Bid - Price Support**

Effective 24/05/02, this clause is superseded by C0009T.

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**Remarks:** Use of the following clause for non-competitive acquisition of commercial products/services valued over \$50,000 whenever price certification clause C0002T, C0004T or C0006T is used.

**C0100D (13/12/99) Discretionary Audit**

The Contractor's certification that the price/rate is not in excess of the lowest price/rate charged anyone else, including the Contractor's most favoured customer, for like quality and quantity of the products/services, is subject to verification by government audit, at the Minister's discretion, before or after payment is made to the Contractor under the terms and conditions of the Contract. If the said audit demonstrates that the certification is in error, it is agreed that the Contractor shall make repayment to Canada in the amount found to be in excess of the lowest price.

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## C - PRICE

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**C0100D (01/06/91) Discretionary Audit**

Effective 13/12/99, this clause is superseded by C0100D.

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**Remarks:** Use the following clause for non-competitive acquisitions on non-commercial products/services valued over \$50,000 whenever price certification clause C0003T is used.

**C0101D (12/05/00) Discretionary Audit**

The estimated amount of profit included in the Contractor's price or rate certification is subject to verification by government audit, at Canada's discretion, before or after payment is made to the Contractor under the terms and conditions of the Contract. The purpose of such audit would be to determine whether the actual profit earned on a single contract if only one exists, or the aggregate of actual profit earned by the Contractor on a series of negotiated firm price and fixed-time rate contracts received during a particular period selected, is fair and reasonable based on the estimated amount of profit included in earlier price or rate certification(s). If the said audit demonstrates that actual profit is not fair and reasonable, as defined above, it is agreed that the Contractor shall repay Canada the amount found to be in excess of a fair and reasonable profit.

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**C0101D (01/05/96) Discretionary Audit**

Effective 12/05/00, this clause is superseded by C0101D.

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**Remarks:** Use the following clause in all non-competitive firm price contracts, valued at \$50,000 or more, that are awarded to Canadian universities, affiliated institutions and colleges. (For more information, please refer to *Supply Manual* procedures 10.090 to 10.098.)

**C0102C (12/05/00) Discretionary Audit**

1. Notwithstanding the Accounts clause, section 11 of General Conditions - Universities and Other Institutions, DSS-MAS 1053, the Contractor's certification that the price quoted is based on costs computed in accordance with "Research and Development Contracts with Universities and Colleges" is subject to verification.
2. The purpose of such verification would be to determine that the total price charged by the Contractor on a single contract, where only one exists, or a series of negotiated firm

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price contracts, where more than one exists, was in accordance with the aforementioned procedures.

3. Any payments made pending completion of the verification shall be adjusted to the extent necessary to reflect the results of the said verification. If there has been an overpayment, it shall be refunded promptly to Canada.

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**C0102C (01/05/96) Discretionary Audit**

Effective 12/05/00, this clause is superseded by C0102C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable with incentive fee contracts to denote the basis of payment terms.

**C0200D (01/05/96) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, determined by audit of Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2, plus a fixed fee of \$ \_\_\_\_\_, plus an amount by way of bonus (if any) equal to \_\_\_\_\_ percent of the amount by which the audited cost is less than the target cost of \$ \_\_\_\_\_, provided that in no event shall the total profit consisting of fixed fee and bonus exceed \$ \_\_\_\_\_. The results and findings of Canada's audit shall be conclusive.

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**C0200D (01/06/91) Basis of Payment**

Effective 01/05/96, this clause is superseded by C0200D.

## C - PRICE

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**Remarks:** Use the following clause in cost reimbursable with no fee contracts to denote the basis of payment terms.

**C0201D (01/05/96) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, as determined by audit of Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2. The results and findings of Canada's audit shall be conclusive.

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**C0201D (01/06/91) Basis of Payment**

Effective 01/05/96, this clause is superseded by C0201D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable with fixed fee contracts to denote the basis of payment terms.

**C0202D (01/05/96) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, determined by audit of Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2, plus a fixed fee of \$ \_\_\_\_\_. The results and findings of Canada's audit shall be conclusive.

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**C0202D (01/06/91) Basis of Payment**

Effective 01/05/96, this clause is superseded by C0202D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable with fixed fee and swing points contracts to denote the basis of payment terms.



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**C0203D (01/05/96) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, determined by audit of Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2, plus a fixed fee of \$ \_\_\_\_\_, except that in the event that the incurred cost is less than \$ \_\_\_\_\_ or more than \$ \_\_\_\_\_, the said fee will be renegotiated. The results and findings of Canada's audit shall be conclusive.

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**C0203D (01/06/91) Basis of Payment**

Effective 01/05/96, this clause is superseded by C0203D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable with fixed fee and ceiling price contracts to denote the basis of payment terms.

**C0204D (01/05/96) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, determined by audit of Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2, plus a fixed fee of \$ \_\_\_\_\_, except that in no event shall the total price exceed \$ \_\_\_\_\_. The results and findings of Canada's audit shall be conclusive.

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**C0204D (01/06/91) Basis of Payment**

Effective 01/05/96, this clause is superseded by C0204D.

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**Remarks:** Use the following clause in cost reimbursable with fee based on actual costs (cost plus) contracts to denote the basis of payment terms.

**C0205D (03/02/97) Basis of Payment**

The Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, as determined by audit of Canada in accordance with Contract Cost Principles DSS-MAS

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1031-2, plus a profit determined in accordance with the appropriate Department of Public Works and Government Services profit policy. The results and findings of Canada's audit shall be conclusive.

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**C0205D (01/05/96) Basis of Payment**

Effective 03/02/96, this clause is superseded by C0205D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in "Limitation of Expenditure" contracts which include the Basis of Payment as an annex.

**C0206C (15/06/98) Basis of Payment - Limitation**

The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work, and a firm profit, in accordance with Annex "\_\_\_\_" attached hereto and forming part of this Contract.

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**C0206C (01/04/92) Basis of Payment - Limitation**

Effective 15/06/98, this clause is superseded by C0206C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in firm price contracts. Should always be used in combination with clause C2215D.

**C0207C (15/06/98) Basis of Payment - Firm Price**

In consideration of the Contractor satisfactorily completing all of its obligations under this Contract, the Contractor shall be paid a firm price of \$\_\_\_\_\_ (Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate). No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Specifications, will be authorized or paid to the Contractor unless such design changes,

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modifications or interpretations shall have been approved by the Minister prior to their incorporation in the Work.

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**C0207C (15/09/97) Basis of Payment - Firm Price**

Effective 15/06/98, this clause is superseded by C0207C.

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**C0208C (01/06/91) Hovercraft - Basis of Payment**

This clause is cancelled effective 01/12/92.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0209D (15/09/97) Proposed Basis of Payment**

1. The proposed Basis of Payment is to be submitted as a separate section within the proposal and should include the following elements:

**Fees:**

Firm, all inclusive \_\_\_\_\_ (daily/hourly) rates, Goods and Services Tax (GST) extra or Harmonized Sales Tax (HST) extra, as appropriate, FOB destination as follows:

Category of Personnel, Firm Rate \$ \_\_\_\_\_

Total Estimated Cost \$ \_\_\_\_\_, or  
Total Ceiling Price \$ \_\_\_\_\_.

**Fees:**

Firm, all-inclusive \_\_\_\_\_ (daily/hourly) rate(s), GST extra or HST, as appropriate, FOB destination, for services as follows:

Description, Firm Rate \$ \_\_\_\_\_

Total Estimated Cost \$ \_\_\_\_\_, or  
Total Ceiling Price \$ \_\_\_\_\_.

Firm, all inclusive unit price, GST extra or HST extra, as appropriate, FOB destination, of \$ \_\_\_\_\_.

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Total Estimated Cost \$ \_\_\_\_\_

Firm, all-inclusive lot price for \_\_\_\_\_, GST extra or HST extra, as appropriate, FOB destination, of \$ \_\_\_\_\_.

Total Estimated Cost \$ \_\_\_\_\_, or  
Total Ceiling Price \$ \_\_\_\_\_, or  
Total Firm Price \$ \_\_\_\_\_.

2. The daily rates specified above are based on \_\_\_\_\_ hours. For work performed for a duration of more or less than one day, the daily rate specified will be prorated to cover the actual time worked.
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### **C0209D (01/08/92) Proposed Basis of Payment**

Effective 15/09/97, this clause is superseded by C0209D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in conjunction with clause A9094C. This clause should show the amount for the precontractual period and for the period from the contract date to contract completion and should be included in the Basis of Payment. The "Limitation of Expenditure" clause should reflect the total of items 1. and 2. below.

### **C0210C (12/05/00) Precontractual Work - BoP Supplement**

1. In consideration of the services provided for the period from \_\_\_\_\_ (start date) up to \_\_\_\_\_ (date prior to the effective date of the Contract), the Contractor shall be paid the sum of \$ \_\_\_\_\_ (Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate).
  2. For the period from \_\_\_\_\_ (effective date of the Contract) to Contract completion, the Contractor shall be paid in accordance with the Basis of Payment.
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### **C0210C (15/09/97) Precontractual Work - BoP Supplement**

Effective 12/05/00, this clause is superseded by C0210C.

## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for maintenance services when firm monthly and hourly rates form part of the contract.

**C0211C (15/09/97) Basis of Payment**

1. The Contractor will be paid a firm monthly rate, in arrears, for the preventive and remedial maintenance services (including parts, labour, travel and living) performed during the Principal Period of Maintenance (PPM), as detailed in Appendix "\_\_\_\_," FOB Destination, Custom duty included where applicable, Goods and Services Tax (GST) extra or Harmonized Sales Tax (HST) extra, as appropriate.
2. The Contractor will be paid a firm, all inclusive hourly rate, for maintenance services performed outside of the PPM for items listed in Appendix "\_\_\_\_," FOB Destination, Customs Duty included where applicable, GST extra or HST extra, as appropriate, of  
\$\_\_\_\_\_ per hour for first year;  
\$\_\_\_\_\_ per hour for option year.

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**C0211C (01/05/96) Basis of Payment**

Effective 15/09/97, this clause is superseded by C0211C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for on-site maintenance services when hourly rates are proposed - cost reimbursable).

**C0212C (24/05/02) Basis of Payment**

For on-site maintenance and related services for the equipment listed in Appendix "\_\_\_\_" during the Principal Period of Maintenance (PPM) and outside the PPM, as defined in this Contract, the Contractor shall be paid for the labour, material (if any) and travel expenses (where applicable) as follows:

For the period of twelve (12) months commencing on \_\_\_\_\_:

**LABOUR**

The Contractor shall be paid for the actual hours worked at the firm hourly rates detailed in Appendix "\_\_\_\_" attached hereto. The Contractor shall be paid an initial half hour minimum

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charge calculated from the time the Contractor's technician arrives on-site. All additional chargeable time, over and above the first half hour, is to be rounded to the nearest quarter hour.

### MATERIAL AND REPLACEMENT PARTS

The material and replacement parts shall be provided at the list price attached as Appendix "\_\_\_\_" hereto, less a discount of \_\_\_\_ percent. All prices for parts and material are FOB destination, custom duty included as appropriate. (Goods and Services Tax or Harmonized Sales Tax (HST) extra, as appropriate.)

### TRAVEL AND LIVING EXPENSES

There shall be no travel time or travel and living expenses payable for services rendered within \_\_\_\_ kilometres from the Designated Service Centre listed in Appendix "\_\_\_\_" attached hereto.

For services rendered further than \_\_\_\_ kilometres from the Designated Service Centre, the Contractor shall be paid for actual travel time in accordance with the hourly rates specified in Appendix "\_\_\_\_."

In addition, reasonable and proper travel and living expenses incurred by personnel directly engaged in the performance of the Work, as authorized in advance by the Maintenance Coordinator, shall be reimbursed at actual cost without any allowance thereon for overhead or profit and shall not exceed the then-current Treasury Board Travel Directive: [http://www.tbs-sct.gc.ca/travel/travel\\_e.html](http://www.tbs-sct.gc.ca/travel/travel_e.html).

### ON-CALL SERVICES (WAIT-TIME)

The Contractor shall be paid for the actual hours of on-call period (wait time) at the firm hourly rate of \$\_\_\_\_.

ESTIMATED COST FOR ARTICLES \_\_\_\_: \$\_\_\_\_.

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### C0212C (15/09/97) Basis of Payment

Effective 24/05/02, this clause is superseded by C0212C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for services - firm price.

### C0213C (24/05/02) Basis of Payment

The Contractor shall be paid the firm lot price of \$ \_\_\_\_\_ for work and services performed pursuant to this Contract.

### TRAVEL EXPENSES

## C - PRICE

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The Contractor will be paid for pre-authorized reasonable and proper travel expenses supported by appropriate receipts, incurred by personnel directly engaged in the performance of the Work, calculated in accordance with the current Treasury Board Travel Directive ([http://www.tbs-sct.gc.ca/travel/travel\\_e.html](http://www.tbs-sct.gc.ca/travel/travel_e.html)), without any allowance thereon for overhead or profit. All payments are subject to government audits.

Goods and Services Tax, estimated at \$ \_\_\_\_\_, is extra to the Total Estimated Price shown herein and shall be paid in accordance with the provisions of clause \_\_\_\_\_.

Subject to the exercise of the Contract option for additional services in accordance with clause \_\_\_\_\_ herein, the Contractor shall be paid the firm lot price of \$ \_\_\_\_\_ to perform all work and services required to be performed in relation to the contract extension.

### UNFUNDED

All deliverables are FOB Destination, and Canadian Customs Duty included, where applicable.

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### C0213C (25/05/01) Basis of Payment

Effective 24/05/02, this clause is superseded by C0213C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for service contracts when firm per diem rates are proposed - cost reimbursable.

### C0214C (24/05/02) Basis of Payment

The Contractor shall be paid the following firm per diem rates for work and services performed pursuant to this Contract.

| CATEGORY | FIRM PER DIEM RATE |
|----------|--------------------|
| _____    | \$ _____           |
| _____    | \$ _____           |

Total Estimated Price: \$ \_\_\_\_\_

Subject to the exercise of the Contract option to extend the Contract period, the Contractor shall be paid the following firm per diem rates to complete all work and services required to be performed in relation to the Contract extension.

| CATEGORY | FIRM PER DIEM RATE |
|----------|--------------------|
| _____    | \$ _____           |
| _____    | \$ _____           |
|          | UNFUNDED           |

## C - PRICE

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Goods and Services Tax or Harmonized Sales Tax, estimated at \$\_\_\_\_, is extra to the "Total Estimated Price" shown herein and shall be paid in accordance with the provisions of clause "\_\_\_\_\_."

All deliverables are FOB Destination, and Canadian Customs Duty included, where applicable.

### DEFINITION OF A DAY/PRORATION

A day is defined as 7.5 hours exclusive of meal breaks. Payment shall be for days actually worked with no provision for annual leave, statutory holidays and sick leave. Time worked which is more or less than a day shall be prorated to reflect actual time worked in accordance with the following formula:

$$\frac{\text{Hours worked}}{7.5} \times \text{per diem rate}$$

### NOTE TO PAYING OFFICE

The amount of Canadian dollars has been calculated on the basis of exchange of C\$\_\_\_\_\_ being equal to US\$1. Payment shall be made in American funds and the amount required in Canadian funds shall be adjusted to correspond to the rate of exchange in effect when the necessary foreign funds are purchased.

### TRAVEL EXPENSES

The Contractor shall be paid for pre-authorized reasonable and proper travel expenses, supported by appropriate receipts, incurred by personnel directly engaged in the performance of the Work, calculated in accordance with the current Treasury Board Travel Directive ([http://www.tbs-sct.gc.ca/travel/travel\\_e.html](http://www.tbs-sct.gc.ca/travel/travel_e.html)), without any allowance thereon for overhead or profit. Charges for air travel shall not exceed that for economy class. All payments are subject to government audit.

Total Estimated Price: \$\_\_\_\_\_.

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**C0214C**      **(01/12/00)**      **Basis of Payment**

Effective 24/05/02, this clause is superseded by C0214C.

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**Remarks:** Except for printing requirement contracts providing assistance to contractors for the purchase of equipment, the following clause shall be used in any single/sole source Request for Proposal for which a cost-reimbursable method of payment is clearly indicated or in any contract containing a cost-reimbursable element within the basis of payment. For printing requirements, use clause C0301D.



## C - PRICE

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**C0300D (15/06/98) Cost Submission**

1. Upon completion of the Contract and also annually for multi-year contracts spanning more than one contractor fiscal year, the Contractor shall prepare and submit the Contractors Cost Submission, form DSS-MAS 7953 (a french version, "État des coûts des entrepreneurs", form DSS-MAS 7953-1, is also available) in triplicate to the Contracting Authority specified in the Contract. This cost submission covering each item with a cost-reimbursable basis of payment in the Basis of Payment section of the Contract shall be signed and certified accurate by two (2) officers of the Contractor, including its chief financial officer (unless expressly provided otherwise in writing), and shall contain a breakdown of the following elements where applicable.
  - (a) direct materials;
  - (b) material handling overhead;
  - (c) direct productive labour by cost centre;
  - (d) manufacturing overhead by cost centre;
  - (e) engineering labour;
  - (f) engineering overhead;
  - (g) direct charges;
  - (h) general and administrative overhead;
  - (i) other contract costs;
  - (j) profit;
  - (k) royalty;
  - (l) Goods and Services Tax and/or Harmonized Sales Tax, if applicable;
  - (m) freight out.
  
2. A single copy of reasonable supporting information for each cost element shall be forwarded at the same time. More detailed documentation as required under General (C) on form DSS-MAS 7953 shall be kept readily available in the Contractor's offices, in order that an in-depth audit can be carried out subsequently if deemed necessary by Canada.

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**C0300D (01/05/96) Cost Submission**

Effective 15/06/98, this clause is superseded by C0300D.

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**Remarks:** Use the following clause for printing requirements only. This clause should be used in any of the undernoted situations:

- a) any single source Request for Proposal for which a cost reimbursable method of payment is clearly indicated;
- b) any contract containing a cost reimbursable element within the Basis of Payment.

## **C - PRICE**

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**C0301D (01/05/96) Cost Submission**

1. Upon completion of the Contract, the Contractor shall prepare and submit a Cost Submission to the Contracting Authority specified in the Contract. The Cost Submission shall be signed and certified as accurate by the Contractor's Senior Financial Officer and shall contain a breakdown of the following cost elements as applicable:
    - (a) material;
    - (b) subcontract;
    - (c) preparation charges;
    - (d) press charges;
    - (e) bindery charges;
    - (f) profit;
    - (g) delivery charges.
  
  2. Supporting information for each cost element must be available and be in sufficient detail that an in depth audit can be carried out if deemed necessary by Canada.
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**C0301D (01/06/91) Cost Submission**

Effective 01/05/96, this clause is superseded by C0301D.

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**C0302D (01/06/91) Invoices**

This clause is cancelled effective 30/10/96.

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**Remarks:** Use the following clause when it is the intention to combine the Audit and Cost Submission provisions in "Limitation of Expenditure" and "Ceiling Price" contracts awarded to Canadian universities, affiliated institutions, and colleges.

**C0303C (01/05/96) Audit/Cost Submission**

1. The amount claimed under the terms and conditions of this Contract, as computed in accordance with the Basis of Payment, is subject to government audit.

## **C - PRICE**

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2. Any payments made pending completion of the audit shall be regarded as interim payments only and shall be adjusted to the extent necessary to reflect the results of the said audit. If there has been an overpayment, it shall be refunded promptly to Canada.
3. On completion of the Contractor's obligations under this Contract, the Contractor shall, if requested, prepare and submit a cost submission to the Contracting Authority specified in this Contract. The cost submission shall be signed and certified by the Contractor's Senior Financial Officer and shall contain a breakdown of the following elements of cost, as applicable:
  - (a) direct labour;
  - (b) direct materials;
  - (c) direct charges;
  - (d) subcontracts.
5. Supporting information for each element of cost shall be available and shall be in sufficient detail that an in-depth audit can be performed.

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**C0303C            (01/06/91)            Audit/Cost Submission**

Effective 01/05/96, this clause is superseded by C0303C.

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**Remarks:** Use the following clause in contracts when the Basis of Payment is to be based on costs in accordance with DSS-MAS 1031-2, Contract Cost Principles.

**C0304C            (15/06/98)            Cost Submission**

1. On completion of the Contractor's obligations under this Contract, the Contractor shall prepare and submit a cost submission to the Contracting Authority specified in this Contract. The cost submission shall be a statement of the costs incurred by the Contractor, in accordance with the Basis of Payment, for the Work performed under the terms of this Contract.
2. The cost submission shall be signed and certified by the Contractor's Senior Financial Officer and shall contain a breakdown of all applicable elements of cost, for example:
  - (a) direct material;
  - (b) general and administrative;
  - (c) direct labour overhead;
  - (d) direct charges;
  - (e) profit;

## C - PRICE

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- (f) subcontracts;
- (g) overhead;
- (h) Goods and Services Tax and/or Harmonized Sales Tax, if applicable;
- (i) delivery charges.

3. Supporting information for each element of cost shall be available and shall be in sufficient detail that an in-depth audit can be carried out.
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**C0304C      (01/05/96)      Cost Submission**

Effective 15/06/98, this clause is superseded by C0304C.

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**Remarks:** Use the following clause in contracts which contain a "Limitation of Expenditure" or a "Ceiling Price" clause when the basis of payment is other than cost reimbursable in accordance with Contract Cost Principles, form DSS-MAS 1031-2.

**C0305C      (01/05/96)      Cost Submission**

1. On completion of the Contractor's obligations under this Contract, the Contractor shall prepare and submit a cost submission to the Contracting Authority specified in this Contract. The cost submission shall be a statement of the costs incurred by the Contractor, in accordance with the Basis of Payment, for the Work performed under the terms of this Contract.
  2. The cost submission shall be signed and certified by the Contractor's Senior Financial Officer and shall contain a breakdown of each cost element.
  3. Supporting information for each element of cost shall be available and shall be in sufficient detail that an in-depth audit can be carried out.
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**C0305C      (01/06/91)      Cost Submission**

Effective 01/05/96, this clause is superseded by C0305C.

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## **C - PRICE**

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**C0306C            (31/01/92)            Proposal Cost**

Effective 01/05/96, this clause is superseded by C0306T.

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**C0306T            (13/12/02)            Proposal and Pre-award Costs**

No payment shall be made for costs incurred in the preparation and submission of a proposal in response to this Request for Proposal.

No costs incurred before receipt of a signed contract or specified written authorization from the Contracting Authority can be charged to any resultant contract.

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**C0306T            (01/05/96)            Proposal and Preaward Costs**

Effective 13/12/02, this clause is superseded by C0306T.

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**Remarks:** Use the following clause for Repair and Overhaul Service contracts.

**C0307D            (15/09/97)            Cost Submission**

1. If requested by the Contracting Authority or audit agency designated by the Contracting Authority, the Contractor shall prepare and submit to the Contracting Authority or the audit agency as applicable, a cost submission, upon completion of the contract or annually for multi-year contracts spanning more than one contractor fiscal year. The cost submission shall be a statement of the costs incurred by the Contractor, categorized in accordance with the Basis of Payment, for the work performed under the terms of the contract.
2. The cost submission shall be signed and certified by the Contractor's senior financial officer and shall contain a breakdown of all applicable elements of cost, for example:

## **C - PRICE**

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- (a) Direct material
- (b) Direct labour
- (c) Direct charges
- (d) Overhead
- (e) Subcontracts
- (f) General and administrative
- (g) Goods and Services Tax
- (h) Harmonized Sales Tax
- (i) Royalty
- (j) Freight
- (k) Profit

3. Supporting information for each element of cost shall be available and shall be in sufficient detail that an in-depth audit can be carried out.

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**C0307D (01/06/94) Cost Submission**

Effective 15/09/97, this clause is superseded by C0307D.

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**C0400D (01/06/91) Basis of Pricing**

This clause is cancelled effective 01/05/96.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0401D (01/06/91) Pricing**

Prices as listed in your regular, seasonal and sale catalogues and/or current published price lists, less a discount of \_\_\_\_\_ percent.

In addition to the above pricing, special offering due to year end or surplus manufacturing runs, special job lots, sales, etc., to be made available as they occur if of lesser cost than under the above pricing arrangement.

Special additional discounts for advance ordering - \_\_\_\_\_ percent.

## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0402D (01/06/91) Pricing**

1. Hydrostatic testing, packaging, winterizing and recharging: firm unit prices, sales tax included, for each operation and for each item listed on Appendix "\_\_\_\_\_".
  2. Repair, overhaul, modification and reduction to spares - prices as follows:
    - a) Labour: Direct or productive, \$\_\_\_\_\_ per hour used exclusively in work.
    - b) Pricing:
      - (i) material and replacement parts (except free issue) at laid-down cost plus a mark-up of \_\_\_\_\_ percent excluding sales tax. Sales tax to be shown as a separate item; or
      - (ii) material and replacement parts (except free issue) to be in accordance with your manufacturer's suggested retail price list, as last amended/published, less a discount of \_\_\_\_\_ percent.
    - c) Estimates: Where a cost estimate has been submitted and accepted by the \_\_\_\_\_, fully completed work or services will be performed or provided at a cost no greater than 110 percent of such estimate.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0403D (01/06/91) Pricing**

The price to be paid will be the minimum per diem rates established by the professional association in the province of \_\_\_\_\_ plus the actual cost of all disbursements properly incurred in the performance of this Contract including fair and reasonable travelling and living costs where applicable.

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**C0404D (01/06/91) Pricing**

This clause is cancelled effective 01/05/96.

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## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0405D (01/06/91) Pricing**

Prices are to be submitted only on items showing a quantity in column "G", pick-up and delivery \_\_\_\_\_. Do not quote on weight basis.

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**C0406D (01/06/91) Pricing**

This clause is cancelled effective 01/05/96.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0407D (01/06/91) Pricing**

1. You shall be paid the basic price of \$\_\_\_\_\_ per square metre of road, entrances, sidewalks and parking areas, etc., for a total of \$\_\_\_\_\_ square metres of snow clearing over the entire area shown on drawing. This basic price shall apply only to a maximum precipitation of 200 centimetres of snow. If the total precipitation should not exceed 200 centimetres, you shall receive the total amount of \$\_\_\_\_\_ for the first 200 centimetres.
  2. **ADDITIONAL PREMIUM:** If the total precipitation should exceed 200 centimetres you shall receive an additional premium of \$\_\_\_\_\_ per hundred square meters of area for each additional 2.5 centimetres of precipitation requiring clearing. The precipitation shall be calculated to the nearest 2.5 centimetres.  
  
For the supply and application of sand, salt, calcium or stones or a combination of these, a price per ton may be specified.
  3. **METHOD OF PAYMENT:** You shall be paid the basic price mentioned in 1. above in four instalments. The first three payments shall be made on the last of December, January and February. The fourth and final payment shall be made as soon as possible after April 30 provided no claim exists against you.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**



## C - PRICE

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C0408D (01/06/91) Pricing

## **C - PRICE**

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1. The Contractor will be paid a retainer fee equal to \$\_\_\_\_\_. Payment will be made in five equal instalments of \$\_\_\_\_\_ at the end of December through April inclusive. If the Contractor should default (as specified under the Default heading), he will be required to pay:
  - (a) a penalty equal to \$\_\_\_\_\_ for each half-hour delay in responding to call-out;
  - (b) a penalty equal to \$\_\_\_\_\_ for each delay of one hour in completing clearing as specified.

**NOTE:** Any penalty for default will be deducted from the retainer fee.

2. After the first call-out or January 15 at the latest, the Contractor will be paid for the clearance, removal and disposal of snow as specified, at a price of \$\_\_\_\_\_ per centimetre of snowfall as determined by the Department of the Environment, Atmospheric Environment Service \_\_\_\_\_.
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**C0409D (01/06/91) Pricing**

This clause is cancelled effective 01/05/96.

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**C0410D (01/06/91) Pricing**

This clause is cancelled effective 01/05/96.

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**C0411D (01/06/91) Correction Supplement**

Two (2) percent for author's corrections will be accepted and will be paid at the price shown in this document.

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## C - PRICE

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**C0412D (01/06/91) Price for Evaluation**

Effective 01/05/96, this clause is superseded by C0412T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0412T (15/09/97) Price for Evaluation**

**1. Work**

- (a) For Work as specified at \_\_\_\_\_ a firm price of: \$ \_\_\_\_\_
- (b) Goods and Services Tax (GST) at 7 percent of (a): \$ \_\_\_\_\_
- (c) Harmonized Sales Tax (HST) at 15 percent of (a): \$ \_\_\_\_\_
- (d) Total - Work, GST or HST included as appropriate : \$ \_\_\_\_\_

**2. Unscheduled Work**

- (a) Labour: Estimated person-hours at a firm charge-out rate for labour, including overhead and profit: \_\_\_\_\_ person-hours X \$ \_\_\_\_\_ per hour \$ \_\_\_\_\_
- (b) GST at 7 percent of (a): \_\_\_\_\_
- (c) HST at 15 percent of (a): \$ \_\_\_\_\_
- (d) Total - Unscheduled Work, GST or HST included as appropriate : \$ \_\_\_\_\_

**3. Evaluation Price, GST or HST included as appropriate (1. plus 2.): \_\_\_\_\_.**

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**C0412T (01/05/96) Price for Evaluation**

Effective 15/09/97, this clause is superseded by C0412T.

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## **C - PRICE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0413D (15/09/97) Pricing - Goods**

Supply of goods as specified above FIRM PRICE: \$\_\_\_\_\_;

Freight Charges FIRM PRICE: \$\_\_\_\_\_;

TOTAL FIRM PRICE: \$\_\_\_\_\_;

Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate.

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**C0413D (01/06/91) Pricing - Goods**

Effective 15/09/97, this clause is superseded by C0413D.

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**C0414D (16/02/98) Vessel Refit, Repair & Docking - Cost**

1. Price breakdown:

Upon request, the price of all unscheduled work will be broken down into individual specified activities with trades, person-hours, material, subcontracts and services.

2. Pro-rated prices:

Hours and prices for unscheduled work shall be based on comparable historical data applicable to similar work at the same facility, or shall be determined by pro-rating the quoted Work costs in the Contract when in similar areas of the vessel.

3. Services:

Ship services such as water, steam, electricity, etc., required for vessel maintenance during the duration of the Work shall be quoted as one price for all services; this price shall be firm for the period of the Contract and is subject to increase only if the period of the Contract is increased with the approval of the Department of Public Works and Government Services, due to increased extent of the work or other reason to be specified at the time.

4. Docking and undocking:

## **C - PRICE**

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The price of the Work shall include all costs resulting from drydocking, wharfage, security, shoring, shifting and/or moving of the vessel within the Contractor's facility.

Unless otherwise specified, the vessel will be delivered to the Contractor's facility alongside or a mutually agreed safe transfer point, afloat and upright and the Contractor shall do likewise when the Work is completed. The costs of services to tie up the vessel alongside and to cast off shall be included in the price for the Work.

5. Supervisory service:

We agree that services, including manufacturers' representatives, engineers, etc., which are required to do the Work specified shall be included in the original price. Such services shall not be an extra charge except where unscheduled Work requiring such services is added to the original requirement.

6. Removals:

Removals necessary to carry out the Work shall be the responsibility of the Contractor whether or not they are identified in the Specifications, except those removals not apparent when viewing the Vessel or examining the drawings. The Contractor shall also be responsible for safe storage of removed items and reinstalling them on completion of the Work. The Contractor shall be responsible for renewal of components damaged during removal.

7. Sheltering, staging, crange and transportation:

The price for the Work includes the cost of all sheltering, staging including handrails, crange and transportation to carry out the Work as specified. The cost of any necessary modification of such facilities to meet applicable safety regulations shall be to the Contractor's account.

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**C0414D (01/06/91) Vessel Refit, Repair & Docking - Cost**

Effective 16/02/98, this clause is superseded by C0414D.

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**C0415D (01/06/91) Vessel Charter - Price**

This clause is cancelled effective 01/05/96.

## **C - PRICE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in firm price contract to cover the basis of payment for possible unscheduled work (during refits, mobile repairs, repair and overhaul, equipment conversion/update) when the intent is to negotiate a firm price for such unscheduled work before it is authorized.

**C0416D (15/09/97) Contract Price**

1. In consideration of completion by the Contractor of its obligations in accordance with this Contract, Canada shall pay to the Contractor the following:

- (a) for the Work specified at \_\_\_\_\_, a total FIRM PRICE of \$ \_\_\_\_\_;
- (b) plus Goods and Services Tax (GST) or Harmonized Sales Tax (HST), as appropriate;
- (c) the price of any unscheduled work shall be negotiated with the Contracting Authority or its authorized representative on a firm price basis prior to authorization to proceed. The firm price for any unscheduled work shall be based on:
  - (1) labour effort at the firm hourly rate of \$ \_\_\_\_\_;
  - (2) estimated material cost, plus a mark-up of \_\_\_\_\_ percent; and
  - (3) GST or HST, as appropriate, on (c) (1) and (2) above.

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**C0416D (01/05/96) Contract Price**

Effective 15/09/97, this clause is superseded by C0416D.

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**C0417T (01/12/92) Unscheduled Work and Evaluation Price**

In any refit/repair or docking contract, unscheduled work will arise after the vessel and its equipment is opened up and surveyed. Since this work is inevitable, the anticipated cost of such work must be taken into account when evaluating the bids. This is done by including a most likely amount of additional person-hours (and/or material) to which a competitive charge-out rate is applied in dollars, and is added to the firm price for the Work.

## C - PRICE

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The overall total is known as the "Evaluation Price" which is the price used for evaluating the bids. There is no minimum or maximum amount of unscheduled work nor is there a guarantee of such work, but rather it is a most likely work estimate based on historical experience.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when assessing price on a low aggregate basis, using the projected estimated usage figures as a guide.

**C0418D (31/03/95) Dry Cleaning/Fire Proofing of Drapes**

**All pricing includes removal and reinstallation of drapes.**

**1. Dry cleaning of lined drapes:**

pricing: \$ \_\_\_\_\_ per sq. ft.  
projected estimated usage: \_\_\_\_\_ sq. ft.

**2. Dry cleaning of unlined drapes:**

pricing: \$ \_\_\_\_\_ per sq. ft.  
projected estimated usage: \_\_\_\_\_ sq. ft.

**3. Dry cleaning and fireproofing of lined drapes:**

pricing: \$ \_\_\_\_\_ per sq. ft.  
projected estimated usage: \_\_\_\_\_ sq. ft.

**4. Dry cleaning and fireproofing of unlined drapes:**

pricing: \$ \_\_\_\_\_ per sq. ft.  
projected estimated usage: \_\_\_\_\_ sq. ft.

Special care must be exercised in processing to protect colour and accoutrements.  
Shrinkage must not exceed two (2) percent.

Drapes must be placed on hangers.

**For small repairs:** (cigarette burns, seams, etc.)

**Pricing:**

1. Labour: direct or productive used exclusively in work: \$ \_\_\_\_\_ per hour.
2. Materiel and replacement parts (except free issue) at laid-down cost (which includes invoice cost, transportation costs, exchange, customs and brokerage charges) plus a mark-up of \_\_\_\_\_ percent excluding sales tax. Sales tax to be shown as a separate item.

## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in firm price contract to cover the basis of payment for possible unscheduled work (during refits, mobile repairs, repair and overhaul, equipment conversion/update) when the intent is to pay for such unscheduled work on a cost plus basis after it is authorized and completed.

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**C0419D (15/09/97) Contract Price - Unscheduled Work**

1. In consideration of completion by the Contractor of its obligations in accordance with this Contract, Canada shall pay to the Contractor the following:
  - (a) for the Work specified at\_\_\_\_\_, a total FIRM PRICE of \$\_\_\_\_\_;
  - (b) plus Goods and Services Tax (GST) or Harmonized Sales Tax (HST) as appropriate;
  - (c) after authorization by the Contracting Authority or its authorized representative and completion of any unscheduled work, the price of such unscheduled work shall be determined and paid in accordance with:
    - (1) labour effort at the firm hourly rate of \$\_\_\_\_\_;  
plus
    - (2) material at net laid down cost, plus a mark-up of \_\_\_\_\_ percent; plus
    - (3) GST or HST, as appropriate, on (c) (1) and (2) above.

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**C0419D (01/05/96) Contract Price - Unscheduled Work**

Effective 15/09/97, this clause is superseded by C0419D.

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**C0430T (25/05/01) Pricing Data Sheets**

In addition to the completion of the bid, the Bidder shall include one (1) copy of the pricing data sheets. Each item of work or services in the specification is to be priced individually to indicate the total cost of labour, overhead, material and profit as a single unit.



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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause in conjunction with clause C0417T. The contracting officer is to fill out in subsection 1.(b): the number of person hours to be used to evaluate unscheduled work; in subsection 1.(c): the value of material cost to be used to evaluate unscheduled work. The bidder will fill out all other areas.

**C0435T (10/12/01) Price Calculation for Evaluation**

1. For the purposes of the evaluation, the price will be calculated as follows:
- (a) Price for the known work as specified in the Requirement: \$\_\_\_\_\_ (*Insert bid price*)
  - (b) Unscheduled labour costs: \_\_\_\_\_ person hours, at \$\_\_\_\_\_ (*Insert bid rate*) per hour: \$\_\_\_\_\_;
  - (c) Unscheduled material costs: \$\_\_\_\_\_, at \_\_\_\_\_ (*Insert bid mark up*) percentage mark up: \$\_\_\_\_\_;
  - (d) Vessel Transfer costs: \$\_\_\_\_\_;
  - (e) Contract Financial Security costs: \$\_\_\_\_\_ (*Insert amount from bid*)
- EVALUATION TOTAL BID PRICE** (taxes excluded) \$\_\_\_\_\_

2. The price of any resulting contract shall only include the amounts of subsections 1.(a) and (e), and the Goods and Services Tax/ Harmonized Sales Tax.
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**C0500C (01/06/91) Overtime Work - Fixed-Time Rate**

Effective 30/10/96, this clause is superseded by C0500D.

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**Remarks:** Use the following clause in fixed time rate contracts where provision is being made for scheduled overtime. For additional information, refer to the *Supply Manual*, procedure 11.027.

**C0500D (30/10/96) Overtime Work - Fixed Time Rate**

No overtime work shall be performed under the Standing Offer/Contract unless authorized in advance and in writing by Canada's authorized representative. Any request for payment at the

## C - PRICE

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rate(s) specified in the Standing Offer/Contract must be accompanied by a copy of the overtime authorization and a report containing such details as Canada may require with respect to the overtime work performed pursuant to the written authorization.

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**C0501C            (01/06/91)            Overtime Work - Other**

Effective 30/10/96, this clause is superseded by C0501D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in ceiling price and cost reimbursable-type contracts where provision is being made for unscheduled overtime. A cost analyst should be consulted in determining the applicable overhead rate.

**C0501D            (30/10/96)            Overtime Work - Other**

Overtime work shall not be performed under the Standing Offer/Contract unless authorized in advance in writing by the \_\_\_\_\_ Authority. Such written authorization shall be a condition precedent for payment of the actual cost, exclusive of overhead on the overtime premium, plus an overhead rate as applicable of \_\_\_\_\_ percent for the overtime work; and the Contractor shall submit to the \_\_\_\_\_ Authority a report with respect to the overtime work performed pursuant to any such authorization containing such details as the Canada may require.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0502C            (01/06/91)            Overtime**

If overtime is authorized, the rate will be calculated as follows:

Your firm hourly chargeout rate of \$\_\_\_\_\_, plus average hourly direct labour as per union agreement plus certified fringe benefit additive plus profit of 7 1/2 percent on labour premium and fringe benefits. This rate will remain firm for the duration of the Contract including all amendments.

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**Remarks:** Use the following clause for non-competitive acquisitions of commercial services valued over \$50,000 from Canadian suppliers.

**C0600T            (01/06/91)            Rate Certification**

The Bidder certifies that the rate quoted is not in excess of the lowest rate charged anyone else, including the Bidder's most favoured customer, for like quality and quantity of the service, does not include an element of profit on the sale in excess of that normally obtained by the Bidder on the sale of services of like quality and quantity and does not include any provision for discounts to selling agents.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for non-competitive acquisitions of non-commercial services valued over \$50,000 from Canadian suppliers.

**C0601T            (01/06/91)            Rate Certification**

The Bidder certifies that the rate quoted is based on costs computed in accordance with Contract Cost Principles, DSS-MAS 1031-2, and includes an estimated rate of profit of \_\_\_\_ percent.

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**C0602T            (01/06/91)            Labour Rate**

This clause is cancelled effective 30/10/96.

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**C0603D            (01/08/92)            Quoted Prices**

This clause is cancelled effective 31/03/95.

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**C0603D (31/01/92) Quoted Prices**

Effective 01/08/92, this clause is superseded by C0603D.

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**C0700C (01/06/91) Time & Contract Price Verification**

Effective 30/10/96, this clause is superseded by C0700D.

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**Remarks:** Use the following clause in competitive fixed-time rate contracts for service and material. Fixed-time rates may also include a pro-rata allowance for incidental materials. Identify the position or office of the designated government representative who will verify time charged.

**C0700D (30/10/96) Time and Contract Price Verification**

Time charged and the Contract Price of any incidental materials used may be verified by Canada's authorized representative before or after payment is made to the Contractor. If verification is done after payment, the Contractor agrees to repay any overpayment immediately upon demand by Canada.

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**C0701C (01/06/91) Time Verification**

Effective 30/10/96, this clause is superseded by C0701D.

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**Remarks:** Use the following clause in both competitive and non-competitive fixed-time rate contracts to provide for the verification of time for acceptability and accuracy of recording.

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C0701D (30/10/96) Time Verification

## C - PRICE

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Time charged and the accuracy of the Contractor's time recording system may be verified by Canada's representatives before or after payment is made to the Contractor under the terms and conditions of the Contract. If verification is done after payment, the Contractor agrees to repay any overpayment immediately upon demand by Canada.

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**C0702D (01/06/91) Submission**

Effective 30/10/96, this clause is superseded by C0708D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause with the appropriate travel and living expense clause.

**C0703T (30/10/96) Price, Engineering Services**

The prices quoted do not include the service of the Contractor's engineer for supervising the installation of the equipment or for making the necessary adjustments to same after installation by others. Such services, if required, will be provided at a standard rate of \$\_\_\_\_\_ per engineer per day plus travel and living expenses reasonably and properly incurred in carrying out this Work, if such services are required outside of the place of manufacture.

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**C0703T (01/06/91) Price, Engineering Services**

Effective 30/10/96, this clause is superseded by C0703T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The following clause is used in marine requirements. Enter fill-in data after clause number. Use this clause with the appropriate travel and living expense clause.

## C - PRICE

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**C0704C (30/10/96) Price, Field Services**

Services of field service representatives for installation of machinery in ship and attendance at dock and sea trials shall be furnished by the Contractor at a rate of \$\_\_\_\_\_ per person per day, plus travel and living expenses reasonably and properly incurred.

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**C0704C (01/06/91) Price, Field Services**

Effective 30/10/96, this clause is superseded by C0704C.

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**Remarks:** Use the following clause in all "Limitation of Expenditure" and "Ceiling Price" contracts awarded to contractors other than Canadian universities, affiliated institutions, and colleges when the Contractor's time-keeping system, hours charged, direct expenses, and rate certification are subject to discretionary audit.

**C0705C (15/06/98) Audit**

1. The following are subject to government audit before or after payment is made:
  - (a) Amounts claimed under the terms and conditions of the Contract, as computed in accordance with the Basis of Payment, including time charged and salaries paid for labour charges based on salaries times a firm negotiated multiplier.
  - (b) The accuracy of the Contractor's time recording system.
  - (c) The estimated amount of profit in any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier, for which the Contractor has provided the appropriate certification. The purpose of such audit would be to determine whether the actual profit earned on a single contract if only one exists, or the aggregate of actual profit earned by the Contractor on a series of negotiated contracts containing one or more of the aforementioned prices, time rates or multipliers, and received during a particular period selected, is fair and reasonable based on the estimated amount of profit included in earlier certification (s).
  - (d) Any firm-priced element, firm time rate, firm overhead rate, or firm salary multiplier for which the Contractor has provided a "most favoured customer" certification. The purpose of such audit would be to determine whether the Contractor has charged anyone else, including the Contractor's most favoured

## **C - PRICE**

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customer, lower prices, rates or multipliers, for like quality and quantity of goods or services.

2. Any payments made pending completion of the audit shall be regarded as interim payments only and shall be adjusted to the extent necessary to reflect the results of the audit. If there has been any overpayment, it shall be refunded promptly to Canada.

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**C0705C            (03/02/97)            Audit**

Effective 15/06/98, this clause is superseded by C0705C.

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**C0706D            (01/06/91)            Reporting**

This clause is cancelled effective 30/10/96.

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**C0707D            (01/08/92)            Estimated Hours of Service**

Effective 01/12/92, this clause is superseded by M3011D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The following clause is mandatory in Aerospace, Marine and Electronic Systems Sector contracts/standing offers and supply arrangements with a fixed time rate component when the Department of Public Works and Government Services is responsible for verifying the time charged.



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C0708D (16/02/98) Submission

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The Contractor shall prepare and submit to the Contracting Authority with the final billing, details of the actual time taken in performance of the \_\_\_\_\_ (Contract, Standing Offer or Supply Arrangement). This submission shall be signed and certified by the Contractor's financial officer.

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**C0708D (30/06/95) Submission**

Effective 16/02/98, this clause is superseded by C0708D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The following clause is mandatory in Aerospace, Marine and Electronics Systems Sector contracts/standing offers/supply arrangements with a fixed time rate component when the client is responsible for verifying the time charged.

**C0709D (30/06/95) Client - Time Verification**

Verification for acceptability of the time charged by the Contractor is the responsibility of the \_\_\_\_\_ (Department or identified users specified herein) who will ensure that the amount of time charged by the Contractor is acceptable for the Work performed.

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**C0900D (01/06/91) Basis of Payment**

Firm monthly rates for rental and firm charges per specified number of copies for maintenance (covering all parts, labour, preventive and remedial maintenance), payable each month in arrears. Customs duty included where applicable.

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**C0901D (01/06/91) Rental - Fixed Monthly Rate**

Prices are to be quoted on a straight-line basis, i.e. fixed monthly rental rate (not to include copies) and a fixed cost per copy (meter click) charge for each model of equipment offered using the average monthly volume.

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## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0902D (15/09/97)      Unscheduled Work**

The Contractor will be paid for unscheduled work arising, as authorized by the Minister, calculated in the following manner:

"Number of hours (to be negotiated) X \$\_\_\_\_\_, being your firm hourly charge-out rate for labour which includes overhead and profit, plus net laid-down cost of materials to which shall be added mark-up of 10 percent, plus Goods and Services Tax or Harmonized Sales Tax, as applicable calculated at \_\_\_\_ percent of the total cost of material and labour. The firm hourly charge-out rate and the material mark-up will remain firm for the duration of the Contract and any subsequent amendments thereto."

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**C0902D (01/06/91)      Unscheduled Work**

Effective 15/09/97, this clause is superseded by C0902D.

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**C0903D (01/06/91)      Unscheduled Work, Authorization of**

Effective 15/09/97, this clause is superseded by B5007D.

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C0904D (15/09/97)      Amendment to Contract**

1. To incorporate unscheduled work arising in accordance with DSS-MAS 1379, Work Arising or New Work, serial nos. \_\_\_\_ to \_\_\_\_ (+\$\_\_\_\_\_).
2. To credit deletion from the known work as authorized by DSS-MAS 1379, Work Arising or New Work, serial nos. \_\_\_\_ to \_\_\_\_ (-\$\_\_\_\_\_).

TOTAL CONTRACT PRICE: \$\_\_\_\_\_

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Unscheduled Work Authorized: \$ \_\_\_\_\_  
Less Credits: \$ \_\_\_\_\_  
Total Contract Price (Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate): \$ \_\_\_\_\_

3. Delivery and completion of Work, delete \_\_\_\_\_(date) and substitute \_\_\_\_\_(date).
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**C0904D (30/10/96) Amendment to Contract**

Effective 15/09/97, this clause is superseded by C0904D.

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**C0906D (01/06/91) Hovercraft - Pricing**

This clause is cancelled effective 01/12/92.

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**C1000C (01/06/91) Price to be negotiated**

This clause is cancelled effective 30/10/96.

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**C1001C (01/06/91) Price to be Negotiated, Progress payment**

This clause is cancelled effective 30/10/96.

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**C1002C            (01/06/91)            Price to be Negotiated - Other**

This clause is cancelled effective 30/10/96.

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**C1003C            (01/06/91)            Price**

This clause is cancelled effective 30/10/96.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in ceiling price contracts involving one item or one group of items.

**C1200C            (30/10/96)            Ceiling Price**

The price specified is a ceiling price, and is subject to adjustment downward so as not to exceed the actual cost incurred computed in accordance with Contract Cost Principles, DSS-MAS 1031-2, as established by government audit, plus a profit of \_\_\_\_\_ percent of such cost, and upon completion of the audit, the price shall be adjusted as aforesaid, and if there has been any overpayment it shall be promptly refunded to Canada.

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**C1200C            (01/06/91)            Price Ceiling - Single Item/Group**

Effective 30/10/96, this clause is superseded by C1200C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in ceiling price contracts involving one item or groups of items.

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C1201C (30/10/96) Price Ceiling - Item/Group of Items

## C - PRICE

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The prices specified are ceiling prices and are subject to adjustment downward so as not to exceed the actual cost incurred, computed in accordance with Contract Cost Principles, DSS-MAS 1031-2, as established by government audit, plus a profit of \_\_\_\_\_ percent of such cost. On completion of the audit, the prices shall be adjusted accordingly, and if there has been any overpayment, the Contractor shall promptly refund the overpayment to Canada. The Contractor shall segregate costs for each item or group of items for which a ceiling price has been established so that the costs of each such item or group of items may be determined.

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**C1201C            (01/06/91)            Price Ceiling - Multiple Items/Groups**

Effective 30/10/96, this clause is superseded by C1201C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in ceiling price contracts with any of the following bases of payment:

- (a) fixed time/unit rate(s);
- (b) labour based on payroll cost and/or annual salary times a firm multiplier;
- (c) (a) and/or (b) above plus cost-reimbursable elements (and firm price elements and/or fee, if applicable);
- (d) interim rate situations where the intention is to ultimately negotiate a basis of payment in accordance with (a), (b) or (c) above.

Financial limitation clause C6000C is also to be used.

**Note:** The clause is not to be used where the basis of payment is audited costs in accordance with Contract Cost Principles, DSS-MAS 1031-2. (See clauses C1200C and C1201C.)

**C1202C            (15/06/98)            Price Ceiling**

The price specified of \$ \_\_\_\_\_ for the Work is a ceiling price and is subject to downward adjustment so as not to exceed the actual charges and costs reasonably incurred in the performance of the Work and computed in accordance with the basis of payment. The requirements of the Statement of Work shall be completed in accordance with the terms and conditions of the Contract and subject to the ceiling price. No additional funds shall be payable.

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**C1202C (30/10/96) Price Ceiling**

Effective 15/06/98, this clause is superseded by C1202C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts where the contractor is allowed to charge its actual costs in accordance with Contract Cost Principles, DSS-MAS 1031-2, subject to mandatory audit. Do not, however, utilize this clause in Price To Be Negotiated situations.

**C1203C (30/10/96) Basis of Payment**

Subject as hereinafter provided, the Contractor will be paid the cost reasonably and properly incurred in the performance of the Work, determined by audit by Canada in accordance with Contract Cost Principles, DSS-MAS 1031-2, plus a fixed profit of \_\_\_\_\_ percent of the cost as determined by audit. The results and findings of Canada's audit shall be conclusive.

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**C1203C (01/07/91) Basis of Payment**

Effective 30/10/96, this clause is superseded by C1203C.

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**C1204C (01/06/91) Price (Ceiling)**

Effective 30/10/96, this clause is superseded by C1202C.

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## C - PRICE

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in "Ceiling Price" type contracts which include the Basis of Payment as an annex.

**C1205C (15/06/98) Basis of Payment - Ceiling Price**

The Contractor will be paid its costs reasonably and properly incurred in the performance of the Work to a ceiling price, in accordance with Annex "\_\_\_\_" attached hereto and forming part of this Contract.

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**C1205C (01/06/91) Basis of Payment - Ceiling Price**

Effective 15/06/98, this clause is superseded by C1205C.

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**Remarks:** Use the following clause when foreign bids may be received and with A0221T.

**C2000D (16/02/98) Taxes - Foreign Suppliers**

Unless otherwise specified in the Contract, the price herein includes no amount for any federal excise tax, state or local sales or use tax, or any other tax of a similar nature, or any Canadian tax whatsoever. Such price, however, includes all other taxes. If the Work is normally subject to federal excise tax, Canada will, upon request, furnish the Contractor with a certificate of exemption from such federal excise tax in the form prescribed by the federal regulations. Canada undertakes to supply the Contractor with such evidence of export as may, from time to time, be properly requested by the tax authorities. If, as a result of Canada's failure to do so, the Contractor is compelled to pay such federal excise tax, Canada shall reimburse the Contractor therefor, provided, however, that the Contractor will thereafter take such steps as Canada may require in an effort to recover such payment, and shall refund to Canada any amount so recovered.

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## C - PRICE

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**C2000D (31/03/95) Taxes - U.S. Suppliers**

Effective 16/02/98, this clause is superseded by C2000D.

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**C2000T (01/06/91) Taxes - U.S.**

Effective 31/03/95, this clause is superseded by C2000D.

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**Remarks:** Use the following clause if C2901T was used.

**C2001C (12/05/00) Drawback Certificate**

It is certified that this Contract was placed on the basis that the Contractor had excluded from the Contract Price all customs duties and taxes which were or might be required to be payed on imported goods used in the manufacture of the stores the Contractor has agreed to supply. Accordingly, all rights to drawback accruing in this connection under regulations established by Canada Customs and Revenue Agency - Customs and Excise are hereby waived to the Contractor when the manufactured stores have been exported (or supplied to the Minister's satisfaction in Canada).

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**C2001C (15/06/98) Drawback Certificate**

Effective 12/05/00, this clause is superseded by C2001C.

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**Remarks:** Use this clause in contracts with suppliers located in California when title is not to be taken by Canada until delivery. This clause is to be used in conjunction with clauses D4003C and K9010C.

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**C2002C (29/10/93) Foreign Tax Disclosure**

The Contractor shall promptly inform the Contracting Authority of all customs duties and of all Sales, Consumption, Use, Excise, Personal Property or other such taxes which the Contractor either proposes to pay or not to pay, and shall carry out any instructions which the Contracting Authority may give in respect of payment or non-payment of such taxes.

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**C2200C (01/06/91) Goods and Services Tax**

This clause is cancelled effective 31/03/95.

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**C2201C (01/06/91) Goods and Services Tax**

This clause is cancelled effective 31/03/95.

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**C2202D (01/06/91) Tax**

Effective 15/12/95, this clause is superseded by C2210D.

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**C2204C (01/06/91) Goods and Services Tax**

Effective 15/09/97, this clause is superseded by C2215D.

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**C2204T            (01/06/91)            Goods and Services Tax**

Effective 15/09/97, this clause is superseded by C2215D.

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**C2205C            (31/01/92)            Goods and Services Tax**

This clause is cancelled effective 31/03/95.

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**C2206T            (31/01/92)            Goods and Services Tax**

Effective 01/12/92, this clause is superseded by M3008T.

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**C2207D            (31/01/92)            Goods and Services Tax**

Effective 01/12/92, this clause is superseded by M3009D.

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**C2208D            (12/05/00)            Air Transportation Tax**

When aircraft greater than 18,000 pounds maximum authorized take-off weight on wheels are chartered it is the Carrier's responsibility to collect Air Transportation Tax for all passengers, and to remit it to Canada Customs and Revenue Agency.

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## **C - PRICE**

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**C2208D (31/01/92) Air Transportation Tax**

Effective 12/05/00, this clause is superseded by C2208D.

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**C2209D (01/08/92) GST**

Effective 01/12/92, this clause is superseded by M3012D.

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**C2210D (15/12/95) Goods and Services Tax (GST)**

Effective 15/09/97, this clause is superseded by C2215D.

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**Remarks:** For contracts with delivery after the implementation date, procurement officers shall consider the "Goods and Services Tax" replaced by the "Harmonized Sales Tax", where the location of the contract is in the provinces of Nova Scotia, New Brunswick or Newfoundland and Labrador.

**C2215D (12/05/00) GST/HST**

All prices and amounts of money in the Contract are exclusive of Goods and Services Tax (GST) or Harmonized Sales Tax (HST), as applicable, unless otherwise indicated. The GST or HST, whichever is applicable, is extra to the price herein and will be paid by Canada.

The estimated GST or HST is included in the total estimated cost. GST or HST, to the extent applicable, will be incorporated into all invoices and progress claims and shown as a separate item on invoices and progress claims. All items that are zero-rated, exempt or to which the GST or HST does not apply, are to be identified as such on all invoices. The Contractor agrees to remit to Canada Customs and Revenue Agency any amounts of GST and HST paid or due.

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**C2215D**      **(15/09/97)**      **GST/HST**

Effective 12/05/00, this clause is superseded by C2215D.

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**C2500C**      **(01/08/92)**      **Provincial Sales Tax**

This clause is cancelled effective 12/05/00.

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**C2500C**      **(01/06/91)**      **Provincial Sales Tax**

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**C2501D**      **(01/06/91)**      **Taxes - Tobacco**

Effective 01/12/92, this clause is superseded by M3014D.

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**C2502D**      **(01/06/91)**      **Sales Tax**

Effective 30/10/96, this clause is superseded by C2500C.

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**C2503D (01/06/91) Sales Tax**

This clause is cancelled effective 30/10/96.

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**C2504D (01/06/91) Sales Tax**

This clause is cancelled effective 30/10/96.

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**C2505D (01/06/91) Liquefied Petroleum Gas**

Provincial fuel tax rates on propane or butane, if not for use as motive fuel, are not applicable and should be deleted from the above pricing.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause if C2600T was used.

**C2600C (30/10/96) Customs Duty - Aircraft**

Items \_\_\_\_\_, as stated by the Department of National Defence, are for use in aircraft and/or airborne aircraft equipment. Canadian customs duty is not included in the Contract Price. If exigible, customs duty is extra and will be paid by the Contractor who will be reimbursed the amount of duty paid plus sales tax paid on importation, upon submission of an invoice supported by customs documents.

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**C2600C (01/06/91) Customs Duty - Aircraft**

Effective 30/10/96, this clause is superseded by C2600C.

## C - PRICE

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in bid solicitations for airborne aircraft equipment. Use C2600C in the contract.

**C2600T (01/06/91) Customs Duty - Aircraft**

Items \_\_\_\_\_, as stated by the Department of National Defence, are for use in aircraft and/or airborne aircraft equipment; therefore, the prices quoted do not include customs duty.

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**C2601C (01/05/93) Customs Duty - Defence**

Effective 29/10/93, this clause is superseded by C2601D.

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**Remarks:** When the contractor is the importer, use the following clause in bid solicitations and contracts for defence supplies valued at C\$250,000 or more where the item or components of the item are imported under the *Customs Tariff* respecting the remission of customs duties. Contracting officers should request prices with customs duty identified as a separate item.

**C2601D (12/05/00) Customs Duty - Defence**

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

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**C2601D (15/06/98) Customs Duty - Defence**

Effective 12/05/00, this clause is superseded by C2601D.

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**Remarks:** Use the following clause in purchase documents when the National Research Council of Canada claims exemption of customs duty for the importation of goods under the *Customs Tariff*.

**C2602D (21/06/99) Customs Duty - NRC**

The goods described herein constitute apparatus, utensils, instruments and parts thereof, other than glassware and are for use directly in research by the National Research Council of Canada. They are therefore exempt from customs duty. (Tariff Item 9988.00.00 and Customs ruling No. 153418 dated 15 September 1998 refer).

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**C2602D (01/06/91) Customs Duty - NRC**

Effective 21/06/99, this clause is superseded by C2602D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The following clause must be used in purchase documents when a customer, other than the National Research Council, claims exemption of customs duty for goods imported under Annex Code 1760. The goods have to be used in teaching, research or other specified use. Indicate the end-use and the authority number.

**C2603D (30/10/96) Customs Duty**

The goods described herein are of a class or kind enumerated in *Customs Tariff*, Schedule II, Annex Code 1760, and are therefore exempt from customs duty. The goods are for use directly in \_\_\_\_\_ by \_\_\_\_\_ (Authority No. \_\_\_\_\_). The Contractor certifies that the prices quoted herein do not contain any amount representing customs duty.

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**C2603D            (01/06/91)            Customs Duty**

Effective 30/10/96, this clause is superseded by C2603D.

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**Remarks:** Use the following clause for bid solicitations/contracts involving the services of a non-resident when it is anticipated that the non-resident may be required to import tools, equipment or spare parts to perform the services in Canada.

**C2604D            (15/09/97)            Customs Duty, Excise Taxes and GST**

The Contractor is responsible for customs clearance of any tools, equipment or spare parts imported into Canada by its own employees or by those of a subcontractor for use in performing the Contract, and shall be responsible for any customs duty, excise taxes and Goods and Services Tax or Harmonized Sales Tax assessed by the customs officials.

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**C2604D            (30/10/96)            Customs Duty, Excise Taxes and GST**

Effective 15/09/97, this clause is superseded by C2604D.

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**Remarks:** Use the following clause when contracting directly with foreign suppliers who are not responsible for importations into Canada.

**C2605D            (30/10/96)            Canadian Customs Duty and Sales Tax**

Canadian customs duty and sales tax, if applicable, are extra to the Contract Price and payable by the consignee.

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**C2605D (01/06/91) Canadian Customs Duty, GST and Exc. Taxes**

Effective 30/01/96, this clause is superseded by C2605D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C2606D (01/06/91) Duty and Excise Taxes Exempt**

Canadian customs duty and excise taxes are not applicable to these stores. They are of a class or kind classed as exempt from such taxes under *Customs Tariff* Item No. \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C2607D (30/10/96) Customs Exemption Certificate**

Exemption certificates for importation under *Customs Tariff* Item No. \_\_\_\_\_ are to be obtained from \_\_\_\_\_. The request shall be made in writing and shall include the contract reference, full particulars of the equipment and the quantities involved.

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**C2607D (01/06/91) Customs Exemption Certificate**

Effective 30/10/96, this clause is superseded by C2607D.

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**Remarks:** Use this clause in contracts when the Department of National Defence is to be the importer.

**C2608D (12/05/00) Canadian Customs Documentation**

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1. The Contractor shall provide one (1) copy of the Canada Customs Invoice (CCI) for all shipments when Department of National Defence (DND) is the importer. In the event that a shipment is valued at less than C\$1,600, a copy of the commercial invoice marked "*For Customs Purposes Only*" may be supplied in lieu of the CCI.
2. For shipments from the United States and/or Mexico which are of American, Mexican or Canadian origin, as defined by the North American Free Trade Agreement (NAFTA), proof of origin must be provided in the form of a NAFTA Certificate of Origin.
3. Commercial customs brokers shall not be employed to customs clear merchandise provided against any contract, unless authorized by the Director - Transportation and Movements, (DTM) 2-4-6 at NDHQ, phone: (613) 995-0834, fax: (613) 992-9921.

### **COMPLETION OF DOCUMENTS**

4. The completed CCI must include the following information:
  - (a) complete description of the material being shipped, including the applicable export tariff number;
  - (b) value and terms of sale for each item, including value of warranty repairs and/or replacement costs;
  - (c) all contract numbers and financial codes are to be shown in Field 3;
  - (d) country of origin of goods; and
  - (e) when a NAFTA Certificate of Origin has been prepared, the description field of the CCI shall include a statement confirming that it has been completed and is attached to the CCI.
5. When completed, the NAFTA Certificate of Origin shall include an original signature and shall reference the contract number.

### **DISTRIBUTION OF DOCUMENTS**

6. The Contractor shall attach the following to shipping container No. 1 of all shipments using a waterproof envelope marked "*Canada Customs Documentation*":
    - (a) one (1) copy of the CCI or one (1) copy of the commercial invoice as applicable, and;
    - (b) one (1) copy of the NAFTA Certificate of Origin (if applicable).
  7. A copy of each of the above-mentioned forms shall also be attached to the shipping documents.
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**C2608D (15/06/98) Canadian Customs Documentation**

Effective 12/05/00, this clause is superseded by C2608D.

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**C2609C (01/06/91) Customs Documents**

Effective 01/05/96, this clause is superseded by C2608D.

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**Remarks:** When the Department of National Defence is the importer, use the following clause in bid solicitations and contracts for defence supplies valued at C\$250,000 or more where the item or components of the item are imported under the *Customs Tariff* respecting the remission of customs duties. Contracting officers should request prices with customs duty identified as a separate item.

**C2610D (12/05/00) Customs Duty - Defence**

1. As the goods to be supplied under the Contract are defence supplies, customs duties on importation to Canada may be remitted under the Tariff Item number 9982.00.00 of the Schedule to the *Customs Tariff*.
  2. Remission of customs duty payable may be granted under the Tariff Item 9982.00.00 when the total contract value of the defence supplies is C\$250,000 or more. This reflects the import value of the goods plus the duty that would be applicable in the absence of the *Customs Tariff*.
  3. The Department of National Defence will be responsible for prearranging remission on importation or for paying customs duties on importation and applying to Canada Customs and Revenue Agency for a refund. The importer is responsible for applying to Department of Public Works and Government Services in good time for the certification required by the *Customs Tariff*.
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**C2610D (15/06/98) Customs Duty - Defence**

Effective 12/05/00, this clause is superseded by C2610D.

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**Remarks:** Use the following clause in Canadian defence contracts placed directly with U.S. contractors, for goods to be used directly in defence activities.

**NOTE:** A threshold of US\$25,000 has been introduced in the DPAS (U.S. Defence Priorities and Allocations System) regulations, stating that for contracts under this value, "use of a priority rating is optional, provided that delivery of the needed items can be obtained in a timely fashion without the use of a priority rating."

For further information, refer to *Supply Manual*, procedure 6B.196.

**C2800C (10/12/01) Priority Rating**

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

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**C2800C (30/10/96) Priority Rating**

Effective 10/12/01, this clause is superseded by C2800C.

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**Remarks:** Use the following clause in Canadian defence contracts with Canadian contractors for the provision of goods to be directly used in Canadian defence activities.

**NOTE:** A threshold of US\$25,000 has been introduced in the DPAS (U.S. Defence Priorities and Allocations System) regulations, stating that for contracts under this value, "use of a priority rating is optional, provided that delivery of the needed items can be obtained in a timely fashion without the use of a priority rating."

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For further information, refer to *Supply Manual*, procedure 6B.196.

**C2801C            (10/12/01)            Priority Rating - Canadian Contractors**

1. This Contract concerns a Canadian defence requirement and therefore is eligible to be assigned a "U.S. Priority Rating" for any materials/services imported from the United States which may be required in the performance of the Work. Accordingly, the Contractor shall:
  - (a) make an application to the Central Allocations and Defence Priorities Officer, Public Works and Government Services Canada (PWGSC), Hull, Quebec K1A 0S5, in the event that any materials/services are to be imported from the United States for the performance of the Work; and
  - (b) include this clause in subcontracts with Canadian suppliers, and quote the PWGSC Contract number therein.
2. Failure to take the above actions may jeopardize the Contractor's delivery commitments. Therefore, the Contractor assumes sole responsibility for any breach of this Contract that arises from such a failure.

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**C2801C            (03/02/97)            Priority Rating - Canadian Contractors**

Effective 10/12/01, this clause is superseded by C2801C.

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**C2900C            (01/06/91)            Withholding Tax of 15 Percent**

Effective 15/12/95, this clause is superseded by C2900D.

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**Remarks:** Use the following clause for service contracts with non-resident contractors where the services will be performed in Canada. (Refer to the *Supply Manual*, procedure 6D.430).

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**C2900D (01/12/00) Tax Withholding of 15 Percent**

The Contractor agrees that, pursuant to the provisions of the *Income Tax Act*, Canada is empowered to withhold an amount of 15 percent of the price to be paid to the Contractor, if the Contractor is a non-resident contractor as defined in said Act. This amount will be held on account with respect to any liability for taxes which may be owed to Canada.

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**C2900D (03/02/97) Tax Withholding of 15 Percent**

Effective 01/12/00, this clause is superseded by C2900D.

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**Remarks:** Use the following clause in bid solicitations when goods are being purchased for export. Use clause C2001C in the contract.

**C2901T (12/05/00) Taxes and Duties, Changes to**

As these goods are for export, the Bidder certifies that the prices quoted herein do not contain any element representing refundable taxes or customs duties paid upon the import of materials, parts and components incorporated in such goods.

Canada will provide a Drawback Certificate which will enable the Contractor to claim customs drawback from Canada Customs and Revenue Agency.

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**C2901T (30/10/96) Taxes and Duties, Changes to**

Effective 12/05/00, this clause is superseded by C2901T.

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**Remarks:** Use the following clause in contracts when DSS-MAS 1053, Universities and Other Institutions, is incorporated into the contract.

**C2902C (15/06/98) Taxes and Duties, Changes to**

Where there is a change in a rate of tax or duty, imposed under any federal legislation after the date of entry into the Contract, which affects the cost to the Contractor of the Work, the Contract Price shall be adjusted by the Minister to reflect the increase or decrease in the cost.

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**C2902C (01/06/91) Taxes and Duties, Changes to**

Effective 15/06/98, this clause is superseded by C2902C.

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**C3000T (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3001T (01/06/91) Foreign Exchange Adjustments**

This clause is cancelled effective 01/08/92.

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**C3002C (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3003C (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3004C (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3005C (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3006D (01/06/91) Foreign Exchange Fluctuations**

This clause is cancelled effective 01/08/92.

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**C3007C (01/06/91) Exchange Rate**

This clause is cancelled effective 01/08/92.

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**Remarks:** Use the following clause in bid solicitations where either exchange rate fluctuations or foreign currency considerations are expected to be an issue. Examples are: the likelihood of a significant foreign currency component; bids from foreign suppliers received in a foreign currency; and, volatility in currency markets might be a serious disincentive to competition. This clause should not be used in cost reimbursable contracts.

### **C3010T (13/12/02) Exchange Rate Fluctuations**

1. Unless otherwise specified, bids shall be sought in Canadian currency.
2. The bidder may request Canada to assume the risk for exchange rate fluctuation. This option must be specifically requested at time of bidding.
3. The foreign currency component is defined as the element of the price which will be directly affected by exchange rate fluctuations. It could include the net price FOB foreign manufacturer's plant, costs associated with applicable duty, excise tax, Goods and Services Tax and/or Harmonized Sales Tax, entry fees, transportation costs or delivery charges payable in a foreign currency and any other charges associated with being the importer of record if they originated from and are required to be paid in a foreign currency.
4. The value in foreign funds of the foreign currency component of the bid or negotiated price **should be attached to the bid response, and in any event, must be identified prior to contract award**. Form PWGSC-TPSGC 9411, Claim for Exchange Rate Adjustments (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>), may be used for this purpose. If milestone payments are proposed, it is recommended that form PWGSC-TPSGC 9411 shows or reflects the foreign currency component associated with each milestone event.
5. All bids are evaluated in Canadian currency. Therefore, for evaluation purposes, the rate quoted by the Bank of Canada as being in effect on date of bid closing, or such other date as may be specified in the bid solicitation, shall be applied as the initial conversion factor for the specified currency. (Column 3 of PWGSC-TPSGC 9411 shall be completed by Public Works and Government Services Canada's Contracting Authority.)
6. Rates proposed by bidders will not be accepted for the purposes of this exchange rate adjustment provision.
7. If there are two (2) identical bids, and provided that the bid selected would still be considered the most advantageous to Canada, preference will be given to the Bidder who assumes all or part of the exchange rate adjustment risk, over a Bidder who does not assume any of this risk. Further, preference will be given to the Bidder who assumes all of the exchange rate adjustment risk, over a bidder who assumes only part of this risk.
8. Canada shall pay exchange rate adjustment amounts in Canadian currency using the prevailing rate on the date of payment by the government or in accordance with the provisions, as applicable, of: C3015C, Exchange Rate/Payment on delivery; C3020C, Exchange Rate/Milestone Payment, C3025C, Exchange Rate/Actual Costs, or C3030C, Exchange Rate/Progress Claim.

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**C3010T (15/06/98) Exchange Rate Fluctuations**

Effective 13/12/02, this clause is superseded by C3010T.

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**Remarks:** Use this clause when exchange rate fluctuation will not be considered. Contracting officers should use this clause when C3010T, Exchange Rate Fluctuation, is not used.

**Note:** For additional information refer to the Supply Manual, procedure 6C.313, Exchange Rate Fluctuation.

**C3011T (01/12/00) Exchange Rate Fluctuation**

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

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**C3011T (01/05/96) Exchange Rate Fluctuation**

Effective 01/12/00, this clause is superseded by C3011T.

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**Remarks:** Use the following clause in firm price contracts which have an exchange rate fluctuation provision where the method of payment provides for the standard 30-day payment period and delivery is an FOB point in Canada.

**C3015C (13/12/02) Exchange Rate/Payment on Delivery**

1. The price(s) in Canadian funds include(s) foreign currency component(s) in respect of goods and/or services originating outside Canada as detailed in form PWGSC-TPSGC 9411, Claim for Exchange Rate Adjustments

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(<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>), which is attached hereto and forms part of this Contract.

2. The price(s) is(are) subject to adjustment to reflect the exchange rate in effect, and applied by Canada Customs and Revenue Agency (CCRA), on the date(s) of importation, but only in respect of the foreign currency component detailed in form PWGSC-TPSGC 9411.
3. No price adjustment directly resulting from the application of the provisions contained in this clause will be applied for increases or decreases in the exchange rate within a variation of: plus or minus 2 percent of the aforementioned exchange rate factor; or plus or minus \$100 of the total cumulative amount claimed for exchange rate adjustment under the Contract.
4. On each invoice submitted against the Contract, the Contractor will show the exchange rate adjustment amount (either upward, downward or no change) as a separate item on the invoice. In addition, the invoice shall be accompanied by a copy of the CCRA Temporary Admission Permit, Form E29B, for the imported item(s).
5. The Minister shall have the right to audit any revision to costs and prices under this clause.

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**C3015C (01/12/92) Exchange Rate/Payment on Delivery**

Effective 13/12/02, this clause is superseded by C3015C.

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**Remarks:** Use the following clause in firm price contracts subject to exchange rate adjustment where the method of payment provides for milestone payments and where the goods and services originating from a foreign source of supply become payable upon delivery or accomplishment FOB foreign plant. It is recommended that form PWGSC-TPSGC 9411, Claim for Exchange Rate Adjustments, show or reflect the foreign currency component associated with each milestone event and payment.

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**C3020C (13/12/02) Exchange Rate/Milestone Payment**

1. The price(s) in Canadian funds include(s) foreign currency component(s) in respect of goods and/or services originating outside Canada as detailed on form PWGSC-TPSGC 9411, Claim for Exchange Rate Adjustments, (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>) which is attached hereto and forms part of this Contract. In the event that one or more of the milestones involve a foreign currency component which becomes due and payable on that particular

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milestone, a separate form PWGSC-TPSGC 9411 shall accompany the invoice for each applicable milestone.

2. Where a milestone payable includes the importation of goods into Canada, the exchange rate used to calculate the exchange rate adjustment shall be the rate applied by Canada Customs and Revenue Agency (CCRA) on the date of importation. For a milestone that does not involve the importation of goods, but still includes a foreign currency component, the exchange rate used to calculate the exchange rate adjustment shall be the Bank of Canada noon-day exchange rate in effect on the date when the milestone became due and payable.
3. No price adjustment directly resulting from the provisions contained in this clause will be applied for increases or decreases in the exchange rate factor within a variation of: plus or minus 2 percent of the aforementioned exchange rate(s); or plus or minus \$100 of the total cumulative amount claimed for exchange rate adjustment under the Contract.
4. On each invoice (or milestone claim form) submitted against the Contract, the Contractor will show the exchange rate adjustment amount (either upward, downward or no change) as a separate item on the invoice or milestone payment claim form. In the event of delivery, the invoice (or milestone payment claim form) shall be accompanied by a copy of the CCRA Temporary Admission Permit, Form E29B. Where the items have not been imported, the Contractor must show evidence, satisfactory to the Minister, that the amount claimed is due and payable in foreign funds by the Contractor.
5. The Minister shall have the right to audit any revision to costs and prices under this clause.

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**C3020C (01/12/92) Exchange Rate/Milestone Payment**

Effective 13/12/02, this clause is superseded by C3020C.

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**Remarks:** Use the following clause in contracts where the basis of payment for exchange rate adjustment is based on "**Actual Costs Incurred**". The method of payment may be any one of: payment on delivery, milestone or progress claim and payment. A key requirement of this clause is that the Contractor must show or present evidence of payment when submitting its claim for exchange rate adjustment to the Crown.

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C3025C (01/12/92) Exchange Rate/Actual Costs

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1. The price shall be adjusted either upwards or downwards to reflect the actual costs incurred associated with the actual rate obtained by you when remitting payment to the foreign subcontractor or supplier for the item in question.
2. On each invoice (or progress claim form) submitted against the Contract, the Contractor will show the cost of the foreign funds or exchange rate adjustment amount (either upward, downward or no change) as a separate item on the invoice (or progress claim form) and provide appropriate documentation showing evidence of payment for the items included in the invoiced amount.
3. The Minister shall have the right to audit any revision to costs under this clause.

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**C3025C            (01/08/92)            Actual Costs Incurred**

Effective 01/12/92, this clause is superseded by C3025C.

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**Remarks:** Use the following clause in firm price contracts subject to exchange rate fluctuation where the method of payment provides for "**cost incurred**" progress payments only and where items include a foreign currency component which has been paid for by the Contractor.

**C3030C            (13/12/02)            Exchange Rate/Progress Claim**

1. The price(s) in Canadian funds include(s) foreign currency component(s) in respect of goods and/or services originating outside Canada as detailed in form PWGSC-TPSGC 9411, Claim for Exchange Rate Adjustments, (<http://www.pwgsc.gc.ca/sos/corporate/forms-e.html>) which is attached hereto and forms part of this Contract.
2. The price shall be adjusted either upwards or downwards to reflect the actual costs incurred associated with the actual rate obtained by the Contractor when remitting payment to the foreign subcontractor or supplier for the item in question.
3. On each progress claim form submitted against the Contract, the Contractor will show the cost of the foreign funds or exchange rate adjustment amount (either upward, downward or no change) as a separate item on the claim form and provide appropriate documentation showing evidence of payment to the foreign subcontractor or supplier for the items included in the claimed amount.
4. The Minister shall have the right to audit any revision to costs under this clause.



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**C3030C            (01/12/92)            Exchange Rate/Progress Claim**

Effective 13/12/02, this clause is superseded by C3030C.

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**C3500C            (01/06/91)            Escalation, Labour/Material**

This clause is cancelled effective 30/10/96.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C3501D            (01/06/91)            Escalation Conditions**

1. The net prices quoted herein are subject to revision upwards or downwards to cover changes in costs as they occur after \_\_\_\_\_ in the following elements.
    - (a) Changes due to increases in products which are a direct result of increased cost imposed by the petroleum producer of the source of the product. All increases must be supported by a copy of the supplier's Notification of Price Increase from the petroleum producer.
    - (b) Imposition of any new or changes to any existing levies, tariffs or fees of whatsoever nature applicable to any product, authorized, imposed or agreed to after \_\_\_\_\_ by the Government of Canada or any provincial government or by any Governmental Regulatory Authority.
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**C3502D            (01/05/96)            Escalation for Mills**

1. The price of paper, as indicated in this Contract, is subject to fluctuation, as provided by the following, in the event the Contractor's Published Price List varies between the date of this Contract and the date of first shipment.

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2. In the event such a fluctuation is envisaged by the Contractor, the latter shall provide to the Contracting Authority written notice thereof, along with a copy of its proposed Published Price List, at least twenty (20) days prior to the date of first delivery.
3. Canada has the sole right to either accept the proposed price change, or to refuse the change. Refusal implies that the Contract is ipso facto annulled "ab initio" (retroactively, as if it never had existed), with no costs or liabilities to any party. The right of Canada shall be exercised in writing, be sent to the Contractor within ten (10) days of receipt of the Contractor's notice of price fluctuation, regardless if some or all paper has then been delivered. In the case of refusal, and if some paper has been delivered, all unused paper shall be returned to the Contractor, at Canada's cost, and used paper shall be paid for at the new published price.
4. Acceptance of the price fluctuation will be evidenced by a contract amendment. Until such an amendment is issued, prices are not to be invoiced at a different rate than the rate stated in this Contract.

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**C3503D            (01/05/96)            Escalation for Distributers**

1. Subject to the following provisions, a portion of the price may be increased or decreased, depending on the price variation of paper stock, between the date the Contractor submitted its bid and the date of first delivery of work.
2. In the event of paper cost variation, the Contractor shall provide notice of increase or decrease of the price of paper used for this Contract, within ten (10) days of the date of first delivery of work, indicating the price fluctuation of paper stock, as publicly announced by at least three (3) Canadian paper mills.
3. Canada has the sole right to either accept the proposed price change, or to refuse the change. Refusal implies that the Contract is ipso facto annulled "ab initio" (retroactively, as if it never had existed), with no costs or liabilities to any party. The right of Canada shall be exercised in writing, be sent to the Contractor within ten (10) days of receipt of the Contractor's notice of price fluctuation, regardless if some or all paper has then been delivered, all unused paper shall be returned to the Contractor, at Canada's cost, and all used paper shall be paid for at the new published price.
4. Acceptance of the price fluctuation will be evidenced by a contract amendment. Until such an amendment is issued, prices are not to be invoiced at a different rate than the rate stated in this Contract.

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**Remarks:** Use the following clause for purchase of metal where prices are not firm due to fluctuations of base prices.

**C3600C            (01/06/91)            Escalation, Metals**

The prices specified are computed on today's base prices plus extras and are subject to revision to accord with the base prices in effect at the time or respective times provided in this Contract for delivery; provided that the Contractor is not to invoice at other than the prices specified unless and until any proposed price revision is approved by the Minister and until this Contract is amended accordingly.

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**C3601D            (01/06/91)            Escalation**

Prices are subject to change to reflect the actual minimum wholesale prices for milk established by provincial legislation.

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**C3602D            (01/06/91)            Escalation**

The price herein is to be adjusted to reflect any increases or decreases effected by the Canadian Dairy Commission in the butter support prices after the date of tender closing.

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**C3603D            (30/10/96)            Escalation**

In the event that there is a change in price resulting from any regulatory action taken by the Canadian Wheat Board and/or Ontario Marketing Board, this agreement shall be subject to revision to reflect the exact cost of such increase/decrease at the time or respective times of delivery. The Supplier shall not invoice at other than the prices specified herein unless and until any proposed price revision is approved by the Contracting Authority and until this agreement is amended accordingly.

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**C3603D (01/06/91) Escalation**

Effective 30/10/96, this clause is superseded by C3603D.

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**C3900T (01/06/91) Price Change, Notification of**

Effective 01/12/92, this clause is superseded by M3010T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts where travel and living expenses, plus profit, are to be directly charged to the contract, determined in accordance with the appropriate departmental profit policy. Refer to Annex 10.1.4: COST INTERPRETATION BULLETIN - Number 04, Travel Costs in the *Supply Manual*. Clauses are to be revised as necessary where living expenses are being recovered at per diem rates or where a firm basis of pricing is used.

**C4000C (30/10/96) Travel and Living Expenses**

1. The Contractor will be paid for authorized reasonable and proper travel and living expenses incurred by personnel directly engaged in the performance of the Work at cost calculated in accordance with Contract Cost Principles, DSS-MAS 1031-2. In addition, the following allowance will be paid at the rate shown:

STRIKE OUT OR COMPLETE AS APPLICABLE

Administrative Overhead: \_\_\_\_ percent.

Profit on travel and living expenses and on administrative overhead: \_\_\_\_ percent.

2. All payments are subject to government audit.
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**C4000C (01/06/91) Travelling and Living Expenses**

Effective 30/10/96, this clause is superseded by C4000C.

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**Remarks:** Use the following clause in contracts where travel and living expenses at cost (with no allowance for overhead or profit) are to be directly charged to the contract. Refer to Annex 10.1.4: COST INTERPRETATION BULLETIN - Number 04, Travel Costs in the *Supply Manual*. Clauses are to be revised as necessary where living expenses are being recovered at per diem rates or where a firm basis of pricing is used.

**C4001C (30/10/96) Travel and Living Expenses**

The Contractor will be paid for authorized reasonable and proper travel and living expenses incurred by personnel directly engaged in the performance of the Work, at cost calculated in accordance with Contract Cost Principles, DSS-MAS 1031-2, without any allowance thereon for overhead or profit. All payments are subject to government audit.

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**C4001C (01/06/91) Travelling and Living Expenses**

Effective 30/10/96, this clause is superseded by C4001C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when a precise travel and living schedule is not included in the Statement of Work.

**C4002C (30/10/96) Travel and Living Expenses**

All travel outside of a radius of \_\_\_\_\_ kilometres of the immediate area must have the prior approval of the Technical Authority designated herein.

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**C4002C (01/06/91) Travel and Living**

Effective 30/10/96, this clause is superseded by C4002C.

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**C4003D (01/06/91) Travel and Living Expenses**

This clause is cancelled effective 30/10/96.

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**Remarks:** Use the following clause in the Department of National Defence mobile repair party and maintenance type contracts when service transport and lodging facilities are available to the contractor. Refer to Annex 10.1.4: COST INTERPRETATION BULLETIN - Number 04, Travel Costs in the *Supply Manual*.

**C4004C (30/10/96) Travel and Living Expenses**

Where the Contractor's personnel directly engaged in the performance of the Work wish to utilize Canada's transportation, mess and lodging facilities, the Commanding Officer of the military base will, upon request, provide the Contractor with information concerning the availability of such facilities. Any charges paid by the Contractor for the use of such facilities plus any incidental expenses incurred will be payable under this Contract, together with allowances for administrative overhead and profit at the rates specified in the Contract.

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**C4004C (01/06/91) Traveling and Living Expenses**

Effective 30/10/96, this clause is superseded by C4004C.

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## C - PRICE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause may be used in contracts when the Treasury Board Travel Directive will be used and when no overhead costs for travel will be allowed.

**C4005C            (24/05/02)            Travel and Living Expenses**

The Contractors will be paid for authorized reasonable and proper travel and living expenses incurred in the performance of the work, without any allowance therein for overhead or profit, and these costs which will be reimbursed in accordance with the Treasury Board Travel Directive ([http://www.tbs-sct.gc.ca/travel/travel\\_e.html](http://www.tbs-sct.gc.ca/travel/travel_e.html))

Estimated Cost: \_\_\_\_\_

All payments are subject to Government Audit.

All travel must have prior authorization of the \_\_\_\_\_ (*Insert name of relevant authority*).

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**C4005C            (01/08/92)            Travel and Living Expenses**

Effective 24/05/02, this clause is superseded by C4005C.

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**C4007C            (31/01/92)            Direct Expenses**

This clause is cancelled effective 30/10/96.

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**C4008D            (31/01/92)            Direct Expenses**

This clause is cancelled effective 30/10/96.

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**C4009C            (31/01/92)            Direct Expenses**

This clause is cancelled effective 30/10/96.

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**C5000D            (01/06/91)            Container, Cost**

Effective 30/10/96, this clause is superseded by C5002D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for purchases of wire and cable where reels and lags are involved.

**C5001D            (30/10/96)            Reels and Lags - Cost**

1. A deposit shall be paid on reels and lags when the material is paid for. The deposits are:

|       |          |                  |
|-------|----------|------------------|
| Reels | \$ _____ | Types/Size _____ |
| Lags  | \$ _____ | Types/Size _____ |

2. The deposit is refundable in full on reels and lags that are returned to the factory freight prepaid, in good condition, and within twelve (12) months from the date of shipment.

3. For each month over twelve (12) months, up to and including the 22nd month, a deduction of 5 percent per month shall be made from the deposit, provided the reel or lag is returned to the factory freight prepaid and in good condition.

4. After the 22nd month, 50 percent of the deposit is refundable for a reel or lag that is returned freight prepaid and in good condition.

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## **C - PRICE**

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**C5001D (01/06/91) Reels and Lags - Cost**

Effective 30/10/96, this clause is superseded by C5001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C5002D (01/06/91) Container Charges**

The \_\_\_\_\_ shall be charged extra at \$\_\_\_\_\_. Credit in full shall be allowed for each \_\_\_\_\_ returned in good condition, freight prepaid to: \_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C5003D (30/10/96) Drum Charges**

Drums (205 litre) shall be charged extra at \$\_\_\_\_\_ for lights, \$\_\_\_\_\_ for heavies. Credit in full shall be allowed for each drum returned in good condition, freight prepaid to \_\_\_\_\_.

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**C5003D (01/06/91) Container Charges**

Effective 30/10/96, this clause is superseded by C5003D.

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**C5100D (01/06/91) Ttransportation**

This clause is cancelled effective 30/10/96.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C5101D            (30/10/96)            Cylinder Charges**

The Contractor-owned cylinders are loaned free of charge for a period of thirty (30) days, after which time a charge of \$\_\_\_\_\_ per cylinder per day applies. Cylinders are to be returned to the Contractor's nearest warehouse, transportation charges prepaid.

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**C5101D            (01/06/91)            Demurrage charges**

Effective 30/10/96, this clause is superseded by C5101D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**C5102D            (01/06/91)            Cylinders, Loss of**

1. In the event of a cylinder being lost or damaged beyond repair, its value shall be deemed to be:
    - (a) Cylinders of 6 cubic metres (200 cubic feet) and OVER: \$\_\_\_\_\_ per cylinder.
    - (b) Cylinders UNDER 6 cubic metres (200 cubic feet) and OVER 2.77 cubic metres (100 cubic feet): \$\_\_\_\_\_ per cylinder.
    - (c) Cylinders UNDER 2.77 cubic metres (100 cubic feet): \$\_\_\_\_\_ per cylinder.
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**C5103D            (30/10/96)            Demurrage Charges**

All demurrage charges, caused by the Contractor's action or omission, shall be defrayed by the Contractor at no cost to Canada.

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**C5103D (01/06/91) Demurrage Charges**

Effective 30/10/96, this clause is superseded by C5103D.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause if clause C5200T was used and where shipping instructions were obtained from the Traffic Management Directorate, that were different from what the Contractor proposed and inserted as a fill-in.

**C5200C (03/02/97) Transportation Charges**

Goods shall be shipped prepaid via \_\_\_\_\_, including all delivery charges to \_\_\_\_\_. Prepaid transportation charges shall be shown as a separate item on the invoice, supported by a certified copy of the prepaid transportation bill.

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**C5200C (01/06/91) Transportation charges**

Effective 03/02/97, this clause is superseded by C5200C.

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**Remarks:** Use this clause when transportation costs are to be submitted to the Traffic Management Directorate (TMD) for analysis. For information on when these costs are to be submitted to TMD, including the list of exceptions, refer to *Supply Manual* procedure 6E.621, and for additional information on the mandatory provisions for transportation cost information, refer to procedure 7D.409.

**C5200T (13/12/02) Transportation Costs Information**

1. The Bidder shall provide the following information concerning transportation costs which may be incurred either by Canada or the Contractor in the delivery of the units to destination:
  - (a) shipping weight per unit;
  - (b) number of items per unit;

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- (c) cubic measurement per unit;
  - (d) freight classification;
  - (e) name of shipping point;
  - (f) name of rail carrier, if shipment is by rail; and
  - (g) recommended method of shipment and its costs.
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**C5200T (01/12/00) Transportation Costs Information**

Effective 13/12/02, this clause is superseded by C5200T.

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**Remarks:** Use the following clause in all cases where the contractor is to prepay freight charges and clause C5200C is not being included.

**C5201C (03/02/97) Transportation Charges**

Transportation charges are to be prepaid by the Contractor and shown as a separate item on the invoice, supported by a certified copy of the prepaid transportation bill.

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**C5201C (01/06/91) Transportation Charges**

Effective 03/02/97, this clause is superseded by C5201C.

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**C5202D (01/06/91) Transportation Charges**

This clause is cancelled effective 30/10/96.

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**Remarks:** Use the following clause in contractual documents where the performance of the work will involve haulage.

**C5205C (13/12/02) Haulage Rates**

1. The Contractor's agreement is that, for work of a haulage nature under this Contract, it will pay its subcontractors the haulage rates, minimum or maximum, as and where established by the provincial or territorial authority having jurisdiction in the geographical area where the work, the majority of the work or the largest component of the work is located. The Contractor is also subject to verification by the provincial or territorial audit authority.
2. If the said audit demonstrates that the certification is in error, it is agreed that the Contractor may be subject to sanctions.

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**C5205C (12/05/00) Haulage Rates**

Effective 13/12/02, this clause is superseded by C5205C.

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**Remarks:** Use the following clause in bid solicitation documents where the performance of the work will involve either haulage or a federal Fair Wage Schedule forms part of the contract or both.

**C5205T (13/12/02) Haulage Rates and/or Fair Wage Schedule**

1. Bidders/Tenderers must comply with the federal government Haulage Rates Policy and Fair Wages and Hours of Labour Regulations where any resultant contract will have truck haulage as a component of the work to be provided or involve a federal Fair Wage Schedule.
2. The Bidder/Tenderer certifies that it will comply with the Haulage Rates Policy and Fair Wage Schedule which require payment either directly to Contractors, or through prime Contractors to their subcontractors and their employees working on federal contracts, of either

## C - PRICE

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- (a) the haulage rates, minimum or maximum, as and where established by the provincial or territorial government in the geographical region in which the work, the majority of the work or the largest component of the work is located, or
  - (b) the Fair Wage Schedule as and where adopted or established by the federal government for the area in which the work, the majority of the work or the largest component of the work is located, or
  - (c) both.
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**C5205T            (12/05/00)            Haulage Rates**

Effective 13/12/02, this clause is superseded by C5205T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contractual documents where the performance of the work will involve a fair wage schedule.

**C5210C            (13/12/02)            Fair Wages**

1. By submission of its tender, the Contractor's agreement is that, for work where a federal Fair Wage Schedule forms part of the Contract, it will pay its employees in accordance with the Fair Wages Schedule as and where established by the federal government in the geographical area where the work, the majority of the work or the largest component of the work is located. The Contractor is also subject to verification by federal government audit.
  2. If the said audit demonstrates that the certification is in error, it is agreed that the Contractor may be subject to sanctions as determined by the federal government.
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**Remarks:** Use the following clause in any firm price contracts where it is necessary to ensure against the contractor making changes or carrying out additional work without the prior approval of the Contracting Officer.

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**C6000C (03/02/97) Expenditure, Limitation of - Firm Price**

No increase in the total liability of Canada or in the price of Work resulting from any design changes, modifications or interpretations of specifications, made by the Contractor, will be authorized or paid to the Contractor unless such changes, modifications or interpretations, have been approved, in writing, by the Contracting Authority, prior to their incorporation into the Work. The Contractor shall not be obliged to perform any work or provide any service that would cause the total liability of Canada to be exceeded, unless an increase is authorized by the Contracting Authority.

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**C6000C (01/06/91) Expenditure, Limitation of - Firm Price**

Effective 03/02/97, this clause is superseded by C6000C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in any contract, except firm priced contracts, where it is necessary to ensure against the contractor making changes or carrying out additional work without the prior approval of the Contracting Officer.

**C6001C (15/09/97) Expenditure, Limitation - Contract**

1. Canada's total liability under this contract shall not exceed \$ \_\_\_\_\_, Goods and Services Tax or Harmonized Sales Tax extra, as appropriate.
2. No increase in the total liability of Canada or in the price of Work resulting from any design changes, modifications or interpretations of specifications, made by the Contractor, will be authorized or paid to the Contractor unless such changes, modifications or interpretations, have been approved, in writing, by the Contracting Authority, prior to their incorporation into the Work. The Contractor shall not be obliged to perform any work or provide any service that would cause the total liability of Canada to be exceeded without the prior written approval of the Contracting Authority. The Contractor shall notify the Contracting Authority in writing as to the adequacy of this sum when:
  - (a) it is 75 percent committed, or
  - (b) four (4) months prior to the Contract expiry date, or
  - (c) if the Contractor considers the funds provided are inadequate for the completion of the Work,

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whichever comes first.

3. In the event that the notification refers to inadequate funds, the Contractor shall provide to the Contracting Authority, in writing, an estimate for the additional funds required. Provision of such notification and estimate for the additional funds does not increase Canada's liability.
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**C6001C (03/02/97) Expenditure, Limitation - Contract**

Effective 15/09/97, this clause is superseded by C6001C.

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**C6002C (01/06/91) Expenditure, Limitation - Fixed Time**

Effective 03/02/97, this clause is superseded by C6000C.

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**C6003C (01/06/91) Expenditure, Limit. - Cost Reimbursable**

Effective 03/02/97, this clause is superseded by C6001C.

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**C6004C (01/06/91) Expenditure, Limit. - Cost Reimbursable**

Effective 03/02/97, this clause is superseded by C6000C.

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**C6005C            (01/06/91)            Limitation of Expenditure**

Effective 03/02/97, this clause is superseded by C6001C.

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**C6006C            (01/06/91)            Financial Limitation**

This clause is cancelled effective 03/02/97.

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**C6007C            (01/08/92)            Limitation of Expenditure**

Effective 03/02/97, this clause is superseded by C6001C.

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**C6008C            (01/08/92)            Limitation of Expenditure**

Effective 01/12/92, this clause is superseded by M3013D.

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**C7000C            (01/06/91)            Canadian Content**

Effective 01/08/92, this clause is superseded by C7000C.

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**C7000T (01/06/91) Canadian Content**

This clause is cancelled effective 01/08/92.

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**C7001D (01/06/91) Canadian Content**

This clause is cancelled effective 01/08/92.

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**Remarks:** Use the following clause for more than one item or group of items.

**C9000T (01/06/91) Pricing**

The Bidder is requested to submit individual prices for each item and/or destination on the understanding that if a contract is awarded as a result of this bid it may be on a lowest price per item(s) and/or destination(s) or on a lowest aggregate price basis.

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**C9001C (01/06/91) Certification of Invoices**

This clause is cancelled effective 03/02/97.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in amendments when total contract price has been established.

## C - PRICE

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C9003C (03/02/97) Finalization of Costs

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The Work covered by this Contract has been completed and in accordance with the terms of the Contract. The parties agree that the total Contract Price for all of the Work is \$\_\_\_\_\_.

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**C9003C            (01/06/91)            Finalization of Costs**

Effective 03/02/97, this clause is superseded by C9003C.

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**C9004C            (01/06/91)            Audit/Verification**

This clause is cancelled effective 30/10/96.

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**C9006C            (01/08/92)            Carrier Costs & Tarifs**

Effective 03/02/97, this clause is superseded by C9006T.

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**C9006T            (03/02/97)            Costs and Tariffs**

1. Bidders must include all costs/rates associated with this requirement. Any costs/rates not identified in this bid will not be considered.
2. The National Transportation Agency require that bidders bid in accordance with their tariff filed at their premises, therefore each bidder is responsible for ensuring that its tariff conforms to the terms and conditions as set out herein.

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## **Section 5**

### **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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## D - DELIVERY, INSPECTION AND ACCEPTANCE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

When the following clause is used, "days" may be replaced by "weeks" or "months" as appropriate, and "per week" may be replaced by "per day" or "per month" as appropriate.

**D0001D (15/09/97) Delivery - Phased**

The first delivery shall be made within \_\_\_\_ days from the date of the Contract. The quantity delivered shall be \_\_\_\_\_. The balance shall be delivered at the rate of \_\_\_\_\_ per week thereafter until completion.

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**D0001D (01/06/91) Delivery - Phased**

Effective 15/09/97, this clause is superseded by D0001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D0002T (12/05/00) Delivery**

While delivery is requested by \_\_\_\_\_, the best delivery we can offer is \_\_\_\_\_.

**NOTE:** Date of delivery will be of the essence of any resulting contract. Your attention is drawn to article 11 of General Conditions, DSS-MAS 9601.

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**D0002T (15/09/97) Delivery**

Effective 12/05/00, this clause is superseded by D0002T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when samples are required. "Days" may be replaced by "weeks" or "months" as appropriate, and "per week" may be replaced by "per day" or "per month" as appropriate.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0003D (16/02/98) Delivery, Phased - Inspection**

The first delivery shall be made within \_\_\_\_\_ days from the date on which the samples have passed inspection. The quantity delivered shall be \_\_\_\_\_. The balance shall be delivered at the rate of \_\_\_\_\_ per week thereafter until completion.

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**D0003D (15/09/97) Delivery, Phased - Inspection**

Effective 16/02/98, this clause is superseded by D0003D.

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**D0004T (01/06/91) Delivery - Best Possible**

This clause is cancelled effective 15/09/97.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
When the following clause is used, "days" may be replaced by "weeks" or "months" as appropriate.

**D0005D (15/09/97) Delivery**

The Contractor shall make the complete delivery within \_\_\_\_\_ days from the date of the Contract.

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**D0005D (01/06/91) Delivery**

Effective 15/09/97, this clause is superseded by D0005D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the specified delivery date is a mandatory requirement.

**D0006D (15/09/97) Delivery - Mandatory**

The Contractor shall make the complete delivery by \_\_\_\_\_.

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**D0006D (01/06/91) Delivery**

Effective 15/09/97, this clause is superseded by D0006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D0007D (12/05/00) Preparation for Delivery**

Preparation for Delivery for item(s) \_\_ (1) \_\_ shall be in accordance with Canadian Forces Transportation Packaging Order - CFTPO- \_\_ (2) \_\_, dated \_\_ (3) \_\_.

The variables must be completed as follows:

- (1) - Contract Item number(s);
  - (2) - CFTPO number;
  - (3) - Date on the CFTPO.
- 

**D0007D (01/05/96) Preparation for Delivery**

Effective 12/05/00, this clause is superseded by D0007D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in contracts when the deliverables must arrive on or before a specific date.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0008C**      **(01/12/00)**      **Delivery**

All deliverables shall be received by the Technical Authority on or before \_\_\_\_\_.

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**D0008C**      **(15/06/98)**      **Delivery**

Effective 01/12/00, this clause is superseded by D0008C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause should not be used in National Defence contracts.

**D0009D**      **(15/12/95)**      **Delivery**

Goods shall be ready for inspection within \_\_\_\_\_ days from date of Contract, and shipment shall be made \_\_\_\_\_ days from date of approval by Inspection Authority.

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**D0009D**      **(01/06/91)**      **Delivery**

Effective 15/12/95, this clause is superseded by D0009D.

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**D0010D**      **(01/06/91)**      **Delivery**

Effective 01/08/92, this clause is superseded by D0010T.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0010T (01/12/92) Delivery**

Effective 15/09/97, this clause is superseded by D0006D.

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**D0011T (01/06/91) Delivery**

This clause is cancelled effective 15/09/97.

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**D0012T (01/06/91) Delivery**

This clause is cancelled effective 15/09/97.

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**D0013D (01/06/91) Delivery**

Effective 15/09/97, this clause is superseded by M5002D.

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**D0014D (21/06/99) Fresh Chilled or Frozen Products, Delivery of**

Fresh chilled or frozen products must be delivered in accordance with Canadian Food Inspection Agency definitions stipulating that frozen products shall be maintained at -18°C or lower, and fresh chilled preserved products no higher than 4°C and no lower than 1°C until delivery. All frozen or fresh chilled preserved products shall be delivered in refrigerated vehicles, show no evidence of deterioration and, if a frozen product, shall not have been frozen for longer than 90 days since the date of processing in the fresh state.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0014D (01/06/91) Meats, Delivery of**

Effective 21/06/99, this clause is superseded by D0014D.

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**D0015T (01/06/91) Delivery**

Effective 15/09/97, this clause is superseded by D0006D.

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**D0016D (01/06/91) Ordering Procedures**

This clause is cancelled effective 01/06/97.

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**D0017D (01/06/91) Ordering Procedures**

This clause is cancelled effective 15/09/97.

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**Remarks:** Use this clause when unloading is required without Canada's assistance.

**D0018D (15/06/98) Delivery and Unloading**

1. Delivery trucks shall be equipped with an unloading device which will permit unloading at sites with no hydraulic, stationary or other type of unloading facility.
2. When making deliveries, sufficient personnel shall be provided to permit unloading of any type of vehicle without the assistance of federal government personnel.
3. At some sites, the delivery truck shall be unloaded while parked at the curb. When material is placed on the sidewalk, it shall be placed in proximity to the designated entrance so as to be readily accessible to transport by mechanical handling equipment utilized by site personnel.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0018D (01/06/91) Delivery to Outside Plants**

Effective 15/06/98, this clause is superseded by D0018D.

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**D0019D (01/06/91) Trucks, Handling of**

In view of operating problems that may result from handling trucks exceeding 12 ft. x 6 in. in height in the lower level of the Printing Bureau, Hull, Quebec, it is mandatory that deliveries be made in vehicles not exceeding 12 ft. x 6 in. when empty.

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**D0020D (15/06/98) Delivery Responsibility - Contractor**

Rental equipment will be delivered and picked up from Consignee at no charge to Canada.

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**D0020D (01/06/91) Delivery**

Effective 15/06/98, this clause is superseded by D0020D.

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**D0021D (15/06/98) Delivery Responsibility - Canada**

The Consignee shall pick up the equipment and return same at Canada's expense.

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**D0021D (01/06/91) Delivery**

Effective 15/06/98, this clause is superseded by D0021D.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D0022D (01/06/91) Metered Trucks**

1. Delivery trucks must be equipped with meters capable of giving printed meter slips.
  2. The Contractor is to provide printed meter slips for each delivery of petroleum products.
  3. Meters will measure in litres.
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**D0023D (01/06/91) Vessel - Delivery**

This clause is cancelled effective 16/02/98.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D0024D (15/09/97) Liquidated Damages**

In the event the Contractor fails to deliver the supplies or perform the services within the time specified in the Contract, the Contractor agrees to pay to Canada as liquidated damages the sum of \$ \_\_\_\_\_ for each calendar day of delay up to a maximum of \_\_\_\_\_ days, subject to the limitation that the total amount of liquidated damages shall not exceed \_\_\_\_\_ percent of the Contract Price. The Parties agree that the aforesaid amount is their best pre-estimate of the loss to Canada in the event of such a failure, and that it is not intended to be, nor is it to be construed as, a penalty.

Canada shall have the right to hold back, drawback, deduct or set off from and against the amounts of any monies owing at any time by Canada to the Contractor, any liquidated damages owing and unpaid under this article.

Nothing in this article is to be interpreted as limiting the rights and remedies which Canada or the Minister may otherwise be entitled to under the Contract.

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**D0024D (29/10/93) Liquidated Damages**

Effective 15/09/97, this clause is superseded by D0024D.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D0025D (15/09/97) Period of Work**

The Work is to be performed during the period \_\_\_\_\_ to \_\_\_\_\_.

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**D0025D (29/10/93) Period of Contract**

Effective 15/09/97, this clause is superseded by D0025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D0030D (25/05/01) Supplier Contacts**

Name and telephone number of the person responsible for :

### **General Enquiries**

Name: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_  
E-mail address: \_\_\_\_\_

### **Delivery Follow-up**

Name: \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Facsimile No. \_\_\_\_\_  
E-mail address: \_\_\_\_\_

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**D0030D (31/03/95) Supplier Contacts**

Effective 25/05/01, this clause is superseded by D0030D.

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## D - DELIVERY, INSPECTION AND ACCEPTANCE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause for goods contracts let in Europe/UK. The contracting officer shall indicate in the fill-in, the named place (e.g. port or airport) of export.

### D0035D (13/12/99) Shipping Instructions - Europe

1. For contracts let on behalf of the Department of National Defence in the United Kingdom, Ireland, and the Scandinavian countries, delivery shall be Free Carrier (FCA) \_\_\_\_\_ in accordance with INCOTERMS 1990, and onward shipment from the delivery point to the consignee shall be the responsibility of Canada.

- (a) At least ten (10) working days prior to the goods being available for shipment, or as soon as possible thereafter, the Contractor shall send notification in writing, or when urgency dictates by telephone or facsimile message confirmed in writing, to:

Canadian Forces Support Unit (Europe)  
CFSU(E) Daws Hill  
RAF Daws Hill  
P.O. Box 5051  
High Wycombe, UK  
Buckinghamshire HP11 1UY England

Attention: WO IC Movements

Phone: 011 44 1494 795669 OR  
011 44 1494 795670 or  
011 44 1494 795668

Fax: 011 44 1494 795678

- (b) The Contractor shall provide the following information:
- (1) the Contract number and financial coding;
  - (2) the consignee address;
  - (3) a description of each item including item number, quantity, NATO Stock Number (NSN), part number and serial number (if applicable);
  - (4) the number of pieces or cases;
  - (5) the actual weights and dimensions including gross weight and total cubic measurement;
  - (6) the total value; and
  - (7) full details of, and signed certificates for, dangerous material, as required for shipment by the International Maritime Dangerous Goods Code (IMDG Code), or International Air Transportation Association (IATA) regulations or the applicable Canadian Dangerous Goods Shipping regulations.



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The Contractor shall report separately any piece measuring over 2.74 metres (108 in.) long x 2.23 metres (88 in.) wide x 1.37 metres (54 in.) high and/or weighing 2 268 kg (5000 lb) or more.

- (c) Following receipt of this information by Canada, Canada shall provide the appropriate shipping instructions, which may include the requirement for specific consignee address labelling, the marking of each piece with a Transportation Control Number (TCN), customs documentation, and delivery to the export port of loading.
  - (d) The Contractor may be required to prepay onward shipping charges and to provide all pertinent shipping details. Prepaid charges shall be included as a separate item on the Contractor's invoice, supported by the appropriate carrier freight bill. Reimbursement will be made by Canada at actual cost.
  - (e) **UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR SHIP GOODS PRIOR TO RECEIPT OF SHIPPING INSTRUCTIONS**
  - (f) Should the Contractor deliver the goods at a place and time which are not in accordance with the given delivery instructions or fail to fulfil reasonable delivery instructions given by Canada, the Contractor shall reimburse Canada any additional expenses and costs thereby incurred.
  - (g) Should delays by Canada delay delivery of the goods, ownership and risk shall transfer to Canada upon the expiry of thirty (30) days following the date on which a duly completed shipping application is received by Canada or its appointed forwarding agent, or thirty (30) days following the delivery date specified in the Contract, whichever is later.
2. Subject to section 1 above, for all contracts let in all countries in Continental Europe, delivery shall be Delivered Duty Unpaid to the consignee at destination in accordance with INCOTERMS 1990.
- (a) The Contractor shall forward to the consignee not later than seven (7) days prior to the scheduled shipping date, by either Priority Courier or facsimile message, the following:
    - (1) the Contract number;
    - (2) the consignee address;
    - (3) a description of each item including item number, quantity, the NSN, part number and serial number (if applicable);
    - (4) the number of pieces or cases;
    - (5) the actual weights and dimensions including gross weight and total cubic measurement;
    - (6) the total value; and
    - (7) shipping details including the name of the selected carrier and the estimated time of departure from the place of export and the estimated time of arrival at the designated port of entry in Canada, where available.
  - (b) The Contractor shall prepay all shipping charges to destination and, where freight and carriage are extra to the Contract Price of the materiel, such prepaid

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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charges shall be included as a separate item on the Contractor's invoice, supported by the appropriate carrier freight bill. Reimbursement will be made at the Contractor's actual cost.

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### **D0035D (30/10/96) Shipping Instructions - Europe**

Effective 13/12/99, this clause is superseded by D0035D.

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**Remarks:** Use this clause for materiel originating in USA or Canada for delivery to offshore locations.

### **D0036D (30/10/96) Delivery to Offshore Locations**

1. For items that are to be exported to offshore locations, the following procedures shall be followed:
  - (a) the shipment shall be FOB common carrier Contractor's plant. At least ten (10) days prior to the items being scheduled for shipment, the Contractor shall advise by letter or, when urgency warrants by telephone, to:

Director Movements 2  
National Defence Headquarters  
MGen George R. Pearkes Building  
101 Colonel By Drive  
Ottawa ON K1A 0K2

Telephone: (613) 995-2434 or  
Fax: DGT/D Mov (613) 992-7953

advising the following details:

    - (1) contract identity;
    - (2) consignee;
    - (3) number of pieces;
    - (4) description;
    - (5) dimensions and weight including cubic measurement; and
  - (b) the Contractor shall report any item measuring over eight feet or weighing 500 lb., and
  - (c) the Contractor shall report full details of dangerous materiel as required for shipment in accordance with the International Maritime Organization (IMO), or International Air Transportation Association (IATA) regulations of the applicable Canadian Dangerous Goods Shipping regulations (CTC regulations).

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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2. Upon receipt of this information, shipping instructions will be provided by Canada. The Contractor may be requested to prepay all shipping charges to the export port of loading, or to destination, in which case prepaid charges shall be included as a separate item on the Contractor's invoice and supported by the carrier's freight bill. No materiel shall be shipped prior to receipt of shipping instructions.
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**D2000D (01/06/91) Marking**

The manufacturer's name and part number will, if feasible, be clearly stamped or etched on each item to permit positive identification.

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**D2001D (01/06/91) Labelling**

Manufacturer's number and specification number, where applicable, shall be on each item either printed on the container or on an adhesive label of highest commercial standard affixed to the container.

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**D2003D (01/06/91) Ownership Identification**

Ownership identification, naming consignee department, must accompany the vehicle on delivery.

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**D2004D (01/06/91) Labelling**

Each box, carton, package, etc., shall be labelled showing in block letters at one end the: quantity (of sheets, book/pads, sets, forms or envelopes), size, title, form number, requisition number, and if applicable, serial number of contents.

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**D2005D (01/06/91) Packaging and Labelling**

In accordance with the "Packaging and Labelling Instructions: June 1982", already in your possession.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** Use this clause in conjunction with B4003T.

**D2006D (13/12/02) Labelling**

1. **BASIC PACK** - Commercial Standard
2. **BULK PACK:**
  - (a) Stock Number (Product Code);
  - (b) Item Description;
  - (c) Unit of Issue;
  - (d) Quantity;
  - (e) Batch Number or Contract Number;
  - (f) Name and address of Consignee;
  - (g) Name and address of Supplier.
3. In addition, marking and preparation for shipment shall be in accordance with Canadian General Standards Board standard 43-GP-103P, Packaging of Paper, Printing and Stationary.
4. Failure to comply with the above will result in return for repacking or reworking or both at the Contractor's expense.

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**D2006D (15/09/97) Labelling**

Effective 13/12/02, this clause is superseded by D2006D.

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**D2007D (01/06/91) Packaging, Marking and Preparation**

PACKAGING, MARKING AND PREPARATION FOR SHIPMENT:

Packaging - Commercial Standard

Labelling

- Basic Pack: Commercial Standard

- Bulk Pack: Stock Number (Product Code)

Item Description  
Unit of Issue  
Quantity  
Batch Number or

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Contract Number  
Name and Address of Consignee  
Name and Address of Supplier

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**D2008D (15/09/97) Marking - Repaired Equipment**

All equipment after repair is to be marked with the Department of National Defence property mark and NATO Stock Number. Such markings are to be so located that the serviceability or functional use of the equipment will not be affected.

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**D2008D (01/06/91) Marking - Repaired Equipment**

Effective 15/09/97, this clause is superseded by D2008D.

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**D2009D (01/06/91) Marking - Dial Instruments**

This clause is cancelled effective 15/06/98.

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**D2010D (01/06/91) Marking (Labels)**

Preprinted labels will not be supplied by the Department of National Defence. Contractor's labels must be clearly marked "Property of the Department of National Defence".

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**D2011D (01/12/92) Markings - Identification**

Identification markings of Canadian military property shall be in accordance with Canadian Forces Standard D-02-002-001/SG-001.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D2011D (01/06/91) Markings - Identification**

Effective 01/12/92, this clause is superseded by D2011D.

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**D2012D (30/10/96) Chain Cable and Associated Equipment**

The Contractor shall clearly stamp each item of chain cable with an individual Classification Society Test Certificate number, and shall, at the time of shipment, forward by mail to the consignee an original and duplicate Classification Society Test Certificate for each such item.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D3000D (13/12/02) Packaging**

Packaging shall be in accordance with Canadian General Standards Board standard 43-GP-103P, Packaging of Paper, Printing and Stationary.

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**D3000D (01/06/91) Packaging**

Effective 13/12/02, this clause is superseded by D3000D.

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**Remarks:** Use the following clause when packing specified in the requisition requires "good commercial practice", "highest commercial standards suitable for rail transit" or "standard commercial."

**D3001D (01/06/91) Packing**

Items shall be packed to permit application of the lowest transportation rates or charges via the mode of carriage selected/authorized.

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**D3002C (01/06/91) Dangerous Goods Transportation**

This clause is cancelled effective 16/02/98.

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**D3003D (01/06/91) Delivery Standards**

Effective 16/02/98, this clause is superseded by D3005D.

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**D3004D (21/06/99) Type of Transport**

Delivery shall be made in refrigerated transport. The acceptable temperature range shall be from 1.5° to 4°C or (35° to 40°F).

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**D3004D (01/06/91) Type of Transport**

Effective 21/06/99, this clause is superseded by D3004D.

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**D3005D (15/09/97) Delivery Standard**

1. Methods of delivery shall conform to the National Standard of Canada standard CAN/CGA-B149.2-M95 of the Canadian Gas Association, as amended to date.
2. METERED TRUCKS:
  - (a) Delivery trucks shall be equipped with meters capable of giving printed meter slips;
  - (b) The Contractor shall provide printed meter slips for each delivery of petroleum products;
  - (c) Meters shall be measured in litres.

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**D3005D (01/06/91) Delivery Standard**

Effective 15/09/97, this clause is superseded by D3005D.

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**D3006D (01/06/91) Carcasses**

Beef and veal carcasses must be hung in the cooler by the Contractor upon delivery.

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**D3007D (21/06/99) Inspection and Stamping**

The Contractor shall ensure that inspectors from the Canadian Food Inspection Agency (CFIA) have inspected all meat and meat products, poultry and poultry products, lard, shortening and margarine containing animal fats, and soups containing ingredients of animal origin, and have stamped those products "CFIA inspected for CG" prior to shipment. The contractor shall arrange for all such products to be delivered to the consignee either from an establishment registered in accordance with the *Meat Inspection Act*, R.S.C. 1985, c. 25 (1<sup>st</sup> Supp.) and the regulations made under that Act, or from a food distributor that purchased the products from such an establishment. Canada will not accept products that have not been stamped by the CFIA.

The Contractor shall not, and shall not permit any food distributor to, alter or further process any meats or other products that have been inspected by inspectors from the CFIA.

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**D3007D (01/06/91) Inspection and Stamping**

Effective 21/06/99, this clause is superseded by D3007D.

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**D3008D (01/06/91) Dangerous Goods**

Effective 01/06/94, this clause is superseded by D3010D.

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## D - DELIVERY, INSPECTION AND ACCEPTANCE

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### D3009D (16/02/98) Delivery - Preparation

Delivery shall be within sixty (60) days of the date of manufacture stamped on the battery or the smallest unit package and the carton. Batteries delivered after sixty (60) days of the date of manufacture shall be returned to the Contractor at its expense.

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### D3009D (01/06/91) Delivery - Preparations

Effective 16/02/98, this clause is superseded by D3009D.

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**Remarks:** Use the following clause when dangerous goods/hazardous products must be transported during the performance of the work.

### D3010D (13/12/02) Dangerous Goods/Hazardous Products

1. Dangerous goods/hazardous products - material which is classed as dangerous / hazardous shall be marked by the Supplier:
  - (a) shipping container - in accordance with the *Transportation of Dangerous Goods Act, 1992*; and
  - (b) immediate product container - in accordance with the *Hazardous Products Act*.
2. Bilingual Material Safety Data Sheets, indicating the NATO Stock Number, shall be provided by the Supplier as follows:
  - (a) two (2) hard copies:
    - (i) one (1) copy to be enclosed with the shipment, and
    - (ii) one (1) copy to be mailed to:  
  
National Defence Headquarters  
MGen George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, Ontario K1A 0K2  
  
Attention: DMMD 2-3-4
  - (b) one (1) soft copy: on a 3.5 inch diskette in ASCII, Rich Text Format (RTF) or common word processing format (i.e. MS Word or WordPerfect) shall be mailed to the address provided at paragraph 2(a)(ii).

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3. The Supplier shall be held liable for any damages caused by improper packaging, labelling or carriage of goods/products.
  4. Suppliers must ensure they adhere to all levels of regulations regarding dangerous goods/hazardous products as set forth by federal, provincial and municipal laws, by-laws and acts of Parliament.
  5. Suppliers of dangerous goods must contact the consignee (i.e. Supply Depot Traffic Section) at least 48 hours prior to shipping in order to schedule a receiving time.
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### **D3010D (01/12/00) Dangerous Goods/Hazardous Products**

Effective 13/12/02, this clause is superseded by D3010D.

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### **D3011D (01/06/91) Delivery - Preparation**

Effective 01/05/96, this clause is superseded by D3016D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** If the following clause is used enter fill-in data.

### **D3012D (30/10/96) Delivery - Preparation**

IF PERFORMED IN CANADA: Preservation and packaging shall be to level \_\_\_\_ and packing shall be to level \_\_\_\_ in accordance with Canadian Forces packaging specification \_\_\_\_.

IF PERFORMED IN UNITED STATES: Preservation and packaging shall be to level \_\_\_\_ and packing shall be to level \_\_\_\_ in accordance with United States Department of Defense Military Specification \_\_\_\_.

IF PERFORMED IN THE UK: Preservation, packaging and packing shall be manufacturer's Trade Export Packaging or such packaging of a higher grade as recommended by the British Ministry.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D3012D**      **(01/06/91)**      **Delivery - Preparation**

Effective 30/10/96, this clause is superseded by D3012D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D3013D**      **(03/02/97)**      **Delivery - Preparation**

**1. For Contractors Located in Canada**

Preservation and packaging for items \_\_\_\_\_ shall be in accordance with the Canadian Forces packaging specification D-LM-008-001/SF-001, and shall be marked to D-LM-008-002/SF-001. Level B "PKG DATA FORM REQD", shall be in accordance with D-LM-008-011/SF-001.

**2. For Contractors Located in United States**

Preservation and packaging for items \_\_\_\_\_ shall be in accordance with the current issue of U.S. Department of Defense Military Standard MIL-STD-2073 and shall be marked to MIL-STD-129.

**3. Approval Authorities**

Packaging data forms previously approved by Canadian or United States authorities shall be acceptable.

**4. Coded Packaging Data**

Approved coded packaging data is shown immediately below the description of the item to which it applies. Where no data is shown, the Contractor shall submit a packaging data form for approval.

**5. For Items Not Assigned a NATO Stock Number**

No packaging data form is required.

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**D3013D**      **(01/06/91)**      **Delivery - Preparation**

Effective 03/02/97, this clause is superseded by D3013D.

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**D3014C (01/08/92) Transportation of Dangerous Goods**

Department of Transport authorization to transport dangerous goods is mandatory before the Carrier may accept a charter involving the transportation of dangerous goods.

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**D3014C (31/01/92) Transportation of Dangerous Goods**

Effective 01/08/92, this clause is superseded by D3014C.

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**D3015D (01/12/00) Dangerous Goods**

1. It is the responsibility of the Contractor to ensure proper labelling and packaging in the supply and shipping of dangerous goods and hazardous products to the Government of Canada.
  2. Canada shall not be held liable for any damages caused by improper packaging, labelling or carriage of goods/products.
  3. All merchandise labels are to be clearly marked with the percentage of volume that is a hazardous item. Failure to do so will result in the Contractor being held responsible for damages caused in the movement of goods/products by government vehicles or government personnel.
  4. Contractors must ensure they adhere to all levels of regulations regarding dangerous goods/hazardous products as set forth by federal, provincial and municipal laws, by-laws and acts of Parliament.
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**D3015D (16/02/98) Dangerous Goods**

Effective 01/12/00, this clause is superseded by D3015D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause to define the packaging specification for the procurement of items covered by a commodity packaging specification. In the first blank, specify the item number(s). In the second blank, insert the specified Commodity Packaging Specification number and title.

- (a) D-LM-008-005/SF-000, Batteries, Dry and Thermal;
- (b) D-LM-008-015/SF-000, Piezoelectric Crystals;
- (c) D-LM-008-021/SF-001, Batteries, Dry Charged, Lead Acid;
- (d) D-LM-008-026/SF-001, Preformed Packing, Gaskets or Seals (rubber natural/synthetic, cork, asbestos or leather);
- (e) D-LM-008-027/SF-001, Small Arms Weapons;
- (f) D-LM-008-030/SF-001, Hose, Rubber, Plastic, Fabric or Metal (including tubing) and Fittings, Nozzles and Strainers;
- (g) D-LM-008-032/SF-000, Batteries, Non-rechargeable, Lithium;
- (h) D-LM-008-033/SF-000, Maritime Bearings, Matched Sets;
- (i) D-LM-008-035/SF-001, Electrostatic Discharge Protective Packaging - Electronic Parts, Assemblies and Equipment;
- (j) D-LM-008-037/SF-000, Antifriction Bearings (other than instrument precision bearings).

**D3016D (13/12/02) Preparation for Delivery**

Preparation for delivery for item (s) \_\_\_\_\_ shall be in accordance with the latest issue of the Canadian Forces packaging specification \_\_\_\_\_.

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**D3016D (01/05/96) Preparation for Delivery**

Effective 13/12/02, this clause is superseded by D3016D.

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**Remarks:** Use this clause to define the packaging and specifications which shall be used for procurement of items in NATO classes 1300 and 1410 (Ammunition and Missiles).

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**D3017D**      **(03/02/97)**      **Preparation for Delivery**

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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The Contractor shall prepare for delivery all items in NATO classes 1300 and 1400 (Ammunition and Missiles) in accordance with the current issue of Canadian Forces packaging specifications D-09-002-005/SG-000.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to define Department of National Defence's packaging requirements for the procurement of items which are covered by the following categories:

- (a) Commercial Off-the-Shelf (COTS);
- (b) direct to customer, for immediate use (including modifications);
- (c) COLOG (co-operative logistics); or
- (d) items not covered by another Canadian Forces commodity packaging specification (see D3016D) or military packaging (see D3013D).

In the first and second blank, specify the item number(s). In the third blank, specify a mandatory quantity per unit pack or the following statement, "up to a maximum of 100".

**D3018D            (13/12/02)            Delivery - Preparation**

Preparation for delivery for item number(s) \_\_\_\_\_ shall be in accordance with the latest issue of the Canadian Forces Packaging Specification D-LM-008-036/SF-000, Department of National Defence's Minimum Requirements for Manufacturer's Standard Pack.

Item number(s) \_\_\_\_\_ shall be packaged in quantities of \_\_\_\_\_ per package.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in FOB plant (origin) contracts, standing offers and call-ups. In the first blank, specify the document (i.e. contract, standing offer or call-up) and in the second blank enter plant location.

**D4000C            (01/05/96)            Shipment and FOB**

Shipment shall be consigned to the destination specified in \_\_\_\_\_ and delivered FOB common carrier \_\_\_\_\_.

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**D4000C            (01/06/91)            Shipment and FOB**

Effective 01/05/96, this clause is superseded by D4000C.

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**Remarks:** Use the following clause if price includes all delivery charges.

**D4001C (01/06/91) Shipment**

Shipment is to be consigned FOB including all delivery charges to the destination specified.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D4002D (01/06/91) Point of Manufacture/Shipping**

State point of manufacture/shipping of goods or where service is to be performed:

Location: \_\_\_\_\_  
Postal Code: \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in all contracts with suppliers located in California. This clause is to be used in conjunction with clause C2002C. When the contract provides for progress or advance payments or where the supplies are to be left in the State of California for a period of time, use in conjunction with K9010C.

**D4003C (16/02/98) FOB Point (California)**

Delivery of the goods covered by this Contract shall be FOB common carrier, Contractor's plant, \_\_\_\_\_, California, or, if so instructed by the Minister, FOB a conveyance provided by the Government of Canada at \_\_\_\_\_, California. Title to the goods shall pass to Canada at the time of such delivery. The goods shall be consigned to the consignees and destinations outside the United States of America shown in the Contract.

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**D4003C (29/10/93) FOB Point (California)**

Effective 16/02/98, this clause is superseded by D4003C.

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**D5000T (01/06/91) Inspection - Authority**

This clause is cancelled effective 16/02/98.

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**D5001D (01/06/91) Inspection - Quality Assurance/Authority**

This clause is cancelled effective 16/02/98.

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**D5002D (01/12/92) Method of payment**

Effective 16/02/98, this clause is superseded by M9026D.

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**D5300D (01/06/91) Inspection - DND at Destination**

Effective 01/08/92, this clause is superseded by D5530D.

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**D5301D (01/06/91) Inspection - DND**

Effective 01/08/92, this clause is superseded by D5531D.

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**Remarks:** Use the following clause in bid solicitations and contracts for departments where inspection is being carried out by the consignee.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5302D (16/02/98) Inspection - Consignee**

Work provided under the Contract shall be subject to inspection by the consignee at destination.

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**D5302D (01/06/91) Inspection - Civilian Consignee**

Effective 16/02/98, this clause is superseded by D5302D.

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**D5303C (01/06/91) Inspection - DND QA at Source**

Effective 01/08/92, this clause is superseded by D5510D.

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**D5304C (01/06/91) Inspection - DND QA at Source (U.S.)**

Effective 01/08/92, this clause is superseded by D5510D.

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**D5305C (01/06/91) Inspection - QA Europe (NATO)**

Effective 01/08/92, this clause is superseded by D5510D.

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**D5306D (01/06/91) Inspection Requirements - QMB 100**

This clause is cancelled effective 16/02/98.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5307D (01/06/91) Inspection Requirements - U.S. FAA/DOT**

Effective 01/08/92, this clause is superseded by D5580D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D5308D (21/06/99) Inspection/Acceptance**

The Work provided under the Contract shall be subject to inspection and acceptance by the Consignee at destination.

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**D5308D (15/06/98) Inspection/Acceptance**

Effective 21/06/99, this clause is superseded by D5308D.

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**D5309D (01/06/91) Inspection**

This clause is cancelled effective 16/02/98.

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**D5310D (01/06/91) Inspection/Stamping - Meat Products**

This clause is cancelled effective 21/06/99.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** Use the following clause in all bid solicitations and contracts covering the procurement of fresh meat.

**D5311D (21/06/99) Meat Products-Access to Plant**

Once final processing has been completed at a federally inspected plant, the Contractor shall not alter, process or repack any meats that have been inspected and approved by the Canadian Food Inspection Agency.

For greater certainty, and without limiting any of Canada's rights granted by or referred to in any provision of the Contract to conduct inspections or with respect to access to the Work, the Inspection Authority or its designate shall have access to the storage and refrigeration areas on the Contractor's premises at any time during the performance of the Contract in order to inspect the packaging and, if applicable, any processing of the meats. The Contractor shall afford all reasonable assistance to the Inspection Authority and shall provide such information as the Inspection Authority may require concerning the preparation, packaging, and quality of the meats.

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**D5311D (29/10/93) Meat Products-Access to Plant**

Effective 21/06/99, this clause is superseded by D5311D.

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**D5313D (01/06/91) Service Site Authority**

Effective 16/02/98, this clause is superseded by A1005D.

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**D5314D (16/02/98) Inspection - DPWGS**

Inspection shall be by the Department of Public Works and Government Services, Aerospace, Marine, and Electronics Systems Sector.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5314D (01/06/94) Inspection - DSS**

Effective 16/02/98, this clause is superseded by D5314D.

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**D5315D (01/06/94) Inspection - DSS/Consignee**

This clause is cancelled effective 16/02/98.

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**D5315D (01/06/91) Inspection - DSS/Consignee**

Effective 01/06/94, this clause is superseded by D5315D.

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**D5316D (01/06/91) Inspection - DND**

Effective 01/08/92, this clause is superseded by D5510D.

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**D5317D (01/06/91) Inspection**

Effective 01/08/92, this clause is superseded by D5700D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5318D**

**(15/06/98)**

**Inspection and Technical Services**

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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1. The Contractor shall provide marine inspection and related technical services to the Department of Public Works and Government Services (DPWGS), as-and-when requested in the following area(s) of expertise:
  - (a) \_\_\_\_\_
  - (b) \_\_\_\_\_
  - (c) \_\_\_\_\_
  - (d) \_\_\_\_\_
  
2. The duties include, but are not exclusive to:
  - (a) the examination, analysis and processing, to Inspection and Technical Services (I. & T.S.) Directorate instructions, of plans, drawings and specifications as received from contractors on site or from other sources;
  - (b) the examination, analysis and processing, to I. & T.S. Directorate instructions, of purchase orders or subcontracts issued by the Contractor with regard to their compliance with approved drawings, specifications and amendments, special contractual requirements and the applicable Classification and Regulatory requirements;
  - (c) the examination of all significant material and equipment on arrival at the shipyard for compliance with the approved purchase order or subsequent requirements, physical condition and proposed storage conditions;
  - (d) the examination and evaluation of cost elements of design changes proposed by the Contractor during the term of the Contract;
  - (e) the surveillance and inspection of the work in progress at the Contractor's offices and plant to ensure compliance with approved plans, drawings, specifications, contractual documents and amendments thereto and also to ensure that the practices, procedures, techniques, workmanship, equipment and quality do not deviate from the standards as set out in the approved specifications and/or contractual documents;
  - (f) the inspection and approval of work in progress to ensure compliance with contractual requirements in the selection and use of critical materials and the clean and orderly assembly of units, equipment and materials so as to minimize operational problems after acceptance;
  - (g) the witnessing of systems and equipment preliminary tests, and trials, including dock trials for main and auxiliary machinery, evaluating results, reporting and inspecting the correction of defects;
  - (h) attendance at sea trials and final inspection to assist in evaluating results, compiling final defect and deficiency lists and advising the Senior Inspector of DPWGS Inspection Office on acceptability of the finished work.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5318D (01/06/91) Inspection and Technical Services**

Effective 15/06/98, this clause is superseded by D5318D.

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**D5320D (15/06/98) Inspection**

Work is to be performed to the satisfaction of and subject to the acceptance of the Consignee or its delegated representative(s). The Consignee has the ultimate responsibility of inspecting guard services provided to its department and of reporting poor guard performance to the Contracting Authority. The Contracting Authority will immediately advise the Contractor of any critical deficiencies or complaints and will ensure that the required corrective measures are taken.

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**D5320D (31/01/92) Inspection**

Effective 15/06/98, this clause is superseded by D5320D.

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**D5321D (31/01/92) Inspection**

This clause is cancelled effective 16/02/98.

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**D5322D (31/01/92) Inspection**

Effective 01/08/92, this clause is superseded by M5000D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5324D (16/02/98) Inspection**

All services provided shall be subject to the approval of and acceptance by the Charterer or its authorized representative who will have the right to inspect the aircraft, and operational documentation including flight plan or flight notification, loading records, logs and aircrew logbooks, in order to ensure compliance with the terms and conditions of the Contract.

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**D5324D (01/08/92) Inspection**

Effective 16/02/98, this clause is superseded by D5324D.

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**D5325D (31/01/92) Inspection**

Effective 01/08/92, this clause is superseded by M5001D.

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**D5326D (01/05/96) Inspection and Acceptance**

The services performed shall be subject to inspection and acceptance by the Consignee.

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**D5327D (01/05/96) Inspection**

The Technical/Project Authority shall be the Inspector and Consignee for all Work and shall be the Contractor's primary contact for all technical matters, including interpretation of the Specification and scheduling of the Work.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5328D (01/12/00) Inspection and Acceptance**

The Technical/Project Authority shall be the Inspection Authority. All reports, deliverables, documents, goods and all services rendered under this Contract shall be subject to inspection by the Inspection Authority or its designated representative. Should any report, document, good or service not be in accordance with the requirements of the Statement of Work and to the satisfaction of the Inspection Authority, as submitted, the Inspection Authority shall have the right to reject it or require its correction at the sole expense of the Contractor before recommending payment. Any communication with a Contractor regarding the quality of Work performed pursuant to this Contract shall be undertaken by official correspondence through the Contracting Authority.

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**D5328D (01/05/96) Inspection and Acceptance**

Effective 01/12/00, this clause is superseded by D5328D.

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**D5401D (23/11/98) Quality Plan - Solicitation**

Effective 13/12/99, this clause is superseded by D5401T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when a documented Quality Plan is required at time of bid. The clause is used in conjunction with clause D5402D, Quality Plan - Contract.

**D5401T (13/12/99) Quality Plan - Solicitation**

For all solicitations

The bidder must submit a Quality Plan with the bid. The Quality Plan shall be in the same format that will be used after award of contract. (Refer to clause D5402D, Quality Plan - Contract).

The Quality Plan may reference other documents. Where referenced documents do not already exist, but are required by the Quality Plan, the plan shall identify them and also identify when, how and by whom they will be prepared and approved. The documents referenced in the Quality Plan shall be made available when requested by the Department of Public Works and Government Services or Department of National Defence.

## D - DELIVERY, INSPECTION AND ACCEPTANCE

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when a documented Quality Plan is required. The clause is used in conjunction with clause D5510D, Quality Assurance Authority, and the associated clauses stipulating the Quality System Requirements. The blank space is to be replaced by the appropriate value for the contract.

**D5402D (23/11/98) Quality Plan - Contract**

For all contracts

No later than \_\_\_\_\_ days after the contract date, the Contractor must submit for acceptance by the Department of National Defence (DND) a Quality Plan prepared according to the latest issue (at contract date) of ISO 10005 "Quality management - Guidelines for quality plans". The Quality Plan shall describe how the Contractor will conform to the specified quality requirements of the contract and specify how the required quality activities are to be carried out, including quality assurance of sub-contractors. The Contractor must include a traceability matrix from the elements of the specified quality requirements to the corresponding paragraphs in the Quality Plan.

The documents referenced in the Quality Plan shall be made available when requested by the Department of Public Works and Government Services or DND.

If the Quality Plan was submitted as part of the bidding process, the Contractor must review and, where appropriate, revise the submitted plan to reflect any changes in requirements or planning which may have occurred as a result of pre-contract negotiations.

Upon acceptance of the Quality Plan by DND, the Contractor must implement the Quality Plan. The Contractor must make appropriate amendments to the Quality Plan throughout the term of the contract to reflect current and planned quality activities. Amendments to the Quality Plan must be acceptable to DND.

For contracts requiring software design, development or maintenance

For the design, development or maintenance of software, the Contractor shall interpret the requirements of the ISO 9001 Quality Standard according to the guidelines of the latest issue (at contract date) of ISO 9000-3 "Quality management and quality assurance standards - Part 3: Guidelines for the application of ISO 9001 to the development, supply and maintenance of software".

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**D5500D (01/06/91) Retention of Documents and Records**

Effective 01/08/92, this clause is superseded by D5536D.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5501D (01/06/91) Retention of Documents and Records**

Effective 01/08/92, this clause is superseded by D5537D.

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**D5502D (01/06/91) Quality Control/Inspection Requirements**

This clause is cancelled effective 01/08/92.

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**D5504D (01/08/92) Quality Assurance**

This clause is cancelled effective 16/02/98.

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**Remarks:** This clause should not be used in National Defence contracts.

**D5505D (01/06/91) Quality Assurance Document**

A Packing Note and copies of the Quality Assurance document are to accompany each shipment. They are to be enclosed in a waterproof envelope fastened to the last package of the shipment or inside the last package, which is to be marked to indicate the enclosures, or in the case of a carload shipment, are to be fastened to the inside door frame of the railway car.

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**Remarks:** Use the following clause when Government Quality Assurance at source is required. Use in conjunction with the following clauses as appropriate: D5535D, D5540D, D5541D, D5542D, D5601D and D5620C.

**D5510D (13/12/02) Quality Assurance Authority**

All work shall be subject to Government Quality Assurance (GQA) at the Contractor's facility or that of the subcontractor(s) and at the installation site by the:

Director General - Equipment Program Services  
National Defence Headquarters

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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Major-General George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, ON K1A 0K2

OR his designated Quality Assurance Representative, hereafter referred to as the QAR.

### **FOR CANADIAN CONTRACTORS**

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

|                                  |                                  |
|----------------------------------|----------------------------------|
| Atlantic - Halifax               | (902) 427-7224 or (902) 427-7150 |
| Quebec - Montreal                | (514) 732-4410 or (514) 732-4477 |
| Quebec – Quebec City             | (418) 694-5998                   |
| National Capital - Ottawa        | (819) 997-7251 or (819) 994-1879 |
| Ontario - Toronto                | (416) 952-2077 or (416) 952-2110 |
| Ontario - London                 | (519) 452-5757                   |
| Manitoba/Saskatchewan - Winnipeg | (204) 833-2500, ext. 6574        |
| Alberta – Calgary                | (403) 410-2320, ext. 3830        |
| Alberta – Edmonton               | (780) 890-6348                   |
| Vancouver                        | (604) 666-4136                   |
| Victoria                         | (250) 363-5409                   |

### **FOR NON-CANADIAN CONTRACTORS**

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

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

### **FOR ALL CONTRACTORS**

The Design Change, Deviation and Waiver Procedure as defined in National Defence Standard D-02-006-008/SG-001 shall apply to this Contract.

**NOTE:** A copy of the standard can be obtained from the nearest NDQAR office.

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

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

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

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5510D (24/05/02) Quality Assurance Authority**

Effective 13/12/02, this clause is superseded by D5510D.

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**Remarks:** Use the following clause in cases where test validation is considered a requirement. This clause may only be used when clause D5510D is used.

**D5511D (23/11/98) Test Validation**

1. The Contractor shall collect a sample from the first batch of each of the products that will be supplied under the Contract. The sample shall consist of a group of items or portion of products of sufficient size to conduct the testing required. The Contractor shall split the sample into two equal portions. One portion shall be tested by the Contractor's test facility. The other portion shall be tested by a facility meeting one of the following criteria:
  - (a) an independent, arms length third party laboratory accredited by the Standards Council of Canada (or other nationally or internationally recognised laboratory accrediting body) to conduct the tests identified in the product specification(s) or
  - (b) an independent, arms length third party laboratory registered to ISO 9001 or ISO 9002 which has implemented a calibration system to ISO 10012-1, and participates regularly in a recognised proficiency testing program for the contracted product(s).
2. Each portion shall be tested to all requirements detailed in the product specification(s). The Contractor does not have to conduct tests identified by the specification(s) as qualification tests only. The Contractor does not have to conduct a test on the first batch of product if the above program for sampling and testing has been conducted within six (6) months of the date of this Contract.
3. The Contractor shall, on receipt of the third party test report, compare the results received with those of the Contractor's own test facility. Any deviation between results obtained by the two test facilities in excess of the reproducibility of the test methods involved, shall be investigated, the root cause determined and corrective action taken.
4. The Contractor shall repeat the above program for sampling and testing at least once every six (6) months during the life of the Contract.
5. The purpose of this correlation testing is to verify the quality of the contracted product(s) and to validate the capability of the Contractor's testing facility. The test report(s) received from the third party laboratory, the Contractor's test reports for the same batch(es) of contracted product(s), reports of any investigations of deviations of the results obtained by the two laboratories and any corrective actions taken, shall be made available to the Quality Assurance Representative (QAR) on request. Test validation shall be conducted at Contractor's expense.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5530D (29/10/93) GQA at Destination - Non-Tech (QAC B)**

This clause is cancelled effective 31/03/95.

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**D5530D (01/08/92) GQA at Destination - Non-Tech**

Effective 29/10/93, this clause is superseded by D5530D.

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**D5531D (29/10/93) GQA at Destination - Tech. (QAC A)**

This clause is cancelled effective 31/03/95.

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**D5531D (01/08/92) GQA at Destination - Tech.**

Effective 29/10/93, this clause is superseded by D5531D.

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**D5532D (29/10/93) AQAP-110 Design/Dev./Prod.(QAC H)**

This clause is cancelled effective 31/03/95.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5532D (01/05/93) AQAP-110 Design/Development/Production**

Effective 29/10/93, this clause is superseded by D5532D.

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**D5533D (29/10/93) AQAP-130 Inspection (QAC G)**

This clause is cancelled effective 31/03/95.

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**D5533D (01/05/93) AQAP-130 Inspection**

Effective 29/10/93, this clause is superseded by D5533D.

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**D5534D (29/10/93) AQAP-131 Final Inspection (QAC D)**

This clause is cancelled effective 31/03/95.

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**D5534D (01/05/93) AQAP-131 Final Inspection**

Effective 29/10/93, this clause is superseded by D5534D.

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**D5535D (23/11/98) AQAP-150 Software Development (QAC F)**

This clause is cancelled effective 13/12/02.

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**D5535D (29/10/93) AQAP-150 Software Development (QAC F)**

Effective 23/11/98, this clause is superseded by D5535D.

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**D5536D (29/10/93) GQA at Source - QC/INSP-FUELS (QAC E)**

This clause is cancelled effective 01/06/94.

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**D5536D (01/08/92) GQA at Source - QUAL CONT/INSP-FUELS**

Effective 29/10/93, this clause is superseded by D5536D.

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**D5537D (29/10/93) GQA at Source - QC/INSP-OILS (QAC P)**

This clause is cancelled effective 01/06/94.

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**D5537D (01/08/92) GQA at Source - QUAL CONT/INSP-OILS**

Effective 29/10/93, this clause is superseded by D5537D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5538D (01/05/93) Quality Systems/Inspection**

This clause is cancelled effective 29/10/93.

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**D5538D (01/12/92) GQA at Source - QUAL CONT/INSP**

Effective 01/05/93, this clause is superseded by D5538D.

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**D5539D (29/10/93) AQAP-120 Production (QAC W)**

This clause is cancelled effective 31/03/95.

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**D5539D (01/05/93) AQAP-120 Production**

Effective 29/10/93, this clause is superseded by D5539D.

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**Remarks:** Use the following clause when the system required is for design and development, production and installation. In the event the requisition has multiple quality assurance codes, the contracting officer is to identify the line item numbers which are associated with each Quality Management Systems clause.

**D5540D (13/12/02) ISO 9001:2000 Quality Management Systems - Requirements (QAC X)**

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

ISO 9001:2000 - *Quality management systems - Requirements*, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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It is not the intent of this clause to require that the Contractor be registered to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard.

### **Assistance for Government Quality Assurance (GQA):**

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

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

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

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

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**D5540D            (25/05/01)            ISO 9001:2000 Quality Management Systems - Requirements (QAC X)**

Effective 13/12/02, this clause is superseded by D5540D.

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**Remarks:** Use the following clause when the system required is for production and installation only (no design and development). If the requisition has multiple quality assurance codes, the contracting officer is to identify the line item numbers which are associated with each Quality Management Systems clause.

**D5541D            (13/12/02)            ISO 9001:2000 Quality Management Systems - Requirements (QAC Y)**

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

ISO 9001:2000 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid with the exclusion of the following requirement:

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### 7.3 Design and development

It is not the intent of this clause to require that the Contractor be registered to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard.

#### **Assistance for Government Quality Assurance (GQA):**

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

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

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

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

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**D5541D**            (10/12/01)            **ISO 9001:2000 Quality Management Systems - Requirements (QAC Y)**

Effective 13/12/02, this clause is superseded by D5541D.

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**Remarks:** Use the following clause when the system required is for final tests and inspection only. In the event the requisition has multiple quality assurance codes, the contracting officer is to identify the line item numbers which are associated with each Quality Management Systems clause.

**D5542D**            (13/12/02)            **ISO 9001:2000 Quality Management Systems - Requirements (QAC Z)**

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

ISO 9001:2000 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Contractor's bid with the exclusion of the following requirements:

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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- 7.1 Planning of product realization
- 7.2.3 Customer communication
- 7.3 Design and development
- 7.4 Purchasing
- 7.5.1 Control of production and service provision
- 7.5.2 Validation of processes for production and service provision
- 7.5.3 Identification and traceability

It is not the intent of this clause to require that the Contractor be registered to the applicable standard; however, the Contractor's quality management system must address each requirement contained in the standard.

### **Assistance for Government Quality Assurance (GQA):**

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

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

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

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

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**D5542D (10/12/01) ISO 9001:2000 Quality Management Systems - Requirements (QAC Z)**

Effective 13/12/02, this clause is superseded by D5542D.

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**D5543C (31/03/95) Contractor Quality System (QAC C)**

Effective 23/11/98, this clause is superseded by D5543D.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** Use the following clause when conformance with the contract requirements can adequately be determined at destination (identity, condition and count). In the event the requisition has multiple Quality Assurance (QA) codes, the contracting officer is to identify the line items which are associated with each QA clause.

**D5543D (13/12/02) ISO 9001:2000 - Quality Management System - Requirements (QAC C)**

The Contractor shall be responsible for implementing a quality system appropriate to the scope of the work to be performed. It is recommended that the quality system be based on ISO 9001:2000 - Quality Management System – Requirements.

The Contractor shall be responsible for performing or having performed all inspections and tests necessary to substantiate that the materiel or services provided conform to the drawings, specifications and contract requirements. The Contractor shall keep accurate and complete inspection records which shall, upon request, be made available to the authorized Department of National Defence (DND) representative, who may make copies thereof and take extracts therefrom during the performance of the Contract and for a period of one (1) year thereafter.

The Contracting Authority and DND shall have access to the Work at any time during working hours where any part of the Work is being carried out and may make examinations and such tests of the Work as they may think fit under the circumstances. Should the Work or any part thereof not be in accordance with the requirements of the Contract, the authorized DND representative shall have the right to reject the Work and require its correction or replacement at the Contractor's expense. DND shall inform the Contractor of the motives for any such rejection.

Notwithstanding the foregoing, all materiel is subject to verification and acceptance by DND at destination prior to payment. The authorized DND representative at destination may either be the consignee(s), the Technical Authority, or the Quality Assurance Authority.

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**D5543D (23/11/98) Contractor Quality System (QAC C)**

Effective 13/12/02, this clause is superseded by D5543D.

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**D5543T (31/03/95) Contractor Quality System (QAC C)**

This clause is cancelled effective 23/11/98.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** Use this clause when ISO 10012-1 is the requirement. This clause shall be used in conjunction with ISO 9001 (QAC X), ISO 9002 (QAC Y) and/or AQAP 150 (QAC F) as appropriate.

**D5544D (13/12/02) Quality Assurance - ISO 10012-1**

The Contractor's measurement and calibration system shall be in accordance with the requirements of:

ISO 10012-1, *Quality Assurance Requirements for Measuring Equipment* -- Part 1: Metrological confirmation system for measuring equipment, published by the International Organization for Standardization, current edition at date of submission of Contractor's bid.

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**D5544D (23/11/98) Quality Assurance - ISO 10012-1**

Effective 13/12/02, this clause is superseded by D5544D.

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**D5545D (15/12/95) ISO 9000 Certification Requirement**

This clause is cancelled effective 25/05/01.

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**Remarks:** Use the following clause when the requisition specifies U.S. Federal Aviation Administration (FAA) and/or Canadian Department of Transport regulations (DND QAC J). If the requisition has multiple Quality Assurance (QA) codes, the contracting officer is to identify the line item numbers which are associated with each QA clause.

**D5580D (23/11/98) Civil Aircraft Inspection (QAC J)**

The Work described herein shall be inspected in compliance with the requirements of the U.S. Federal Aviation Administration (FAA) and/or the Canadian Department of Transport (DOT) civil aircraft regulations and is subject to verification by the Department of National Defence at destination. Proof of inspection shall accompany each shipment.

The materiel is to be released for shipment to the consignee(s) using properly completed FAA or DOT approved inspection documents. The completed inspection document(s) shall be attached to, or enclosed with, each shipment, as applicable, in compliance with FAA/DOT regulations.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5580D (31/03/95) Inspection - U.S. FAA/DOT (QAC J)**

Effective 23/11/98, this clause is superseded by D5580D.

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**D5600D (01/12/92) Release Documents U.S. FAA/DOT**

Effective 31/03/95, this clause is superseded by D5580D.

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**D5601C (01/06/91) Release Documents - CF 1280**

This clause is cancelled effective 01/08/92.

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**Remarks:** Use the following clause when Quality Assurance Authority clause (D5510D) was used. At the contract stage, include clause D5620C.

**D5601D (30/10/96) Release Documents - Contractor**

Materiel is to be released for shipment using one of the release documents indicated below:

### **FOR CANADIAN CONTRACTORS**

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

Materiel is to be released for shipment using either DND form CF 1280, Certificate of Inspection and Release, or a release document containing the same information. Release document(s) shall be prepared by the Contractor.

For return of materiel from repair and overhaul contractors to the Canadian Forces Supply System (CFSS), use DND form CF 2302 in lieu of DND form CF 1280.

### **FOR U.S. CONTRACTORS**



## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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Material is to be released for shipment using a DD Form 250, Materiel Inspection and Receiving Report, or a release document containing the same information and acceptable to the QAR. Release document(s) shall be prepared by the Contractor.

### **FOR NON-CANADIAN CONTRACTORS (EXCEPT U.S)**

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

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#### **D5601D (31/03/95) Release Documents - Contractor**

Effective 30/10/96, this clause is superseded by D5601D.

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#### **D5601T (01/06/91) Release Documents - CF 1280**

Effective 01/08/92, this clause is superseded by D5601D.

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#### **D5602C (01/06/91) Release Documents - CF 1280 (U.S.)**

Effective 01/08/92, this clause is superseded by D5601D.

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#### **D5602T (01/06/91) Release Documents - CF 1280 (US)**

Effective 01/08/92, this clause is superseded by D5601D.

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## D - DELIVERY, INSPECTION AND ACCEPTANCE

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**D5603C (01/06/91) Release Documents - CF 1280/Site Instal.**

Effective 01/08/92, this clause is superseded by D5701C.

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**D5603T (01/06/91) Release Documents - CF1280/Site Install.**

Effective 01/08/92, this clause is superseded by D5701C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following document distribution clause if the clause D5601D was used except where the contract is for Canadian Repair and Overhaul Contractors on the Canadian Forces Supply System. Procurement officers are to insert the designation of the originator of the requisition.

**D5620C (16/02/98) Release Documents - Distribution**

1. Release documents prepared by the Contractor shall be distributed as follows:

- (a) **Copy 1:** mail to consignee marked: "Attention: Receipts Officer";
- (b) **Copies 2 and 3:** with shipment (in a waterproof envelope) to the consignee;
- (c) **Copy 4:** to the Contracting Authority;
- (d) **Copy 5:** to:  
  
National Defence Headquarters  
Mgen George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, ON K1A OK2  
  
Attention: \_\_\_\_\_
- (e) **Copy 6:** to the Quality Assurance Representative;
- (f) **Copy 7:** to the Contractor;
- (g) **Copy 8:** all non-Canadian Contractors to:  
  
DQA/Contract Administration  
National Defence Headquarters  
Mgen George R. Pearkes Building  
101 Colonel By Drive  
Ottawa, ON K1A OK2

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**NOTE:** For into-plane refuelling contracts copies 2, 3, 4 and 5 are not required and may be destroyed.

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**D5620C (31/03/95) Release Documents - Distribution**

Effective 16/02/98, this clause is superseded by D5620C.

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**Remarks:** Use the following clause when the requisition is for ship repairs (DND QAC L). Include clauses D5510D and D5651D.

**D5650D (01/08/92) GQA - controlled/inspected - Ship Repairs**

The Work described herein shall be controlled and inspected in compliance with the requirements of General Conditions DSS-MAS 1026A, Supplies - Fixed Price, and Supplemental General Conditions DSS-MAS 1029, Ship Repairs.

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**Remarks:** Use the following clause when clause D5650D was used.

**D5651D (31/03/95) Release Documents/Acceptance of Ships**

The acceptance of ships and vessels shall be in accordance with the procedures of CFTO C-03-005-012/AM-001, Part 13, using form CF 1148, Report of Inspection of (SHIP) and, as applicable, form CF 702, Acceptance of (SHIP) into the Canadian Forces.

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**D5651D (01/08/92) GQA - Acceptance of Ships**

Effective 31/03/95, this clause is superseded by D5651D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5700D (01/08/92) GQA - Site Install**

This clause is cancelled effective 01/05/93.

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**D5701C (01/12/92) GQA - Site Instal - Release Documents**

This clause is cancelled effective 01/05/93.

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**D5701C (01/08/92) GQA - Site Instal - Release Documents**

Effective 01/12/92, this clause is superseded by D5701C.

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**D5710D (01/08/92) EMC Compliance Testing**

This clause is cancelled effective 31/03/95.

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**D5720D (01/08/92) Test Reports - Grade 8 Fasteners**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause to outline Bidder/Contractor responsibility to inspect and provide an inspection/test report of actual measurements taken when procurement is for Safety Critical Class 3 Threaded Fasteners, NSN classes 5305, 5306, 5307, 5310 and 5315.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5725D (01/06/94) Test Reports - Safety Critical Items**

1. Items identified as Safety Critical Class 3 fasteners on the Contract, require the Contractor to provide to the Quality Assurance Representative (QAR) a valid inspection/test report of the results obtained for the following parameters:
  - (a) "go" functional diameter size;
  - (b) pitch diameter size;
  - (c) major diameter size (external threads only);
  - (d) minor diameter size (does not apply to MIL-S-7742 external threads);
  - (e) root radius (applies to MIL-S-8879 external threads only);
  - (f) flank angle;
  - (g) lead (including helix variations);
  - (h) circularity;
  - (j) taper;
  - (k) runout; and
  - (l) surface roughness
2. If the differential between "GO" Functional and Pitch diameter does not exceed 0.5 for MIL-S-7742 or 0.4 for MIL-S-8879 of the Pitch diameter tolerance, inspection of the Flank Angle and Lead (including helix variations) is not necessary.
3. Definitions of these terms can be found in the latest revision of MIL-S-7742 or MIL-S-8879.
4. The Contractor shall provide actual measurement results obtained for 100 percent of the contract quantity.
5. If the inspection/test report is not available from the manufacturer, the Contractor shall have the inspection performed, at the Contractor's expense, either at his own facility or at a facility acceptable to the QAR.
6. The Bidder/Contractor hereby certifies that the stated unit price for each of the items identified above includes the Test Reports called up under this clause.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

7. Failure to provide this certification will result in your bid being declared as non-responsive.
- \_\_\_\_\_

**D5725D (01/08/92) Test Reports - Safety Critical Items**

Effective 01/06/94, this clause is superseded by D5725D.

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## D - DELIVERY, INSPECTION AND ACCEPTANCE

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**D5726D (01/06/94) Test Reports - Non-safety Critical Items**

This clause is cancelled effective 31/03/95.

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**D5726D (01/08/92) Test Reports - Non-safety Critical Items**

Effective 01/06/94, this clause is superseded by D5726D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for maintenance or repair and overhaul contracts when the work is performed on-site by a mobile repair party.

**D5800D (01/06/91) Inspection and Acceptance**

The Contractor shall comply with the requirements of \_\_\_\_\_.

All matters, pertaining to the performance of Work on-site shall be referred to \_\_\_\_\_, who shall signify satisfactory completion and acceptance of the Work by signing \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D5801D (13/12/02) Acceptance Document (Civilian)**

1. On delivery of the said vessel to Canada, form PWGSC-TPSGC 1205, Ship Refit and Repair - Civilian Departments (Acceptance Form - Victoria), shall be completed and signed as required on the form.
2. The Acceptance Form is to be completed in quintuplicate: distribution is to be made by Public Works and Government Services Canada field representative as follows:
  - (a) original to: Contracting Authority
  - (b) copy to: \_\_\_\_\_
  - (c) copy to: \_\_\_\_\_
  - (d) copy to: \_\_\_\_\_
  - (e) copy to: \_\_\_\_\_.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5801D (16/02/98) Acceptance Document (Civilian)**

Effective 13/12/02, this clause is superseded by D5801D.

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**D5802D (01/06/91) Acceptance Document**

On delivery of the vessel to the Crown, the Acceptance Document, form DND-MDN CF1148, shall be completed and signed.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D5900D (16/02/98) Pricing**

1. For the provision of Inspection Services as and when required during the period commencing \_\_\_\_\_ until \_\_\_\_\_ to carry out the above work, on an all inclusive firm per diem chargeout rate.

CALENDAR YEAR: 19\_\_\_\_

\$\_\_\_\_\_ per diem

2. Overtime, if necessary, and where authorized by the Senior Inspector of the Department of Public Works and Government Services Inspection Office, at the following firm chargeout rates:

Outside regular hours: \$\_\_\_\_\_  
Monday to Friday incl.: per hour

Outside regular hours: \$\_\_\_\_\_  
Saturday and Sunday: per hour.

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**D5900D (01/06/91) Pricing**

Effective 16/02/98, this clause is superseded by D5900D.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5901D (16/02/98) Inspection Office - DPWGS**

The Inspectors shall report to the Senior Inspector of the Department of Public Works and Government Services (DPWGS) Inspection Office: \_\_\_\_\_.

DPWGS Inspection Office: \_\_\_\_\_.

The worksite shall be co-located with the DPWGS Inspection Office.

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**D5901D (01/06/91) Inspection Office - DSS**

Effective 16/02/98, this clause is superseded by D5901D.

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**D5902D (16/02/98) Personal Suitability**

In the event that the assigned inspector cannot perform his or her duties for any reason whatsoever, or, in the opinion of the Chief Inspector, is not discharging his or her duties satisfactorily, the Inspector shall be removed and replaced upon thirty (30) days' notice of dissatisfaction.

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**D5902D (01/06/91) Personal Suitability**

Effective 16/02/98, this clause is superseded by D5902D.

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**D5903D (16/02/98) Professional Qualifications**

Effective 15/06/98, this clause is superseded by D5903T.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D5903T (15/03/98) Professional Qualifications**

1. Marine Inspectors shall be qualified by the Inspection and Technical Services Directorate of the Department of Public Works and Government Services, Aerospace, Marine and Electronics Systems Sector, Ottawa, Ontario.
2. The qualification process will include a Résumé review and where necessary a personal interview to assess candidate's knowledge, ability and experience. Bidders are to identify proposed candidates, their area of expertise, and provide Résumés for evaluation.

| <b>Candidate</b> | <b>Area of expertise</b> |
|------------------|--------------------------|
| 1. _____         | _____                    |
| 2. _____         | _____                    |
| 3. _____         | _____                    |

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D5904D (01/06/91) Inspection and Technical Services**

ANTICIPATED LEVEL OF EFFORT - INSPECTION AND TECHNICAL SERVICES:

1. For planning purposes only the anticipated level of effort for each discipline will be:
    - (a) hull: \_\_\_\_\_ days;
    - (b) electrical: \_\_\_\_\_ days;
    - (c) electronics: \_\_\_\_\_ days;
    - (d) machinery: \_\_\_\_\_ days.
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**D5909D (16/02/98) Administration Provisions**

Effective 21/06/99, this clause is superseded by B9029D.

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**D5910D (01/06/91) Conflict of Interest**

Effective 21/06/99, this clause is superseded by K2205D.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D5911D (01/06/91) Method of Payment**

Effective 16/02/98, this clause is superseded by H1000D.

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**D5912D (31/01/92) Method of Payment**

Effective 16/02/98, this clause is superseded by H1000D.

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**D5913D (31/01/92) Method of payment**

Effective 01/08/92, this clause is superseded by M5002D.

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**D6000C (01/06/91) Shipping Instructions**

Effective 15/09/97, this clause is superseded by D6000D.

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**Remarks:** Use the following clause in contracts placed with a U.S. supplier. When requests for routing instructions are received from the supplier, the contracting officer will refer such requests to the Traffic Management Directorate to obtain details of routing instructions.

**D6000D (15/09/97) Shipping Instructions**

1. In cases where the Contractor pays the shipping charges and absorbs these charges as part of the purchase price, the Contractor may ship the goods in accordance with its regular shipping practice.
2. In cases where Canada either pays the shipping charges or the Contractor pays the shipping charges and Canada reimburses the Contractor for direct and identifiable

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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shipping charges, Canada reserves the right to provide shipping instructions to the Contractor, as follows:

- (a) for shipments under 10,000 lbs the contractor shall, unless otherwise directed, ship the goods in accordance with its regular shipping practice,
- (b) for shipments weighing 10,000 lbs or over, the Contractor shall:
  - (i) provide at the first opportunity the Contracting Authority with the following information:
    - Contract Number;
    - Commodity and Freight Classification;
    - Gross Weight and Cube of Shipment;
    - Name of Railway serving the Contractor's Plant Site (if applicable);
    - Shipping Point and Address;
    - Date of Availability;
    - Consignee and Destination Address;
    - Contractor's Recommended Method of Shipment and Cost;
    - Type of Packaging and Dimensions of each Package;
    - if shipment is dangerous goods/hazardous materiel, the UN Number, Class, Division, Packing Group and Packing Instructions;
    - Contact Name and Phone Number; and
  - (ii) not make any shipment prior to receiving directions from the Contracting Authority concerning mode of shipment, carrier, routing, and method of billing for transportation charges.

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**D6001C      (01/06/91)      Shipping Instructions**

Effective 15/09/97, this clause is superseded by D6000D.

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**D6002C      (01/06/91)      Shipping Notices**

This clause is cancelled effective 16/02/98.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D6003D (01/06/91) Consignee**

Shipment shall be consigned to: \_\_\_\_\_

\_\_\_\_\_

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D6004D (01/06/91) Consignee**

Shipment shall be consigned FOB including all delivery charges to: \_\_\_\_\_

\_\_\_\_\_

**D6005D (01/06/91) Consignee**

This clause is cancelled effective 16/02/98.

\_\_\_\_\_

**Remarks: Use this clause when contractors must obtain shipping instructions for ammunition.**

**D6006D (30/10/96) Shipping Instructions, Ammunition**

1. At or prior to ammunition deliverable end items becoming available for shipment, the Contractor shall request shipping instructions from the Contracting Authority and provide the following information:
    - (a) Work Order Number;
    - (b) NATO Stock Number and Description; and
    - (c) recommended method of shipment.
  
  2. The Contractor shall not ship any ammunition deliverable end items until instructions are received from the Contracting Authority.
- \_\_\_\_\_

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in all ship repair contracts and on conversion contracts as required. (Amendments to contracts should be made as appropriate.) Enter fill-in data.

**D6007C (21/06/99) Work Period - Marine**

Work to commence and be completed as follows:

COMMENCE: \_\_\_\_\_

COMPLETE: \_\_\_\_\_

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**D6007C (01/06/91) Delivery - Ship Repair**

Effective 21/06/99, this clause is superseded by D6007C.

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**Remarks:** Use this clause to define delivery tolerances for special production runs of batteries.

**D6008D (30/10/96) Quantity Supplied, Batteries**

1. Where the Contractor is required to supply other than commercial off-the-shelf batteries or must make a special production run of batteries, the following over/under run allowances are acceptable:
  - (a) for quantities 1 to 500, plus or minus 5 percent;
  - (b) for quantities 501 to 5000, plus or minus 2.5 percent; and
  - (c) for quantities in excess of 5000, plus or minus 1 percent.

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**Remarks:** Use this clause in contracts where destination and delivery schedules are not known at the time of execution:

**D6009D (01/12/00) Shipping Instructions**

1. The Contractor shall ship prepaid free on board destination. Unless otherwise directed, delivery shall be made by the most economical means. Shipping charges shall be shown as a separate item on the Contractor's invoice.
2. The Contractor shall make deliveries to Canadian Forces (CF) Supply Depots by appointment only. The Contractor or its carrier shall arrange delivery appointments by

## D - DELIVERY, INSPECTION AND ACCEPTANCE

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contacting the Depot Traffic Section at the appropriate location shown below. The consignee may refuse shipments when prior arrangements have not been made.

- (a) 7 CF Supply Depot Lancaster Park  
Edmonton, Alta  
(780) 973-4011, ext. 4524
- (b) 25 CF Supply Depot Montreal  
Montreal, Qué.  
(514) 252-2777, ext. 2363
- (c) 2B1 CF Esquimalt  
Esquimalt, B.C.  
(250) 363-4963
- (d) 7H1 CF Halifax  
Halifax, N.S.  
(902) 427-0550

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**D6009D (12/05/00) Shipping Instructions**

Effective 01/12/00, this clause is superseded by D6009D.

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**Remarks:** Use this clause to define the palletization requirements for shipments to Canadian Forces Supply Depots.

**D6010D (30/10/96) Palletization**

The Contractor shall strap, and if necessary wrap, shipments on standard 48 in. x 40 in. wood or fibreboard pallets supplied without cost to Canada by the Contractor. Total height including pallet shall not exceed 48 in. for delivery to 25 CFSD (1B) and 42 in. for delivery to 7 CFSD (1A). Any exception shall require the prior approval of the Contracting Authority.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause in contracts where the deliverables have not been specifically identified in the Statement of Work and there will be items in addition to reports. List each item along with its applicable delivery date.

## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D9000C            (01/12/00)            Deliverables**

1.        The Contractor shall deliver the following items to the Technical Authority at the place and time designated hereunder:

| Item     | Delivery Date |
|----------|---------------|
| 1. _____ | _____         |
| 2. _____ | _____         |
| 3. _____ | _____         |

2.        The Contractor shall notify the Contracting Authority, in writing, once these items have been delivered.
- 
- 

**D9000C            (16/02/98)            Deliverables**

Effective 01/12/00, this clause is superseded by D9000C.

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**D9001C            (01/06/91)            Printing Requirements**

This clause is cancelled effective 31/03/95.

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**D9002C            (16/02/98)            Incomplete Assemblies**

The Contractor shall not ship incomplete assemblies against this order, unless prior authority for such shipment has been obtained from the Contracting Authority.

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## **D - DELIVERY, INSPECTION AND ACCEPTANCE**

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**D9002C**      **(01/06/91)**      **Incomplete Assemblies**

Effective 16/02/98, this clause is superseded by D9002C.

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**D9003C**      **(31/01/92)**      **Deliverables**

Effective 16/02/98, this clause is superseded by D9003D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**D9003D**      **(01/12/00)**      **Deliverables**

The following deliverables are required during the performance of the contract: \_\_\_\_\_.

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**D9003D**      **(16/02/98)**      **Deliverables**

Effective 01/12/00, this clause is superseded by D9003D.

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**D9004C**      **(31/01/92)**      **Deliverables**

Effective 16/02/98, this clause is superseded by D9003D.

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## **Section 5**

### **E - FINANCIAL SECURITY**

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## E - FINANCIAL SECURITY

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when clause E0004T is used in the bid solicitation. The contracting officer is to fill in data required under paragraphs 1 and 2 (percentage requested only).

**E0001T            (13/12/02)            Security Deposits and/or Surety Bonds**

1. Enclosed with this bid is the requested security consisting of:
    - (a) security deposit (government guaranteed bonds, bills of exchange, irrevocable standby letters of credit) in the amount of \$ \_\_\_\_\_, being not less than \_\_\_\_\_ percent of the bid price; or
    - (b) a bid bond in the amount of \$ \_\_\_\_\_, being not less than \_\_\_\_\_ percent of the bid price, issued by \_\_\_\_\_ .
  
  2. If this bid is accepted, the Bidder shall be required to provide contract financial security within \_\_\_\_\_ days of contract award as follows:
    - (a) a performance bond in the amount of \_\_\_\_\_ percent of the Contract Price, issued by a surety listed in Treasury Board (TB) Appendix L, Acceptable Bonding Companies  
([http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/Contracting/contractingpol\\_1\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/Contracting/contractingpol_1_e.html)), on the format shown as Annex 7.3, Performance Bond, attached hereto; OR
    - (b) a performance bond and a labour and material payment bond, each in the amount of \_\_\_\_\_ percent of the Contract Price, issued by a surety listed in TB Appendix L, Acceptable Bonding Companies, on the format shown as Annex 7.3, Performance Bond and Annex 7.2, Labour and Material Payment Bond, attached hereto; OR
    - (c) a labour and material payment bond in the amount of \_\_\_\_\_ percent of the Contract Price, issued by a surety listed in TB Appendix L, Acceptable Bonding Companies, on the format shown as Annex 7.2, Labour and Material Payment Bond, attached hereto, plus the security deposit furnished in accordance with 1.(a) above, both of which Canada will retain; OR
    - (d) a security deposit (government guaranteed bonds, bills of exchange, irrevocable standby letters of credit) to the value of \_\_\_\_\_ percent of the Contract Price, plus the security deposit furnished in accordance with 1.(a) above, both of which Canada will retain; OR
    - (e) a security deposit (government guaranteed bonds, bills of exchange, irrevocable standby letters of credit) to the value of \_\_\_\_\_ percent of the Contract Price.
  
  3. If, for any reason, Canada does not receive, within the specified period, the Contract executed by the bidder and the financial security described above, Canada may retain the bid security and may accept any offer, seek new bids, negotiate a contract or not accept any bids, as Canada may deem advisable.
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## **E - FINANCIAL SECURITY**

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**E0001T            (01/12/00)            Security Deposits and/or Surety Bonds**

Effective 13/12/02, this clause is superseded by E0001T.

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**E0002T            (01/06/91)            Security Deposits and/or Surety Bonds**

This clause is cancelled effective 16/02/98.

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**Remarks:** Use the following clause in bid solicitations which allow security deposits as bid security.

**E0003T            (16/02/98)            Security Deposit**

1. The security deposit (government guaranteed bonds, bills of exchange, irrevocable standby letters of credit) shall be held by Canada as security for entry into contract and the furnishing of required contract security acceptable to Canada. In the event of any default or non-performance by the Bidder, the said sum shall be forfeited to Canada, up to the amount of the difference between the bid price and the amount of the contract entered into by Canada for the work, supplies and services which are specified in this bid. Otherwise, a security deposit will be dealt with as follows:
    - (a) it will be returned to the unsuccessful Bidder when a contract is awarded;
    - (b) it will be returned to the Contractor if surety bonds are permitted and submitted as contract financial security;
    - (c) it will be applied to and form part of contract financial security if surety bonds are not submitted. Security deposits in the form of bills of exchange shall be deposited to the credit of the Consolidated Revenue Fund and shall bear simple interest, calculated on the basis of the rates which are in effect during the period that the deposit is held. These rates are published monthly by the Department of Finance and are set to be equal to the average yield on 90-day Treasury Bills less 1/8 of 1 percent. Interest shall be paid annually or, if the term of the deposit is less than twelve (12) months, when the security deposit is returned to the Contractor. A Contractor may, however, request the Minister to hold and not cash the bill of exchange, in which case no interest will become payable.
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## E - FINANCIAL SECURITY

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**E0003T            (01/06/91)            Security Deposit**

Effective 16/02/98, this clause is superseded by E0003T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations where bid financial security is required. Contracting officers should insert percentages and amounts in paragraph 3. (Refer to the *Supply Manual*, procedure 6C.279).

This clause is to be used in conjunction with E0008D, Definitions.

**E0004T            (13/12/02)            Financial Security**

1. Bid financial security is required and shall consist of:
    - (a) a security deposit as defined hereunder, or
    - (b) a bid bond issued by a surety listed in Treasury Board Appendix L, Acceptable Bonding Companies  
([http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/Contracting/contractingpol\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/Contracting/contractingpol_e.html)), on the format shown as Annex 7.1, Bid Bond, attached hereto.
  2. Security deposits in the form of coupon bonds must have attached thereto all coupons that are unmatured at the time such bonds are delivered to Canada. Canada may, from time to time detach matured coupons and send them to the bidder at the address noted on the bid, unless advised otherwise by the Contractor.
  3. Where the bid price is \$250,000 or less, the security deposit shall be \_\_\_\_\_ percent thereof. Where the bid price exceeds \$250,000, the security deposit shall be \$ \_\_\_\_\_ plus \_\_\_\_\_ percent of the amount by which the bid price exceeds \$250,000, to a maximum of \$ \_\_\_\_\_.
  4. Bidders who supply a security deposit as bid security are required to submit their bids under seal (does not apply in Quebec).
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**E0004T            (01/12/00)            Financial Security**

Effective 13/12/02, this clause is superseded by E0004T.

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## **E - FINANCIAL SECURITY**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts which provide for a security deposit as contract financial security.

This clause is to be used in conjunction with E0008D, Definitions.

### **E0005C (01/12/00) Security Deposit**

1. (a) The Contractor shall deposit with Canada a security deposit in the amount of \$ \_\_\_\_\_ within \_\_\_\_\_ calendar days of the Contract date. If, for any reason, Canada does not receive, within the specified period, the Contract executed by the Contractor and the security deposit in the amount set out above, Canada may retain the bid security provided and may accept any offer, seek new bids, negotiate a contract or not accept any bids as Canada may deem advisable.
  - (b) If the security deposit is in the form of a coupon bond, the bond shall have attached thereto all coupons that are unexpired at the time the security deposit is given. Canada may, from time to time, detach matured coupons and send them to the Contractor at the address provided for by this agreement for the sending of notices, unless advised otherwise by the Contractor.
  - (c) If the security deposit is in the form of a bill of exchange, Canada shall deposit it in an open account in the Consolidated Revenue Fund. Security deposits in the form of the bills of exchange that are deposited to the credit of the Consolidated Revenue Fund shall bear simple interest, calculated on the basis of the rates which are in effect during the period that the deposit is held.

These rates are published monthly by the Department of Finance and are set to be equal to the average yield on 90-day Treasury Bills less 1/8 of 1 percent. Interest shall be paid annually or when the security deposit is returned to the Contractor, if earlier. A Contractor may, however, request Canada hold and not cash the bill of exchange, in which case no interest will become payable.
2. Canada may convert the security deposit to the use of Canada if any circumstance exists which would entitle Canada to terminate the Contract for default, but any such conversion shall not constitute termination.
  3. Where Canada so converts the security deposit:
    - (a) the proceeds thereof shall be used to complete the Work according to the terms of the Contract to the nearest extent that it is feasible to do so and any balance left thereafter shall be returned to the Contractor on completion of the warranty period; and
    - (b) if Canada enters into an agreement outside the Contract to have the Work completed, the Contractor shall:
      - (1) be deemed to have irrevocably abandoned the Work; and
      - (2) remain liable for the excess cost of completing the Work if the amount of the security deposit is not sufficient for such purpose. ("Excess cost" means any amount over and above the amount of the Contract Price remaining unpaid together with the amount of the security deposit.)

## **E - FINANCIAL SECURITY**

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4. If Canada does not convert the security deposit to the use of Canada prior to the date of completion of the warranty period, Canada shall return the security deposit to the Contractor within a reasonable time after such date.

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**E0005C (21/06/99) Security Deposit**

Effective 01/12/00, this clause is superseded by E0005C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**E0006D (01/08/92) Financial Security**

The Contractor shall provide Financial Security as outlined at Annex "\_\_\_" attached to and forming part of this Contract. List of companies whose guarantee bonds may be accepted by the Government of Canada and samples of "Performance Bond" and "Labour and Material Payment Bond" incorporated in the Request for Proposal (RFP) form part of this Contract.

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**E0006D (31/01/92) Financial Security**

Effective 01/08/92, this clause is superseded by E0006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when contract security is required, and in conjunction with E0005C and E0008D.

**E0007T (13/12/02) Contract Financial Security**

1. If this bid is accepted, the bidder shall be required to provide contract financial security within \_\_\_\_ calendar days of contract award as follows:
- (a) a performance bond in the amount of \_\_\_\_ percent of the Contract Price, issued by a surety listed in Treasury Board (TB) Appendix L, Acceptable Bonding Companies ([http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/Contracting/contractingpol\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/Contracting/contractingpol_e.html)), on the format shown as Annex 7.3, Performance Bond, attached hereto; OR

## **E - FINANCIAL SECURITY**

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- (b) a performance bond and a labour and material payment bond, each in the amount of \_\_\_\_\_ percent of the Contract Price, issued by a surety listed in TB Appendix L, Acceptable Bonding Companies, on the format shown as Annex 7.3, Performance Bond and Annex 7.2, Labour and Material Payment Bond, attached hereto; OR
  - (c) a labour and material payment bond in the amount of \_\_\_\_\_ percent of the Contract Price, issued by a surety listed in TB Appendix L, Acceptable Bonding Companies, on the format shown as Annex 7.2, Labour and Material Payment Bond, attached hereto; OR
  - (d) a security deposit (government guaranteed bonds, bills of exchange, irrevocable standby letters of credit) to the value of \_\_\_\_\_ percent of the Contract Price.
2. If, for any reasons, Canada does not receive, within the specified period, the Contract executed by the bidder and the requested contract financial security described above, Canada may accept another offer, seek new bids, negotiate a contract or not accept any bids, as Canada may deem advisable.
3. Security deposits in the form of coupon bonds must have attached thereto all coupons that are unmatured at the time such bonds are delivered to Canada. Canada may, from time to time detach matured coupons and send them to the bidder at the address noted on the bid, unless advised otherwise by the Contractor.
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**E0007T (01/12/00) Contract Financial Security**

Effective 13/12/02, this clause is superseded by E0007T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in conjunction with E0004T, E0005C and E0007T.

**E0008D (21/06/99) Contract Financial Security**

In this clause,

**"security deposit"** means

- (a) a bill of exchange
  - (1) that is payable to the Receiver General for Canada, and
  - (2) that is certified by an approved financial institution or drawn by an approved financial institution on itself; or



## E - FINANCIAL SECURITY

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- (b) a Government guaranteed bond; or
- (c) an irrevocable standby letter of credit, or
- (d) such other security as may be deemed appropriate by the Contracting Authority (Department of Public Works and Government Services) and approved by Treasury Board;

**"approved financial institution"** means

- (a) any corporation or institution that is a member of the Canadian Payments Association;
- (b) a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the "Régie de l'assurance-dépôts du Québec" to the maximum permitted by law;
- (c) a credit union as defined in the *Income Tax Act*; or
- (d) a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by Canada in right of a province.

**"Government guaranteed bond"** means a bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:

- (a) payable to bearer; or
- (b) accompanied by a duly executed instrument of transfer of the bond to the Receiver General for Canada in accordance with the Domestic Bonds of Canada Regulations; or
- (c) registered in the name of the Receiver General for Canada.

**"irrevocable standby letter of credit"** means any arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its own behalf, is to make a payment to or to the order of Canada, as the beneficiary, or is to accept and pay bills of exchange drawn by Canada, or authorizes another financial institution to effect such payment, or accept and pay such bills of exchange, or authorizes another financial institution to negotiate, against written demand(s) for payment provided that the terms and conditions of the letter of credit are complied with.

The letter of credit shall:

- (a) state the face amount which may be drawn against it;
- (b) state its expiry date;
- (c) provide for sight payment to the Receiver General for Canada by way of the financial institution's draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his\her office;
- (d) provide that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the letter of credit;
- (e) provide that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500;

## **E - FINANCIAL SECURITY**

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- (f) clearly specify that it is irrevocable or deemed to be irrevocable pursuant to article 6c) of the ICC Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500; and
- (g) be issued or confirmed, in either official language, by a financial institution which is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.

**"completion of warranty period"** means the later of the date upon which the warranty period expires by the passage of time or the date upon which the obligation of the Contractor related to the warranty provisions of the Contract have been fulfilled.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts which provide for a performance bond as contract financial security.

**E5000C (01/06/91) Performance Bonds**

In order to ensure that funds will be available to complete the Work according to the terms of the Contract, the Contractor shall, within \_\_\_\_\_ days after the date of this agreement, furnish the Minister with a duly executed performance bond substantially in the form of Annex B hereto; such bond shall be in the amount of \$\_\_\_\_\_ being \_\_\_\_\_ percent of the Contract Price on the date of this agreement; the surety to such bond shall be a company approved by or on behalf of the Treasury Board of Canada.

Full compliance by the Contractor with this requirement shall be a condition precedent to the payment of any monies to the Contractor which, by the terms of the Contract, would otherwise be payable by or on behalf of Canada.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts which provide for a labour and material payment bond as contract financial security.

**E8000C (01/06/91) Labour and Material Payment Bond**

1. In order to provide funds for unpaid labour, material and service subcontractors, the Contractor shall, within \_\_\_\_\_ days after the date of this agreement, furnish the Minister with a duly executed labour and material payment bond substantially in the form of Annex C hereto; such bond shall be in the amount of \$\_\_\_\_\_ being \_\_\_\_\_ percent of the amount of the Contract Price on the date of this agreement; the surety to such bond shall be a company approved by or on behalf of the Treasury Board of Canada.

2. The Contractor shall post a copy of the bond that is plainly visible where any of the Work is performed.

Full compliance by the Contractor with the requirements set out in paragraphs 1 and 2 shall be a condition precedent to the payment of any monies to the Contractor which, by the terms of the Contract, would otherwise be payable by or on behalf of Canada.

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## **Section 5**

### **F - INDUSTRIAL SECURITY**

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## **F - INDUSTRIAL SECURITY**

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**F000D**            (01/12/92)            **Industrial Security - General Remarks**

This clause is cancelled effective 24/05/02.

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**F001D**            (03/02/97)            **Security Requirements**

This clause is cancelled effective 24/05/02.

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**F001D**            (15/12/95)            **Security Requirements**

Effective 03/02/97, this clause is superseded by F001D.

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**F005D**            (03/02/97)            **Security Requirements**

This clause is cancelled effective 24/05/02.

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**F005D**            (15/12/95)            **Security Requirements**

Effective 03/02/97, this clause is superseded by F005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

## F - INDUSTRIAL SECURITY

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**F1005D (13/12/02) Protected Information - No Document Safeguarding Capability**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Designated Organization Screening (DOS) issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
3. The Contractor/Offeror MUST NOT remove any PROTECTED information or assets from the identified work site(s), and the Contractor/Offeror must ensure that its personnel are made aware of and comply with this restriction.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
5. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition ).

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**F1005D (24/05/02) Protected Information - No Document Safeguarding Capability**

Effective 13/12/02, this clause is superseded by F1005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when:

- **RELIABILITY** screening is required (Block #12);
- Access to **SENSITIVE WORK SITES ONLY** for janitorial, maintenance, snow removal, etc. types of procurement.

**NOTE:** \*\* The clause must identify the procurement, i.e. a Contract or Standing Offer, as applicable.

**PERSONNEL ASSIGNED - PROTECTED**

**F1006D (13/12/02) Security Requirement for Canadian Supplier - No Access to Protected Information**

**Security Requirement:** \*\* PWGSC FILE # \_\_\_\_\_

## **F - INDUSTRIAL SECURITY**

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1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Designated Organization Screening (DOS) at the level of RELIABILITY STATUS, issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor/Offeror personnel requiring access to sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
3. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
4. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) Industrial Security Manual (latest edition).

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F1010D (13/12/02) Document Safeguarding and/or Production Capabilities - No EDP**

1. The Contractor/Offeror must, at all times during the performance of the Contract, hold a valid Designated Organization Screening (DOS), with approved: ***(Choose only one of the following options and delete the others.)***

Document Safeguarding at the level of PROTECTED \_\_\_\_\_.

Document Safeguarding and Production Capabilities at the level of PROTECTED \_\_\_\_\_.

Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
2. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
3. Processing of PROTECTED materiel on Automatic/Electronic Data Processing equipment at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.

## F - INDUSTRIAL SECURITY

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5. The Contractor/Offeror must comply with the provisions of the:
- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).
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**F1010D (24/05/02) Document Safeguarding and/or Production Capabilities - No EDP**

Effective 13/12/02, this clause is superseded by F1010D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in the *Supply Manual*, Annex 6.13.

**F1015D (13/12/02) Reliability Status, Designated Organization Screening and Production Capability - No EDP**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Designated Organization Screening (DOS) with approved: **(Choose only one of the following options and delete the others.)**
- Document Safeguarding at the level of PROTECTED \_\_\_\_\_.
  - Document Safeguarding and Production Capabilities at the level of PROTECTED \_\_\_\_\_.
  - Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
2. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
3. The Contractor/Offeror MUST NOT perform any PROTECTED Automatic/Electronic Data Processing and/or production until CIISD/PWGSC has issued written approval. After approval has been granted or approved, these tasks may be performed at the level of PROTECTED \_\_\_\_\_.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.



## **F - INDUSTRIAL SECURITY**

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5. The Contractor/Offeror must comply with the provisions of the:
- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) Industrial Security Manual (latest edition)

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**F1015D (24/05/02) Enhanced Reliability, Designated Security Clearance and Production Capability - No EDP**

Effective 13/12/02, this clause is superseded by F1015D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**NOTE:** \*\*The clause must identify the procurement, i.e. a Contract or Standing Offer as applicable.

**F1020D (13/12/02) Designated Organization Screening and COMSEC - No EDP**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer \*\*, hold a valid Designated Organization Screening (DOS) with approved Document Safeguarding at the level of PROTECTED \_\_\_\_\_, as well as a Communications-Electronic Security (COMSEC) PROTECTED \_\_\_\_\_, and a COMSEC account, issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
3. The Contractor/Offeror personnel requiring access to COMSEC information or assets must have undergone a COMSEC briefing.
4. The Contractor/Offeror MUST NOT perform any PROTECTED Automatic/Electronic Data Processing and/or production until CIISD/PWGSC has issued written approval. After approval has been granted or approved, these tasks may be performed at the level of PROTECTED \_\_\_\_\_.
5. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
6. The Contractor/Offeror must comply with the provisions of the:

## F - INDUSTRIAL SECURITY

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- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
- (b) *Industrial Security Manual* (latest edition), and the *Industrial COMSEC Material Control Manual* (ICMCM) issued through CIISD/PWGSC.

**NOTE:** Keying material and associated devices bearing (or intended to bear) the caveat, "CRYPTO", are subject to special safeguards at all times, whether: in bulk storage; in custody at user locations; in current use; or awaiting destruction. Keying Material must be stored in a locked, approved security container, in an area protected by security guards or by an intrusion-detection system when left unattended by COMSEC account personnel or authorized users.

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**F1020D (24/05/02) Designated Organization, Designated Security Clearance and COMSEC - No EDP**

Effective 13/12/02, this clause is superseded by F1020D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F1025D (13/12/02) Designated Organization Screening, Enhanced Reliability and Production Capability - No EDP**

1. This clause and all or part of the Work covered by this clause are PROTECTED and require safeguarding.
2. PRIOR TO THE RELEASE of documentation to the Contractor/Offeror, and at all times during the performance of the Contract/Standing Offer, the Contractor/Offeror must hold a valid Designated Organization Screening (DOS), with approved: **(Choose only one of the following options and delete the others.)**

Document Safeguarding at the level of PROTECTED \_\_\_\_\_.

Document Safeguarding and Production Capabilities at the level of PROTECTED \_\_\_\_\_.

Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services.

3. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or

## F - INDUSTRIAL SECURITY

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approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services (PWGSC).

4. Processing of PROTECTED materiel on Automatic/Electronic Data Processing equipment at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
5. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
6. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F1025D (24/05/02) Designated Organization, Enhanced Reliability and Production Capability - No EDP**

Effective 13/12/02, this clause is superseded by F1025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103 is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

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**F1030D (13/12/02) Designated Organization Screening - No Safeguarding of Material Overnight**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Designated Organization Screening (DOS) at the level of PROTECTED \_\_\_\_\_, issued by the Canadian and International Industrial Security Division (CIISD), Public Works and Government Services (PWGSC).
2. The Contractor/Offeror personnel requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
3. The Contractor/Offeror may remove PROTECTED information or assets from the work site(s) as required by this Contract/Standing Offer, but is **NOT AUTHORIZED TO SAFEGUARD MATERIAL OVERNIGHT**. The Contractor/Offeror must ensure that its personnel are made aware of and comply with this restriction.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.

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5. The Contractor/Offeror must comply with the provisions of the:
- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).
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**F1030D (24/05/02) Designated Organization - No Safeguarding of Material Overnight**

Effective 13/12/02, this clause is superseded by F1030D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F1035D (13/12/02) Document Safeguard for Shredding - Protected**

1. The attached Security Requirements Check List (SRCL) identifies the security requirements for the destruction of PROTECTED information at the PROTECTED A and B levels using approved shredding equipment on the Contractor/Offeror's premises.
2. The client department must ensure that only PROTECTED material no higher than PROTECTED B level is provided to the Contractor/Offeror for destruction under any resulting Contract/Standing Offer.
3. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Designated Organization Screening (DOS) with approved Document Safeguarding at the level of PROTECTED B, issued or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
4. The Contractor/Offeror personnel performing the shredding services and/or requiring access to PROTECTED information, assets or sensitive work site(s) must EACH hold a valid RELIABILITY STATUS, granted or approved by CIISD/PWGSC.
5. Should the Contractor/Offeror choose to utilize the services of mentally challenged individuals, then RELIABILITY STATUS will NOT be required; however, these individuals must be under the constant supervision of an authorized company representative who must hold the required level of RELIABILITY STATUS.
6. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.

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7. The Contractor/Offeror must comply with the provisions of the:
- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).
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**F1035D (24/05/02) Document Safeguard for Shredding - Protected**

Effective 13/12/02, this clause is superseded by F1035D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2005D (13/12/02) Facility Security Clearance - No Document Safeguarding Capability**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
  2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by CIISD/PWGSC.
  3. The Contractor/Offeror MUST NOT remove any CLASSIFIED information from the identified work site(s), and the Contractor/Offeror must ensure that its personnel are made aware of and comply with this restriction.
  4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
  5. The Contractor/Offeror must comply with the provisions of the:
    - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_
    - (b) *Industrial Security Manual* (latest edition).
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**F2005D (24/05/02) Facility Security Clearance - No Document Safeguarding Capability**

Effective 13/12/02, this clause is superseded by F2005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2010D (13/12/02) Facility Security Clearance, Document Safeguarding and Production Capabilities - No EDP**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, with approved: **(Choose only one of the following options and delete the others.)**
    - Document safeguarding at the level of \_\_\_\_\_.
    - Document Safeguarding and Production Capabilities at the level of \_\_\_\_\_.
    - Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
  2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
  3. Processing of CLASSIFIED information on Automatic/Electronic Data Processing equipment at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
  4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
  5. The Contractor/Offeror must comply with the provisions of the:
    - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
    - (b) *Industrial Security Manual* (latest edition).
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**F2010D**            **(24/05/02)**            **Facility Security Clearance, Document Safeguarding and Production Capabilities - No EDP**

Effective 13/12/02, this clause is superseded by F2010D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2015D**            **(13/12/02)**            **Facility Security Clearance, Document Safeguarding and Production Capabilities - No EDP**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, with approved: ***(Choose only one of the following options and delete the others.)***
  - Document Safeguarding at the level of \_\_\_\_\_.
  - Document Safeguarding and Production Capabilities at the level of \_\_\_\_\_.
  - Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
3. The Contractor/Offeror MUST NOT perform any sensitive CLASSIFIED Automatic/Electronic Data Processing and/or production until CIISD/PWGSC has issued written approval. After approval has been granted, these tasks may be performed at the level of \_\_\_\_\_.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
5. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F2015D**            **(24/05/02)**            **Facility Security Clearance, Document Safeguarding and Protection Capabilities - No EDP**

Effective 13/12/02, this clause is superseded by F2015D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2020D**            **(13/12/02)**            **Facility Security Clearance, Document Safeguarding and Production Capabilities/COMSEC - No EDP**

1.     The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, with approved: ***(Choose only one of the following options and delete the others.)***
  - Document Safeguarding at the level of Communications-Electronic Security (COMSEC) \_\_\_\_\_, and a COMSEC account.
  - Document Safeguarding and Production Capabilities at the level of Communications-Electronic Security (COMSEC) \_\_\_\_\_, and a COMSEC account.
  - Document Safeguarding at the level of Communications-Electronic Security (COMSEC) \_\_\_\_\_, and a COMSEC account, level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
2.     The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
3.     The Contractor/Offeror personnel requiring access to COMSEC information/assets must have undergone a COMSEC briefing.
4.     The Contractor/Offeror MUST NOT perform any sensitive CLASSIFIED Automatic/Electronic Data Processing and/or production until CIISD/PWGSC has issued written approval. After approval has been granted, these tasks may be performed at the level of \_\_\_\_\_.
5.     Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
6.     The Contractor/Offeror must comply with the provisions of the:
  - (a)     Security Requirements Check List, attached at Annex \_\_\_\_\_;



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- (b) *Industrial Security Manual* (latest edition) and the *Industrial COMSEC Material Control Manual* (ICMCM), issued through CIISD/PWGSC.

**NOTE:** Keying material and associated devices bearing (or intended to bear) the caveat, "CRYPTO", are subject to special safeguards at all times, whether: in bulk storage; in custody at user locations; in current use; or awaiting destruction. Keying Material must be stored in a locked, approved security container, in an area protected by security guards or by an intrusion-detection system when left unattended by COMSEC account personnel or authorized users.

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**F2020D**      **(24/05/02)**      **Facility Security Clearance, Document Safeguarding and Production Capabilities/COMSEC - No EDP**

Effective 13/12/02, this clause is superseded by F2020D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2025D**      **(13/12/02)**      **Classified Information/Assets and Document Safeguarding Clearance**

1. This clause and all or part of the Work covered by this clause are CLASSIFIED and require safeguarding.
2. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, with approved: **(Choose only one of the following options and delete the others.)**
  - Document Safeguarding at the level of \_\_\_\_\_.
  - Document Safeguarding and Production Capabilities at the level of \_\_\_\_\_.
  - Document Safeguarding at the \_\_\_\_\_ level and Production Capabilities at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
3. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_.

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\_\_\_\_\_, granted or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).

4. Processing of CLASSIFIED information on Automatic/Electronic Data Processing equipment at the Contractor/Offeror's site is NOT permitted under this Contract/Standing Offer.
5. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
6. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F2025D (24/05/02) Classified Information/Assets and Document Safeguarding Clearance**

Effective 13/12/02, this clause is superseded by F2025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

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**F2030D (13/12/02) Facility Security Clearance and Classified Information/Assets - No Safeguarding of Material Overnight**

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance at the level of \_\_\_\_\_, issued by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by CIISD/PWGSC.
3. The Contractor/Offeror may remove sensitive CLASSIFIED information or assets from the work site(s) as required by this Contract/Standing Offer, but is **NOT AUTHORIZED TO SAFEGUARD MATERIEL OVERNIGHT**. The Contractor/Offeror must ensure that its personnel are made aware of and comply with this restriction.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.

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5. The Contractor/Offeror must comply with the provisions of the:
- (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F2030D (24/05/02) Facility Security Clearance and Classified Information/Assets - No Safeguarding of Material Overnight**

Effective 13/12/02, this clause is superseded by F2030D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

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**F2035D (13/12/02) Reliability Status, Facility Security Clearance and Classified Information/Assets**

1. Prior to commencement of the Work, the Contractor/Offeror, and each of its personnel involved in the performance of the Contract/Standing Offer, must be security screened by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC), at the required level of RELIABILITY STATUS. As soon thereafter as is possible, the Contractor/Offeror must obtain and maintain for the duration of the Contract/Standing Offer a Facility Security Clearance at the level of \_\_\_\_\_, granted or approved by CIISD/PWGSC.
2. The Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by CIISD/PWGSC.
3. The Contractor/Offeror MUST NOT remove any CLASSIFIED information/assets from the identified work site(s), and the Contractor/Offeror must ensure that its personnel are made aware of and comply with this restriction.
4. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
5. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F2035D**            **(24/05/02)**            **Enhanced Reliability, Facility Security Clearance and Classified Information/Assets**

Effective 13/12/02, this clause is superseded by F2035D.

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**F2036D**            **(13/12/99)**            **Document Safeguard for Shredding - Designated**

This clause is cancelled effective 13/12/02.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F2037D**            **(13/12/02)**            **Document Safeguard for Shredding - Classified**

1. The attached Security Requirements Check List (SRCL) identifies the security requirements for the destruction of CLASSIFIED information at the \_\_\_\_\_ level using approved shredding equipment on the Contractor/Offeror's premises.
2. The client department must ensure that only CLASSIFIED material no higher than the \_\_\_\_\_ level is provided to the Contractor/Offeror for destruction under any resulting Contract/Standing Offer.
3. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance with approved Document Safeguarding at the level of \_\_\_\_\_, issued or approved by the Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
4. The Contractor/Offeror personnel performing the shredding services and/or requiring access to CLASSIFIED information, assets or sensitive work site(s) must EACH hold a valid security screening at the level of \_\_\_\_\_, granted or approved by CIISD/PWGSC.
5. Should the Contractor/Offeror choose to utilize the services of mentally challenged individuals, then the required level of RELIABILITY STATUS will NOT be necessary; however, these individuals must be under the constant supervision of an authorized company representative who must hold the required RELIABILITY STATUS.

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6. Subcontracts which contain security requirements are NOT to be awarded without the prior written permission of CIISD/PWGSC.
7. The Contractor/Offeror must comply with the provisions of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (latest edition).

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**F2037D (24/05/02) Document Safeguard for Shredding - Classified**

Effective 13/12/02, this clause is superseded by F2037D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts and/or subcontracts containing security requirements to be forwarded to foreign Contractor/Offeror.

Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

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**F2040D (24/05/02) Canadian Contracts - Foreign Contractor/Offeror**

1. All CLASSIFIED information/assets, furnished to the Contractor/Offeror or produced by the Contractor/Offeror, shall be safeguarded as follows:
  - (a) the recipient Contractor/Offeror shall not disclose the CLASSIFIED information to a third party government, person or firm, or representative thereof, without the prior written consent of the Government of Canada. Such consent shall be sought from the recipient's National Security Authority/Designated Security Authority (NSA/DSA). The DSA for industrial matters in Canada is the Director, Canadian and International Industrial Security Directorate (CIISD), Public Works and Government Services Canada (PWGSC).
  - (b) the recipient Contractor/Offeror shall provide the CLASSIFIED information a degree of safeguarding no less stringent than that provided by the Government of Canada in accordance with national security regulations and as prescribed by its NSA/DSA.
  - (c) the recipient Contractor/Offeror shall not use the CLASSIFIED information/assets for any purpose other than for the performance of the Contract/Standing Offer without the prior written approval of the Government of

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- Canada. This approval must be obtained by contacting the Canadian DSA for industrial matters in Canada; and
- d) such information/assets shall be released only to personnel, who have a need-to-know for the performance of the Contract/Standing Offer and who have a security clearance at a level appropriate to the classification of the information/assets, granted by their respective NSA/DSA.
  - e) CLASSIFIED information/assets provided or generated pursuant to this Contract/Standing Offer shall be transferred only through government-to-government channels (in Canada, this is CIISD/PWGSC) or as specified in writing by the NSA/DSA of the concerned government.
2. CLASSIFIED information/assets generated pursuant to this Contract/Standing Offer, by the Government of Canada, shall be marked by the recipient Contractor/Offeror with its government's equivalent security classification.
  3. All CLASSIFIED information/assets generated pursuant to this Contract/Standing Offer shall be assigned a security classification in accordance with the security classification specifications provided on the Security Requirements Check List (SRCL) attached at Annex \_\_\_\_.
  4. The Contractor/Offeror shall immediately report to its respective NSA/DSA all cases in which it is known or there is reason to suspect that CLASSIFIED information/assets furnished to or generated for pursuant this Contract/Standing Offer have been lost or disclosed to unauthorized persons.
  5. Upon completion of the Work, the Contractor/Offeror shall return to the Government of Canada, via government-to-government channels, all CLASSIFIED information/assets furnished to or produced by the Contractor/Offeror pursuant to this Contract/Standing Offer, including all CLASSIFIED information/assets released to or produced by its subcontractors.
  6. Classified information/assets provided or generated pursuant to this Contract/Standing Offer shall not be further provided to another potential contractor/offeror or subcontractor unless:
    - (a) written assurance is obtained from the recipient's NSA/DSA to the effect that the potential contractor/offeror or subcontractor has been approved for access to CLASSIFIED information by the NSA/DSA; and
    - (b) written consent is obtained from the Contracting Authority (CIISD/PWGSC) for the prime contract, if the potential subcontractor is located in a third country.
  7. All CLASSIFIED information/assets provided or generated under this Contract/Standing Offer will continue to be safeguarded in the event of withdrawal by the recipient party or upon termination of the Contract/Standing Offer, in accordance with national regulations.
  8. The Contractor/Offeror shall contact their Industrial Security Authority in order to comply with the provisions of the Bilateral Industrial Security Memorandum of Understanding signed with Canada in relation to equivalencies for CLASSIFIED Information and/or assets.
  9. The recipient Contractor/Offeror shall also insert the above paragraphs in all subcontracts that involve access to CLASSIFIED information/assets provided or generated under this Contract/Standing Offer.

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### **NOTES:**

1. When the safeguarding of PROTECTED information/assets is not identified, please consult with CIISD/PWGSC.
2. In Canada, contracts/standing offers at the CLASSIFIED level can be negotiated with all NATO nations, using the NATO Security Regulations.

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**F2040D (03/02/97) Security Requirements**

Effective 24/05/02, this clause is superseded by F2040D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when there are no security requirements identified in the standing offer.

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**F2045D (31/03/95) Security Requirements**

No call-ups against this Standing Offer may contain security requirements.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

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**F2046C (13/12/02) Work Location**

The Offeror understands that, normally, the work shall be performed at the Offeror's own place of business. However, provision will be made for the Offeror's personnel on a need-to-know basis and with a suitable security screening, to have access to sensitive (protected/classified) information or assets as required.

PRIOR to the award of the Standing Offer or Call-Up, the completion of the Security Requirements Check List (SRCL), form TBS/SCT 350-103, will be required to identify the security concerns of the work and security screening of Offeror's personnel. Facilities will be provided as necessary by the Project Authority. Technical and clerical support, supplies and equipment necessary to accomplish the tasks are to be provided by the Offeror.

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**F2046C (31/03/95) Work Location**

Effective 13/12/02, this clause is superseded by F2046C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F3010D (24/05/02) Site Access Requirements Only**

1. The Contractor/Offeror personnel requiring access to secure work site(s) must, at all times during the performance of the Contract/Standing Offer, EACH hold a valid SITE ACCESS clearance, granted or approved by the Canadian and International Industrial Security Directorate, Public Works and Government Services Canada.
  2. The Contractor/Offeror must comply with the provisions of the Security Requirements Check List, attached at Annex \_\_\_\_\_.
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**F5000C (01/06/91) Security Classification**

This clause is cancelled effective 01/12/92.

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**F5000T (01/08/92) Security Classification**

This clause is cancelled effective 01/12/92.

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**F5000T (01/06/91) Security Classification**

Effective 01/08/92, this clause is superseded by F5000T.

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**F5001C (01/08/92) Security Classification**

This clause is cancelled effective 01/12/92.

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**F5001C (01/06/91) Security Classification**

Effective 01/08/92, this clause is superseded by F5001C.

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**F5001T (01/08/92) Security Classification**

This clause is cancelled effective 01/12/92.

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**F5001T (01/06/91) Security Classification**

Effective 01/08/92, this clause is superseded by F5001T.

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**F5002C (01/06/91) Security Classification**

This clause is cancelled effective 01/12/92.

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**F5003D**      **(01/06/91)**      **Security Clearance**

This clause is cancelled effective 01/12/92.

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**F5005D**      **(01/06/91)**      **Security Clearance**

This clause is cancelled effective 01/12/92.

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**F5006D**      **(01/06/91)**      **Security Clearance**

This clause is cancelled effective 01/12/92.

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**F5007C**      **(01/06/91)**      **Security Clearance**

This clause is cancelled effective 01/12/92.

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**F5008C**      **(01/06/91)**      **Security Requirements**

This clause is cancelled effective 01/12/92.

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**F9000D**      **(01/06/91)**      **Security**

This clause is cancelled effective 01/12/92.

## F - INDUSTRIAL SECURITY

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**F9001D (01/06/91) Secrecy and Protection of the Work**

This clause is cancelled effective 01/12/92.

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**F9002D (31/01/92) Disclosure of Information**

This clause is cancelled effective 01/12/00.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause as an additional paragraph in a security requirement clause, **ONLY** after the client department has given written permission for this arrangement.

Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**NOTE:** \*\* The clause must identify the procurement, i.e. a Contract or Standing Offer, as applicable.

**F9005D (13/12/02) Personnel Security Screening**

**Security Requirement:** \*\*PWGSC FILE # \_\_\_\_\_

Contractor/Offeror personnel **MAY NOT ENTER** sites where (PROTECTED/CLASSIFIED) information or assets are kept, without an escort provided by the department or agency for which the work is being performed.

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**F9005D (24/05/02) Personnel Security Screening**

Effective 13/12/02, this clause is superseded by F9005D.

## F - INDUSTRIAL SECURITY

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.ciisd.gc.ca](http://www.ciisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

Use this clause in procurement when the Foreign Contractor/Offeror WILL NOT SAFEGUARD/HANDLE classified information or assets at its own facility/facilities.

**NOTE:** \*\* The clause must identify the procurement, i.e. a Contract or Standing Offer, as applicable.

**F9010D (24/05/02) Foreign Contractor/Offeror - Canadian Organization/Department**

**Security Requirement: \*\* PWSC FILE # \_\_\_\_\_**

1. The FOREIGN Contractor/Offeror shall, at all times during the performance of the Contract/Standing Offer, hold a valid Facility Security Clearance, issued by the National Security Authority/Designated Security Authority (NSA/DSA), for Industrial Security of \_\_\_\_\_ (**Insert name of country**), at the level of \_\_\_\_\_.
2. The FOREIGN Contractor/Offeror personnel requiring access to CLASSIFIED information, assets or controlled site(s) shall EACH hold a valid personnel security screening at the level of \_\_\_\_\_, granted or approved by the NSA/DSA of \_\_\_\_\_ (**Insert name of country**).
3. The FOREIGN Contractor/Offeror SHALL NOT remove any CLASSIFIED information from the identified access controlled site(s), and the FOREIGN Contractor/Offeror shall ensure that its personnel are made aware of and comply with this restriction.
4. The FOREIGN Contractor/Offeror shall comply with the provision of the:
  - (a) industrial security regulations or the manual of the NSA/DSA of \_\_\_\_\_ (**Insert name of country**),
  - (b) Security Requirements Check List, attached at Annex \_\_\_\_\_.
5. The above paragraphs shall also be inserted in all subcontracts that involve access to CLASSIFIED information/assets.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when Block 12 indicates Site Access and it is on a Treasury Board approved program.

Use this clause in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.cjisd.gc.ca](http://www.cjisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.10.

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**NOTE:** \*\* The clause must identify the procurement, i.e. a Contract or Standing Offer, as applicable.

**F9011D (24/05/02) Site Access Clearance**

**Security Requirement:** \*\* PWGSC FILE # \_\_\_\_\_

1. The Contractor/Offeror personnel requiring access to secure work site(s) must, at all times during the performance of the Contract/Standing Offer, EACH hold a valid SITE ACCESS clearance, granted or approved by the Canadian and International Industrial Security Directorate.
2. The Contractor/Offeror must comply with the provision of the:
  - (a) Security Requirements Check List, attached at Annex \_\_\_\_\_;
  - (b) *Industrial Security Manual* (June 1992).

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause when Canada Customs and Revenue Agency is the client department, and in consultation with the Canadian and International Industrial Security Directorate.

Completion of the Security Requirement Check List, form TBS/SCT 350-103, is mandatory and is available on line at [www.cjisd.gc.ca](http://www.cjisd.gc.ca), or in paper version in the *Supply Manual*, Annex 6.13.

**F9012D (13/12/02) Canada Customs and Revenue Agency**

The Contractor/Offeror must comply with the provisions of the *Security Requirements for Protection of Sensitive Information Manual* (March 1998), issued by Canada Customs and Revenue Agency, Security Directorate.

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**F9012D (24/05/02) Canada Customs and Revenue Agency**

Effective 13/12/02, this clause is superseded by F9012D.

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## **F - INDUSTRIAL SECURITY**

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### **Section 5**

## **G - INSURANCE**

**G0001D (01/12/92) Insurance - Third Party Liability**

This clause is cancelled effective 01/06/94.

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**G0001D (01/06/91) Insurance - Third Party Liability**

Effective 01/12/92, this clause is superseded by G0001D.

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**G0003D (01/12/92) Litigation Rights**

This clause is cancelled effective 01/06/94.

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**G0003D (01/06/91) Litigation Rights**

Effective 01/12/92, this clause is superseded by G0003D.

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**G0004D (01/12/92) Insurance, Evidence of**

This clause is cancelled effective 01/06/94.

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**G0004D (01/06/91) Insurance, Evidence of**

Effective 01/12/92, this clause is superseded by G0004D.

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## **G - INSURANCE**

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**G0005D      (01/12/92)      Proof of Coverage**

This clause is cancelled effective 01/06/94.

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**G0005D      (01/06/91)      Proof of Coverage**

Effective 01/12/92, this clause is superseded by G0005D.

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**G0006D      (01/06/91)      Insurance - Vehicle Leasing**

This clause is cancelled effective 01/06/94.

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**G0007D      (01/06/91)      Insurance**

This clause is cancelled effective 01/06/94.

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**G0008D      (01/08/92)      Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0008D      (31/01/92)      Insurance Requirements**

Effective 01/12/92, this clause is superseded by G0008D.



## **G - INSURANCE**

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**G0009D (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0010C (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0010T (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**Remarks:** Risks arising from work under the contract should be identified and assessed to ensure that the contractor is adequately insured and to protect the interests of Canada. Contracting officers are advised to establish with their clients, based on the Treasury Board Risk Management Policy, whether or not: (1) the self-underwriting option of Canada is applicable; (2) the contractor is responsible for the risks; and, (3) commercial insurance is necessary.

**G1001D (13/12/02) Contractor's Responsibility**

1. It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated in the bid solicitation and resulting contract, is necessary for its own protection or to fulfil its obligations under the Contract. Any such additional insurance shall be provided and maintained by the Contractor at its own expense.

The following insurance provisions shall not limit any insurance required by federal, provincial or municipal law.

2. To meet the insurance requirements of the Contract, the Contractor shall forward to the Contracting Authority, upon the execution of the Contract, either a certified true copy of the insurance policy or the certificate of insurance containing reasonable detail of the insurance coverage, exclusions, deductibles and conditions applying to such policies and confirming that the insurance is in force to meet these requirements.

## **G - INSURANCE**

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**G1001D (01/12/00) Contractor's Responsibility**

Effective 13/12/02, this clause is superseded by G1001D.

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**Remarks:** Where the risks to third parties arising from work under the contract makes it necessary to ensure that the contractor is adequately insured and to protect the interests of Canada, the contractor must have Commercial General Liability (CGL) insurance or any equivalent insurance coverage. CGL insurance must cover the risks to third parties (both on and off the contractor's premises) arising from work under the contract or from the operation or use of government property while in the care, custody or control of the contractor.

Third party liability risks due to the maintenance, repair, operation or use of government property while under the care, custody or control of the contractor may be covered by deleting the care, custody or control exclusion normally stipulated in the conditions of the contractor's CGL insurance policy.

If either the procurement officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per accident or occurrence is not sufficient, the suggested limit may be established in consultation with the client and the Department of Public Works and Government Services' Risk Management and Insurance Advisor.

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**G2001D (23/11/98) Commercial General Liability**

Commercial General Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per accident or occurrence.

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**G2001D (01/06/94) Commercial General Liability**

Effective 23/11/98, this clause is superseded by G2001D.

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**Remarks:** The contractor must have Errors and Omissions Liability (also known as Professional Liability) insurance coverage where professional expertise (e.g., consultants, accountants, architects) is a requirement of the contract and the nature of the contract introduces a reasonable element of risk to Canada or other third parties.

## **G - INSURANCE**

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If either the procurement officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the client concerned and the Department of Public Works and Government Services' Risk Management and Insurance Advisor.

**G2002D            (23/11/98)            Errors and Omissions Liability**

Errors and Omissions Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per accident or occurrence.

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**G2002D            (01/06/94)            Errors and Omissions Liability**

Effective 23/11/98, this clause is superseded by G2002D.

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**Remarks:** The contractor must have Product Liability insurance where product expertise is a requirement of the contract and the nature of the contract introduces a reasonable element of risk to Canada or other third parties.

If either the procurement officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the client concerned and the Department of Public Works and Government Services' Risk Management and Insurance Advisor.

**G2003D            (23/11/98)            Product Liability**

Product Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per accident or occurrence against claims that the Contractor may become legally liable to pay as damages to any third parties for bodily injury or property damage arising from the use of any product manufactured by the contractor for the purposes of the Contract. The term "manufacture" shall extend to include design, assembly and repair activities carried out by the Contractor according to the Contract.

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## G - INSURANCE

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**G2003D            (01/06/94)            Product Liability**

Effective 23/11/98, this clause is superseded by G2003D.

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**Remarks:** Use with clause G2001D. Commercial General Liability policies of contractors must incorporate the conditions specified in this clause, in order to protect the interests of Canada.

**G2010D            (10/12/01)            Commercial General Liability Insurance**

The following clauses must be incorporated into the conditions of the Contractor's Commercial General Liability insurance policy:

- (A)    *"Additional Named Insured:* Canada is named as an Additional Named Insured under any liability insurance policies for Canada's respective rights and interests under the Contract."
  
- (B)    *"Cross Liability:* Any act or omission by one or another of the Insured hereunder shall not prejudice the rights or interests of any other Insured. This policy, subject to its limits of liability, shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each. The inclusion herein of more than one Insured shall not operate to increase the limits of the Insurers' liability."
  
- (C)    *"Litigation Rights:* It is understood and agreed that where any suit is instituted for or against Canada which the Insurer or Insurers would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under this insurance policy, the Insurer shall promptly contact the Attorney General of Canada to agree on the legal strategies by sending a registered letter, or by courier with an acknowledgement of receipt, to:

Senior General Counsel  
Civil Litigation Section  
Department of Justice  
East Memorial Building  
284 Wellington Street, 2<sup>nd</sup> Floor  
Ottawa, Ontario K1A 0H8

The notification must be followed, within a reasonable period, by an information copy to the Contracting Authority.

The Insurer also agrees that Canada reserves the right to co-defend any action brought against Canada. However, all expenses incurred by Canada to co-defend such actions would be at Canada's expense."

- (D)    *"Notice of Cancellation or Amendments of Insurance Coverage:* The Insurer agrees to give the Contracting Authority at least fifteen (15) days' prior written notice of any policy cancellation or any changes in the policy coverage."

## G - INSURANCE

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**G2010D (30/06/95) Commercial General Liability Insurance**

Effective 10/12/01, this clause is superseded by G2010D.

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**Remarks:** Use with clauses G2002D and G2003D. Errors and Omissions Liability and Product Liability insurance coverages of contractors must incorporate the conditions specified in this clause, in order to protect the interests of Canada.

**G2011D (10/12/01) Errors and Omissions/Product Liability**

The following clauses must be incorporated into the conditions of the Contractor's Errors and Omissions Liability and Product Liability coverages:

- (A) *"Litigation Rights:* It is understood and agreed that where any suit is instituted for or against Canada which the Insurer, or Insurers would, but for this clause, have the right to pursue or defend on behalf of Canada under this insurance policy, the Insurer shall promptly contact the Attorney General of Canada to agree on the legal strategies by sending a registered letter, or by courier with acknowledgement of receipt, to:

Senior General Counsel  
Civil Litigation Section  
Department of Justice  
East Memorial Building  
284 Wellington Street, 2<sup>nd</sup> Floor  
Ottawa, Ontario K1A 0H8

The notification must be followed, within a reasonable period, by an information copy to the Contracting Authority.

The Insurer also agrees that Canada reserves the right to co-defend any action brought against Canada. However, all expenses incurred by Canada to co-defend such actions would be at Canada's expense."

- (B) *"Notice of Cancellation or Amendments of Insurance Coverage:* The Insurer agrees to give the Contracting Authority at least fifteen (15) days' prior written notice of any policy cancellation or any changes in the policy coverage."
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## G - INSURANCE

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**G2011D            (30/06/95)            Errors and Omissions/Product Liability**

Effective 10/12/01, this clause is superseded by G2011D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** While the Government property is under the care, custody or control of the contractor, "All Risks" property insurance is required to cover any loss or damage to Government property. The nature of the property involved would determine the type of property insurance policy (e.g., "All Risks" premises/plant, equipment floater, or construction/installation insurance) that should be purchased by the contractor.

The value and basis of valuation of government property must be filled in the clause. The basis of valuation of this property (replacement, market or book value) should be established with the client and mentioned in the contractor's insurance policy.

**G3001D            (01/06/94)            Government Property**

**Insurance Coverage:** Property insurance coverage shall be effected by the Contractor and maintained in force on Government property while under the care, custody or control of the Contractor in an amount of NOT LESS THAN \$\_\_\_\_\_. government property shall be insured on \_\_\_\_\_ value basis.

**Administration of Claims:** The Contractor agrees to monitor, investigate and document losses of or damage to government property to ensure that claims are properly made and paid to Canada.

The following clauses must be incorporated into the "All Risks" property policy:

- (A)     **"Notice of Cancellation:** The insurer agrees to give the Contracting Authority at least fifteen (15) days' prior written notice of any policy cancellation or any changes in the policy coverage."
- (B)     **"Settlement of Claims:** The insurance proceeds regarding any loss of or damage to government property shall be payable to the appropriate party as directed by the Contracting Authority."

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**Remarks:** This clause must be used in aircraft charter contractual documents. In the event that additional premiums are incurred by a contractor to comply with the Cross Liability clause (B of clause G2010D, "Commercial General Liability Insurance"), then the "CROSS LIABILITY" clause could be replaced by the "SEVERABILITY OF INTEREST" clause stated in section 5 of the following clause.

## **G - INSURANCE**

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**G4001D**            **(23/11/98)**            **Aircraft Charter**

1. The Contractor shall not provide a domestic aircraft charter service or an international aircraft charter service to Canada unless, for every incident related to the Contractor's operation of that service, it has:
    - (a) Liability insurance covering risks of injury to or death of passengers in an amount that is not less than the amount determined by multiplying \$300,000 by the number of passenger seats on board the aircraft engaged in the service; and
    - (b) Insurance covering risks of public liability in an amount that is not less than:
      - (i) \$1,000,000, where the Maximum Certified Take-off Weight (MCTOW) of the aircraft engaged in the service is not greater than 7,500 pounds;
      - (ii) \$2,000,000, where the MCTOW of the aircraft engaged in the service is greater than 7,500 pounds but not greater than 18,000 pounds; and,
      - (iii) where the MCTOW of the aircraft engaged in the service is greater than 18,000 pounds, \$2,000,000 plus an amount determined by multiplying \$150 by the number of pounds by which the MCTOW of the aircraft exceeds 18,000 pounds.
  2. The insurance coverage required by subsection 1.(a) need not extend to any passenger who is an employee of the Contractor if workers' compensation legislation governing a claim for damages against that Contractor by the employee is applicable.
  3. The Contractor shall not take out third party liability insurance to comply with section 1 that contains an exclusion or waiver provision reducing insurance coverage for any incident below the applicable minima determined pursuant to that subsection, unless that provision:
    - (a) consists of standard exclusion clauses adopted by the international aviation insurance industry dealing with:
      - (i) war, hijacking and other perils;
      - (ii) noise and pollution and other perils; or,
      - (iii) aviation radioactive contamination;
    - (b) is in respect of chemical drift;
    - (c) is to the effect that the insurance does not apply to liability assumed by the Contractor under any contract or agreement unless such liability would have attached to the Contractor even in the absence of such contract or agreement; or
    - (d) is to the effect that the entire policy shall be void if the Contractor has concealed or misrepresented any material fact or circumstance concerning the insurance or the subject thereof or if there has been any fraud, attempted fraud or false statement by the Contractor touching any matter relating to the insurance or the subject thereof, whether before or after a loss.
- Notwithstanding subsections 3.(b) and 3.(c), the Contractor's liability stipulated in the Contract terms and conditions shall remain unchanged.
4. The Contractor may have a commercial single limit liability coverage where liability risks are covered by a single policy or a combination of primary and excess policies, but no

## **G - INSURANCE**

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single limit liability coverage of that Contractor shall be for an amount that is less than the applicable combined insurance minima determined pursuant to subsections 1.(a) and 1.(b).

5. In the event that additional premiums are incurred by a Contractor to comply with the Cross Liability clause (B of clause G2010D, "Commercial General Liability Insurance"), the inclusion of the following Severability of Interests clause will be acceptable:

"The insurance afforded applies separately to each insured against whom the claim is made or is brought, except with respect to the limit of insurer's liability."

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**G4001D      (01/06/94)      Aircraft Charter**

Effective 23/11/98, this clause is superseded by G4001D.

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**Remarks:** This clause should be used when Canada enters into a dry lease contract of aircraft. A dry lease contract involve the lease of an aircraft without the supply of any crew or fuel by the contractor.

**G4002D      (01/06/94)      Aircraft Dry Lease**

The Contractor shall not insure the risks to Canada arising from the use or operation of an aircraft chartered by Canada on a long-term basis except where aircraft owners or operators insist that such insurance shall be obtained and maintained during the period of the Contract. In this situation, the insurance coverage to be obtained and maintained by Canada shall not be less than the minimum insurance coverage set forth in the Air Transportation Regulations sections 6, 7 and 8.

A copy or evidence of such insurance is to be provided to the Lessee.

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**G5000D      (01/06/91)      Insurance - Ship Repairers**

This clause is cancelled effective 01/06/94.



## **G - INSURANCE**

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**Remarks:** Use the following clause in all ship repair (including emergencies) and conversion Contractual documents except where: (1) a general contractor (e.g., welding specialist) is expected to perform casual and intermittent work on vessels owned by Canada, in addition to its more usual land-based type of work; or, (2) a standing offer.

If either the procurement officer or the client believes that the suggested MINIMUM LIMIT of liability of \$5,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the Department of Public Works and Government Services' Risk Management and Insurance Advisor.

When this clause is used, include clause G2010D, Commercial General Liability Insurance, in the contractual documents.

**G5001D (23/11/98) Ship Repairers' Liability (A)**

Ship Repairers' Liability Insurance shall be effected by the Contractor and maintained in force in an amount usual for a contract of this nature, but, in any case, for not less than \$5,000,000 per accident or occurrence.

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**G5001D (01/06/94) Ship Repairers' Liability (A)**

Effective 23/11/98, this clause is superseded by G5001D.

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**Remarks:** Use the following clause in ship repair contractual documents where: (1) a general contractor (e.g., welding specialist) is expected to perform casual and intermittent work on vessels owned by Canada, in addition to its more usual land-based type of work; or, (2) a standing offer.

If either the procurement officer or the client believes that the suggested MINIMUM LIMIT of liability of \$5,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the Department of Public Works and Government Services' Risk Management and Insurance Advisor.

When this clause is used, include clause G2010D, Commercial General Liability Insurance, in the contractual documents.

**G5002D (23/11/98) Ship Repairers' Liability (B)**

Ship Repairers' Liability Insurance or Commercial General Liability Insurance shall be effected by the Contractor by and maintained in force in an amount usual for a contract of this nature, but, in any case, for not less than \$5,000,000 per accident or occurrence.

Should the Contractor decide to obtain and maintain Commercial General Liability insurance, the policy shall be endorsed as follows:

"Notwithstanding anything to the contrary mentioned in the policy, it is agreed that:

- (a) Watercraft exclusion is deleted;
- (b) Broad Form Property Damage coverage is included; and,
- (c) Broad Form Completed Operations coverage is also included."

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**G5002D (01/06/94) Ship Repairers' Liability (B)**

Effective 23/11/98, this clause is superseded by G5002D.

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**G6000D (01/12/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**Remarks:** The following clause is to be used when vehicles are **leased by Canada on a long-term basis**.

**G6001D (01/06/94) Vehicles - Long-term Lease**

The Contractor (i.e., the Lessor) shall not insure the risks to Canada arising from the use or operation of any vehicles leased by Canada on a **long-term** basis **except where** Provincial law makes it mandatory for the Contractor to insure any leased vehicles. Where Provincial law makes it mandatory as aforesaid, the Contractor shall hold a policy of insurance in respect of a vehicle supplied under the lease, and a copy or evidence of such insurance is to be provided to Canada.

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## **Section 5**

### **H - TERMS OF PAYMENT**

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## **H - TERMS OF PAYMENT**

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**H0001D (15/06/98) Interest on Overdue Accounts**

This clause is cancelled effective 01/12/00.

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**H0001D (30/10/96) Interest on Overdue Accounts**

Effective 15/06/98, this clause is superseded by H0001D.

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**H0002D (01/08/92) Interest on Overdue Accounts**

Effective 30/10/96, this clause is superseded by H0001D.

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**H0003D (01/08/92) Interest on Overdue Accounts**

Effective 01/12/92, this clause is superseded by M9025D.

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**Remarks:** Use the following clause in all contracts, standing offers, purchase orders or bid solicitations (EXCEPT construction and utility contracts and when General Conditions DSS-MAS 9329 are invoked) that provide for payment upon completion.

**H1000D (21/06/99) Method of Payment**

1. Payment by Canada for the Work shall be made within:
  - (a) thirty (30) days following the date on which all of the Work has been delivered at the location(s) specified in the Contract and all other Work required to be performed by the Contractor under the terms of the Contract has been completed; or

## H - TERMS OF PAYMENT

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- (b) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract;

whichever is later.

2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraph 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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**H1000D (01/12/92) Method of Payment**

Effective 21/06/99, this clause is superseded by H1000D.

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**Remarks:** Use the following clause in all contracts, standing offers, purchase orders, bid solicitations (EXCEPT construction and utility contracts) applicable to the multiple unit/multiple shipment category, with payment on completion of each shipment.

**H1001D (21/06/99) Method of Payment - Multiple Deliveries**

1. Payment by Canada for each delivery shall be made within:
- (a) thirty (30) days following the date on which completed units have been delivered at the location(s) specified in the Contract and all other Work required to be performed by the Contractor with respect to these units under the terms of the Contract has been completed; or
- (b) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract;
- whichever is later.
2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraph 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

## H - TERMS OF PAYMENT

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### H1001D (01/06/91) Method of Payment - Multiple Deliveries

Effective 21/06/99, this clause is superseded by H1001D.

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**Remarks:** Use the following clause in contracts when one lump sum payment is to be made to the contractor after all deliverables have been received and accepted.

### H1002C (01/12/00) Method of Payment

1. One payment will be made following delivery and acceptance of all deliverable items.
  2. The Contractor shall prepare an certify an original and four (4) copies of its claim on form PWGSC-TPSGC 1111, Claim for Progress Payment. The claim will be forwarded to the Contracting Authority who will certify and forward it to the Technical Authority for certification and payment.
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### H1002C (12/05/00) Method of Payment

Effective 01/12/00, this clause is superseded by H1002C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations and contracts when it is intended that progress payments will be made.

If holdback will be applied at different rates for different line items, then it should be reflected in this clause. The following is an option clause relative to a holdback position on any given procurement and relates to paragraphs 1(c) and 2(b) of this clause. If the same rate of payment/holdback is not applicable to all commodities or phases of the procurement, add the following phrase to the foregoing:

"applicable to \_\_\_\_\_ (name the commodity or phase of the contract appropriate to the payment/holdback rate stated) and payment/holdback equal to \_\_\_\_\_ percent of such expenditures applicable to \_\_\_\_\_ (name the commodity or phase of the contract appropriate to the payment/holdback rate stated )."

## H - TERMS OF PAYMENT

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H1003D (12/05/00) Method of Payment - Progress



## H - TERMS OF PAYMENT

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1. Progress payments will be made not more frequently than once a month upon the following terms and conditions:
    - (a) Progress claims shall be completed in full, on form PWGSC-TPSGC 1111, "Claim for Progress Payment" and submitted to Canada in accordance with the invoicing instructions specified herein.
    - (b) All the certificates appearing on the form are to be signed by or for the respective persons indicated.
    - (c) Payments will be made up to \_\_\_\_\_ percent of the claimed amounts approved by Canada but in no event will cumulative payments exceed \_\_\_\_\_ percent of the total to be paid by Canada under the Contract.
  2. Each claim will show:
    - (a) expenditures plus pro-rated profit or fee if applicable or, alternatively, the value of milestones during the claim period by line item as detailed in the payment terms of the Contract;
    - (b) less holdback at \_\_\_\_\_ percent, calculated on the amount in (a);
    - (c) the totals of all previous claims against the Contract;
    - (d) Goods and Services Tax or Harmonized Sales Tax, as appropriate, calculated on the amount in (a) above.
  3. The balance of the amount payable will be paid upon satisfactory completion of the contract or in the case of unit price contracts upon the delivery and acceptance of each unit, provided that a final claim for such payment is submitted. (Refer to the invoicing instructions in the Contract.)
  4. If specified herein, the Claim for Progress Payment shall be accompanied by the required copies of monthly progress reports;
  5. The Contractor shall prepare the original and two (2) copies of the "Claim for Progress Payment", form PWGSC-TPSGC 1111, and they shall be routed as follows:
    - (a) \_\_\_\_\_ Authority;
    - (b) \_\_\_\_\_ Authority;
    - (c) Payment Office.
  6. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be refunded promptly to Canada.
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## **H - TERMS OF PAYMENT**

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**H1003D            (23/11/98)            Method of Payment - Progress**

Effective 12/05/00, this clause is superseded by H1003D.

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**H1004D            (01/08/92)            Method of Payment**

Effective 03/02/97, this clause is superseded by H1000D.

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**H1005D            (01/08/92)            Method of Payment**

Effective 01/12/92, this clause is superseded by M9026D.

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**H1006D            (31/01/92)            Proposed Basis of Payment**

This clause is cancelled effective 31/03/95.

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**Remarks:** The following clause should be used with Clause H1003D of the SACC Manual.

**H1007D            (01/05/96)            Quarterly Release of Holdbacks**

1.     The balance of the amount payable in any quarter will be paid quarterly, provided a claim for such payment is submitted. Each claim received at the end of a quarter is to include the claim for the release of the quarterly holdback.
  
  2.     Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be promptly refunded to Canada.
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## **H - TERMS OF PAYMENT**

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**H3000D            (01/06/91)            Progress Payments**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3001T            (01/06/91)            Progress or Advance Payments**

This clause is cancelled effective 03/02/97.

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**H3002D            (01/06/91)            Progress Payments**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3003D            (01/06/91)            Progress Payments**

Effective 15/09/97, this clause is superseded by H1003D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all bid solicitations and contractual documents with progress payments which use the General Conditions noted below. Enter fill-in data as applicable.

|               | Section |
|---------------|---------|
| DSS-MAS 1026A | 10      |
| DSS-MAS 1026B | 19      |
| CCC-50        | 17      |

Use of this clause is not required when General Conditions - Long Form, DSS-MAS 9601, is used.

## H - TERMS OF PAYMENT

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### **H3004D (21/06/99) Payment, Conditions Precedent to**

1. Section \_\_\_\_\_ of General Conditions \_\_\_\_\_ that forms part of this Contract is hereby deleted and the following is substituted.
- (a) No payment shall be made to the Contractor unless or until invoices, inspection notes, and all other documents prescribed by the Minister or by the inspector are submitted in accordance with either the terms of the Contract or the instructions of the Minister.
- (b) In cases where costs have been paid by the Contractor and where payment is being made by the Minister:
- Canada shall make no payment to the Contractor unless or until the Contractor, if required to do so, establishes to the satisfaction of the Minister that the materials, parts, work in process, or finished work are free from all claims, liens, attachments, charges, or encumbrances.
- (c) In cases where costs have accrued in the accounts of the Contractor as liabilities to be discharged in the normal course of business and where the Minister is making payment:
- No payment shall be made to the Contractor unless or until the Contractor, if required to do so, establishes to the satisfaction of the Minister that:
- (1) the Contractor is not, in the ordinary course of business, delinquent in discharging any accrued liabilities that have arisen under this Contract,
- (2) the Minister's payment shall be used only to discharge such liabilities, and
- (3) upon such discharge, the materials, parts, work in process, and finished work shall be free from all claims, liens, charges, or encumbrances.
- (d) In case of finished work:
- Canada shall make no payment to the Contractor unless or until such finished work has been inspected and accepted in accordance with the terms of this Contract.

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### **H3004D (01/06/91) Payment, Conditions Precedent to**

Effective 21/06/99, this clause is superseded by H3004D.

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## H - TERMS OF PAYMENT

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### H3005C (01/06/91) Method of Payment

Effective 15/03/98, this clause is superseded by H3005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when firm milestone payments are to be made in accordance with a predetermined "Schedule of Milestones." This clause may also be used in conjunction with H4003C when Milestone Reports are required. The routing instructions for PWGSC-TPSGC 1111, Claim for Progress Payments, are as follows:

- (a) The contractor fills out PWGSC-TPSGC 1111 and forwards it to the client department (Technical Authority/Requisitioning Authority) who certifies on the form that the work is satisfactory and forward it to the PWGSC Contracting Officer.
- (b) The Contracting Officer reviews the information on PWGSC-TPSGC 1111 and certifies that it is complete and accurate and returns it to the client department, (Technical Authority/Requisitioning Authority).
- (c) The client department also reviews the information on PWGSC-TPSGC 1111 and certifies that it is complete and accurate and forwards it to the client department Payment Officer who pays the Contractor.

### H3005D (12/05/00) Method of Payment - Milestone

1. Milestone payments shall be made in accordance with the Schedule of Milestones attached as Annex "\_\_\_\_", upon the following terms and conditions:
  - (a) milestone claims shall be completed in full, on form PWGSC-TPSGC 1111, Claim for Progress Payment, and submitted to Canada in accordance with the instructions specified herein. and
  - (b) all of the certificates appearing on the said form are to be signed by the respective persons indicated thereon or their delegate; and
  - (c) all reports required for the milestone claimed have been received and accepted by the Technical Authority.
2. The claim must show the following:
  - (a) amount currently claimed; and
  - (b) total of all previous claims against the Contract and the extensions of the total to date; and
  - (c) Requisition Number, Financial Code, and Contract Number as shown on page 1 of the Contract.
3. If specified, each claim for Milestone Payment shall be accompanied by a Milestone Report.

## H - TERMS OF PAYMENT

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4. The Contractor shall prepare and certify an original and \_\_\_\_\_ copies of its PWGSC-TPSGC 1111 and forward it to the \_\_\_\_\_ Authority.
5. The balance of the amount payable shall be made following:
  - (a) delivery and acceptance of all deliverable items; and
  - (b) the approval of the final claim by the Contracting Authority and by the Technical Authority.
6. Payment by Canada to the Contractor for the Work shall be made:
  - (a) in the case of a milestone payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed milestone claim on form PWGSC-TPSGC 1111;
  - (b) in the case of a final payment, within thirty (30) days following the date of receipt of a duly completed final milestone claim, on form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is completed, whichever date is the later;
  - (c) if Canada has any objection to the form of the milestone claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsections 6(a) and (b) of this clause applying for the sole purpose of calculating interest on overdue accounts.

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**H3005D (23/11/98) Method of Payment - Milestone**

Effective 12/05/00, this clause is superseded by H3005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts with universities when progress payments are to be made to the contractor.

**H3006C (12/05/00) Method of Payment**

1. Progress payments, monthly or less frequently, will be made up to 100 percent of the costs and charges incurred or of the invoice that has been received and accrued in the accounts payable, and in accordance with the Basis of Payment, but not to exceed 90 percent of the value of the Contract, provided that:

## H - TERMS OF PAYMENT

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- (a) the Contractor submits promptly after the first day of each month to the Contracting Authority a fully completed "Claim for Progress Payment", form PWGSC-TPSGC 1111. The following details must be included:
  - (i) expenditures in accordance with the Basis of Payment for the work for the preceding month;
  - (ii) deductions for holdback, if applicable;
  - (iii) the totals of all previous claims against the Contract;
  - (iv) the extension of the totals to date and the calculation of the amount due; and
  - (v) Goods and Services Tax or Harmonized Sales Tax, if applicable.

A sample of form PWGSC-TPSGC 1111 is attached as Annex "\_\_\_\_\_".

- (b) the Claim for Progress Payment is accompanied by the required copies of monthly progress reports, prepared in accordance with the clause entitled Monthly Progress Reports, detailed in this Contract;
  - (c) the progress report is accepted by the Technical Authority and the Contracting Authority;
  - (d) the Claim for Progress Payment is approved;
  - (e) the following documentation, in two (2) copies, accompanies the progress claim:
    - (i) a listing of all expenses in support of the claim;
    - (ii) the invoice for each non-consumable item valued at \$1,000 or more;
    - (iii) a statement regarding all travel and living costs indicating who, where, when, duration and purpose of travel; and
    - (iv) computer centre chargeout sheets to support computer charges.
2. The Contractor shall prepare and certify an original and four (4) copies of its claim on form PWGSC-TPSGC 1111. The claim will be forwarded to the Contracting Authority who will certify the claim and forward it to the Technical Authority for certification and payment.
3. The balance owing will be paid to the Contractor, subject to:
- (a) completion and acceptance of the Work;
  - (b) the submission of all deliverable items to the Technical Authority; and
  - (c) the approval of the final claim by the Technical Authority and by the Contracting Authority.
4. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be refunded promptly to Canada.

## H - TERMS OF PAYMENT

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5. Payment by Canada to the Contractor for the Work shall be made:
- (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111;
  - (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed final form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which work is completed, whichever date is the later;
  - (c) if Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraphs 5(a) and (b) of the clause to apply for the sole purpose of calculating interest on overdue accounts.
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### **H3006C (23/11/98) Method of Payment**

Effective 12/05/00, this clause is superseded by H3006C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following in contracts when monthly progress payments are to be made based on actual expenditures less a percentage for holdback.

### **H3007C (12/05/00) Method of Payment**

1. Monthly progress payments will be made up to \_\_\_\_ percent of the costs and charges incurred in accordance with the Basis of Payment, but not in excess of \_\_\_\_ percent of the value of the Contract, provided that:
- (a) the Contractor submits promptly after the first day of each month to the Contracting Authority a fully completed "Claim for Progress Payment", form PWGSC-TPSGC 1111. The following details must be included:
    - (i) expenditures in accordance with the Basis of Payment for the work for the preceding month;
    - (ii) holdback of \_\_\_\_ percent;
    - (iii) Goods and Services Tax or Harmonized Sales Tax, if applicable.
- A sample of form PWGSC-TPSGC 1111 is attached as Annex "\_\_\_\_."



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- (b) the claim is accompanied by the required copies of monthly progress reports, prepared in accordance with the clause entitled "Monthly Progress Reports", detailed in this Contract;
  - (c) the progress report is accepted by the Technical Authority and the Contracting Authority;
  - (d) the claim is approved;
  - (e) two (2) sets of backup documentation (receipts, vouchers, etc.) to support the claim are supplied to the Contracting Authority designated herein.
2. The Contractor shall prepare and certify an original and four (4) copies of its claim on form PWGSC-TPSGC 1111. The claim will be forwarded to the Contracting Authority who will certify the claim and forward it to the Technical Authority for certification and payment.
3. The balance owing will be paid to the Contractor, subject to:
- (a) completion and acceptance of the Work;
  - (b) the submission of all deliverable items to the Technical Authority;
  - (c) the approval of the final claim by the Technical Authority and the Contracting Authority.
4. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayments resulting from such progress payments or otherwise shall be refunded promptly to Canada.
5. Payment by Canada to the Contractor for the Work shall be made:
- (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111; or
  - (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the work is completed, whichever date is the later;
  - (c) if Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraphs 5(a) and (b) of this clause applying for the sole purpose of calculating interest on overdue accounts.
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## H - TERMS OF PAYMENT

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**H3007C**      **(23/11/98)**      **Method of Payment**

Effective 12/05/00, this clause is superseded by H3007C.

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**H3008C**      **(01/06/91)**      **Conditions Precedent to Payment**

This clause is cancelled effective 31/03/95.

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**H3012D**      **(31/01/92)**      **Method of Payment**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3013D**      **(31/01/92)**      **Method of Payment**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3014D**      **(31/01/92)**      **Method of Payment**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3016C**      **(31/01/92)**      **Method of Payment**

Effective 03/02/97, this clause is superseded by H1000D.

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## **H - TERMS OF PAYMENT**

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**H3017D            (31/01/92)            Invoicing and Method of Payment**

This clause is cancelled effective 03/02/97.

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**Remarks:** Use this clause in solicitation and contract documents covering air charter services for the carriage of goods and people.

**H3018D            (15/09/97)            Invoicing, Air Charter**

1. Invoices are to be made out to the Charterer and sent to the address on Page 1.
  2. Each original invoice for flying shall be accompanied by charter tickets signed by the Charterer, after each flight, showing that the service covered by the invoice has been completed in accordance with the Contract.
  3. Each original invoice for items listed in the Basis of Payment shall clearly identify the nature of the charge and shall be supported by appropriate receipt vouchers. Goods and Services Tax or Harmonized Sales Tax, as appropriate, is to be shown as a separate item on each invoice.
  4. All invoices for services rendered or for other charges under this contract/call-up shall be submitted as above by the Carrier within three (3) months after such service was performed.
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**H3018D            (31/03/95)            Invoicing, Air Charter**

Effective 15/09/97, this clause is superseded by H3018D.

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**H3019T            (13/12/02)            Invoicing Instructions**

1. Invoices must be submitted on the Contractor's own form and must be prepared to show:
  - (a) the date;
  - (b) name and address of the CONSIGNEE;
  - (c) Contract Number, Serial Number and Financial Code(s);
  - (d) device type, manufacturer, and serial number;

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- (e) Client Reference Number (CRN);
- (f) Procurement Business Number (PBN).

2. Mailing addresses for the invoices will be defined in the resulting contract.

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### **H3019T (12/05/00) Invoicing Instructions**

Effective 13/12/02, this clause is superseded by H3019T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for maintenance contracts invoiced monthly.

### **H3020T (13/12/02) Invoicing Instructions**

1. Payment will only be made on receipt of satisfactory invoices duly supported by specified release documents and other documents called for under any resulting contract.
2. An invoice must be submitted monthly, on the Contractor's own form and must be prepared to show:
  - (a) company name and address;
  - (b) File Number, Contract Serial Number, and Financial Code;
  - (c) destination;
  - (d) hourly rate, number of hours, labour cost;
  - (e) cost of materials;
  - (f) Goods and Services Tax;
  - (g) Harmonized Sales Tax;
  - (h) Client Reference Number (CRN);
  - (i) Procurement Business Number (PBN).
3. The monthly invoice will be processed for payment only if:
  - (a) all the maintenance service call reports applicable for that month as described under Article "\_\_\_\_\_" of the Statement of Work (SOW) have been received by the Technical Authority; and
  - (b) that the monthly maintenance reports as described in Articles "\_\_\_\_\_" and "\_\_\_\_\_" of the SOW are attached to the monthly invoice.
4. The original and two (2) copies of the invoices with the monthly reports shall be sent to:  
Attention: \_\_\_\_\_.
5. One (1) copy of the invoice accompanied with a copy of the monthly reports shall be sent to:

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Department of Public Works and Government Services  
Attention: \_\_\_\_\_.

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### **H3020T (12/05/00) Invoicing Instructions**

Effective 13/12/02, this clause is superseded by H3020T.

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**Remarks:** Use the following clause to provide invoicing instructions for requirements with a single payment on delivery and acceptance.

### **H3021D (13/12/02) Invoicing Instructions**

1. Payment will only be made on receipt of a satisfactory invoice duly supported by specified release documents and other documents called for under the Contract.
  2. Invoices must be submitted on the Contractor's own invoice form and must be prepared to show:
    - (a) the date;
    - (b) name and address of the CONSIGNEE;
    - (c) item/reference number, deliverable and/or description of work;
    - (d) contract serial number and financial codes;
    - (e) the amount invoiced (exclusive of the Goods and Services Tax [GST] or Harmonized Sales Tax [HST] as appropriate) and the amount of GST or HST, as appropriate, shown separately;
    - (f) Client Reference Number (CRN)
    - (g) Procurement Business Number (PBN).
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### **H3021D (12/05/00) Invoicing Instructions**

Effective 13/12/02, this clause is superseded by H3021D.

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## H - TERMS OF PAYMENT

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**Remarks:** Use the following clause to provide invoicing instructions for requirements with progress payments.

**H3022D (15/09/97) Invoicing Instructions**

1. Progress payments will only be made upon receipt of satisfactory progress claim forms specified in the Contract.
2. Progress claims are to be forwarded to the Project/Inspection Authority for appropriate certification after inspection and acceptance of the Work takes place. Upon certification, the original and two (2) copies are then forwarded to the Contracting Authority for certification and onward submission to the Project Manager's paying office for all remaining certifications and payment action.
3. Progress claims shall not be submitted by the Contractor until all Work identified in the claim has been completed.
4. GOODS AND SERVICES TAX (GST) OR HARMONIZED SALES TAX (HST), AS APPROPRIATE, IS TO BE CALCULATED AND PAID ON THE ENTIRE AMOUNT OF THE CLAIM BEFORE THE 10 PERCENT HOLDBACK IS APPLIED. AT THE TIME THAT THE HOLDBACK IS RELEASED, THERE WILL BE NO GST OR HST PAYABLE, AS IT WAS INCLUDED IN THE PREVIOUS PAYMENTS.

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**H3022D (01/05/96) Invoicing Instructions**

Effective 15/09/97, this clause is superseded by H3022D.

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**Remarks:** Use the following clause in conjunction with A9115D whenever the client department wishes to receive the required information through the invoicing procedure.

**H3023D (13/12/02) T1204 Government Service Contract Payments**

1. The Contractor shall provide the information listed below, or its Procurement Business Number, with its first invoice. Where the required information includes a Social Insurance Number (SIN) (when the contractor is an individual or in partnership), the information should be provided in a separate envelope marked "PROTECTED" and attached to the invoice:
  - (a) the legal name of the entity or individual, as applicable, i.e. the name associated with the Social Insurance Number (SIN) or Business Number (BN), as well as the address and the postal code;

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- (b) the status of the Contractor, i.e. individual, partnership, or corporation;
- (c) for individuals, the Contractor's SIN and, if applicable, the BN, or if applicable, the Goods and Services Tax/Harmonized Sales Tax (GST/HST) number;
- (d) for partnerships and corporations, the BN, or if this is not available, the GST/HST number. If there is no BN or GST/HST number, corporations must provide their T2 Corporation Tax number, while partnerships must provide the SIN of the partner who has signed the contract; and,
- (e) the following certification signed by the Contractor or an authorized officer:

*"I certify that I have examined the information provided above, including the legal name, address, and Canada Customs and Revenue Agency identifier, (c) or (d) as applicable, and that it is correct and complete, and fully discloses the identification of this Contractor."*

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**H3023D (12/05/00) T4A Supplementary Slip Requirement - Invoicing Procedures**

Effective 13/12/02, this clause is superseded by H3023D.

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**H3025D (01/06/91) Progress Payments**

Effective 15/09/97, this clause is superseded by H1003D.

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**H3026T (01/06/91) Progress or Advance Payments**

This clause is cancelled effective 03/02/97.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when it is anticipated that clients will pay invoices associated with the contract or call-ups under the standing offer by Government of Canada Acquisition Card (credit card), and the bidder has indicated in clause H3027T that payment of invoices by credit card will be accepted. (*Refer to Supply Manual, procedure 7A.042*).

### **H3027C (13/12/02) Payment of Invoices by Credit Card**

1. Government of Canada Acquisition Cards (credit cards) will be accepted for payment of invoices up until the \_\_\_\_ day (as specified by the Bidder) of the payment period as set out in the Contract or Standing Offer. Payment of invoices made by credit card on or before this date will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in General Conditions DSS-MAS \_\_\_\_\_. Payment of invoices after this date will only be accepted by Government of Canada cheque, direct deposit, or electronic funds transfer, and will be subject to the above-mentioned General Conditions provisions.
2. The use of a credit card as the payment instrument **will** \_\_\_\_\_ / **will not** \_\_\_\_\_ (as specified by the Bidder) preclude early payment incentives.
3. The following credit card(s) (as specified by the Bidder) are accepted:
  - (a) VISA \_\_\_\_\_
  - (b) MasterCard \_\_\_\_\_

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### **H3027C (01/12/00) Payment of Invoices by Credit Card**

Effective 13/12/02, this clause is superseded by H3027C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when it is anticipated that clients will pay invoices associated with the contract or call-ups against the standing offer by Government of Canada Acquisition Card (credit card).

Use clause H3027C in the contract or standing offer where the bidder indicates that payment of invoices by credit card is acceptable. (*Refer to the Supply Manual, procedure 7A.042*).

### **H3027T (13/12/02) Payment of Invoices by Credit Card**

1. Government of Canada Acquisition Cards (credit cards) may be offered for payment of invoices. Payment of invoices made by credit card will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in General Conditions DSS-MAS \_\_\_\_\_ of the Contract or Standing Offer. If discounts for early payment are



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not available when a credit card is used to pay the invoice, it must be clearly indicated below.

2. Acceptance of credit cards for payment of invoices is optional, and at the discretion of the Bidder. Acceptance or non-acceptance of credit cards for the payment of invoices will not be considered in the evaluation of offers submitted in response to the bid solicitation.
3. The Bidder must indicate:
  - (a) ( ) Government of Canada Acquisition Cards (credit cards) will be accepted for payment of invoices up until the \_\_\_\_ day of the payment period as set out in the Contract or Standing Offer. Payments of invoices made by credit card on or before this date will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in General Conditions DSS-MAS \_\_\_\_ of the Contract or Standing Offer. Payment of invoices after this date will only be accepted by Government of Canada cheque, direct deposit, or electronic funds transfer, and will continue to be subject to the above-mentioned General Conditions provisions.

The use of a credit card as the payment instrument **will** \_\_\_\_ / **will not** \_\_\_\_ preclude early payment incentives.

The following credit card(s) are accepted:

VISA \_\_\_\_  
MasterCard \_\_\_\_

**OR**

- (b) ( ) Government of Canada Acquisition Cards (credit cards) will **not** be accepted for payment of invoices.

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**H3027T (01/12/00) Payment of Invoices by Credit Card**

Effective 13/12/02, this clause is superseded by H3027T.

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**H3028D (01/12/00) Method of Payment/Advance Payment**

1. Payment in advance for the Work by Canada shall be made within:
  - (a) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract; or

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(b) thirty (30) days following the date specified herein for the making of such advance payment;

whichever is later.

2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraph 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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**H3028D (15/09/97) Method of Payment/Advance Payment**

Effective 01/12/00, this clause is superseded by H3028D.

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**H4000C (01/06/91) Progress Reports, etc.**

Effective 15/09/97, this clause is superseded by H4002D.

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**H4001C (01/06/91) Reports**

Effective 15/09/97, this clause is superseded by H4001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the schedule of reports to be delivered is not included in the Statement of Work. This clause should be used in conjunction with H4002D.

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**H4001D (15/09/97) Draft and Final Report**

In addition to the \_\_\_\_\_ progress reports, the Contractor shall deliver a draft report in \_\_\_\_\_ copies, no later than \_\_\_\_\_ (date), and a final report in \_\_\_\_\_ copies, no later than \_\_\_\_\_ (date), to the Technical Authority.

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**H4002C (01/06/91) Progress Reports - Monthly**

Effective 15/09/97, this clause is superseded by H4002D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the schedule and content of the reports to be delivered are not detailed in the Statement of Work.

**H4002D (13/12/02) Progress Reports**

1. The Contractor shall prepare and submit \_\_\_\_\_ (*Insert "monthly" or "bi-monthly" and delete this instruction*) progress reports in \_\_\_\_\_ copies to the Technical Authority. One copy of the report shall also be forwarded to the Contracting Authority.
2. Each progress report shall be in three parts:
  - (a) **PART 1:** The following three questions MUST be answered:
    - (i) Is the project on schedule?
    - (ii) Is the project within budget?
    - (iii) Is the project free of any areas of concern in which the assistance or guidance of Canada may be required?

Each negative response must be supported with an explanation.

- (b) **PART 2:** A narrative report, brief, yet sufficiently detailed to enable the Technical Authority to evaluate the progress of the Work, containing as a minimum:
  - (i) A description of the progress of each task and of the Work as a whole during the period of the report. Sufficient sketches, diagrams, photographs, etc., shall be included, if necessary, to describe the progress accomplished.
  - (ii) An explanation of any variation from the plan of Work.
  - (iii) A description of trips or conferences connected with the Contract during the period of the report.
  - (iv) A description of any major equipment purchased or constructed during the period of the report.
- (c) **PART 3:** The "Contract Plan and Report Form", PWGSC-TPSGC 9143, showing the following:

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- (i) Actual and forecast expenditure on a monthly basis for the period being covered. (Expenditures are to be outlined by month and by task.)
  - (ii) Progress of the Work against the Contractor's original Contract Plan (instructions for showing the above on the Contract Plan are detailed in Annex "\_\_\_\_\_" attached). The "Contract Plan and Report Form" will provide the basis for planning and estimating the cost of work, and reporting actual progress and cost against the plan during contract performance.
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### **H4002D (15/09/97) Progress Reports**

Effective 13/12/02, this clause is superseded by H4002D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when milestone reports are required. This clause may be used in conjunction with H3005D.

### **H4003C (15/06/98) Milestone Report**

1. The Contractor shall prepare and submit a milestone report in \_\_\_\_ copies to the Technical Authority. One copy of the report shall also be forwarded to the Contracting Authority.
  2. This report shall be submitted for each milestone listed in the "Schedule of Milestones" attached as Annex "\_\_\_\_\_."
  3. Each report shall consist of a narrative which shall contain, as a minimum:
    - (a) a description of the Work completed under the milestone; and
    - (b) any problems encountered or foreseen (relating to time, cost or technical matters).
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### **H4003C (01/06/91) Milestone Report**

Effective 15/06/98, this clause is superseded by H4003C.

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**H4004C (01/06/91) Milestone/Phase Authorization**

Effective 15/09/97, this clause is superseded by H4004D.

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**Remarks:** Use the following clause when prior authority to proceed to the next milestone/phase of the work must be given to the contractor by the contracting officer.

**H4004D (15/09/97) Milestone / Phase Authorization**

Following completion of each milestone/phase, the Contractor shall be notified, in writing, by the Contracting Authority either that it is to proceed with the next milestone/phase or that Canada wishes to withdraw any further support from the project and terminate the Contract without further liability. In the event Canada wishes to withdraw its support, and subject to all other terms and conditions of the Contract, the Contractor will be paid the holdback owing to it in accordance with the holdback provision of the Method of Payment clause contained herein. In no event will the Contractor be paid for any costs incurred in work performed on any unauthorized milestone/phase.

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**H4005C (01/06/91) Draft Final Report**

Effective 15/09/97, this clause is superseded by H4005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when a draft final report is required and details of the report content have not been included in the Statement of Work. Use this clause in conjunction with H4006D.

**H4005D (15/09/97) Draft Final Report**

A draft of the final report shall be submitted by the Contractor to the Technical Authority for approval on or before \_\_\_\_\_. It must be a comprehensive report on all facets of the Work and must include sufficient drawings, sketches, photographs and a discussion of problems and successes associated with the Work to facilitate a full and accurate evaluation of the Work by the Technical Authority. The report will be prepared in accordance with good engineering/professional practices and will include, as a minimum, the following: a title page, a table of contents, an executive summary, an introduction, a technical discussion with conclusions and include, as applicable, supporting graphs, tables and figures.

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**H4006C (01/06/91) Final Report**

Effective 15/09/97, this clause is superseded by H4006D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in conjunction with H4005D when the customer department has requested a draft final report.

**H4006D (15/09/97) Final Report**

After approval of the draft final report, the final report in \_\_\_\_\_ copies shall be submitted by the Contractor to the Technical Authority on or before \_\_\_\_\_. The final report shall contain an executive summary, prepared in both of Canada's official languages.

A copy of the covering letter accompanying the final report shall be forwarded to the Contracting Authority.

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**H4007C (01/06/91) Final Report**

Effective 15/09/97, this clause is superseded by H4007D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when a draft final report is not required, and when the form and content of the final report has not been detailed in the Statement of Work.

**H4007D (15/09/97) Final Report**

1. A final report in \_\_\_\_\_ copies shall be submitted by the Contractor to the Technical Authority on or before \_\_\_\_\_. It must be a comprehensive report on all facets of the Work and must include sufficient drawings, sketches, photographs and a discussion of problems and successes associated with the Work to facilitate a full and accurate evaluation of the Work by the Technical Authority. The report will be prepared in accordance with good engineering/professional practices and will include, as a minimum, the following: a title page, a table of contents, an executive summary, an introduction, a

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technical discussion with conclusions and include, as applicable, supporting graphs, tables and figures.

2. The final report shall be prepared in both of Canada's official languages. A sample title page is attached as Annex "\_\_\_\_\_" to this Contract. One copy of the title page of the final report shall be submitted to the Contracting Authority.

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**Remarks:** Use the following clause in "Limitation of Expenditure" and "Ceiling Price" contracts.

### **H4008C (13/12/02) Contract Plan and Report Form**

1. The Contractor shall use the Contract Plan and Report Form, PWGSC-TPSGC 9143 (or an equivalent form which is acceptable to the Contracting Authority) to report the progress of the work and the costs to date against the original workplan.
2. An updated copy of the form must accompany each claim for payment.
3. Receipt and acceptance of the form by the Contracting Authority will be a condition of payment for such claims.

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### **H4008C (31/03/95) Contract Plan and Report Form**

Effective 13/12/02, this clause is superseded by H4008C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in multi-fiscal year "Limitation of Expenditure" and "Ceiling Price" contracts valued at \$100,000 or less.

### **H4009C (15/06/98) Cash Flow**

Each claim submitted for payment shall be accompanied by a cash flow statement showing actual and forecast expenditure on a monthly basis for the period the Work is being performed under the Contract. The statement shall be in the format attached hereto as Annex "\_\_\_\_\_."

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**H4009C            (01/06/91)            Cash Flow**

Effective 15/06/98, this clause is superseded by H4009C.

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**H4010D            (03/02/97)            Progress Report**

Effective 15/09/97, this clause is superseded by H4002D.

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**Remarks:** Use the following clause in services contracts when invoices for expenses are required.

**H4011D            (15/09/97)            Method of Payment - Services**

1.        Payment will be made for services rendered, provided that:
    - (a)        invoices are submitted in accordance with the invoicing instructions contained herein;
    - (b)        all direct expenses, travel and living expenses, etc. are supported by invoices, receipts, vouchers;
    - (c)        time sheets are provided to support the time being claimed.
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**H4011D            (01/08/92)            Method of Payment**

Effective 15/09/97, this clause is superseded by H4011D.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

**H4012D            (01/12/00)            Method of Payment**

1.        Milestone payments will be made in accordance with the following schedule:



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| Description | Amount | Due Date |
|-------------|--------|----------|
|-------------|--------|----------|

provided that:

- (a) invoices are submitted in accordance with the invoicing instructions contained herein;
- (b) the Project Authority has certified that all work/deliverables required under the milestone has/have been accepted.

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**H4012D (01/08/92) Method of Payment**

Effective 01/12/00, this clause is superseded by H4012D.

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**H4013D (31/01/92) Progress Reports**

Effective 15/09/97, this clause is superseded by H4002D.

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**Remarks:** Use this clause when establishing cash flow information applicable to long term major procurement programs.

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**H4014D (30/10/96) Cash Flow Prediction**

As soon as reasonably practicable after the effective date of the Contract, the Contractor shall provide to the Contracting Authority a written annual fiscal year cash flow estimate based on scheduled deliveries. This estimated cash flow is required by Canada for planning purposes only and the estimate is not intended to be legally binding on the Contractor. The Contractor shall also amend the cash flow estimate in writing from time to time to effect any changes the Contractor may foresee.

## H - TERMS OF PAYMENT

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**Remarks:** Use the following clause in domestic contracts for goods which contain provision for progress payments.

**H4500C (15/09/97) Liens - Section 427 of the Bank Act**

1. If any lien under section 427 of the *Bank Act* exists in respect to any materials, parts, work-in-process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless otherwise instructed by the Contracting Authority, either
  - (a) to cause the bank to remove such lien and to furnish the Contracting Authority, with written confirmation from the bank; or,
  - (b) to furnish or cause to be furnished to the Contracting Authority an undertaking from the bank to the Contracting Authority that the bank will not make any claim under section 427 of the *Bank Act* on materials, parts, work-in-process, or finished work in respect of which payment is made to the Contractor under this Contract.
2. Failure to inform the Contracting Authority of such lien or failure to implement paragraph 1(a) or (b) above shall constitute default under the clause entitled "Default by Contractor" in the General Conditions of the Contract and shall entitle Canada to terminate the Contract.

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**H4500C (01/12/92) Liens Under Section 427 of the Bank Act**

Effective 15/09/97, this clause is superseded by H4500C.

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**Remarks:** Use the following clause in all contracts, standing offers, purchase orders, or bid solicitations that provide for progress payments. Use this clause in conjunction with H1003D.

**H4900D (15/09/97) Method of Payment**

1. Payment by Canada to the Contractor for the Work shall be made:
  - (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed "Claim for Progress Payment", form PWGSC-TPSGC 1111;
  - (b) in the case of a final payment, within thirty (30) days following the date of receipt of a duly completed final "Claim for Progress Payment", form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is completed,

## H - TERMS OF PAYMENT

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whichever date is the later.

2. If Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsections 1(a) and (b) of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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**H4900D (01/06/91) Method of Payment**

Effective 15/09/97, this clause is superseded by H4900D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**H5000C (16/02/98) Invoicing**

1. The invoicing instructions detailed in the Standard Instructions and Conditions and those on page 1 of this document apply.
2. In addition, send one (1) copy of each invoice and one (1) copy of the Release Document, if applicable, to the Contract Delivery Follow-up (CDFU) office stated herein;  
AND

one (1) copy to:

National Defence Headquarters  
Ottawa, Ontario  
K1A 0K2

Attention: \_\_\_\_\_.

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**H5000C (01/05/96) Invoicing**

Effective 16/02/98, this clause is superseded by H5000C.

## **H - TERMS OF PAYMENT**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**H5001D            (13/12/02)            Invoicing Instructions**

1.        The Contractor shall submit invoices on its own form, and shall include the following information: the date, name and address of the consignee(s), item number, quantity, part number, reference number and description, contract file, serial numbers, Client Reference Number, and Procurement Business Number. Invoices will be distributed as follows:

(a)        The original and one copy to - Consignee

(b)        One (1) copy to:

Department of Public Works and Government Services  
(Division)            \_\_\_\_\_  
(Address)            \_\_\_\_\_  
(City/prov.)           \_\_\_\_\_  
(Postal/Code)        \_\_\_\_\_

Attention: \_\_\_\_\_

(c)        One (1) copy to:

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

Attention: \_\_\_\_\_

2.        Canada will only make payment upon receipt of a satisfactory invoice duly supported by specified release documents and any other documents called for under the Contract.

3.        The Contractor shall not submit an invoice prior to shipment of the items to which it relates.

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**H5001D            (12/05/00)            Invoicing Instructions**

Effective 13/12/02, this clause is superseded by H5001D.

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## **H - TERMS OF PAYMENT**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause for Technical Investigation and Engineering Support (TIES) requirements.

**H5002D (13/12/02) Invoices**

1. The Contractor shall submit monthly invoices for tasks authorized under the Contract. Each invoice shall clearly show the following:
  - (a) contract serial number;
  - (b) contract price;
  - (c) task authorization number;
  - (d) engineering or technical support classification.
  - (e) rate of payment;
  - (f) number of hours applicable to the task;
  - (g) cost of materials related to the task,
  - (h) travel expenses related to the task,
  - (i) Client Reference Number (CRN), and
  - (j) Procurement Business Number (PBN).
  
2. The original and two (2) copies of each invoice together with attachments, shall be forwarded to:

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

Attention: \_\_\_\_\_.
  
3. One copy each invoice, together with attachments, shall be forwarded to the Contracting Authority.

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**H5002D (12/05/00) Invoices**

Effective 13/12/02, this clause is superseded by H5002D.

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**H9000D (01/06/91) Payment and Appropriations**

This clause is cancelled effective 01/12/92.

## H - TERMS OF PAYMENT

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in Science contracts when the customer department requests that the contract cover more than one fiscal year or specifies maximum funding for each fiscal year.

**H9001C            (01/06/91)            Funding by Fiscal Year**

Notwithstanding the Total Estimated Cost (Limitation of Expenditure) specified in the Basis of Payment, and unless otherwise authorized in writing by the Science Contracting Officer, the maximum amount which may be paid in the period ending 31 March of the year specified is as follows:

199\_    \$ \_\_\_\_\_  
199\_    \$ \_\_\_\_\_  
199\_    \$ \_\_\_\_\_

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## **Section 5**

### **J - TERMINATION**

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## J - TERMINATION

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### J000C (01/06/91) Termination - General Remarks

This clause is cancelled effective 30/10/96.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following text to confirm a telegraphic, facsimile or other written initial Notice of Termination for Convenience (See J0200C) whenever the entire contract is terminated and a claim may be expected.

A confirming Notice of Termination for Convenience shall be prepared by the Contracting Officer and shall be submitted to the Legal Advisor for review. Such Notice shall not be issued to the Contractor until the Legal Advisor has applied and signed the "Reviewed by Legal Services" stamp on the confirming notice.

**Note:** The initial Notice of Termination (J0200C or J0205C), does not require a legal opinion and may be issued by the Contracting Officer in accordance with procedure 11.145 of the *Supply Manual*.

### J001C (15/06/98) Termination for Convenience

This Notice confirms the Minister's Notice of Termination to you dated \_\_\_\_\_ in respect of the above-referenced Contract. The termination is subject to section \_\_\_\_\_ ("*Termination for Convenience*" provisions) of the General Conditions of the Contract and it became effective on the date of receipt by you of the said Notice of Termination.

You are requested to submit to the Contracting Authority, Department of Public Works and Government Services, for consideration, any claim which you may have as a result of this termination. Such claim and those of your subcontractors and/or suppliers, if any, are to be submitted on the prescribed departmental termination claim forms. On receipt of this Notice, you should apply in writing to the Contracting Authority for the required set of forms.

In preparing such claim, your attention is drawn to the above-referenced section in the General Conditions of the Contract and to Standard Instructions and Conditions DSS-MAS 9403-2, Termination for Convenience, in Section 1 of the *Standard Acquisition Clauses and Conditions Manual*. Your claim and all related correspondence are to be addressed to the Contracting Authority.

Please confirm your receipt of this Notice by signing and returning a copy of this Notice to the Contracting Authority.

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## J - TERMINATION

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**J0001C (30/10/96) Termination for Convenience**

Effective 15/06/98, this clause is superseded by J0001C.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following text to confirm a telegraphic, facsimile or other written initial Notice of Partial Termination for Convenience (See J0205C) when a claim may be expected.

A confirming Notice of Termination for Convenience shall be prepared by the Contracting Officer and shall be submitted to the Legal Advisor for review. Such Notice shall not be issued to the Contractor until the Legal Advisor has applied and signed the "Reviewed by Legal Services" stamp on the confirming notice.

**Note:** The initial Notice of Termination (J0200C or J0205C), does not require a legal opinion and may be issued by the Contracting Officer in accordance with procedure 11.145 of the *Supply Manual*.

**J0002C (15/06/98) Termination for Convenience (Partial)**

This Notice confirms the Minister's Notice of Termination to you dated \_\_\_\_\_, in respect only of Item \_\_\_\_\_ (part number, Federal Stock Number, description, quantity) of the above-referenced Contract. The termination became effective on the date of receipt by you of the said Termination Notice and it is subject to section \_\_\_\_\_ ("*Termination for Convenience*" provisions) of the General Conditions of the Contract. You shall continue with the rest of the Work in accordance with the terms, conditions and specifications of the Contract.

You are requested to submit to the Contracting Authority, Department of Public Works and Government Services, for consideration, any claim which you may have as a result of this termination. Such claim and those of your subcontractors and/or suppliers, if any, are to be submitted on the prescribed departmental termination claim forms. On receipt of this Notice, you should apply in writing to the Contracting Authority for the required set of forms.

In preparing such claim, your attention is drawn to the above-referenced section in the General Conditions of the Contract and to Standard Instructions and Conditions DSS-MAS 9403-2, Termination for Convenience, in Section 1 of the *Standard Acquisition Clauses and Conditions Manual*. Your claim and all related correspondence are to be addressed to the Contracting Authority.

Please confirm your receipt of this Notice by signing and returning a copy of this Notice to the Contracting Authority.

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**J0002C (30/10/96) Termination for Convenience (Partial)**

Effective 15/06/98, this clause is superseded by J0002C.

## J - TERMINATION

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following text to confirm a telegraphic, facsimile or other written initial Notice of Termination for Convenience (See J0200C or J0205C) for the complete or partial termination of the contract when the Contractor has indicated that no claim will be filed.

A confirming Notice of Termination for Convenience shall be prepared by the Contracting Officer and shall be submitted to the Legal Advisor for review. Such Notice shall not be issued to the Contractor until the Legal Advisor has applied and signed the "Reviewed by Legal Services" stamp on the confirming notice.

**Note:** The initial Notice of Termination(J0200C or J0205C), does not require a legal opinion and may be issued by the Contracting Officer in accordance with procedure 11.145 of the *Supply Manual*.

### **J0003C (15/06/98) Termination for Convenience**

This Notice confirms the Minister's Notice of Termination to you dated \_\_\_\_\_ in respect of the above-referenced Contract. The termination became effective on the date of receipt by you of the said Notice of Termination and it is subject to section \_\_\_\_\_ ("*Termination for Convenience*" provisions) of the General Conditions of the Contract.

You have advised that you do not propose to make any claim against Canada or the Minister by reason of this termination. You hereby agree to release Canada, the Minister and all their servants and agents from all claims and demands arising out of this termination or out of anything done or omitted to be done under the Contract.

Please confirm your agreement with this termination on the above terms by signing and returning a copy of this Notice to the Contracting Authority.

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### **J0003C (30/10/96) Termination for Convenience**

Effective 15/06/98, this clause is superseded by J0003C.

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**Remarks:** The following clause is applicable to maintenance service contracts.

Terminations shall not be declared without a written legal opinion. In seeking the opinion of Legal Services, the contracting officer must submit the contract file with a chronological, typed index of the documents forming the basis for the termination request, together with a short note outlining the events leading to termination. Based on this information, Legal Services will render an opinion as to whether the contractor would have a valid defence, should the Crown claim loss or damages, and advise as to the appropriate method of termination.

## **J - TERMINATION**

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**J0004D (30/10/96) Termination for Convenience**

1. Canada reserves the right to terminate the contracted services at any time in whole or in part by giving thirty (30) calendar days written notice to the Contractor.
  2. In the event of such termination, only the cost of maintenance services incurred and accepted up to the date of the termination shall be due and payable to the Contractor.
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**J0004D (01/05/96) Termination for Convenience**

Effective 30/10/96, this clause is superseded by J0004D.

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**Remarks:** Terminations shall not be declared without a written legal opinion. In seeking the opinion of Legal Services, the contracting officer must submit the contract file with a chronological, typed index of the documents forming the basis for the termination request, together with a short note outlining the events leading to termination. Based on this information, Legal Services will render an opinion as to whether the contractor would have a valid defence, should the Crown claim loss or damages, and advise as to the appropriate method of termination.

**J0005D (15/06/98) Termination for Convenience**

Canada may, by giving thirty (30) calendar days written notice, cancel any task or terminate this Contract in whole or in part, at no cost to Canada in addition to that incurred to the date of termination for the particular task or tasks terminated. Upon any such complete or partial termination of the Contract, the Contractor shall turn over to Canada all working papers, notes, memoranda, reports, software programs, data in machine-readable format or otherwise, and documentation which have been made or obtained in relation to this Contract.

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**J0005D (30/10/96) Termination for Convenience**

Effective 15/06/98, this clause is superseded by J0005D.

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## J - TERMINATION

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text to stop the work using a telegraphic, facsimile or other written initial Notice of Termination for Convenience when the client has requested (in writing) the cancellation or termination of the entire contract.

**Note:** Your Legal Advisor need not be consulted at this stage if the termination is due to curtailment of funds, the discontinuance of a government program or circumstances that make the acquisition of the product or service unnecessary; however, your Legal Advisor must be consulted to review the confirming Notice of Termination.

### **J0200C (12/05/00) Notice of Termination for Convenience**

The Minister of Public Works and Government Services hereby terminates Contract File No. \_\_\_\_\_ in its entirety pursuant to the Termination for Convenience provisions of the Contract.

You are directed by the Minister of Public Works and Government Services to stop immediately all Work related to this Contract, including the work of your subcontractors. You are to provide the Contracting Authority with current detailed status information and your estimate of termination claim, if any. You are to place no further orders and incur no further expense. A confirming Notice of Termination with additional information will follow.

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### **J0200C (15/06/98) Notice of Termination for Convenience**

Effective 12/05/00, this clause is superseded by J0200C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text to stop the work using a telegraphic, facsimile or other written initial Notice of Termination for Convenience when the client has requested (in writing) the cancellation or termination of a portion of the contract.

**Note:** Your Legal Advisor need not be consulted at this stage if the termination is due to curtailment of funds, the discontinuance of a government program or circumstances that make the acquisition of the product or service unnecessary; however, your Legal Advisor must be consulted to review the confirming Notice of Partial Termination.

### **J0205C (12/05/00) Notice of Termination for Convenience - Partial**

The Minister of Public Works and Government Services hereby partially terminates Contract File No. \_\_\_\_\_, in respect of Item No. \_\_\_\_\_ (part number, Federal Stock Number, description, quantity) only, pursuant to the "Termination for Convenience" provisions of the Contract.

You are directed by the Minister of Public Works and Government Services to stop immediately all Work related to this Contract on the said Item, including the work of your subcontractors. You

## J - TERMINATION

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are to provide the Contracting Authority with current detailed status information and your estimate of termination claim, if any. You are to place no further orders and incur no further expense with respect to said Item. A confirming Notice of Partial Termination with additional information will follow.

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**J0205C (15/06/98) Notice of Termination for Convenience - Partial**

Effective 12/05/00, this clause is superseded by J0205C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a telegraphic, facsimile or other written Stop Work Order when the client has requested (in writing) a suspension of the contract in order to investigate Canada's alternatives and/or a review of the contract status is required before deciding whether termination is appropriate and, if so, the type and extent of termination (including a termination for default).

**J0500C (12/05/00) Stop Work Order - Suspension of the Contract**

This Stop Work Order is issued pursuant to section \_\_\_\_\_ ("Suspension of the Work" provisions) of the General Conditions, if any, in respect of Contract File No. \_\_\_\_\_.

You are directed by the Minister of Public Works and Government Services to stop immediately all Work related to this Contract, including the work of your subcontractors, until further notice by the Contracting Authority. You are to place no further orders and incur no further expense. You are also to provide the Contracting Authority with current detailed Contract status information.

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**J0500C (15/06/98) Stop Work Order - Suspension of the Contract**

Effective 12/05/00, this clause is superseded by J0500C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a telegraphic or facsimile Rescission of Stop Work that does not refer to any termination.

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**J0501C (30/10/96) Stop Work Order, Rescission of**

Stop Work Order dated \_\_\_\_\_ and issued pursuant to section \_\_\_\_\_ ("Suspension of Work" provision) of the General Conditions in respect of Contract File No. \_\_\_\_\_, is hereby rescinded.

"You are directed to resume work in accordance with this Contract and to inform the Contracting Authority immediately, in writing, if performance of the Work will be affected by the suspension.

You are entitled to be paid additional costs and expenses reasonably and properly incurred as a result of the suspension of Work, plus a fair profit thereon. You should apply in writing to the Contracting Authority for the required set of forms in order to submit any claim for payment."

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**J0501C (01/06/91) Stop Work Order, Rescission of**

Effective 30/10/96, this clause is superseded by J0501C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a complete Termination for Default, only after a supporting legal opinion or approval from a Legal Advisor has been obtained, when the Contractor fails to make deliveries in accordance with the terms, conditions or specifications of the contract.

**J1000C (15/06/98) Termination for Default**

This is further to the Minister's Stop Work Order dated \_\_\_\_\_. ***[\*\*Include this sentence only if a Stop Work Order was sent by the Contracting Officer.]***

As you are in default under the above-referenced Contract in that you have not delivered the supplies or services specified therein, in accordance with the specifications, terms, and conditions of the Contract, the Minister of Public Works and Government Services hereby terminates the Contract pursuant to the "*Default by the Contractor*" provisions of the General Conditions forming part of the Contract.

The Minister reserves Canada's right under the Contract to charge you for all losses and damages which may be suffered by Canada by reason of your default, including any amount in excess of the Contract Price which Canada may be obliged to pay in procuring the said supplies and services elsewhere.

## J - TERMINATION

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**J1000C            (01/06/91)            Termination for Default**

Effective 15/06/98, this clause is superseded by J1000C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a Partial Termination for Default, only after a supporting legal opinion or approval from a Legal Advisor has been obtained, when the contractor fails to deliver part of the goods in accordance with the terms, conditions and specifications of the contract.

**J1001C            (01/12/00)            Termination for Default (Partial)**

This is further to the Minister's Stop Work Order dated \_\_\_\_\_. [***\*\*Include this sentence only if a Stop Work Order was sent by the Contracting Officer.***]

As you are in default under the above-referenced Contract in that you have not delivered certain items specified therein, in accordance with the specifications, terms, and conditions of the Contract, the Minister of Public Works and Government Services hereby partially terminates the Contract pursuant to the "Default by the Contractor" provisions of the General Conditions forming part of the Contract in respect of the following item(s) only:

Description of items

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You shall continue with the rest of the Work in accordance with the specifications, terms and conditions of the Contract.

The Minister reserves Canada's right under the Contract to charge you for all losses and damages which may be suffered by Canada by reason of your default, including any amount in excess of the Contract Price of the terminated item(s) which Canada may be obliged to pay in procuring the said items elsewhere.

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**J1001C            (15/06/98)            Termination for Default (Partial)**

Effective 01/12/00, this clause is superseded by J1001C.

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## J - TERMINATION

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**J1002C**            **(01/06/91)**            **Default**

Effective 31/03/95, this clause is superseded by K0028D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a complete Termination for Default, only after a supporting legal opinion or approval from a Legal Advisor has been obtained, when default arises as a result of bankruptcy, receivership, or insolvency.

**J1003C**            **(15/06/98)**            **Termination for Default**

This is further to our Stop Work Order dated \_\_\_\_\_. **[\*\*Include this sentence only if a Stop Work Order was sent by the Contracting Officer.]**

As a direct result of your [bankruptcy, receivership, or insolvency] you are in default under the above-referenced Contract and, pursuant to the "*Default by the Contractor*" provisions of the General Conditions forming part of the Contract, the Minister of Public Works and Government Services hereby terminates the Contract in respect to all supplies and services described therein.

The Minister reserves Canada's right under the Contract to charge you for all losses and damages which may be suffered by Canada by reason of your default, including any amount in excess of the Contract Price which Canada may be obliged to pay in procuring the said supplies and services elsewhere.

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**J1003C**            **(01/06/91)**            **Termination for Default**

Effective 15/06/98, this clause is superseded by J1003C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a complete Termination for Default, only after a supporting legal opinion or approval from a Legal Advisor has been obtained, when the Contractor indicates inability or unwillingness to perform the contract before the delivery date.

**J1004C**            **(15/06/98)**            **Termination for Default**

This is further to your facsimile/letter of \_\_\_\_\_ addressed to \_\_\_\_\_.

As you have indicated that you are unwilling or unable to deliver the supplies or services described in the above-referenced Contract in accordance with the specifications, terms and

## J - TERMINATION

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conditions of the Contract, the Minister of Public Works and Government Services hereby terminates the said Contract pursuant to the "*Default by the Contractor*" provisions of the General Conditions forming part of the Contract.

The Minister reserves Canada's right under the Contract to charge you for all losses and damages which may be suffered by Canada by reason of your default, including any amount in excess of the Contract Price which Canada may be obliged to pay in procuring the said supplies and services elsewhere.

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**J1004C            (30/10/96)            Termination for Default**

Effective 15/06/98, this clause is superseded by J1004C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when preparing a Partial Termination for Default, only after a supporting legal opinion or approval from a Legal Advisor has been obtained, when the contractor indicates inability or unwillingness to perform part of the contract.

**J1005C            (15/06/98)            Termination for Default - Partial**

This is further to your facsimile/letter of \_\_\_\_\_ addressed to \_\_\_\_\_ .

As you have indicated that you are unwilling or unable to deliver certain items specified in the above-referenced Contract in accordance with the specifications, terms and conditions of the Contract, the Minister of Public Works and Government Services hereby partially terminates the said Contract pursuant to the "*Default by the Contractor*" provisions of the General Conditions forming part of the Contract in respect of the following item(s) only:

Description of items

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You shall continue with the rest of the Work in accordance with the specifications, terms and conditions of the Contract.

The Minister reserves Canada's right under the Contract to charge you for all losses and damages which may be suffered by Canada by reason of your default, including any amount in excess of the Contract Price of the terminated item(s) which Canada may be obliged to pay in procuring the items elsewhere.

## J - TERMINATION

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**J1005C (30/10/96) Termination for Default - Partial**

Effective 15/06/98, this clause is superseded by J1005C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text in preparing a Termination by Mutual Consent only after a supporting legal opinion or approval from a Legal Advisor has been obtained.

**J2000C (15/06/98) Termination by Mutual Consent**

The above-referenced Contract is hereby terminated by mutual consent of the parties with respect to the supplies and services mentioned therein. The parties mutually agree to release each other, their servants and agents from all claims and demands arising out of this termination or out of anything done or omitted to be done under the Contract.

Please confirm your agreement with this termination on the above terms by signing and returning a copy of this Notice to the Contracting Authority.

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**J2000C (01/06/91) Termination by Mutual Consent**

Effective 15/06/98, this clause is superseded by J2000C.

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**J3000C (01/06/91) Standing Offer, Withdrawal from**

Effective 01/12/92, this clause is superseded by M9024C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following text when the supplier wants to withdraw from a Standing Offer. If the Standing Offer is under seal, however, consult Legal Services.

## **J - TERMINATION**

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**J3005C      (31/03/95)      Standing Offer - Withdrawal**

This notice acknowledges receipt of your request by letter dated \_\_\_\_\_ to withdraw and cancel ~~Standing Offer \_\_\_\_\_ (insert Standing Offer number), effective as of \_\_\_\_\_ (insert date of~~  
~~withdrawal)~~. You hereby acknowledge, however, that any call-ups under the Standing Offer received by you on or before that date will be fulfilled in accordance with the terms of the Standing Offer.

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**J4000D (01/06/91) Liquidated Damages**

Effective 29/10/93, this clause is superseded by D0024D.

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## **Section 5**

# **K - GENERAL CONDITIONS - MODIFICATIONS**

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all solicitation and contract documents in conjunction with clauses A0000C, A0000T, M0000C or M0000T, as appropriate. Specify the date of the applicable General Conditions and Supplemental General Conditions and DELETE those titles which do not apply.

**K0000D (25/05/01) Conditions**

**[\*\*DELETE THOSE ITEMS THAT DO NOT APPLY, AS WELL AS THIS INSTRUCTION\*\*]**

### General Conditions

DSS-MAS 1011A (\_\_\_\_), United States Purchases  
DSS-MAS 1026A (\_\_\_\_), Supplies - Firm Price  
DSS-MAS 1026B (\_\_\_\_), Supplies - Cost Reimbursement  
DSS-MAS 1031-2 (\_\_\_\_), Contract Cost Principles  
DSS-MAS 1034 (\_\_\_\_), Construction - Fixed Price and Unit Prices  
DSS-MAS 1053 (\_\_\_\_), Universities and Other Institutions  
DSS-MAS 9329 (\_\_\_\_), Purchase of Commercially Available Goods and Services  
DSS-MAS 9601 (\_\_\_\_), General Conditions - Long Form  
DSS-MAS 9601-10 (\_\_\_\_), General Conditions - Medium Form  
DSS-MAS 9624 (\_\_\_\_), General Conditions - Research & Development  
DSS-MAS 9628 (\_\_\_\_), Purchase of Commercially Available Goods and Services Under \$25,000  
DSS-MAS 9676 (\_\_\_\_), General Conditions - Services  
CCC-50 (\_\_\_\_), Canadian Commercial Corporation  
TRA-95 (\_\_\_\_), Translation

### Supplemental General Conditions

DSS-MAS 1028 (\_\_\_\_), Ship Construction - Firm Price  
DSS-MAS 1029 (\_\_\_\_), Ship Repairs  
DSS-MAS 1033 (\_\_\_\_), Shipbuilding - Cost Reimbursement  
DSS-MAS 1036 (\_\_\_\_), Research and Development  
DSS-MAS 9601-1 (\_\_\_\_), Hardware Purchase or Lease  
DSS-MAS 9601-2 (\_\_\_\_), Software Development/Modification Services  
DSS-MAS 9601-3 (\_\_\_\_), Systems Integration  
DSS-MAS 9601-4 (\_\_\_\_), Licensed Software  
DSS-MAS 9601-5 (\_\_\_\_), Support Services for Licensed Software  
DSS-MAS 9601-6 (\_\_\_\_), Contractor to Own Intellectual Property Rights in Foreground Information  
DSS-MAS 9601-7 (\_\_\_\_), Canada to Own Intellectual Property Rights in Foreground Information  
LAB-180 (\_\_\_\_), Labour Conditions  
LAB-180B (\_\_\_\_), Labour Conditions

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K0000D (01/12/00) Conditions**

Effective 25/05/01, this clause is superseded by K0000D.

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**Remarks:** Use the following clause in degaussing contracts.

**K0005C (01/06/91) Supplemental General Conditions, DSS-MAS 1029**

Supplemental General Conditions DSS-MAS 1029, Ship Repairs, shall form part of this Contract, except:

1. Delete paragraph (g) of section 09 and substitute the following
    - "9. (g) Canada shall not be liable for any loss or damage to the vessel, the Work of any part thereof. Canada shall not be liable for any injury, including injuries resulting in death, to any person(s). Canada shall not be liable for damage to any property. The Contractor shall indemnify and save harmless Canada against and from all loss, cost, damages, and expenses arising from claims for such loss, damages or injuries."
  2. Deletion section 10.
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**K0012C (31/03/95) Order of Precedence**

Effective 15/12/95, this clause is superseded by B4025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause may be used in conjunction with DSS-MAS 9624, General Conditions - Research and Development, or in conjunction with DSS-MAS 1053, Universities and Other Institutions, when the Contractor must provide a certification of disclosure.

When used in conjunction with DSS-MAS 9624, insert: "section 22 of General Conditions - Research and Development, DSS-MAS 9624."

When used in conjunction with DSS-MAS 1053 insert: "section 7 of General Conditions - Universities and Other Institutions, DSS-MAS 1053."



## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K0013C**      **(25/09/97)**      **Disclosure Certification**

## K - GENERAL CONDITIONS - MODIFICATIONS

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1. On completion of the Work under this Contract, the Contractor shall submit a certification to the Technical Authority and to the Contracting Authority stating that all applicable disclosures were submitted or that there were no disclosures to submit under \_\_\_\_\_.
  2. A copy of a Disclosure Certification is attached as Annex "\_\_\_\_\_."
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### **K0013C (04/01/94) Disclosures Certification**

Effective 15/09/97, this clause is superseded by K0013C.

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### **K0014C (01/06/91) Disclosures Certification**

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### **K0015C (01/06/91) General Conditions, DSS-MAS 1053**

This clause is cancelled effective 21/06/99.

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**Remarks:** The following clause may be used in contracts issued to Canadian universities, affiliated institutions and colleges when it is necessary to amend Section No. 6, Publication Rights, subsection (3), of DSS-MAS 1053.

### **K0016C (15/09/97) Modifications to DSS-MAS 1053**

Section No. 6, Publication Rights, subsection (3), of the General Conditions forming part of this Contract is hereby deleted and the following substituted therefor:

- (3) (a) Subject to the following conditions, the Contractor shall be granted a royalty-free, non-exclusive right and licence to publish and to have published during the course of normal dissemination of the knowledge in the subject field, the copyright work.
- (b) During the performance of the Contract and for a period of one (1) year from the submission by the Contractor of the final report to the Technical Authority, the Contractor shall submit to the Technical Authority, for review, all manuscripts for publication in scientific journals or the like, all abstracts of oral presentations, and other proposed publication of the copyright work described in this Contract.

## K - GENERAL CONDITIONS - MODIFICATIONS

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The Technical Authority shall complete the examination as expeditiously as possible within two (2) months from its receipt of the manuscript, abstract or other proposed release.

- (c) If the Technical Authority determines that any manuscript, abstract or other proposed release contains Department of National Defence classified material emanating from that Department, or material which is proprietary to Canada pursuant to subsection 7(2) of General Conditions, DSS-MAS 1053, the Technical Authority shall have the right to require the Contractor to redraft the relevant sections of the manuscript, abstract or other proposed publication by deleting such classified or proprietary material prior to its release.

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**K0016C (01/06/91) Modifications to DSS-MAS 1053**

Effective 15/09/97, this clause is superseded by K0016C.

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**Remarks:** Use the following clause in research and development contracts.

**K0017C (21/06/99) General Conditions, DSS-MAS 9624**

1. General Conditions DSS-MAS 9624, Research and Development, with the following modifications, shall apply to and form part of this Contract.
2. Section 07, Subcontracting, is hereby supplemented by adding the following sentence to subsection 1.:

"For work requiring consent, should the Contractor propose to solicit bids from other than Canadian sources, the Contractor shall obtain the written consent of the Minister prior to solicitation."

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**K0017C (04/01/94) General Conditions, DSS-MAS 9624**

Effective 21/06/99, this clause is superseded by K0017C.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K0018C (01/06/91) General Conditions, DSS-MAS 9076**

This clause is cancelled effective 04/01/94.

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**K0019C (01/06/91) Taxes, Provincial Gallonage**

This clause is cancelled effective 03/02/97.

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**K0020D (01/08/92) Air Charter Conditions**

This clause is cancelled effective 03/02/97.

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**K0020D (31/01/92) Air Charter Conditions**

Effective 01/08/92, this clause is superseded by K0020D.

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**K0021D (01/08/92) Air Charter Conditions**

Effective 01/12/92, this clause is superseded by M8011D.

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**K0022C (04/01/94) Cancellation of Flights**

Add to General Conditions DSS-MAS 9676, General Conditions - Services, as subsection 9. to section 24 the following:

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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- "9. If the Carrier has submitted to Canada a cancellation policy that is acceptable to Canada, the foregoing of subsection 2. shall not apply and the Carrier, as a result of a notice mentioned in subsection 1., shall be paid cancellation cost in accordance with the provisions of the said cancellation policy".
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**K0022C (01/08/92) Cancellation of Flights**

Effective 04/01/94, this clause is superseded by K0022C.

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**K0023C (15/12/95) Liability**

Without restricting the terms and conditions of the Contract, and particularly section 19 of DSS-MAS 9676, General Conditions - Services, it is hereby understood and agreed that, except to the extent caused by or due to Canada, Canada shall not be liable for any losses, claims, damages, or expenses relating to any injury, disease, illness, disability or death of the Contractor or any employee, agent or representative of the Contractor caused or alleged to be caused as a result of performing the Contract. The Contractor agrees to fully protect and indemnify Canada and not to make any claims or demands against Canada in respect of any of the foregoing contingencies.

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**K0023C (04/01/94) Liability**

Effective 15/12/95, this clause is superseded by K0023C.

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**K0023D (01/06/91) Vessels in Commission - Gen. Cond.**

Effective 15/09/97, this clause is superseded by K0032D.

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## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K0024D**            **(15/09/97)**            **Vessel Unmanned Refits**

1.        This requirement is considered "defence supplies"; accordingly, the provisions of General Conditions DSS-MAS 1026A shall form part of the Contract.
2.        In addition to General Conditions DSS-MAS 1026A, Supplemental General Conditions DSS-MAS 1029, Ship Repairs (excluding section 8 and subsections (c), (d), and (f) of section 9), will form part of the Contract.
3.        Fire Fighting Equipment will be readily accessible and made available should a fire emergency arise, and adequate precautions will be taken when burning or welding is carried out in compartments or other confined areas of the vessel.
4.        Responsibility for planning and scheduling of the work will rest with the Contractor, who may be required by the Contracting Authority to present periodic Production Schedules.

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**K0024D**            **(01/06/91)**            **Vessel out of Commission - Gen. Cond.**

Effective 15/09/97, this clause is superseded by K0024D.

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**K0025T**            **(01/08/92)**            **Contractual Obligation**

Effective 01/12/92, this clause is superseded by M8012D.

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**K0026C**            **(04/01/94)**            **Priority of Documents**

1.        The documents listed below form part of and are incorporated into this Contract. If there is a discrepancy between the wording of one document and the wording of any other document which appears on the list, the wording of the document which first appears on the list shall prevail over the wording of any document which subsequently appears on the list:
  - (a)        these articles of agreement;
  - (b)        General Conditions - Services, DSS-MAS 9676;
  - (c)        Air Charter Conditions;
  - (d)        Appendix "A";
  - (e)        Customer Safety Briefing Confirmation.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K0026C            (01/08/92)            Priority of Documents**

Effective 04/01/94, this clause is superseded by K0026C.

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**K0027D            (01/12/92)            Warranty (Vessel) - DND**

1. In modification of the requirements of section 08 entitled "Warranty" of General Conditions DSS-MAS 1026A, Supplies - Firm Price, the Contractor hereby warrants:

- (a) the painting of the underwater portion of the hull for a period of twelve (12) months commencing from the date of undocking, and
- (b) all other items of work for a period of ninety (90) days commencing from the date of acceptance of vessel; said warranty being that all workmanship and materials will be of first class quality and fully in accordance with the specifications. The Contractor also hereby warrants that any part or parts which the shipbuilder has provided and which may, within said ninety (90) days or twelve (12) month period, be found defective or display signs of weakness or undue wear due to faulty design, materials or workmanship shall be repaired or replaced, provided that in the event any defects develop on the underwater painting work during the warranty period, the Contractor will only be liable to repair and/or replace to a value to be determined as follows:

"Original cost to Canada of the underwater painting work, divided by fifty-two (52) weeks and multiplied by the number of weeks remaining in the warranty period. The resultant would represent the "Dollar Credit" due to Canada from the Contractor."

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**K0028D            (31/03/95)            Default**

This clause is cancelled effective 21/06/99.

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**K0029D            (01/05/96)            Warranty**

For the purpose of the Warranty section of the General Conditions forming part of the Contract, the warranty period shall be 36 months in lieu of 12 months. All other provisions of the Warranty section apply without change.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in conjunction with DSS-MAS 1036, Research and Development.

**K0030D (16/02/98) Revision of DSS-MAS 1036**

The Supplemental General Conditions DSS-MAS 1036, Research and Development, are amended by deleting section 02 (Conduct of Work) in its entirety and by substituting the following therefor:

"02 Conduct of work

The Contractor shall,

- a) carry out the Work to the satisfaction of the Project Officer and shall comply with all instructions and directions which may, from time to time, be given by the Minister or the Project Officer with respect to the Work or the conduct or progress thereof.
- b) ensure the safety of its workers and carry out the Work in a diligent and efficient manner in accordance with established industry practice and laws for the health and safety of workers related to the performance of the Work."

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in conjunction with DSS-MAS 1053, Universities and other Institutions.

**K0031D (16/02/98) Revision of DSS-MAS 1053**

The General Conditions DSS-MAS 1053, Universities and other Institutions, are amended by deleting section 04 (Conduct of Work) in its entirety and by substituting the following therefor:

"04 Conduct of Work

1. The Contractor shall,

- (a) perform the work promptly;
- (b) supervise the work to ensure that it is performed efficiently, in conformity with the requirements of the contract and in accordance with the highest standards of professional quality; and
- (c) use only competent personnel to perform the Work.
- (d) ensure the safety of its workers and carry out the Work in a diligent and efficient manner in accordance with established



## **K - GENERAL CONDITIONS - MODIFICATIONS**

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industry practice and laws for the health and safety of workers related to the performance of the Work.

2. The Minister shall have access to the work at all reasonable times."

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### **K0032D (15/09/97) Vessel Manned Refits**

1. This requirement is considered "defence supplies"; accordingly, the provisions of General Conditions DSS-MAS 1026A, Supplies - Firm Price, shall form part of the Contract.
2. In addition to General Conditions DSS-MAS 1026A, Supplemental General Conditions DSS-MAS 1029, Ship Repairs (excluding section 09), will form part of the Contract.
3. Fire fighting equipment will be readily accessible and made available should a fire emergency arise, and adequate precautions will be taken when burning or welding is carried out in compartments or other confined areas of the vessel.
4. Responsibility for planning and scheduling of the work will rest with the Contractor, who may be required by the Contracting Authority to present periodic Production Schedules.

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### **K0033D (16/02/98) Health and Labour Conditions**

This clause is cancelled effective 01/12/00.

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### **K0034D (16/02/98) Revision of DSS-MAS 1034**

This clause is cancelled effective 01/12/00.

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### **K0035D (16/02/98) Conduct of Work - Revision of**

This clause is cancelled effective 01/12/00.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause where the deliverable(s) identified in the contractual document will be specific goods i.e. hardware, software and/or firmware:

**K0039D (15/06/98) Y2000 Warranty - Goods**

1. The Contractor warrants that:
  - a) all hardware, software and/or firmware products delivered individually, or
  - b) hardware, software and firmware products delivered in combination as an integrated system under this Contract,

as the case may be, shall meet the contractual requirement so as to accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing and that such date-related processing will take into consideration leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada.
2. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent hardware, software or firmware from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor, at time of acceptance, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.
3. The obligations contained herein apply to the products delivered by the Contractor and its subcontractor(s) involved in the performance of this Contract.
4. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty which may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference. The warranties contained herein are subject to any limitation of the Contractor's liability specified in the Contract.
5. The warranties contained herein shall not apply where a modification has been made to a deliverable provided under this Contract by a party other than the Contractor or a subcontractor or a party approved in writing by either of them.
6. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000, or,
  - (b) for a period of six months following acceptance of the hardware, software and/or firmware,

whichever is the later date.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause where the deliverable(s) identified in the contractual document will be for Facility Management or Outsourcing Services.

**K0040D (15/06/98) Y2000 Warranty - Facility Management or Outsourcing**

1. The Contractor warrants that all hardware, software and firmware products which may be delivered to Canada and/or utilize by the Contractor to perform services under this Contract shall meet the contractual requirement so as to accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing and that such date-related processing will take into consideration leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada.
2. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent hardware, software or firmware from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor, at time of acceptance, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.
3. The obligations contained herein apply to the products delivered to Canada and/or utilized by the Contractor and its subcontractor(s) to provide the services under this Contract. The obligations contained herein do not apply to hardware, firmware, software or software applications provided as Government Property unless expressed elsewhere in the Contract.
4. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty which may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference. The warranties contained herein are subject to any limitation of the Contractor's liability specified in the Contract.
5. The warranties contained herein shall not apply where a modification has been made to a deliverable provided under this Contract by a party other than the Contractor or a subcontractor or a party approved in writing by either of them.
6. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000, or,
  - (b) for a period of six months following acceptance of the system to which the hardware, software, firmware, as relevant, relate, or,
  - (c) for a period equal to the term of the Contract,whichever is the later date.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause where the deliverable identified in the contractual document will be an "integrated system".

**K0041D (15/06/98) Y2000 Warranty - System Integration**

1. The Contractor warrants that all hardware, software and firmware products delivered or developed and any deliverables resulting from the services provided, as an integrated system, shall meet or operate as per the contractual requirement (as evidenced during acceptance tests, as applicable) so as to accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into and between the twentieth and twenty-first centuries, including leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada.
2. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent hardware, software or firmware from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor, at time of acceptance, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.
3. The obligations contained herein apply to the integrated system provided by the Contractor and its subcontractor(s) involved in the performance of this Contract. The obligations contained herein do not apply to hardware, firmware, software or software applications provided as Government Property unless expressed elsewhere in the Contract.
4. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty which may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference. The warranties contained herein are subject to any limitation of the Contractor's liability specified in the Contract.
5. The warranties contained herein shall not apply where a modification has been made to a deliverable provided under this Contract by a party other than the Contractor or a subcontractor or a party approved in writing by either of them.
6. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000, or,
  - (b) for a period of six months following acceptance of the system to which the hardware, software, firmware, as relevant, relate,

whichever is the later date.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause where the deliverables identified in the contractual document will be services.

**K0042D (15/06/98) Y2000 Warranty - Service**

1. The Contractor warrants that the deliverables resulting from the services provided under this Contract shall meet the contractual requirement so that the deliverables (as evidenced during acceptance tests, as applicable) accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into and between the twentieth and twenty-first centuries, including leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada, provided that all hardware, software and firmware products used with the deliverables properly exchange accurate date and date-related data with them.
2. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent hardware, software or firmware from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor, prior to the performance of the services, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.
3. The obligations contained herein apply to the services provided by the Contractor and its subcontractor(s) involved in the performance of this Contract. Subject to the specific contractual requirement, the obligations contained herein do not apply to hardware, firmware, software or software applications provided as Government Property unless expressed elsewhere in the Contract.
4. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty which may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference. The warranties contained herein are subject to any limitation of the Contractor's liability specified in the Contract.
5. The warranties contained herein shall not apply where a modification has been made to a deliverable provided under this Contract by a party other than the Contractor or a subcontractor or a party approved in writing by either of them.
6. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000, or,
  - (b) for a period of six months following acceptance of the services,whichever is the later date.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**Remarks:** Use the following clause if, or when, the deliverable(s) identified in the contractual document will be goods that may contain electronic processing systems not specifically related to the purchase of Information Technology (IT) systems.

**K0043D            (12/05/00)            Y2000 Warranty - Goods Not Directly Related to IT Procurements**

1. The Contractor warrants that all electronic processing systems contained within or forming part of goods delivered under this Contract, shall meet the contractual requirement so as to accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, and that such date-related processing will take into consideration leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada.
2. The items under warranty include but are not limited to:
  - processors
  - memory (RAM, ROM, PROM, EPROM, etc.)
  - firmware or software
  - reliant systems or architecture
  - integrated circuits.
3. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent the goods from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor, at time of acceptance, to demonstrate compliance and/or compliance techniques and test procedures it followed in order to comply with all of the obligations contained herein.
4. The obligations contained herein apply to the products delivered by the Contractor and its subcontractor(s) involved in the performance of this Contract.
5. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty that may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference.
6. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000, or,
  - (b) for a period of six months following acceptance of the hardware, software and/or firmware,whichever is the later date.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**K0043D (23/11/98) Y2000 Warranty - Goods Not Directly Related to IT Procurements**

Effective 12/05/00, this clause is superseded by K0043D.

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**Remarks:** Use the following clause if, or when, the deliverables identified in the contractual document will be services not specifically related to the purchase of Information Technology (IT) systems.

**K0044D (23/11/98) Y2000 Warranty - Services Not Directly Related to IT Procurements**

1. The Contractor warrants that the deliverables resulting from the services provided under this Contract shall meet the contractual requirement so that the deliverables (as evidenced during acceptance tests, as applicable) accurately and automatically process date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into and between the twentieth and the twenty-first centuries, and the years 1999 and 2000, and including leap year calculations when used in accordance with the documentation provided by the Contractor and accepted by Canada, provided that all electronic processing systems used with the deliverables properly exchange accurate date and date-related data with them. To that end, the Contractor also warrants that date-related processing will not, in any way, prevent electronic processing systems from conforming to the requirement of the Contract prior to, during, or after the year 2000. Canada may, at no additional cost, require the Contractor prior to the performance of the services, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.
2. The items under warranty include but are not limited to:
  - processors
  - memory (RAM, ROM, PROM, EPROM, etc.)
  - firmware or software
  - reliant systems or architecture
  - integrated circuits.
3. The obligations contained herein apply to the services provided by the Contractor and its subcontractor(s) involved in the performance of this Contract. Subject to the specific contractual requirement, the obligations contained herein do not apply to electronic processing systems provided as Government Property unless expressed elsewhere in the Contract.
4. The warranties contained herein are separate and discrete from any other warranties specified in this Contract, and are not subject to any disclaimer of warranty that may be specified in this Contract, its appendices, its schedules, its annexes or any document incorporated in this Contract by reference. Notwithstanding the foregoing, the provisions set out in the applicable Supplemental General Conditions, if any, under the section entitled "Warranty" apply.
5. The warranties contained herein shall have a term extending either:

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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- (a) to June 30, 2000, or,
- (b) for a period of six months following acceptance of the hardware, software and/or firmware,

whichever is the later date.

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**K0045D            (16/02/98)            Subcontracting**

1. Notwithstanding the provisions of the General Conditions DSS-MAS 1026A or DSS-MAS 1026B, as the case may be, covering subcontracting, the Contractor may, without the prior written consent of the Minister,
    - (a) purchase "off-the-shelf" items and such standard articles and materials as are ordinarily manufactured or produced by mills and manufacturers in the normal course of business;
    - (b) subcontract for the provision of services as are ordinarily performed by suppliers of such services in their normal course of business;
    - (c) subcontract any of the work to any one subcontractor up to a value in the aggregate of \$100,000;
    - (d) authorize its first and subsequent tier subcontractors to make purchases or subcontract as permitted in paragraphs (a) through (c).
  2. The foregoing provisions shall not apply to assignments of contracts.
  3. Except as provided in section 1, the Contractor shall not subcontract any portion of the work without obtaining the prior written consent of the Minister.
  4. Except as modified by these Supplemental General Conditions or by other provisions of the Contract, the General Conditions DSS-MAS 1026A or DSS-MAS 1026B, as the case may be, including the provisions therein covering assigning and subcontracting, shall remain in full force and effect.
  5. No subcontracting or assignment shall relieve the Contractor from any of its obligations under the Contract or impose any liability upon Her Majesty or the Minister to a subcontractor or an assignee.
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**K1000T            (05/08/91)            Statement of Eligible Goods**

This clause is cancelled effective 01/12/92.

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## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K1000T            (01/06/91)            Statement of Eligible Goods**

Effective 05/08/91, this clause is superseded by K1000T.

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**K1001T            (01/04/92)            Statement of Eligible Goods**

This clause is cancelled effective 01/06/94.

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**K1002T            (01/04/92)            Statement of Eligible Goods**

This clause is cancelled effective 01/06/94.

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**K1100C            (01/04/92)            Statement of Eligible Goods**

This clause is cancelled effective 01/06/94.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations where a resultant contract may be subject to the Federal Contractors Program for Employment Equity (FCP EE). Refer to Supply Manual, procedure 5.113 for exclusions from the FCP EE.

**K2000T            (25/05/01)            Employment Equity**

1. The Federal Contractors Program for Employment Equity (FCP EE) requires that Canadian organizations bidding for federal government contracts, \$200,000.00 and over, make a formal commitment to implement employment equity, as a pre-condition to the validation of their bids. If the bidder is subject to the Program, evidence of its commitment must be provided prior to the award of any contract.

- (a) The program requirements do not apply to organizations which:

## K - GENERAL CONDITIONS - MODIFICATIONS

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- ( ) have fewer than 100 permanent part-time and/or full time employees across Canada or;
- ( ) are a federally regulated employer.

*(Please check the appropriate item above if applicable)*

- (b) If the bidder's organization does not fall within the parameters of items above, the program requirements do apply and, as such the bidder is required to submit a duly signed Certificate of Commitment as referenced below, or its Certificate number \_\_\_\_\_ confirming its adherence to the program.
2. In all cases, the bidder is required to produce evidence of supporting information on demand, if such evidence is not provided with its bid. Under no circumstance will a contract be awarded to an organization that does not comply with the requirements of the FCP EE, unless it is exempt from the Program.

### NOTE:

- 1. The FCP EE applies to Canadian-based bidders only.
- 2. The Certificate of Commitment, criteria and other information about the FCP EE, are available in the *Standard Acquisition Clauses and Conditions* Manual, Section 2, and on the PWGSC Internet site at: <http://www.pwgsc.gc.ca/sacc/choice-e.html>.

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**K2000T (01/12/00) Employment Equity**

Effective 25/05/01, this clause is superseded by K2000T.

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**K2001T (31/01/92) Employment Equity Program**

This clause is cancelled effective 01/12/92.

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**K2100D (11/12/91) South African/Haitian Conditions**

This clause is cancelled effective 29/10/93.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**K2100D (01/06/91) South African Condition**

Effective 11/12/91, this clause is superseded by K2100D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contractual documents. At the bid solicitation stage, the sanctions are provided to bidders for information purposes only.

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**K2105D (24/05/02) International Sanctions**

1. Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions.

Details on existing sanctions can be found at:  
<http://www.dfait-maeci.gc.ca/trade/sanctions-e.asp>

2. It is a condition of this Contract that the Contractor not supply to the Government of Canada any goods or services which are subject to economic sanctions.
  3. By law, the Contractor must comply with changes to the regulations imposed during the life of the Contract. During the performance of the Contract, should the imposition of sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services cause an impossibility of performance for the Contractor, the situation will be treated by the Parties as a force majeure. The Contractor shall forthwith inform Canada of the situation; the procedures applicable to force majeure shall then apply.
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**K2105D (25/05/01) International Sanctions**

Effective 24/05/02, this clause is superseded by K2105D.

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## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**Remarks:** Use this clause in bid solicitations where DSS-MAS 1011A, DSS-MAS 1026A, DSS-MAS 1026B, DSS-MAS 1053 or DSS-MAS 9329 is used.

**K2200D (01/05/96) Conflict of Interest**

The Contractor agrees that it is a term of the Contract that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Contract.

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**K2200D (01/04/92) Conflict of Interest**

Effective 01/05/96, this clause is superseded by K2200D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when the Contractor must design and write up specifications on behalf of Canada that are to be used for a bid solicitation, or when the Contractor must manage and amend the documentation and technical data that belong to Canada and that could be used in the repair or construction of its equipment, the refit or construction of a vessel owned by Canada, or when the Contractor is acting as Canada's representative in the management of any repair, refit or construction/manufacturing contract. Insert the name of the Contractor who will carry out the work, if it is known, or "the Bidder selected to carry out the work."

**K2205D (21/06/99) Conflict of Interest**

1. In order to avoid any real or apparent conflicts of interest, the Contractor hereby agrees that it will not, during the term of the contract, undertake or perform services on behalf of, or contract with (***Insert the name of the Contractor(s)***).
2. The Contractor further agrees that it will ensure that personnel provided, pursuant to the Contract, shall devote their full time and attention to the performance of the services to be provided hereunder and will not, therefore, be in a position of any possible conflict of interest during the term hereof.
3. It shall be a term of the Contract:
  - (a) that no former public office holder who is not in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders shall derive a direct benefit from the Contract; and
  - (b) that during the term of the Contract any persons engaged in the course of carrying out this Contract shall conduct themselves in compliance with the principles of the Conflict of Interest and Post-Employment Code for Public Office Holders. Should an interest be acquired during the life of the Contract that would

## K - GENERAL CONDITIONS - MODIFICATIONS

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cause a conflict of interest or seem to cause a departure from the principles, the Contractor shall declare it immediately to the departmental representative.

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**Remarks:** Use this clause in bid solicitations where Canada has employed the assistance of private sector contractors in the preparation of a solicitation or statement of work.

**K2210T (31/03/95) Conflict of Interest**

Canada has employed the assistance of private sector contractors in the preparation of this solicitation. Responses to this solicitation from any such contractor or with respect to which such contractor is in any manner directly or indirectly involved will be deemed to be in conflict of interest (real or perceived) and will not be considered. By submitting a bid, the Bidder represents that there is no conflict of interest as stated above.

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**K3000D (01/12/92) Intellectual Property Rights**

This clause is cancelled effective 04/01/94.

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**K3000D (19/12/91) Intellectual Property Rights**

Effective 01/12/92, this clause is superseded by K3000D.

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**K3001D (01/12/92) Intellectual Property Rights**

This clause is cancelled effective 04/01/94.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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### **K3001D (19/12/91) Intellectual Property Rights**

Effective 01/12/92, this clause is superseded by K3001D.

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**Remarks:** Use the following clause in combination with DSS-MAS 9676, "General Conditions - Services" or DSS-MAS 9601, "General Conditions - Long Form", in a Contract which does not involve any research and development, where it is anticipated that the intellectual property arising from the Work under the Contract, if any, will be minimal, where the client has specified that the intellectual property rights are to vest in the contractor and where the Crown does not wish to have any license to use any intellectual property that may arise in the Contractor's performance of the Contract.

Do not use this clause in conjunction with DSS-MAS 9624, "General Conditions - Research and Development". Clause K3030D may be used in combination with this clause where material subject to copyright protection will be created in the performance of the Contract and the client department wishes to ensure that it obtains a license to exercise all rights comprised in the copyright in that material, but does not require a license to exercise any other intellectual property rights arising from the Work under the Contract.

### **K3002D (25/05/01) Contractor to own IP: No Explicit License Rights for Canada**

The General Conditions are amended by deleting in its entirety the section entitled "Copyright", which is replaced by the following:

"Without affecting any intellectual property rights or interests therein that have come into being prior to the Contract or that relate to information or data supplied by Canada for purposes of the Contract, all intellectual property rights in anything conceived, developed, reduced to practice or produced as part of the Work under the Contract shall immediately, as soon as they come into existence, vest in and remain the property of the Contractor."

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### **K3002D (04/01/94) Intellectual Property Rights**

Effective 25/05/01, this clause is superseded by K3002D.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause only where the Contractor is to own the Foreground Information and where either DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", or DSS-MAS 9624, "General Conditions - Research and Development", form part of the Contract.

Add the following clause if the Contractor is to be required to protect its or Canada's interest in the intellectual property (usually where there is also a requirement to exploit the intellectual property in Canada).

**K3005D (25/05/01) Protection of Intellectual Property**

The Contractor shall take reasonable measures to protect the Intellectual Property Rights in the Foreground Information, and in any case shall take at least the same measures as it takes in relation to other similar intellectual property owned by the Contractor.

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**K3005D (04/01/94) Protection of Intellectual Property**

Effective 25/05/01, this clause is superseded by K3002D.

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**Remarks:** Use the following clause for procurement of any items where design is property of Canada.

**K3006D (15/12/95) Design - Property of Canada**

The Contractor acknowledges that the design of the goods to be produced including all markings, writings and inscriptions is the property of Canada and agrees that it will not manufacture, sell or offer for sale, goods of the same design including such markings, writings and inscriptions to any person or corporation other than Canada without the Minister's prior written authorization.

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**K3010D (01/12/92) Disclosure to Other Governments**

This clause is cancelled effective 04/01/94.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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### **K3010D (19/12/91) Disclosure to Other Governments**

Effective 01/12/92, this clause is superseded by K3010D.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause only where the Contractor is to own the Foreground Information and where either DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", or DSS-MAS 9624, "General Conditions - Research and Development", form part of the contract.

Add the following clause where the contractor is to be required to keep Foreground Information confidential for a specific period of time following completion of the contract. This clause would be suitable where the client department wishes to give the intellectual property rights to the contractor but wishes to prevent publishing and to restrict disclosure of that information for a period of time for security or other reasons.

### **K3015D (10/12/01) Foreground Information - Confidentiality**

The Contractor, during the performance of the Contract and for a period of \_\_\_\_\_ months thereafter, shall keep confidential and shall not publish or otherwise disclose to any person any Foreground Information, except as may be necessary to carry out the Work under the Contract in which case the Contractor shall impose the same obligation of confidentiality on any person to whom the information is disclosed. The foregoing obligation does not apply to any Foreground Information where the same information is publicly available from a source other than Canada.

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### **K3015D (25/05/01) Technical Information - Confidentiality**

Effective 10/12/01, this clause is superseded by K3015D.

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**Remarks:** Use the following clause only where the Contractor is to own the Foreground Information and where either DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", or DSS-MAS 9624, "General Conditions - Research and Development", form part of the Contract.

Add the following clause where the client department is willing to give the Contractor access to information over and above any Canada-owned Technical Information disclosed to the Contractor for purposes of carrying out the Contract. If appropriate, replace "certain Canada-owned information" by a list of specific items.



## K - GENERAL CONDITIONS - MODIFICATIONS

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**K3020D (25/05/01) Licence to Canada's Information**

If commercial exploitation or further development of the Foreground Information, the Intellectual Property Rights in which vest in the Contractor pursuant to section 23 of DSS-MAS 9624 or section 03 of DSS-MAS 9601-6, whichever forms part of the Contract, reasonably requires the use of certain Canada-owned information other than that supplied to the Contractor for purposes of the Contract, Canada may provide the Contractor with a license for that purpose, on terms and conditions to be negotiated between the Contractor and the minister for whose department or agency the Work is being or was carried out and which terms and conditions may include the payment of compensation. The Contractor must set out its request for such a license in writing, with an explanation as to why the license is required. The minister for whose department or agency the Work is being or was carried out shall respond in writing to the request within a reasonable period of time. If the Contractor's request is refused, the said minister's reply shall provide an explanation for the refusal.

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**K3020D (01/12/00) Licence to Canada's Information**

Effective 25/05/01, this clause is superseded by K3020D.

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**Remarks:** Use the following clause only where the Contractor is to own the Foreground Information and where DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", forms part of the Contract.

This clause is intended for use where the Contractor is engaged to, essentially, produce a new product and where the client department has determined that it wishes to have a broader license to the Contractor's background to allow for further development of that product, including, possibly, production of it for Canada's use.

**K3025D (10/12/01) License to Intellectual Property Rights in Background Information (Contractor Owns)**

1. Section 05, "License to Intellectual Property Rights in Background Information", of Supplemental General Conditions DSS-MAS 9601-6 is deleted and replaced by the following:

**"05 License to Intellectual Property Rights in Background Information**

1. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required in order for Canada to exercise its license in the Intellectual Property Rights in the Foreground Information. The Contractor agrees, subject to subsection 4, to make any such Background

## K - GENERAL CONDITIONS - MODIFICATIONS

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Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.

2. The Contractor acknowledges that Canada may wish to award contracts for a purpose contemplated in subsection 1 and that such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in Background Information includes the right to disclose the Background Information to bidders for such contracts, and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.
  3. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 1 and 2 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.
  4. Notwithstanding subsection 1, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 1 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms.”
2. Subsection 1 of section 10, "Waiver of Moral Rights", in DSS-MAS 9601-6 is deleted and replaced by the following:
- “10 Waiver of Moral Rights**
1. The Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of moral rights (as this term is defined in the *Copyright Act*, R.S. 1985, c. C-42), in a form acceptable to the Minister, from every author that contributed to any Foreground Information which is subject to copyright protection and which is deliverable to Canada under the terms of the Contract.”

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**K3025D (25/02/01) License to Intellectual Property Rights in Background Information (Contractor Owns)**

Effective 10/12/01, this clause is superseded by K3025D.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause in combination with DSS-MAS 9676, General Conditions - Services, or DSS-MAS 9601, General Conditions - Long Form, and clause K3002D, Contractor to Own IP: No Explicit License Rights for Canada, in a Contract which does not involve any research and development, where it is anticipated that the intellectual property arising from the Work under the Contract, if any, will be negligible. Clause K3030D may be used in combination with K3002D where the client department wishes to ensure that it obtains a license to exercise all rights comprised in the copyright, if any, in a protected Work arising in the Contractor's performance of the Contract, but does not require a license to exercise any other intellectual property rights arising from the Work under the Contract.

Do not use this clause in conjunction with DSS-MAS 9624, General Conditions - Research and Development.

### **K3030D (25/05/01) License to Material Subject to Copyright**

1. In this clause, "Material" means anything that is created or developed by the Contractor as part of the Work under the Contract, and in which copyright subsists.
2. The Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, world-wide, fully-paid and royalty-free license to exercise all rights comprised in the copyright in the Material, for any public purpose.
3. Copyright in any translation of the Material made by or for Canada shall vest in Canada.
4. Canada may use independent contractors in the exercise of Canada's license pursuant to this clause.
5. Canada shall reproduce the Contractor's copyright notice, if any, on all copies of the Material, and Canada shall acknowledge the Contractor's title to the copyright in the original work on all copies of translations of the Material effected by or for Canada.
6. No restrictions other than those set out in this section shall apply to Canada's use of copies of the Material or of translated versions of the Material.
7. At the request of the Minister, the Contractor shall provide to Canada, at the completion of the Work or at such other time as the Minister may require, a written permanent waiver of Moral Rights, in a form acceptable to the Minister, from every author that contributed to the Material.
8. If the Contractor is an author of the Material, the Contractor hereby permanently waives the Contractor's Moral Rights in respect of the Material.

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### **K3030D (01/12/00) Right to Use, Copy and Translate**

Effective 25/05/01, this clause is superseded by K3030D.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in all bid solicitations in which the client department has determined that Canada will own any intellectual property arising from the work under the Contract. The contracting officer will insert the name of the client department or agency and one or more of the following grounds for Canada ownership, as supplied by the client department or agency (do not include the exception number):

- (6.1) national security;
- (6.2) statutes, regulations or prior obligations of Canada to a third party or parties preclude Contractor ownership of the Intellectual Property Rights in Foreground Information;
- (6.3) the Contractor has declared in writing that the Contractor is not interested in owning the Intellectual Property Rights in Foreground Information;
- (6.4.1) the main purpose of the Contract, or of the deliverables contracted for, is to generate knowledge and information for public dissemination;
- (6.4.2) the main purpose of the Contract, or of the deliverables contracted for, is to augment an existing body of Canada's background information rights as a prerequisite to their planned transfer to the private sector, through licensing or assignment of ownership to another person, for the purposes of commercial exploitation;
- (6.4.3) the main purpose of the Contract, or of the deliverables contracted for, is to deliver a component or subsystem that will be incorporated into a complete system at a later date, as a prerequisite to the planned transfer of the complete system to the private sector, through licensing or assignment of ownership, for purposes of commercial exploitation;
- (6.5) Canada has opted to own the intellectual property rights in any material subject to copyright that is created or developed as part of the Work, with the exception of computer software or any documentation pertaining to such software.

### **K3200T (25/05/01) Basis for Canada's Ownership of Intellectual Property**

The \_\_\_\_\_ has determined that any intellectual property arising from the performance of the Work under the Contract will vest in Canada, on the following grounds: \_\_\_\_\_.

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### **K3200T (04/01/94) Ownership of Intellectual Property**

Effective 25/05/01, this clause is superseded by K3200T.

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## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K3300D (01/12/92) Intellectual Property Rights**

This clause is cancelled effective 04/01/94.

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**K3300D (19/12/91) Intellectual Property Rights**

Effective 01/12/92, this clause is superseded by K3300D.

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**K3301D (01/12/92) Intellectual Property Rights**

This clause is cancelled effective 04/01/94.

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**K3301D (19/12/91) Intellectual Property Rights**

Effective 01/12/92, this clause is superseded by K3301D.

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**K3302D (01/12/92) Intellectual Property Rights**

This clause is cancelled effective 04/01/94.

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**Remarks:** Use the following clause where Canada is to own the Foreground Information and where DSS-MAS 9601-7, "Canada to Own Intellectual Property Rights in Foreground Information", forms part of the Contract, if the Crown is prepared, at the time of Contract, to consider granting the Contractor a license to exercise the Intellectual Property Rights in the Foreground Information owned by Canada.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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Article 9.1 of the Intellectual Property (IP) Policy states that the Crown should not unreasonably refuse to grant a license to the Contractor for the Contractor's use of the Foreground Information.

Article 9.2 of the IP Policy states that where the reason which was invoked for Canada's ownership of the Intellectual Property Rights in the Foreground Information was either:

1. that the main purpose of the Contract, or of the deliverables contracted for, is to augment an existing body of Canada's background information rights as a prerequisite to their planned transfer to the private sector at a later date, through licensing or assignment of ownership to another person, for the purposes of commercial exploitation; or
2. that the main purpose of the Contract, or of the deliverables contracted for, is to deliver a component or subsystem that will be incorporated into a complete system at a later date, as a prerequisite to the planned transfer of the complete system to the private sector, through licensing or assignment of ownership, for purposes of commercial exploitation,

then when Canada grants a license for the Foreground Information, the license must be royalty-free. The following clause applies in those circumstances.

**K3305D            (25/05/01)            License to Intellectual Property Rights in Foreground Information (Royalty Free)**

1. Subject to subsection 2, if the Contractor wishes to make use of the Foreground Information for purposes of its commercial exploitation or further development, then the Contractor may make a written request for a license to the minister for whose department or agency the Work is being or was carried out. Such a request should be made within thirty (30) working days following completion of the Work. The Contractor shall give that minister an explanation as to why such a license is required. That minister shall respond in writing to any request for such a license within a reasonable period of time. If the request is refused the response shall provide an explanation for the refusal. Should the minister for whose department the work is being or was carried out agree to grant such a license, it shall be on terms and conditions to be negotiated between the Contractor and that minister.
2. Where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada, or personal information (as this term is defined in the *Privacy Act* (R.S.C., c. P-21)) collected by the Contractor as part of the Work, then the license referred to in subsection 1 shall be restricted to the Intellectual Property Rights in Foreground Information that are capable of being exploited without the use of such information or data or personal information.

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**K3305D            (01/12/00)            License to Foreground Information**

Effective 25/05/01, this clause is superseded by K3305D.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use the following clause where Canada is to own the Foreground Information, if the Crown is prepared, at the time of the Contract, to consider granting the Contractor a license to exercise the Intellectual Property Rights in the Foreground Information owned by Canada, on terms and conditions that could include the payment of a royalty by the Contractor.

Article 9.1 of the Intellectual Property (IP) Policy states that the Crown should not unreasonably refuse to grant a license to the Contractor for the Contractor's use of the Foreground Information. Where the client department is relying on any exception in the IP Policy for Canada's ownership of the Intellectual Property Rights in the Foreground Information other than those exceptions set out in 6.4.2 or 6.4.3 of the IP Policy, or in the event that 6.4.2 or 6.4.3 of the IP Policy was invoked by the Crown but a license is to be granted to the Contractor as part of the transfer of the final product or complete system to the private sector, then the following clause may be used.

**K3306D (25/05/01) License to Intellectual Property Rights in Foreground Information (Possible Royalty)**

1. Subject to subsection 2, if the Contractor wishes to make use of the Foreground Information for purposes of its commercial exploitation or further development, then the Contractor may make a written request for a license to the minister for whose department or agency the Work is being or was carried out. Such a request should be made within thirty (30) working days following completion of the Work. The Contractor shall give that minister an explanation as to why such a license is required. That minister shall respond in writing to any request for such a license within a reasonable period of time. If the request is refused the response shall provide an explanation for the refusal. Should the minister for whose department the work is being or was carried out agree to grant such a license, it shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.
2. Where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada, or personal information (as this term is defined in the *Privacy Act* (R.S.C., c. P-21)) collected by the Contractor as part of the Work, then the license referred to in subsection 1 shall be restricted to the Intellectual Property Rights in Foreground Information that are capable of being exploited without the use of such information or data or such personal information.

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**Remarks:** Use the following clause only where Canada is to own the Intellectual Property Rights in the Foreground Information pursuant to the terms of the Contract

The following clause may be used where Canada is to own the Intellectual Property Rights in the Foreground Information but Canada is prepared to license the Contractor to exercise same.

Add the following clause if the Contractor is not to be permitted to sub-license the use of the Foreground Information.

**K3310D (25/05/01) No Right for Contractor to Sub-license**

The Contractor shall not have the right to sub-license or otherwise authorize any party to exercise any of the Intellectual Property Rights in the Foreground Information.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**K3310D (01/12/00) No Right for Contractor to Sub-license**

Effective 25/05/01, this clause is superseded by K3310D.

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**Remarks:** Use the following clause where Canada will own the Foreground Information pursuant to DSS-MAS 9601-7 or K3410D, where K3305D or K3306D will be used and where the client department is, at the time of the Contract, prepared to grant the Contractor access to Canada-owned information for purposes of Contractor's further development or commercial exploitation of the Foreground Information, where such development and commercial exploitation is permitted under license from Canada. Such a license to Canada-owned information would be negotiated separately between Canada and the contractor, for purposes of the commercial exploitation of the Foreground Information.

If appropriate, replace "certain Canada-owned information" by a list of specific items the Crown may be willing to licence to the Contractor.

**K3315D (25/05/01) License to Intellectual Property Rights in Canada-owned Information**

If the Contractor wishes to make use of certain Canada-owned information for purposes of the commercial exploitation or further development of the Foreground Information, and where Canada has granted or grants a license to the Intellectual Property Rights in the Foreground Information for such purposes, then the Contractor may make a written request for a license to exercise the required Intellectual Property Rights in such Canada-owned information, to the minister for whose department or agency the Work is being or was carried out. The Contractor shall give that minister an explanation as to why such a license is required. That minister shall respond in writing to any request for such a license within a reasonable period of time. Should the minister for whose department the work is being or was carried out agree to grant such a license, it shall be on terms and conditions to be negotiated between the Contractor and that minister. It is understood that those terms may include payment of compensation to Canada.

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**K3315D (01/12/00) Licence to Canada's Information**

Effective 25/05/01, this clause is superseded by K3315D.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks:** Use this clause where the Contractor is engaged to, essentially, produce a new product and where the Responsible Department has determined that it wishes to have a broader license to the Contractor's Background Information to allow for further development of that product, including, possibly, production of it for Canada's use.

**K3320D (10/12/01) License to Intellectual Property Rights in Background Information**

1. Section 04, "License to Intellectual Property Rights in Background Information", of Supplemental General Conditions DSS-MAS 9601-7 is deleted and replaced by the following:

**"04 License to Intellectual Property Rights in Background Information**

1. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required in order for Canada to exercise its Intellectual Property Rights in the Foreground Information. The Contractor agrees, subject to subsection 4, to make any such Background Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.
2. The Contractor acknowledges that Canada may wish to award contracts for a purpose contemplated in subsection 1 and that such contract awards may follow a competitive process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in the Background Information includes the right to disclose the Background Information to bidders for such contracts and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.
3. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 1 and 2 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.
4. Notwithstanding subsection 1, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 1 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms."

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K3320D (25/05/01) Alternative Background License (Broader)**

Effective 10/12/01, this clause is superseded by K3320D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** This clause must be used in conjunction with the basic "Intellectual Property Rights" clauses: K3000D, K3001D, K3002D, K3300D, K3301D AND K3302D, TO CLEARLY STIPULATE which sections of the general condition sets are being replaced.

**K3400D (01/12/00) Intellectual Propriety Condition Substitutions**

Clause \_\_\_\_\_ (number), \_\_\_\_\_(title), referenced in this document, replaces the following provisions of the General Conditions and Supplemental General Conditions:

***[Delete those items that do not apply, as well as this instruction]***

DSS-MAS 1026A: section 18 (Patent Licences and Use of Technical Information)

DSS-MAS 1026B: section 17 (Patent Licences and Use of Technical Information)

DSS-MAS 1036: section 04 (Ownership of Inventions).

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**K3400D (04/01/94) Intellectual Propriety Condition Substitutions**

Effective 01/12/00, this clause is superseded by K3400D.

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**Remarks:** Use this clause in conjunction with DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", where Canada requires the right to make, copy, translate, use, practice, produce or further develop designs and other intellectual property developed under the contract for any government purpose except sale or licensing in commercial competition with the contractor.

## K - GENERAL CONDITIONS - MODIFICATIONS

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### **K3405D (25/05/01) Foreground Information License Amendment**

Subsection 04 of DSS-MAS 9601-6, "Contractor to Own Intellectual Property Rights in Foreground Information", is amended by deleting paragraph 1. in its entirety and by substituting the following therefor:

#### **04 License to Intellectual Property Rights in Foreground Information**

- "1. The Contractor hereby grants to Canada a non-exclusive, irrevocable, worldwide, fully-paid and royalty-free license to make, copy, translate, use, practice, produce or further develop all Foreground Information for any government purpose except sale or licensing in commercial competition with the Contractor. Canada's license also includes the right to disclose the Foreground Information to other governments for information purposes only. Without limiting the foregoing, Canada's license with respect to any Foreground Information that is Software includes the right to modify that Software, and, where applicable, to use it, or any modified form of it, on any and all computer systems owned, leased or operated by Canada anywhere in the world."

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### **K3405D (01/12/00) Foreground Information Licence Amendment**

Effective 25/05/01, this clause is superseded by K3405D.

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**Remarks:** Use the following clause in conjunction with DSS-MAS 9624, "General Conditions - Research and Development," where Canada is to own the foreground information.

### **K3410D (10/12/01) Canada to Own Intellectual Property Rights in Foreground Information**

1. General Conditions DSS-MAS 9624, Research and Development, are amended by deleting the sections entitled "Contractor to Own Intellectual Property Rights in Foreground Information"; "License to Intellectual Property Rights in Foreground Information"; "License to Intellectual Property Rights in Background Information"; "Right to License"; "Transfer of Intellectual Property Rights in Foreground Information"; "Sale, Assignment, Transfer or Licensing of Intellectual Property Rights in Foreground Information"; "Access to Information; Exception to Contractor Rights" and subsection 22(2) of "Disclosure of Foreground Information" in their entirety. This section applies in lieu of those sections.

#### **[Canada to Own Intellectual Property Rights in Foreground Information]**

2. Without affecting any Intellectual Property Rights or interests therein that have come into being prior to the Contract, all Intellectual Property Rights in the Foreground Information shall immediately, as soon as they come into existence, vest in and remain the property of Canada. The Contractor shall have no right in or to any such Intellectual Property

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Rights in the Foreground Information except any right that may be granted in writing by Canada.

3. The Contractor shall incorporate the copyright symbol and either of the following copyright notices, as appropriate, into all Foreground Information that is subject to copyright, regardless of the form in or medium upon which it is recorded:  
  
© HER MAJESTY THE QUEEN IN RIGHT OF CANADA (year)  
  
or  
  
© SA MAJESTÉ LA REINE DU CHEF DU CANADA (year)
4. (a) For greater certainty, the Contractor agrees that where the Work under the Contract involves the preparation of a database or other compilation using information or data supplied by Canada or personal information referred to in paragraph (b), then the Contractor shall not use or disclose any such information or data or personal information for any purpose other than completing the Work under the Contract. The Contractor shall not dispose of such information or data or personal information except by returning it to Canada. The Contractor shall comply with the General Conditions of the Contract in regard to maintaining the confidentiality of such information, data, or personal information. Unless the Contract otherwise expressly provides, the Contractor shall deliver to Canada all such information, data, or personal information, together with every copy, draft, working paper and note thereof that contains such information, data, or personal information upon completion or termination of the Contract or at such earlier time as the Minister may require.  
  
(b) For greater certainty and without limiting paragraph 4.(a), if the Work under the Contract involves the collection of personal information as that term is defined in the *Privacy Act* (R.S., c. P-21), then all Intellectual Property Rights in and title to that personal information shall, immediately upon the collection of it by the Contractor, vest in Canada, and the Contractor shall have no right or interest in it.
5. The Contractor shall execute such conveyances or other documents relating to the Intellectual Property Rights in the Foreground Information as the minister for whose department or agency the Work is being or was carried out may require, and the Contractor shall, at Canada's expense, afford that minister all reasonable assistance in the preparation of applications and in the prosecution of any applications for registration of any Intellectual Property Right in any jurisdiction, including without limitation the assistance of the inventor in the case of Inventions."

### [License to Intellectual Property Rights in Background Information]

6. Without restricting the scope of any license or other right in the Background Information that Canada may otherwise hold, the Contractor hereby grants to Canada a non-exclusive, perpetual, irrevocable, worldwide, fully-paid and royalty-free license to exercise such of the Intellectual Property Rights in any Background Information incorporated into the Work or necessary for the performance of the Work as may be required in order for Canada to exercise its Intellectual Property Rights in the Foreground Information. The Contractor agrees, subject to subsection 9, to make any such Background Information (including, in the case of Software, source code) promptly available to Canada for any such purpose.
7. The Contractor acknowledges that Canada may wish to award contracts for a purpose contemplated in subsection 6 and that such contract awards may follow a competitive

## K - GENERAL CONDITIONS - MODIFICATIONS

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process. The Contractor agrees that Canada's license in relation to the Intellectual Property Rights in the Background Information includes the right to disclose the Background Information to bidders for such contracts and to sublicense or otherwise authorize the use of that information by any contractor engaged by Canada solely for the purpose of carrying out such a contract. Canada shall require bidders and the contractor not to use or disclose any Background Information except as may be necessary to bid for or to carry out that contract.

8. Where the Intellectual Property Rights in any Background Information are owned by a Subcontractor at any tier, the Contractor shall either obtain a license from that Subcontractor that permits compliance with subsections 6 and 7 or arrange for the Subcontractor to convey directly to Canada the same rights by execution of the form provided for that purpose by the Minister, in which case the Contractor shall deliver that form to the Minister, duly completed and executed by the Subcontractor, no later than the time of disclosure to Canada of that Background Information.
9. Notwithstanding subsection 6, the license set out therein shall not apply to any Software that is subject to detailed license conditions that are set out elsewhere in the Contract. Furthermore, in the case of commercial off-the-shelf software, the Contractor's obligation to make the source code promptly available to Canada for a purpose set out in subsection 6 shall apply only to source code that is within the control of or can be obtained by the Contractor or any Subcontractor, and in that event the Contractor shall, if requested by Canada, make the source code available to Canada within reasonable delivery times and on reasonable other commercial terms."

### [Right to License]

10. The Contractor represents and warrants that the Contractor has, or the Contractor shall obtain, without delay, the right to grant to Canada the license to exercise the Intellectual Property Rights in the Background Information as required by the Contract."

### [Access to Information; Exception to Contractor Rights]

11. Subject to the *Access to Information Act*, (R.S., c. A-1) and to any right of Canada under the Contract to release or disclose, Canada shall not release or disclose outside the Government of Canada any Background Information delivered to Canada under the Contract that is confidential information or a trade secret of the Contractor or a Subcontractor.
12. Nothing in these terms and conditions shall be construed as limiting Canada's right to exercise the Intellectual Property Rights in any Background Information, or to disclose any Background Information, to the extent that such information:
  - (a) is or becomes in the public domain, or to the extent that the Contractor does not benefit from or ceases to benefit from any intellectual property rights protection for such information under legislation or at law (other than under the terms of the Contract), for any reason including as a result of Canada's use or disclosure of deliverables under the Contract for any purpose whatever that is not expressly excluded under the Contract;
  - (b) is or becomes known to Canada from a source other than the Contractor, except from any source that is known to Canada to be under an obligation to the Contractor not to disclose the information;
  - (c) is independently developed by or for Canada; or

## K - GENERAL CONDITIONS - MODIFICATIONS

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- (d) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.”
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**K3410D (25/05/01) Canada to Own Intellectual Property Rights in Foreground Information**

Effective 10/12/01, this clause is superseded by K3410D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause where the Contractor is to be required to exploit the Intellectual Property in the Foreground Information in Canada. With some deletions and minor changes, this clause can also be used to require commercial exploitation within a specified time, in Canada or elsewhere. See *Legal Services about the advisability of including this clause.*

**IMPORTANT NOTE:** The following clause, "Commercialization in Canada", must not be used in a contract for the procurement of goods or services which is subject to the procurement disciplines of either the World Trade Organization - Agreement on Government Procurement (WTO-AGP) or the North American Free Trade Agreement (NAFTA). Any use of this provision which is not prohibited pursuant to the WTO-AGP or the NAFTA should be tailored to the specific circumstances of the situation as the clause may be difficult to enforce or may impose impractical restrictions on the Contractor's commercialization and thus may result in the Contractor failing to commercialize the IP. Furthermore, the use of the clause will require on-going monitoring by the client department.

**K3415D (25/05/01) Commercialization in Canada**

1. In consideration of the Contractor receiving title to the Intellectual Property Rights in the Foreground Information, the Contractor agrees that manufacture of any product incorporating or derived from the Foreground Information will be done substantially in Canada and that the provision of any service incorporating or derived from the Foreground Information will be substantially from a base in Canada, and that such a product or such a service will be marketed and sold within \_\_\_\_\_ months after final payment under the Contract is made to the Contractor.
2. The Contractor shall have satisfied the obligation in subsection 1 in relation to any part of the Foreground Information if a product manufactured substantially in Canada or a service provided substantially from a base in Canada that incorporates or is derived from that part of the Foreground Information is being offered for general sale by the Contractor or its transferee, assignee or licensee, and at least one arm's-length sale has been made (other than a sale from a transferee, assignee or licensee to the Contractor, or vice-versa). The minister for whose department or agency the Work is being or was carried out may accept other evidence as demonstrating satisfaction of the obligation. When the obligation has been satisfied in relation to any part of the Foreground Information, the obligation shall cease to apply to that part of the Foreground Information.

## K - GENERAL CONDITIONS - MODIFICATIONS

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3. If, \_\_\_\_ months before the end of the period specified in subsection 1, the obligation to market and sell a product or service as set out in that subsection has not yet been satisfied in relation to any part of the Foreground Information, the Contractor shall immediately submit to the minister for whose department or agency the Work is being or was carried out a report setting out:
- (a) a description of the efforts that have been and will be made by the Contractor or its transferee, assignee or licensee to satisfy the obligation; and
  - (b) the reasons why the obligation has not been satisfied.
4. At the expiration of the period specified in subsection 1, if the minister for whose department or agency the Work is being or was carried out is satisfied that the Foreground Information is capable of commercial exploitation in Canada but that
- (a) the Contractor (or its transferee, assignee or licensee) is incapable of achieving that; or
  - (b) the Contractor has not made every reasonable effort to fulfil the obligation;
- then that minister may invoke either of the remedies set out in subsection 6. If that minister is satisfied that the potential value to Canada of commercial exploitation of the Foreground Information substantially in Canada so justifies, that minister may extend the time for the Contractor to fulfil the obligation by such period as that minister may decide. In any other circumstance, the obligation shall cease to apply to that part of the Foreground Information.
5. The Contractor agrees that any of the following, affecting any part of the Foreground Information, would constitute a breach of the Contractor's obligation entitling the minister to exercise, in relation to that part of the Foreground Information, the option to collect the liquidated damages provided for in the Contract for such a breach (if any), or, without prejudice to any other remedy that may be available at law or under the Contract, to exercise a remedy set out in subsection 6:
- (a) the Contractor or any affiliate, subcontractor or agent of the Contractor manufactures outside Canada a product incorporating or derived from the Foreground Information without that product also being manufactured substantially in Canada, or provides from a base outside Canada a service incorporating or derived from the Foreground Information without that service also being provided substantially from a base in Canada;
  - (b) through the act or omission, whether direct or indirect, and whether deliberate or negligent, of the Contractor or its employee or subcontractor (including the sale or assignment of the Foreground Information or license or other authorization of the use of the Foreground Information), any person, corporation or other entity is enabled to manufacture outside Canada a product incorporating or derived from the Foreground Information without that product also being manufactured substantially in Canada, or to provide from a base outside Canada a service incorporating or derived from the Foreground Information without that service also being provided substantially from a base in Canada;
  - (c) the Contractor or its transferee or assignee, or a controlling interest in the Contractor or its transferee or assignee, is acquired by a person not resident in Canada or by a corporation or other entity controlled outside of Canada, and that person, corporation or other entity does not enter into an agreement with the minister for whose department or agency the Work is being or was carried out

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governing the use of the Foreground Information, promptly and before a breach described in paragraph (a) or (b) has occurred; or

- (d) to the extent permitted by the laws of Canada or a Canadian province, the Contractor or its transferee or assignee becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or the Contractor, its transferee or assignee suffers the appointment against it of a receiver under a debt instrument or by a court, or an order is made or a resolution passed for the winding up of the Contractor, its transferee or assignee.

6. Where this subsection applies by virtue of subsection 4 or 5, the minister for whose department or agency the Work is being or was carried out may, by notice, either

- (a) require the Contractor to assign or transfer to Canada at no cost the Intellectual Property Rights in the Foreground Information, or
- (b) require the Contractor to provide to one or more persons, corporations or other entities specified by that minister at no cost a non-exclusive, perpetual, unconditional, irrevocable, world-wide, and royalty-free license permitting the commercial exploitation of the Intellectual Property Rights in the Foreground Information, including the right to further develop the Foreground Information and to own the Intellectual Property Rights in any such further development.

The Contractor agrees that it will promptly execute such conveyances or other documents relating to title or licensing as the said minister may require, and that it will afford that minister or a licensee, as the case may be, at that party's expense all reasonable assistance in the preparation of applications and in the prosecution of any application for registration of any Intellectual Property Rights in any jurisdiction arising out of the Foreground Information, including without limitation the assistance of the inventor in the case of Inventions.

7. In the event that a breach described in paragraph (a), (b) or (c) of subsection 5 occurs, in addition to all other remedies available to Canada at law or under the terms of the Contract, the Contractor shall upon demand account for and pay to Canada any net revenues earned by the Contractor as a result of the breach.

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**K3415D (04/01/94) Commercialisation in Canada**

Effective 25/05/01, this clause is superseded by K3415D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause if the Contractor is to be liable for liquidated damages in the event that the Foreground Information is exploited outside of Canada. If there will be more than one item of foreground information with separate commercial potential, separate damages should be specified for each. See Lega Services regarding the evaluation of the amount of damages to be inserted.



## K - GENERAL CONDITIONS - MODIFICATIONS

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### **K3420D (04/01/94) Liquidated Damages**

The Contractor agrees that Canada would suffer actual damages as a result of a breach, described in paragraph 5(a), (b) or (c) of clause K3415D, of the obligation set out in subsection 1. of clause K3415D, and that such damages are likely to be extremely difficult to quantify. In the event that such a breach occurs, the Contractor agrees to pay to Canada liquidated damages in the amount of \$\_\_\_\_\_. Canada and the Contractor agree that the foregoing amount is their best estimate of the amount of damages that Canada would suffer, and that it is not intended to be, nor is it to be construed as, a penalty.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause only in bid solicitations where the bidder must have access to information that is confidential or proprietary to Canada or a third party. In the case of third party information, the contracting officer must ensure that Canada has the contractual right to disclose that information to bidders.

### **K3500T (10/12/01) Confidential Information for Bidding**

In order to prepare a bid in response to this solicitation, the Bidder must have access to information that is confidential or proprietary to Canada or third parties. It is a condition of this solicitation that the Bidder sign a Confidentiality Agreement substantially in the form set out in Appendix \_\_\_\_\_ attached hereto prior to being given access to such information either at the reading room identified in this solicitation or as part of the solicitation package.

Appendix \_\_\_\_\_

### **CONFIDENTIALITY AGREEMENT**

TO: HER MAJESTY THE QUEEN IN RIGHT OF CANADA ("CANADA"), AS REPRESENTED BY THE MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES ("MINISTER")

**[Name]** (the "Bidder") agrees that the documentation available as part of the bid solicitation package or in the reading room (the "Documentation") for review by a bidder in order for a bidder to submit a bid to the Minister in response to Solicitation No. \_\_\_\_\_ contains information that is confidential or proprietary to Canada or to third parties, and that such information is not to be disclosed or used in any way other than as set out below.

In consideration of the Minister disclosing the Documentation to the Bidder, the Bidder agrees that:

- (a) it shall not, without the prior written permission of the Minister, disclose to anyone, other than an employee or a proposed subcontractor with a need to know, the Documentation or any information contained in the Documentation;
- (b) it shall not make copies of the Documentation nor make use of the Documentation or any information therein for any purpose other than for the preparation of a bid in response to Solicitation No. \_\_\_\_\_;

## K - GENERAL CONDITIONS - MODIFICATIONS

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- (c) at the close or earlier termination of the bid period, it will immediately deliver the Documentation to the Minister together with every copy of the Documentation and every draft, working paper and note that contains any information contained in the Documentation.

The Bidder shall require any proposed subcontractor referred to in (a) above to execute a confidentiality agreement on the same terms and conditions as those contained herein.

The Bidder acknowledges and agrees that it shall be liable for any and all claims, loss, damages, costs, or expenses incurred or suffered by Canada or the Minister caused by the failure of the Bidder, or by anyone to whom the Bidder discloses the Documentation or any information therein, to comply with these terms and conditions.

Nothing in this Confidentiality Agreement shall be construed as limiting the Bidder's right to disclose any information to the extent that such information:

- (a) is or becomes in the public domain through no fault of the Bidder or any proposed subcontractor;
- (b) is or becomes known to the Bidder from a source other than Canada, except any source that is known to the Bidder to be under an obligation to Canada not to disclose the information;
- (c) is independently developed by the Bidder; or
- (d) is disclosed under compulsion of a legislative requirement or any order of a court or other tribunal having jurisdiction.

[Name of Bidder]

\_\_\_\_\_

by its authorized representative

\_\_\_\_\_

Date

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**K3500T (25/05/01) Confidential Information for Bidding**

Effective 10/12/01, this clause is superseded by K3500T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause whenever a definition of Canadian goods and Canadian services is required. This clause must always be used whenever clauses K4001T, K4002T, K4003T, K4004T, K4005T, K4006T, K4011T, K4013T and K4014T are used.

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**K4000D**                      **(24/05/02)**                      **Canadian Content Definition**

1.     **Canadian good:** A good wholly manufactured or originating in Canada is considered a Canadian good. A product containing imported components may also be considered Canadian for the purpose of this policy when it has undergone sufficient change in Canada, in a manner that satisfies the definition specified under the North American Free Trade Agreement (NAFTA) Rules of Origin (see Supply Manual, Annex 5.5: The Rules of Origin Determination). For the purposes of this determination, the reference in the NAFTA Rules of Origin to "territory", is to be replaced with "Canada". For photocopiers, computers and office equipment within Federal Supply Classification (FSC) groups 36, 70 and 74, only the products of MERIT/CIRCLE firms or companies in Priority Group 1 prior to April 1992 are considered Canadian (see below the paragraph on MERIT Partnership Program and CIRCLE).
2.     **Canadian service:** A service provided by an individual based in Canada is considered a Canadian service. Where a requirement consists of only one service, which is being provided by more than one individual, the service will be considered Canadian if a minimum of 80 percent of the total bid price for the service is provided by individuals based in Canada.
3.     **Variety of goods:** When requirements consist of more than one good:
  - (a)     **aggregate evaluation:** no less than 80 percent of the total bid price must consist of Canadian goods; or,
  - (b)     **item by item evaluation:** in some cases, the bid evaluation may be conducted on an item-by-item basis and contracts may be awarded to more than one supplier. In these cases, suppliers will be asked to identify separately each item that meets the definition of Canadian goods.
4.     **Variety of services:** For requirements consisting of more than one service, a minimum of 80 percent of the total bid price must be provided by personnel based in Canada.
5.     **Mix of goods and services:** Except for science and technology requirements (see paragraph 7(a) below), when requirements consist of a mix of goods and services, no less than 80 percent of the total bid price must consist of Canadian goods and services (as defined above).
6.     Annex 7.8, Determination of Canadian Content for a mix of Goods and/or Services, of the Supply Manual shows how Canadian content is determined for a mix of goods, a mix of services or a mix of goods and services.
7.     **Other Canadian goods and services:**
  - (a)     **Science and Technology Contracting-Out Policy:** Treasury Board's Science and Technology Contracting-Out Policy sets out the basis for competing the science and technology requirements of the federal government. Science and technology requirements may be sourced exclusively from Canadian suppliers. The percentage of the total bid price that must consist of Canadian goods and/or services will be 80 percent, unless otherwise stated in the Notice of Proposed Procurement and solicitation document.
  - (b)     **MERIT Partnership Program and CIRCLE:** For photocopiers, computers and office equipment within FSC groups 36, 70 and 74, only the products of the following firms are considered Canadian goods:

## K - GENERAL CONDITIONS - MODIFICATIONS

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- (1) MERIT Partners under the MERIT Partnership Program (sponsored by Industry Canada);
- (2) Companies which, on March 31, 1992, were allocated to Priority Group 1 under the Priority Groups Policy in effect at that time; or
- (3) CIRCLE companies as agreed on by Industry Canada and Department of Public Works and Government Services.

Further information regarding the MERIT Partnership Program and CIRCLE may be obtained from Industry Canada, Information and Communications Technologies Branch, Ottawa, Ontario, (613) 998-4439.

- (c) **Motor Vehicles:** Motor vehicles are considered to be Canadian goods for the purpose of the Canadian Content policy if they qualify for purchase under the provisions identifying vehicles normally purchased in Canada as set out in Treasury Board Manual, Information and Administrative Management, Materiel, Risk and Common Services, Part I, Chapter 2.
- (d) **Textiles:** Textiles are considered to be Canadian goods according to a modified rule of origin, copies of which are available from the Clothing and Textiles Division, Industrial and Commercial Products and Standardization Services Sector.

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**K4000D (25/05/01) Canadian Content Definition**

Effective 24/05/02, this clause is superseded by K4000D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

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**K4001T (24/05/02) Canadian Content Certification - Mandatory With Bid - Solely Limited - Single Item or Aggregate Basis**

1. This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. The Bidder represents and warrants that, of the Goods and Services being offered, no less than 80 percent of the bid price consists of Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.

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3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.
4. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
5. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K4001T (10/12/01) Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4001T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*) and where competition is being conditionally limited to bids offering Canadian Goods and/or Services. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4002T (24/05/02) Canadian Content Certification - Conditionally Limited - Single Item or Aggregate Basis**

- VI. This procurement is subject to a preference for Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
- VII. Bids that include this representation and warranty will be given preference over other bids, if there are three or more bids with a valid certification.
- VIII. By executing this representation and warranty, the Bidder Represents and warrants that, of the goods and/or services being offered, no less than 80 percent of the bid price consists of Canadian Goods and/or Services, as defined in the clause K4000D, Canadian Content Definition.
- IX. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such

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representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.

- X. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
- XI. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in the Goods and/or Services offered being treated as non-Canadian.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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### **K4002T (03/02/97) Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4002T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

### **K4003T (24/05/02) Canadian Content Certification - Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and/or services being offered, items individually identified as such in the bid are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.
3. Bids may be accepted in whole or in part.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.

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5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. Failure to execute this representation and warrantee on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K4003T      (10/12/01)      Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4003T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4004T      (24/05/02)      Canadian Content Certification - Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Clause**

1. This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. Bids may be accepted in whole or in part.
3. The Bidder represents and warrants that, of the Goods/or and Services being offered, the following items are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such

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representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.

5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

=====  
**K4004T (10/12/01) Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4004T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see Supply Manual) and where competition is being conditionally limited to bids offering Canadian Goods and/or Services. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4005T (24/05/02) Canadian Content Certification - Conditionally Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is subject to a preference for Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. On an item-by-item basis, items that include this representation and warranty will be given preference over other bids, if there are three or more bids with a valid certification. Bids may be accepted in whole or in part.
3. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and/or services being offered, items individually identified as such in the bid are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.



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5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in all Goods and/or Services offered being treated as non-Canadian.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K4005T            (03/02/97)            Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4005T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*) and where competition is being conditionally limited to bids offering Canadian Goods and/or Services. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4006T            (24/05/02)            Canadian Content Certification - Conditionally Limited -  
Multi-Item Requirements Listed in Clause**

1. This procurement is subject to a preference for Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. On an item-by-item basis, items that include this representation and warranty will be given preference over other bids, if there are three or more bids with a valid certification. Bids may be accepted in whole or in part.
3. The Bidder represents and warrants that, of the Goods and/or Services being offered, the following items are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such

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representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.

5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in all Goods and/or Services offered being treated as non-Canadian.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K4006T (03/02/97) Canadian Content Certification**

Effective 24/05/02, this clause is superseded by K4006T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4011T (24/05/02) Canadian Content Certification - Not Mandatory With Bid - Solely Limited - Single Item or Aggregate Basis**

1. This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. The Bidder represents and warrants that, of the Goods and/or Services being offered, no less than 80 percent of the bid price consists of Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.
4. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.

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5. The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4013T (24/05/02) Canadian Content Certification - Not Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and/or services being offered, items individually identified as such in the bid are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.
3. Bids may be accepted in whole or in part.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.
5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the Canadian Content policy is applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian Goods and/or Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian.

This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4014T                    (24/05/02)                    Canadian Content Certification - Not Mandatory With Bid -  
Solely Limited - Multi-Item Requirements Listed in Clause**

1.        This procurement is limited to Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition.
2.        Bids may be accepted in whole or in part.
3.        The Bidder represents and warrants that, of the Goods and/or Services being offered, the following items are Canadian Goods and/or Services as defined in clause K4000D, Canadian Content Definition, and acknowledges that only those items will receive consideration.  
  
\_\_\_\_\_
4.        The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian content may be verified in such manner as the Minister may reasonably require.
5.        Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
7.        The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in respect of which the requisition is subject to the "Science & Technology Contracting-Out Policy" (see *Supply Manual*) and where the procurement officer is setting a minimum percentage, normally 80 percent, for that part of the bid price which must consist of Canadian goods and/or services for the bid to be acceptable. This clause must be used in conjunction with clause K4000D, Canadian Content Definition.

**K4015T (10/12/01) Canadian Content Certification - S and T**

1. This procurement is limited to Canadian goods and Canadian services as defined in clause K4000D, Canadian Content Definition.
2. The Bidder represents and warrants that, of the goods and services being offered, no less than \_\_\_\_ percent of the bid price consists of Canadian goods and Canadian services as defined in clause K4000D, Canadian Content Definition.
3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty may be verified in such manner as the Minister may reasonably require.
4. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
5. The execution of this representation and warranty on the signature block immediately following this paragraph render the bid responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K4015T (03/02/97) Canadian Content Certification - S and T**

Effective 10/12/01, this clause is superseded by K4015T.

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**K4016T (31/03/95) Canadian Content - Science & Technology**

This clause is cancelled effective 30/06/95.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**K4016T (01/04/92) Canadian Content - Science & Technology**

Effective 31/03/95, this clause is superseded by K4016T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contracts where the winning bidder's eligibility for consideration required the completion and submission of a signed Canadian Content certification.

**K4100C (03/02/97) Canadian Content Certification**

1. The Contractor represents and warrants that the certification of Canadian Content submitted with its bid is accurate and complete, and that the goods and services to be provided to Canada pursuant to this Contract will be in accordance with the said certification. The Contractor acknowledges that the Minister has relied upon such representation and warranty to enter into this Contract. Such representation and warranty may be verified in such manner as the Minister may reasonably require.
  2. The Contractor acknowledges that in the event of a breach of such covenant, the Minister shall have the right to treat the Contract as being in default in accordance with the default provisions of the Contract.
  3. The Contractor shall keep proper records and documentation relating to the origin of the goods and services provided to Canada. The Contractor shall not, without the prior written consent of the Minister, dispose of any such records or documentation until the expiration of six (6) years after final payment under this Contract, or until settlement of all outstanding claims and disputes, whichever is later. All such records and documentation shall at all times during the aforementioned retention period be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits, inspections and examinations, and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such records and documentation.
  4. Nothing in this clause shall be interpreted as limiting the rights and remedies which Canada or the Minister may otherwise have in relation to or pursuant to this Contract.
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**K4100C (30/06/95) Canadian Content Certification**

Effective 03/02/97, this clause is superseded by K4100C.

## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause whenever definitions are required for procurement covered by the special procedures under the Canada-Korea Agreement on the Procurement of Telecommunications Equipment (CKTEA).

This clause should not be used when the procurement is also covered by the World Trade Organization - Agreement on Government Procurement (WTO-AGP). The special procedures under the CKTEA should only be used for procurement not covered by the WTO-AGP. For procurement covered by both the CKTEA and the WTO-AGP, procedures for the WTO-AGP are followed.

This clause must always be used whenever clauses K5001T, K5002T, K5003T, K5004T, K5005T, K5006T, K5011T, K5013T and K5014T are used.

### **K5000D (24/05/02) CKTEA Definitions**

For the purpose of the Canada-Korea Agreement on the Procurement of Telecommunications Equipment (CKTEA):

1.
  - (a) A Good is considered a Canadian or Korean good if it is considered so under Canada's "Determination of Country of Origin for the Purposes of Marking Goods (NAFTA Countries) Regulations". Article 8 of these Regulations, which provides for a North American Free Trade Agreement (NAFTA) tariff preference override, cannot be used for determining whether a good is Canadian.
  - (b) An Incidental Service means any service that is included in a tender for the procurement of a Covered Good under this Agreement.  
  
A Service provided by an individual based in Canada or Korea is considered a Canadian or Korean service, respectively. Where a requirement consists of only one service, which is being provided by more than one individual, the service will be considered Canadian or Korean if a minimum of 60 percent of the total bid price for the service is provided by individuals based in Canada or Korea.
  - (c) "Territory" means:
    - (i) with respect to Korea, the territory of Korea as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial areas over which Korea exercises, in accordance with international law, sovereign rights or jurisdiction for the purpose of exploration and exploitation of natural resources of such areas.
    - (ii) with respect to Canada, the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic laws, Canada may exercise rights with respect to the seabed and subsoil and their natural resources.
2. Variety of goods: When requirements consist of more than one good, the evaluation can be done in two ways:
  - (a) aggregate evaluation: no less than 60 percent of the total bid price must consist of Canadian and/or Korean goods; or,

## K - GENERAL CONDITIONS - MODIFICATIONS

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- (b) item by item evaluation: in some cases, the bid evaluation may be conducted on an item-by-item basis and contracts may be awarded to more than one supplier. In these cases, suppliers will be asked to identify separately each item that meets the definition of Canadian or Korean goods.
3. Mix of goods and services: when requirements consist of a mix of goods and services, no less than 60 percent of the total bid price must consist of Canadian and/or Korean goods and services (as defined above).
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause whenever definitions are required for procurement covered by the special procedures under the Canada-Korea Agreement on the Procurement of Telecommunications Equipment (CKTEA).

This clause should not be used when the procurement is also covered by the World Trade Organization - Agreement on Government Procurement (WTO-AGP). The special procedures under the CKTEA should only be used for procurement not covered by the WTO-AGP. For procurement covered by both the CKTEA and the WTO-AGP, procedures for the WTO-AGP are followed.

This clause must always be used whenever clauses K5001T, K5002T, K5003T, K5004T, K5005T and K5006T are used.

### **K5000D (10/12/01) CKTEA Definitions**

For the purpose of the Canada-Korea Agreement on the Procurement of Telecommunications Equipment (CKTEA):

- 1. (a) A Good is considered a Canadian or Korean good if it is considered so under Canada's "Determination of Country of Origin for the Purposes of Marking Goods (NAFTA Countries) Regulations". Article 8 of these Regulations, which provides for a North American Free Trade Agreement (NAFTA) tariff preference override, cannot be used for determining whether a good is Canadian.
- (b) An Incidental Service means any service that is included in a tender for the procurement of a Covered Good under this Agreement.  
  
A Service provided by an individual based in Canada or Korea is considered a Canadian or Korean service, respectively. Where a requirement consists of only one service, which is being provided by more than one individual, the service will be considered Canadian or Korean if a minimum of 60 percent of the total bid price for the service is provided by individuals based in Canada or Korea.
- (c) "Territory" means:
  - (i) with respect to Korea, the territory of Korea as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial areas over which Korea exercises, in accordance with international law, sovereign rights or jurisdiction for the purpose of exploration and exploitation of natural resources of such areas.



## K - GENERAL CONDITIONS - MODIFICATIONS

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- (ii) with respect to Canada, the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic laws, Canada may exercise rights with respect to the seabed and subsoil and their natural resources.
2. Variety of goods: When requirements consist of more than one good, the evaluation can be done in two ways:
- (a) aggregate evaluation: no less than 60 percent of the total bid price must consist of Canadian and/or Korean goods; or,
  - (b) item by item evaluation: in some cases, the bid evaluation may be conducted on an item-by-item basis and contracts may be awarded to more than one supplier. In these cases, suppliers will be asked to identify separately each item that meets the definition of Canadian or Korean goods.
3. Mix of goods and services: when requirements consist of a mix of goods and services, no less than 60 percent of the total bid price must consist of Canadian and/or Korean goods and services (as defined above).
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5001T (24/05/02) CKTEA Certification - Mandatory With Bid - Solely Limited - Single Item or Aggregate Basis**

- 1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
- 2. The Bidder represents and warrants that, of the Goods and Services being offered, no less than 60 percent of the bid price consists of Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
- 3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
- 4. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
- 5. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.

## K - GENERAL CONDITIONS - MODIFICATIONS

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6. Failure to execute this representation and warrantee on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K5001T (10/12/01) CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5001T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*) and where competition is being conditionally limited to bids offering Canadian and/or Korean Goods and Services. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5002T (24/05/02) CKTEA Certification - Conditionally Limited - Single Item or Aggregate Basis**

1. This procurement is subject to a preference for Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. Bids that include this representation and warranty will be given preference over other bids, if there are two or more bids with a valid certification.
3. By executing this representation and warranty, the Bidder Represents and warrants that, of the goods and services being offered, no less than 60 percent of the bid price consists of Canadian and/or Korean Goods and Services, as defined in the clause K5000D, CKTEA Definitions.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.

## K - GENERAL CONDITIONS - MODIFICATIONS

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7. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in the Goods and Services offered being treated as non-Canadian and/or non-Korean.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K5002T (10/12/01) CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5002T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian or Korean.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5003T (24/05/02) CKTEA Certification - Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and services being offered, items individually identified as such in the bid are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.
3. Bids may be accepted in whole or in part.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.

## K - GENERAL CONDITIONS - MODIFICATIONS

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7. Failure to execute this representation and warrantee on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K5003T (10/12/01) CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5003T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian or Korean Goods and Services.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5004T (24/05/02) CKTEA Certification - Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Clause**

1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. Bids may be accepted in whole or in part.
3. The Bidder represents and warrants that, of the Goods and Services being offered, the following items are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
7. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K5004T (10/12/01) CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5004T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see Supply Manual) and where competition is being conditionally limited to bids offering Canadian and/or Korean Goods and Services. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian or Korean.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

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**K5005T (24/05/02) CKTEA Certification - Conditionally Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is subject to a preference for Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. On an item-by-item basis, items that include this representation and warranty will be given preference over other bids, if there are two or more bids with a valid certification. Bids may be accepted in whole or in part.
3. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and services being offered, items individually identified as such in the bid are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.

5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
7. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in all Goods and Services offered being treated as non-Canadian and non-Korean.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**K5005T            (10/12/01)            CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5005T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*) and where competition is being conditionally limited to bids offering Canadian and/or Korean Goods and Services. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian or Korean Goods and Services.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

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**K5006T            (24/05/02)            CKTEA Certification - Conditionally Limited - Multi-Item Requirements Listed in Clause**

1. This procurement is subject to a preference for Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. On an item-by-item basis, items that include this representation and warranty will be given preference over other bids, if there are two or more bids with a valid certification. Bids may be accepted in whole or in part.
3. The Bidder represents and warrants that, of the Goods and Services being offered, the following items are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.

## K - GENERAL CONDITIONS - MODIFICATIONS

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- \_\_\_\_\_
- \_\_\_\_\_
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
  5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
  6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
  7. Failure to execute this representation and warranty on the signature block immediately following this paragraph and to include it with the bid will result in all Goods and Services offered being treated as non-Canadian and non-Korean.

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

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**K5006T (10/12/01) CKTEA Certification**

Effective 24/05/02, this clause is superseded by K5006T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for single item requirements and multi-item requirements that are being certified on an aggregate basis.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5011T (24/05/02) CKTEA Certification - Not Mandatory With Bid - Solely Limited - Single Item or Aggregate Basis**

1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.

## K - GENERAL CONDITIONS - MODIFICATIONS

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2. The Bidder represents and warrants that, of the Goods and Services being offered, no less than 60 percent of the bid price consists of Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
4. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
5. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
6. The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder will be required to indicate beside each item, listed in the bid, whether the item is Canadian or Korean.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5013T (24/05/02) CKTEA Certification - Not Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Bid**

1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. By executing this representation and warranty, the Bidder represents and warrants that, of the goods and services being offered, items individually identified as such in the bid are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.
3. Bids may be accepted in whole or in part.
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.



## K - GENERAL CONDITIONS - MODIFICATIONS

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5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.
6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
7. The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all competitive bid solicitations in which the special procedures under the CKTEA are applicable (see *Supply Manual*), where competition is being solely limited to bids offering Canadian and/or Korean Goods and Services and where it is **not mandatory** that bidders submit a certification with their bid. This clause is to be used for multi-item requirements that are being certified on an individual item basis and where the bidder is to list in the clause those items in its bid that are to be considered Canadian or Korean Goods and Services.

This clause must be used in conjunction with clause K5000D, CKTEA Definitions.

**K5014T            (24/05/02)            CKTEA Certification - Not Mandatory With Bid - Solely Limited - Multi-Item Requirements Listed in Clause**

1. This procurement is limited to Canadian and/or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions.
2. Bids may be accepted in whole or in part.
3. The Bidder represents and warrants that, of the Goods and Services being offered, the following items are Canadian or Korean Goods and Services as defined in clause K5000D, CKTEA Definitions, and acknowledges that only those items will receive consideration.  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_
4. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian and/or Korean content may be verified in such manner as the Minister may reasonably require.
5. Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.

## K - GENERAL CONDITIONS - MODIFICATIONS

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6. If a Bidder is unable to verify the origin of Goods or Services offered in the bid, then the bid will be considered non-responsive.
7. The execution of this representation and warranty on the signature block immediately following this paragraph is a condition to render the bid responsive. Failure to provide the signed certification upon request within \_\_\_\_\_ calendar days, if it is not submitted with bid, will render the bid non-responsive.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

=====  
**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contracts where the winning bidder's eligibility for consideration required the completion and submission of a signed CKTEA certification.

### **K5100C (10/12/01) CKTEA Certification**

1. The Contractor represents and warrants that the certification of Canadian and/or Korean content submitted with its bid is accurate and complete, and that the goods and services to be provided to Canada pursuant to this Contract will be in accordance with the said certification. The Contractor acknowledges that the Minister has relied upon such representation and warranty to enter into this Contract. Such representation and warranty may be verified in such manner as the Minister may reasonably require.
2. The Contractor acknowledges that in the event of a breach of such covenant, the Minister shall have the right to treat the Contract as being in default in accordance with the default provisions of the Contract.
3. The Contractor shall keep proper records and documentation relating to the origin of the goods and services provided to Canada. The Contractor shall not, without the prior written consent of the Minister, dispose of any such records or documentation until the expiration of six (6) years after final payment under this Contract, or until settlement of all outstanding claims and disputes, whichever is later. All such records and documentation shall at all times during the aforementioned retention period be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits, inspections and examinations, and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such records and documentation.
4. Nothing in this clause shall be interpreted as limiting the rights and remedies which Canada or the Minister may otherwise have in relation to or pursuant to this Contract.

## **K - GENERAL CONDITIONS - MODIFICATIONS**

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**Remarks:** Use this clause in contracts where, during the price negotiation process, the contractor has represented that it is not under common ownership control of another division, parent company or affiliate supplying materials and/or services in connection with the work under the contract. See *Supply Manual*.

**K9000C (15/06/98) Common Ownership Control**

The Contractor warrants that it is not under common ownership control of another division, parent company or affiliate supplying materials and/or services in connection with the performance of the Work under the Contract. For the purposes of this warranty, the phrase "ownership control" means that at least 50 percent of the voting rights are held by the related entity. The Contractor acknowledges that the Minister has relied on the warranty in establishing the price payable under the Contract and that, in the event of breach of such warranty, the Minister shall have the right to treat this Contract as being in default or, alternatively, the right to readjust the price to reflect the level of profit payable under departmental policy when common ownership control exists, as set out in the Department of Public Works and Government Services (DPWGS) Transfer Pricing Policy, copy of which the Contractor acknowledges to have received and which has been published in Chapter 10 of the DPWGS *Supply Manual*.

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**K9000C (31/03/95) Common Ownership Control**

Effective 15/06/98, this clause is superseded by K9000C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations relating to acquisition for which joint venture proposals have been anticipated as eligible. (Refer to the *Supply Manual*, procedure 7A.133.)

**K9001T (01/12/00) Joint Venture**

1. The Bidder represents that the bidding entity is/is not **(delete as applicable)** a joint venture in accordance with the definition in paragraph 3.
2. A Bidder that is a joint venture represents the following additional information:
  - (a) Type of joint venture (mark applicable choice):
    - incorporated joint venture
    - limited partnership joint venture
    - partnership joint venture
    - contractual joint venture
    - other
  - (b) Composition: (names and addresses of all members of the joint venture.)

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### 3. Definition of joint venture

A joint venture is an association of two or more parties who combine their money, property, knowledge, skills, time or other resources in a joint business enterprise agreeing to share the profits and the losses and each having some degree of control over the enterprise. Joint ventures may be carried on in a variety of legal forms divided into three categories:

- (a) the incorporated joint venture;
- (b) the partnership venture;
- (c) the contractual joint venture where the parties combine their resources in the furtherance of a single business enterprise without actual partnership or corporate designation.

### 4. The joint venture team arrangement is to be distinguished from other types of contractor arrangements, such as:

- (a) prime contractor, in which, for example, the purchasing agency contracts directly with a contractor (prime) who acts as the system assembler and integrator, with major components, assemblies and subsystems normally subcontracted;
- (b) associated contractor, in which for example, the purchasing agency contracts directly with each of the major component suppliers and performs the integration tasks or awards a separate contract for this purpose.

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#### **K9001T (01/06/91) Joint Venture**

Effective 01/12/00, this clause is superseded by K9001T.

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**Remarks:** Use the following clause in all bid solicitations/contractual documents involving Canadian Arsenals Limited. (Refer to the *Supply Manual*, procedures 7A.055 and 7A.056

#### **K9002D (01/12/00) Canadian Arsenals Limited, Certification**

- 1. The Corporation acknowledges that it has received, read and understood the Canadian ownership requirements contained in the *Canadian Arsenals Limited Divestiture Authorization Act*.
- 2. The Corporation certifies that it is in full compliance with the requirements of the Act and the terms of the Purchase and Sale Agreement between the Minister of Public Works and Government Services and S.N.C. Defence Products Incorporated.
- 3. In the event that it is determined that this certification made by the Corporation is untrue, whether made knowingly or unknowingly, the Contract may be determined to be in

## K - GENERAL CONDITIONS - MODIFICATIONS

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default and the Minister shall be entitled, pursuant to the provisions of the Contract, to terminate for default.

4. The Minister shall have access, at all reasonable times, to the Corporation's records, or to those of its transfer agent, relating to the issue, transfer and ownership of its securities to which are attached votes that may ordinarily be cast to elect directors of the Corporation or amalgamated corporation. For this purpose, the term "amalgamated corporation" means a corporation that is formed by the amalgamation of the Corporation with another corporation, including a body corporate, association, partnership or other organization.

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**K9002D (15/09/97) Canadian Arsenals Limited, Certification**

Effective 01/12/00, this clause is superseded by K9002D.

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**Remarks:** Use the following clause in all Science contracts when General Conditions DSS-MAS 1053, Universities and Other Institutions, are incorporated into the contract.

**K9003C (01/06/91) Timeliness**

1. Time is of the essence of the Contract.
2. Any delay by the Contractor in performing its obligations under the Contract which is caused by an event beyond the control of the Contractor, and which could not have been circumvented by the Contractor without incurring unreasonable cost, through the use of alternative sources, work-around plans, or other means, constitutes an excusable delay. Events may include but are not restricted to acts of God, acts of Canada, acts of local or provincial governments, fires, floods, epidemics, quarantine restrictions, strikes or labour unrest, freight embargoes and unusually severe weather.
3. The time for completing the Work which has been or is likely to be delayed by reason of an excusable delay shall be extended by a period equal to the length of the excusable delay, provided that the Contractor shall give notice, in writing, of any excusable delay to the Minister within two (2) weeks of the start of the excusable delay. The notice shall contain a description of the delay and of the portion of the Work affected by the delay.
4. Within two (2) weeks from the date of the giving of notice of excusable delay, the Contractor shall deliver a description, in writing, of its work-around plans including alternative sources and any other means that it will utilize to overcome the delay and endeavour to prevent any further delay. The description shall be in form, substance and detail satisfactory to the Minister.
5. If the Contractor should not give the notice of excusable delay or should not deliver its work-around plans in accordance with the times stipulated, any delay shall not constitute an excusable delay.

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6. The Contractor shall implement such work-around plans only where the plans will not cause any additional cost to Canada. In the event the implementation of such work-around plans will cause additional cost to Canada, it shall be authorized by an amendment to the Contract.
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**K9004C (01/06/91) Human Ethics Review Committee**

This clause is cancelled effective 15/09/97.

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**K9005D (31/01/92) Master and Servant Relationship**

This clause is cancelled effective 01/06/94.

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**K9005D (01/06/91) Master and Servant Relationship**

Effective 31/01/92, this clause is superseded by K9005D.

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**Remarks:** Use this clause when title to the vessel, including any government issue, obtained or constructed with money provided by Canada, shall remain vested in Canada.

**K9006C (15/09/97) Title to Property - Vessel**

This Contract is a "defence contract" within the meaning of the *Defence Production Act*, R.S.C. 1985 c.D-1. In accordance with the provisions of section 20 of that Act, title to any government issue (as defined in that Act) furnished or made available to the Contractor or obtained or constructed by it with money provided by Canada remains vested or vests in Canada free and clear of all claims, liens, charges and encumbrances. Notwithstanding any law in force in any province or any territory of Canada but subject to the provisions of this Contract, Canada is entitled, at any time, to remove, sell or dispose of the Government Issue. Without restricting the generality of the foregoing, in the event of default by the Contractor, Canada, or its agents, shall have the immediate right to enter the shipyard, without first obtaining a court order, and to take possession of the "Vessel" and all other property of Canada, including, but not limited to, work-in-process located on the premises, and to perform any further work required to enable the "Vessel", and other such property, to be removed from the shipyard.

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**K9006C (01/06/91) Title to Property**

Effective 15/09/97, this clause is superseded by K9006C.

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**K9007D (01/06/91) Personal Injuries**

It is understood and agreed that Her Majesty will not be liable for claims in respect of death, disease, illness, injury or disability which may arise in carrying out the services as defined herein. The Contractor agrees not to make any claims against Her Majesty in respect of any of the foregoing contingencies.

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**K9009D (01/12/00) Air Charter Conditions**

**1. Interpretation**

- 1.1 "day" means any period 24 consecutive hours;
- 1.2 "month" means any period of 30 consecutive days; and
- 1.3 "flight" means the movement of an aircraft from the point of take-off to the first point of landing.

**2. Operation, Interruption or Cancellation of Charter Flights**

- 2.1 The Carrier shall have exclusive operational control over chartered aircraft and the contents and crew thereof.
- 2.2 Every person who is provided with transportation on a chartered aircraft shall comply with all the terms and conditions of the contract, and all persons and property aboard a chartered aircraft shall be subject to the authority of the pilot-in-charge.
- 2.3 The Carrier may:
  - (a) cancel or terminate a charter or any flight of a charter at any time,
  - (b) return to base or to the last point of landing, or
  - (c) divert or land at an intermediate point,

when such action is deemed by the Carrier to be necessary owing to the unserviceability of the aircraft, weather conditions or other conditions beyond the control of the Carrier.

**3. Dangerous Goods**

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The Charterer and the Carrier shall comply with the applicable governmental regulations governing the carriage of dangerous goods.

### 4. Space for the Carrier's Use

Any capacity in the chartered aircraft not being utilized by the Charterer may, unless the Charterer objects, be used by the Carrier for the carriage of its own personnel, baggage or goods.

### 5. Cancellations, Non-Completions or Deviations

5.1 When a charter is cancelled by the Carrier after commencement, charges shall be charged for the completed portion only.

5.2 No charges shall be charged to the Charterer:

- (a) where flights are not completed due to mechanical failure or crew casualties and the Carrier fails to arrange satisfactory alternative transportation; or
- (b) in respect of any flying in an unsuccessful attempt to complete a flight required under the charter, unless the Charterer, his servant or agent agreed to such flying being done.

### 6. Substitution of Aircraft

6.1 When, owing to causes beyond the control of the Carrier, the chartered aircraft is unavailable at the time the charter commences or becomes unavailable while carrying out the charter, the Carrier may furnish another aircraft of the same type or, with the consent of the Charterer, substitute any other type of aircraft at the rates and charges applicable to the aircraft originally chartered except as provided in subsections 6.2 and 6.3.

6.2 When a substituted aircraft is capable of a larger payload than the aircraft originally chartered, the payload carried in the substituted aircraft shall not be greater than the payload that would have been available in the aircraft originally chartered, unless the Charterer agrees to pay the rates and charges applicable to the substituted aircraft.

6.3 When the maximum payload of a substituted aircraft is smaller than the maximum payload of the aircraft originally chartered, charges shall be based on the rates and charges applicable to the type of substituted aircraft, except that where such rates and charges are higher than those for the aircraft originally chartered, the rates and charges for the original aircraft chartered shall apply.

### 7. Determination of Firm Rate Per Hour

7.1 Except as provided in subsection 7.2, the hours and minutes for which a charge is made shall be computed from the time the aircraft leaves the surface of the earth and terminating when the aircraft touches the surface of the earth at the next point of landing. The term "*Firm Rate Per Hour*" is an hourly charge or portion thereof of "*Air Time*" as defined in the Canadian Aviation Regulations, Part VIII, Air Navigation Services, and will be the basis of calculating charges for air services.

7.2 When operations involve a continuous succession of flights, each of less than ten (10) minutes duration, and the engine is not shut down between such flights,



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air time shall be computed from the time the aircraft leaves the surface of the earth for the first flight and ceases when the aircraft touches the surface of the earth at the final point of landing.

- 7.3 In determining the duration of a flight:
- (a) each fraction of an hour shall be stated as a decimal, established on the basis of a six minute period,
  - (b) each period of less than three minutes shall be rounded to zero, and
  - (c) each period of between three and six minutes shall be rounded to six minutes,

except that no flight shall be considered to have a duration of less than 0.1 hour.

### 8. Application of Rates and Charges Fixed Wing Only

- 8.1 On charters rates per mile shall apply for all point-to-point flights where flight distances are measurable.
- 8.2 Rates per hour shall apply when the Carrier is providing air service for a Charterer engaged in operations involving flights or parts thereof where flight distances are not measurable, or when requested by Charterer and such request is noted by the Carrier on the invoice.

### 9. Methods of Measuring Distance Fixed Wing Only

- 9.1 When a flight is required to be flown over airways routes or routes prescribed by the Department of Transport, the distances shall be measured in straight lines along such routes.
- 9.2 The distances of flights, other than a flight referred to in subsection 9.1, shall be measured in a straight line between the places of commencement and termination of the work provided for in the charter, using standard 8 miles to 1 inch aeronautical charts of the National Topographic Series, as issued by the Department of Natural Resources, Ottawa.

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**K9009D (01/08/92) Air Charter Conditions**

Effective 01/12/00, this clause is superseded by K9009D.

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**Remarks:** Use this clause in contracts with suppliers located in California when title is not to be taken by Canada until delivery and when progress or advance payments will be made. This clause is to be used in conjunction with clauses C2002C and D4003C.

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### **K9010C** (29/10/93) **Passage of Title**

Notwithstanding anything contained in this Contract, payments under clauses relating to progress or advance payments shall not constitute or result in a transfer of title in the raw materials, work-in-process, finished goods or other articles giving rise to or represented by such payment.

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**Remarks:** Use this clause in contract documents where information is to be provided by the contractor in accordance with Ontario Labour Legislation requirements for janitorial, food catering and security service contracts.

### **K9015C** (13/12/02) **Ontario Labour Legislation**

1. Without restricting the generality of the foregoing, the Contractor shall keep its employees' records up to date and, upon request by the Minister, submit to the Minister, within seven (7) days of the date of the request, the following information regarding its employees, as provided for in section 77 (2) of the *Employment Standard Act*, 2000, and as set out in Ontario Regulation 287/01:
  - (a) the employee's name, residential address and telephone number;
  - (b) his or her job classification or job description;
  - (c) the wage rate actually paid to the employee;
  - (d) a description of the benefits, if any, provided to the employee including the cost of each benefit and the benefit period to which the cost relates;
  - (e) the number of hours that the employee works in a regular non- overtime work week, or if hours vary from week to week, the number of the employee's non-overtime hours for each week that the employee worked during the thirteen (13) weeks preceding the date of the request for information;
  - (f) the date on which the employer hired the employee;
  - (g) any period of employment attributed to the employer under section 10 of the Act;
  - (h) the number of weeks that the employee worked at the premises during the 26 weeks preceding the date on which the request was made for the information (the 26-week period shall be calculated without including any period during which the provision of services at the premises was temporarily discontinued, or during which the employee was on a leave under Part XIV of the Act);
  - (i) a statement indicating whether the employee
    - (1) is actively employed in providing services at the premises but whose job duties were not primarily performed at the premises during the thirteen (13) weeks immediately preceding the date on which the request was made for the information;
    - (2) is employed, but not actively employed, in providing services at the premises but whose job duties were not primarily performed at the

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premises during his or her most recent thirteen (13) weeks of active employment.

2. In addition to the above information, the Contractor shall, upon request, provide the Minister, within seven (7) days after the date of the request, with an up-to-date copy of the collective agreement regarding the employees at the premises or, if no collective agreement exists for these premises, a copy of the union certificate regarding these employees or, if no union certificate was issued, a copy of any pending union application.
3. Between the date the information described above is provided by the Contractor and the expiry date of the Contract, the Contractor shall provide the Minister with updated information immediately any changes to said information occur.
4. The information described above, with the exception of 1.a), will be provided by the Contracting Authority to prospective bidders for a future contract for those services relating to the premises.

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**K9015C (30/10/96) Ontario Labour Legislation**

Effective 13/12/02, this clause is superseded by K9015C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in bid solicitation where information is provided to bidders in accordance with Ontario Labour Legislation requirements for janitorial, food catering and security service contracts.

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**K9015T (13/12/02) Ontario Labour Legislation**

1. In accordance with the requirements of Section 77(1) of the *Employment Standards Act, 2000*, the following information concerning each employee of the previous employer providing services at the premises is attached hereto:
  - (a) job classification or job description for each employee;
  - (b) the wage rate actually paid to the employee;
  - (c) a description of the benefits, if any, provided to the employee including the cost of each benefit and the benefit period to which the cost relates;
  - (d) the number of hours that the employee works in a regular non- overtime work week, or if hours vary from week to week, the number of the employee's non-overtime hours for each week that the he/she worked during the 13 weeks preceding the date of the request for information;
  - (e) the date on which the employer hired the employee;

## K - GENERAL CONDITIONS - MODIFICATIONS

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- (f) any period of employment attributed to the employer under Section 10 of the Act;
  - (g) the number of weeks that the employee worked at the premises during the 26 weeks preceding the date on which the request was made for the information (the 26-week period shall be calculated without including any period during which the provision of services at the premises was temporarily discontinued, or during which the employee was on a leave under Part XIV of the Act);
  - (h) a statement indicating whether the employee
    - (1) is actively employed in providing services at the premises but whose job duties were not primarily performed at the premises during the thirteen (13) weeks immediately preceding the date on which the request was made for the information; or,
    - (2) is employed, but not actively employed, in providing services at the premises but whose job duties were not primarily performed at the premises during his or her most recent thirteen (13) weeks of active employment.
2. The name, address and telephone number of each employee as they appear in the previous employer's records will be provided to the successful bidder after award of the Contract.
  3. In addition to the above information, a copy of either the collective agreement, union certificate, or pending union applications regarding the employees at the premises is also attached, if applicable.
  4. Bidders shall use the information referred to in subparagraphs 1.(a) to 1.(h) (and paragraph 3 if applicable) above only for the purposes of preparing their bids and complying with the Act, and shall not disclose such information except as may be authorized by the Minister in writing.
  5. The enclosed information concerning the employees of the previous employer providing services at the premises has been received from the previous employer and the Minister is unable to warrant its accuracy or completeness. If you require verification or further information, please contact: \_\_\_\_\_
  6. Canada does not warrant the accuracy or completeness of any information concerning the employees of the previous employer providing services at the premises, nor shall it be responsible for any damage or loss which may result from use of or reliance upon any of this information.

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**K9015T (30/10/96) Ontario Labour Legislation**

Effective 13/12/02, this clause is superseded by K9015T.

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## K - GENERAL CONDITIONS - MODIFICATIONS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts for procurements subject to the Set-Aside Program for Aboriginal Business. When the General Conditions to be used in the bid solicitation and contract do not include an entire agreement provision, the clause K9026D, Entire Agreement, must also be used.

### **K9025C (15/09/97) Aboriginal Business Certification**

1. The Contractor represents and warrants that the certification of compliance with the definition of an Aboriginal business set out in *Requirements for the Set-Aside Program for Aboriginal Business* and submitted with its bid is and remains accurate and complete. The Contractor acknowledges that the Minister has relied upon such representation and warranty to enter into this Contract. Such representation and warranty may be verified in such manner as the Minister may reasonably require.
2. The Contractor acknowledges that in the event of a breach of this covenant, the Minister shall have the right to treat the Contract as being in default in accordance with the default provisions of the Contract.
3. The Contractor shall keep proper records and documentation relating to the accuracy of the certification provided to Canada. The Contractor shall not, without the prior written consent of the Minister, dispose of any such records or documentation supporting the accuracy of the certification until the expiration of six (6) years after final payment of this Contract, or until settlement of all outstanding claims and disputes, resulting from a dispute under this contract, whichever is later. All such records and documentation shall at all times during the aforementioned retention period be open to audit, inspection and examination by the authorized representatives of the Minister, who may make copies and take extracts thereof. The Contractor shall provide all facilities for such audits, inspections and examinations, and shall furnish all such information as the representatives of the Minister may from time to time require with respect to such records and documentation.
4. Nothing in this clause shall be interpreted as limiting the rights and remedies which Canada or the Minister may otherwise have in relation to or pursuant to this Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations for procurements subject to the Set-Aside Program for Aboriginal Business. When the General Conditions to be used in the bid solicitation and contract do not include an entire agreement provision, the clause K9026D, Entire Agreement, must also be used.

### **K9025T (15/09/97) Set-Aside / Aboriginal Business**

1. This procurement is set aside for Aboriginal business under the federal government's Set-Aside Program for Aboriginal Business. Bidders must complete and sign the certification "Certification Requirements for the Set-Aside Program for Aboriginal Business" contained in Appendix "\_\_\_\_", *Requirements for the Set-Aside Program for Aboriginal Business*, and this certification shall be submitted with the proposal. **It is a precondition to the submission of a valid bid that this certification be accurately**

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completed. Failure to complete and submit the Certification with the proposal shall render the proposal non-compliant.

2. By executing the certification, the Bidder represents and warrants that it is an Aboriginal business as defined in the Set-Aside Program for Aboriginal Business.
3. The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and shall rely upon such representation and warranty to enter into any contract resulting from this bid. Such representation and warranty of the certification may be verified in such manner as the Minister may reasonably require.
4. Should a verification by the Minister disclose a breach of such representation and warranty, the Minister shall have the right to disqualify the bid or to treat any contract resulting from this bid as being in default and render it subject to the remedies set out in the certification and General Conditions.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations and contracts for procurements subject to the Set-Aside Program for Aboriginal Business when the General Conditions to be used in the bid solicitation and contract do not include an entire agreement provision.

### **K9026D (15/09/97) Entire Agreement**

The Contract, including all Appendices, Annexes and all terms and conditions, including those incorporated by reference and the *Requirements for the Set-Aside Program for Aboriginal Business* and "Certification Requirements for the Set-Aside Program for Aboriginal Business" documents as completed and submitted by the Bidder, constitute the entire and sole agreement between the parties with respect to the subject matter of the Contract and supersedes all previous negotiations, communications and other agreements, whether written or oral, relating to it, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements of conditions binding on the parties other than those contained in the Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all contract documents which call for the collection or creation of personal information. This includes contracts for investigations relating to specific individuals in cases such as harassment or the employment status of a public servant.

### **K9035D (23/11/98) Handling of Personal Information**

The Contractor acknowledges that Canada is bound by the *Privacy Act*, R.S.C. 1985, c. P-21, with respect to the protection of personal information as defined in that Act. The Contractor shall keep private and confidential any such personal information collected, created or handled by the Contractor under the Contract, and shall not use, copy, disclose, dispose of or destroy such personal information except in accordance with this clause and the delivery provisions of the

Contract. All such personal information is the property of Canada, and the Contractor shall have ~~no right in or to that information. The Contractor shall deliver to Canada all such personal~~  
information in whatever form, including all working papers, notes, memoranda, reports, data in machine-readable format or otherwise, and documentation which have been made or obtained in relation to this Contract, upon the completion or termination of the Contract, or at such earlier time as the Minister may request. Upon delivery of the personal information to Canada, the Contractor shall have no right to retain that information in any form and shall ensure that no record of the personal information remains in the Contractor's possession.

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## **Section 5**

### **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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## **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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### **L0001T (01/06/91) Tooling**

This clause is cancelled effective 15/06/98.

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**Remarks:** Use the following clause for articles of a special nature which may require special production tooling.

### **L0002T (01/06/91) Tooling**

If a Contract is awarded, the Contractor shall mark each item of special production tooling and shall submit an inventory describing each item, its use and its cost. The Contractor shall verify such inventory by Statutory Declaration made before a Notary Public or a Commissioner for Oaths.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause for production tooling acquired on a firm price basis and the value of such tooling is over \$500. Enter fill-in data.

### **L0003C (13/12/02) Tooling**

1. The Contractor shall provide the production tooling required to perform the Work under this Contract as listed in the Schedule attached, or to be submitted as soon as possible, for a price of \$\_\_\_\_\_.
2. The Contractor shall take reasonable and proper care of the tooling. During the course of the Contract, maintenance and replacement shall be at the Contractor's expense.
3. Title to the tooling and any replacement shall vest in Canada and shall remain so vested at all times.
4. The Contractor shall give written notice to \_\_\_\_\_ at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for a period of \_\_\_\_\_ days from the contract completion date. If inhibiting, packaging and crating charges are involved, then these will be the subject of a new contract with this Department.
5. Each item of production tooling shall be identified as Canada property by affixing a plate, or by etching or stamping. Such plate or marking shall include reference to the Department of Public Works and Government Services File Number and Contract Number as well as a tool number to identify the individual item.
6. As a prerequisite to payment for the tooling, the Contractor shall submit a separate invoice accompanied by an inventory of the tooling verified by Statutory Declaration made before a Notary Public or a Commissioner for Oaths on form DSS-MAS 1477,

## **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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Statutory Declaration, to be obtained from \_\_\_\_\_, which shall contain the following particulars:

- (a) the Contractor's name;
  - (b) date and reference numbers of the Contract; (c) supplies or components in the manufacture of which the tooling is used; (d) quantity, tool or item number (reference subsection 5 above), production part number to which the tool relates and a brief description of the tool; and, (e) price of each item of production tooling, where available, and the total amount.
7. The special tooling invoice shall be made out to and paid by \_\_\_\_\_. The original and two (2) copies of the invoice accompanied by the original and two (2) copies of the tooling inventory (verified as provided above) are to be submitted to the Contracting Authority.
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### **L0003C (16/02/98) Tooling**

Effective 13/12/02, this clause is superseded by L0003C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause for tooling acquired on a cost basis if the estimated value of such tooling is over \$500. Enter fill-in data.

Where applicable, after the word "audit" in subsection 1, add "*plus a profit of \_\_\_\_\_ percent on the cost of the portion of the tooling which the Contractor manufactures in a plant it owns or operates. The Contractor shall not be entitled to any profit on such tooling purchased or otherwise acquired by subcontractors.*"

In cases where the end products are being purchased on a firm price basis but special production tooling is being acquired on a cost plus basis, add to subsection 3 "*and the Contractor shall maintain and replace such tooling at no cost to Canada.*"

### **L0004C (13/12/02) Tooling**

1. The Contractor shall provide the special production tooling required to perform the Work under this Contract as listed in the Schedule attached to acceptance of this Contract, which Canada shall pay for on the basis of the Contractor's actual cost determined in accordance with Contract Cost Principles, DSS-MAS 1031-2, and subject to Government audit. Where the Contractor can submit only an incomplete Schedule of the tooling with acceptance of the Contract, the Contractor shall provide a complete Schedule as soon as possible. All items of "Special Production Tooling" are subject to approval by the Minister before final payment is made.
2. In no event shall Canada pay the Contractor for tooling a total amount that exceeds \$\_\_\_\_\_, unless and until Canada authorizes additional commitments.

## **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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3. The Contractor shall take reasonable and proper care of the tooling while in its custody.
4. Title to the tooling and any replacement shall vest in Canada upon the acquisition by the Contractor and shall remain so vested at all times.
5. The Contractor shall give written notice to \_\_\_\_\_, at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for a period of \_\_\_\_\_ days from the date on which the Contract was completed. However, if inhibiting, packaging and crating charges are involved, these will be the subject of a new contract with this Department.
6. Each item of special production tooling shall be identified as Crown property by affixing a plate (available upon request from) \_\_\_\_\_, by etching or by stamping. Such plate or marking shall include reference to the Department of Public Works and Government Services File Number and Contract Number as well as a tool number to identify the individual item.
7. As a prerequisite to final payment for the tooling, the Contractor shall submit an inventory of the tooling verified by Statutory Declaration made before a Notary Public or Commissioner for Oaths on form DSS-MAS 1477, Statutory Declaration, to be obtained from \_\_\_\_\_. The inventory shall contain the following particulars:
  - (a) the Contractor's name;
  - (b) date and reference numbers of the Contract;
  - (c) supplies or components in the manufacture of which the tooling is used;
  - (d) quantity, tool or item number (reference subsection 6 above), production part number to which the tool relates and a brief description of the tool;
  - (e) price of each item of special production tooling, where available, and the total amount.
8. The original and two (2) copies of the tooling inventory (verified as provided above) are to be forwarded to the Contracting Authority.

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**L0004C            (16/02/98)            Tooling**

Effective 13/12/02, this clause is superseded by L0004C.

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## **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in firm price contracts where Canada is to provide special production tooling. Enter fill-in data.

**L0005C (01/06/91) Tooling Owned by Canada**

1. Canada shall provide the special production tooling (hereinafter referred to as "the tooling") required to perform the Work under this Contract as listed in the Schedule attached.
  2. Title to the tooling shall remain vested in Canada, and title to any replacement thereof shall vest in Canada.
  3. The Contractor shall take reasonable and proper care of the tooling and shall maintain and replace the tooling during the course of the Contract at its expense so that, at the conclusion of the Contract, the Contractor will possess a complete set of the tooling in a usable condition.
  4. The Contractor shall give written notice to \_\_\_\_\_, at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for a period of \_\_\_\_\_ days from the completion date of the Contract. If, however, inhibiting, packaging and crating charges are involved, these will be the subject of a new contract with this Department.
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in firm price contracts where Canada owns special production tooling already in the Contractor's possession. Enter fill-in data.

**L0006C (01/06/91) Tooling Owned by Canada**

1. Canada shall provide the special production tooling (hereinafter referred to as "the tooling") acquired under Contract Number \_\_\_\_\_ and required to perform the Work under this Contract.
  2. Title to the tooling shall remain vested in Canada, and title to any replacement thereof shall vest in Canada.
  3. The Contractor shall take reasonable and proper care of the tooling and shall maintain and replace the tooling during the course of the Contract at its expense so that, at the conclusion of the Contract, the Contractor shall possess a complete set of the tooling in a usable condition.
  4. The Contractor shall give written notice to \_\_\_\_\_ at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for the period of \_\_\_\_\_ days from the date on which the Contract was completed. However, if inhibiting, packaging and crating charges are involved, these will be the subject of a new contract with this Department.
-

## **L - PRODUCTION TOOLING AND SPECIAL TEST EQUIPMENT**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable contracts where Canada owns and provides special production tooling. Enter fill-in data.

**L0007C (01/06/91) Tooling Owned by Canada**

1. Canada shall provide the special production tooling (hereinafter referred to as "the tooling") required to perform the Work under this Contract as listed in the Schedule attached.
  2. Title to the tooling shall remain vested in Canada and title to any replacement thereof shall vest in Canada.
  3. The Contractor shall give written notice to \_\_\_\_\_ at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for a period of \_\_\_\_\_ days from the Contract completion date. If inhibiting, packaging and crating charges are involved, these will be the subject of a new contract with this Department.
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in cost reimbursable contracts where Canada owns special production tooling already in the Contractor's possession. Enter fill-in data.

**L0008C (01/06/91) Tooling Owned by Canada**

1. Canada shall provide the special production tooling (hereinafter referred to as "the tooling") acquired under Contract Number \_\_\_\_\_ and required to perform the Work under this Contract.
  2. Title to the tooling shall remain vested in Canada, and title to any replacement shall thereof vest in Canada.
  3. The Contractor shall give written notice to \_\_\_\_\_ at least sixty (60) days before the date when the tooling will no longer be required for use in the performance of any contract with Canada. If no disposal instructions are received from the Minister, the Contractor shall act as custodian of the tooling at no direct cost to Canada for a period of \_\_\_\_\_ days from the Contract completion date. However, if inhibiting, packaging and crating charges are involved, these will be the subject of a new contract with this Department.
- 

**L0009C (01/06/91) Production or Tooling**

This clause is cancelled effective 15/06/98.

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**L5000C (01/06/91) Special Test Equipment**

This clause is cancelled effective 16/02/98.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts where property owned by Canada (tooling, test equipment, materials, etc.) may become surplus.

**L5001C (01/06/91) Property Owned by Canada**

If, during the course of or on completion of this Contract, the Contractor determines that property owned by Canada (tooling, test equipment and materials, etc.) is surplus, then the Contractor shall report such surplus using forms \_\_\_\_\_. If such surplus is not required by Canada, then Canada shall give the Contractor the right of first refusal at fair market value to be negotiated by Crown Assets Distribution Group.

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## **Section 5**

### **M - STANDING OFFERS**

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## M - STANDING OFFERS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all standing offers in conjunction with clause K0000D "Conditions."

**M0000C (13/12/02) Standard Instructions and Conditions**

### Terms and Conditions - Standing Offer

1. Pursuant to the *Department of Public Works and Government Services Act*, S.C. 1996, c.16,
  - (a) the general terms, conditions and clauses identified herein by title, number and date, and
  - (b) the Particulars of the Standing Offer set out in Part B and, for the purchase of goods, the Conditions set out in Part C of Standard Instructions and Conditions - Standing Offers, DSS-MAS 9403-6 (\_\_\_\_\_) **{Insert date and delete this instruction}**, of the *Standard Acquisition Clauses and Conditions Manual*, are hereby incorporated by reference into this Standing Offer and form part of any contract resulting from any call-up made pursuant to this Standing Offer as though expressly set out herein, subject to any other express terms and conditions herein contained.

### Standard Acquisition Clauses and Conditions Manual

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

A hard copy of the SACC Manual (Catalogue No. P60-4/1) is available through your local book seller or by mail from:

Canadian Government Publishing  
Communication Canada  
Ottawa, Ontario K1A 0S9

Telephone: (819) 956-4800  
Fax: (819) 994-1498  
Orders only: 1-800-635-7943

An electronic version is also available at the following PWGSC Website:  
<http://www.pwgsc.gc.ca/sacc>.

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**M0000C (24/05/02) Standard Instructions and Conditions**

Effective 13/12/02, this clause is superseded by M0000C.

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## M - STANDING OFFERS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all Requests for a Standing Offer in conjunction with clause K0000D "Conditions."

**M0000T (13/12/02) Standard Instructions and Conditions**

### Terms and Conditions - Standing Offer

1. Pursuant to the *Department of Public Works and Government Services Act*, S.C. 1996, c.16,
  - (a) the general terms, conditions and clauses identified herein by number, date and title,
  - (b) the Instructions set out in Part A of the Standard Instructions and Conditions - Standing Offers, DSS-MAS 9403-6 (\_\_\_\_\_) **{Insert date and delete this instruction}**, of the *Standard Acquisition Clauses and Conditions* (SACC) Manual, are hereby incorporated by reference into and form part of this Request for a Standing Offer. Submission of a Standing Offer constitutes acknowledgement that the Offeror has read and agrees to be bound by such instructions, and
  - (c) the Particulars of the Standing Offer set out in Part B and, for the purchase of goods, the Conditions set out in Part C of Standard Instructions and Conditions - Standing Offers, DSS-MAS 9403-6 (\_\_\_\_\_) **{Insert date and delete this instruction}**, of the SACC Manual, are hereby incorporated by reference into this Request for Standing Offer as though expressly set out herein, subject to any other express terms and conditions herein contained.

### Standard Acquisition Clauses and Conditions Manual

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

A hard copy of the SACC Manual (Catalogue No. P60-4/1) is available through your local book seller or by mail from:

Canadian Government Publishing  
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Orders only: 1-800-635-7943

An electronic version is also available at the following PWGSC Website:

<http://www.pwgsc.gc.ca/sacc> .

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## **M - STANDING OFFERS**

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**M0000T**      **(24/05/02)**      **Standard Instructions and Conditions**

Effective 13/12/02, this clause is superseded by M0000T.

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**M0001D**      **(01/06/91)**      **Call-Up Form**

This clause is cancelled effective 31/03/95.

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**M0002D**      **(01/06/91)**      **Call-up Form**

This clause is cancelled effective 31/03/95.

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**M0003D**      **(01/06/91)**      **Reference to the Word "Contract"**

This clause is cancelled effective 31/03/95.

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**M0004T**      **(01/08/92)**      **Nature of Document**

This clause is cancelled effective 31/03/95.

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**M0005T**      **(31/01/92)**      **Nature of Documents**

This clause is cancelled effective 31/03/95.

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## M - STANDING OFFERS

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**M0006T (31/03/95) Enquiries - Solicitation Stage**

Effective 13/12/02, this clause is superseded by A0012T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in bid solicitations covering professional services requirements.

**M0007T (15/06/98) Presentation of Offers**

**[\*\*DELETE ALL LINES WITHIN ASTERISKS [\*\*] AS WELL AS THIS INSTRUCTION, WHEN ALL EDITS ARE COMPLETE\*\*]**

Offerors are required to provide three (3) copies of their offer in two separate parts, as follows:

- Technical Offer
- Proposed Basis of Payment

### **RULES FOR TECHNICAL PROPOSAL**

Your technical proposal should address each of the following elements in the order in which they appear below.

#### **1. Mandatory Requirement**

**[\*\*THE CONTRACTING OFFICER IS TO GROUP UNDER THIS HEADING THOSE OF THE FOLLOWING REQUIREMENTS THAT ARE MANDATORY\*\*]**

#### **2. Requirements Subject to Point Rating**

**[\*\*THE CONTRACTING OFFICER IS TO GROUP UNDER THIS HEADING THOSE OF THE FOLLOWING REQUIREMENTS THAT ARE SUBJECT TO POINT RATING, MAKING SURE THAT THE SCORING METHOD FOR EACH IS INCLUDED IN THE SOLICITATION\*\*]**

### **REQUIREMENTS**

#### **1. Proposed Personnel:**

**[\*\*INCLUDE THE FOLLOWING IF MANDATORY\*\*]**

The proposed project team must include the following categories of personnel, as a minimum:

- (a) The proposed \_\_\_\_\_ must have a \_\_\_\_\_ (degree, certificate, etc).
- (b) The proposed \_\_\_\_\_ must have a minimum of \_\_\_\_\_ years experience in \_\_\_\_\_.
- (c) The personnel proposed must have participated in \_\_\_\_\_ projects similar in scope to this requirement.

## **M - STANDING OFFERS**

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**[\*\*INCLUDE THE FOLLOWING IF SUBJECT TO POINT RATING\*\*]**

- (a) Specify educational attainments possessed by \_\_\_\_\_.
- (b) Specify number of years of experience in \_\_\_\_\_ possessed by \_\_\_\_\_.
- (c) Specify number of projects similar in scope to this requirement in which \_\_\_\_\_ has acted in a comparable capacity.

**[\*\*THE FOLLOWING MUST ACCOMPANY THE ABOVE TEXT, WHETHER MANDATORY OR OTHERWISE\*\*]**

In order to demonstrate that the proposed personnel possess the qualifications specified above, Offerors (should/must) provide:

- (a) Detailed résumés for each person proposed stating the individual's education, work history and other relevant details, which clearly indicate that the individual meets the qualifications. Failure to provide sufficient details may result in your offer being evaluated as non-responsive.
- (b) A list of relevant projects, including a brief description of the project, the responsibilities of each of the personnel proposed, the project duration, the dollar value and the client from whom the work was done.

The following certification MUST form part of any offer:

### **CERTIFICATION**

"We hereby certify that all the information provided in the attached résumés and supporting material, particularly as this information pertains to education achievements, experience and work history, has been verified by us to be true and accurate. We further certify that, should we be awarded a contract, the personnel proposed will be available to perform the tasks described herein, as and when required by the Project Authority."

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Signature of Authorized  
Company Official

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Date

## **2. Firm's experience and expertise**

**[\*\*INCLUDE THE FOLLOWING IF MANDATORY\*\*]**

The firm must have completed \_\_\_\_\_ projects similar in scope to the requirement defined herein.

**[\*\*INCLUDE THE FOLLOWING IF SUBJECT TO POINT RATING\*\*]**

State the number of projects similar in scope to the requirement defined herein: \_\_\_\_\_ projects

**[\*\*THE FOLLOWING MUST ACCOMPANY THE ABOVE TEXT, WHETHER MANDATORY OR OTHERWISE\*\*]**

## **M - STANDING OFFERS**

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In order to demonstrate that the firm possesses the required qualifications, Offerors (should/must) provide a list of relevant projects completed, including a brief description of each project, the responsibilities of the firm, the project duration, the dollar value and the client for whom the work was performed.

### **3. Approach and methodology**

**[\*\*THIS REQUIREMENT IS ALWAYS SUBJECT TO A POINT RATING AND MUST BE INCLUDED IN THE SOLICITATION\*\*]**

This section must outline the comprehensive approach to be followed in completing all aspects of the Scope of Work. A detailed work plan, outlining the methodology, specific activities planned, the timing and associated level of effort by labour category or individual, must be provided for each task specified under the Scope of Work. Sufficient detail is to be provided to allow a complete understanding of how the work is to be carried out. The team organization and the responsibilities of each team member must also be described.

The information provided in an offer will also be used to assess the Offeror's understanding of the problems and objectives of this requirement.

### **4. Corporate Name**

**[\*\*THIS REQUIREMENT IS ALWAYS MANDATORY FOR AN OFFEROR WHO IS INCORPORATED\*\*]**

The offer must contain a statement giving the date and jurisdiction under which the Offeror was legally incorporated and the current percentage of Canadian ownership.

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**M0007T            (31/03/95)            Presentation of Offers**

Effective 15/06/98, this clause is superseded by M0007T.

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**M0008T            (01/12/92)            Basis of Selection**

Effective 31/03/95, this clause is superseded by A0265T, A0270T.

## **M - STANDING OFFERS**

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**M0009T      (01/12/92)      Basis of Selection of Carrier**

Effective 31/03/95, this clause is superseded by A0031T.

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**M0010T      (01/12/92)      Technical Proposal**

This clause is cancelled effective 31/03/95.

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**Remarks:** Use this clause to determine the capabilities of the offeror for evaluation purposes.

**M0011T      (31/03/95)      Facility Evaluation**

The Offeror agrees that, for the purpose of evaluating their offer, representatives of Canada may conduct, as deemed necessary, a survey of their facilities, their technical capabilities, and their financial status, to determine if they are adequate to ensure the proper performance of any work described herein. The Offeror hereby agrees to make their facilities available for this purpose.

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**M0011T      (01/12/92)      Facility Evaluation**

Effective 31/03/95, this clause is superseded by M0011T.

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**M0012T      (01/12/92)      Offer Cost**

This clause is cancelled effective 31/03/95.

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## M - STANDING OFFERS

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**M0013C (01/12/92) Authorities**

Effective 31/03/95, this clause is superseded by M0015D.

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**M0014C (01/12/92) Authorities**

Effective 31/03/95, this clause is superseded by M0015D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause to identify the contracting officer in the solicitation and the resulting standing offer documents.

**M0015D (31/03/95) Contracting Authority**

The Contracting Authority for this Standing Offer is:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Address: \_\_\_\_\_

The Contracting Authority is responsible for the establishment of the Standing Offer, its administration, and any contractual issues relating to individual call-ups.

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**M0015D (01/12/92) Administrative Authority**

Effective 31/03/95, this clause is superseded by M0015D.

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## **M - STANDING OFFERS**

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**M0016D            (01/12/92)            Services to be Provided**

This clause is cancelled effective 31/03/95.

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**M0017T            (01/12/92)            Bidders' Conference**

Effective 31/03/95, this clause is superseded by A9083T.

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**Remarks:** Use this clause for security guard services.

**M0018D            (01/12/00)            Post Orders**

Post orders shall be furnished to the Offeror by the Consignee. Post orders shall be in sufficient detail to permit guard personnel to effectively carry out their duties.

The Offeror shall ensure that security personnel comply fully with post orders, and with written and oral instructions from the authorized Consignee representative.

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**M0018D            (31/03/95)            Post Orders**

Effective 10/12/00, this clause is superseded by M0018D.

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**Remarks:** **THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in full text in Request for a Standing Offer documents.

**M0019T            (25/05/01)            Rates for Standing Offers**

The Offeror is required to provide the firm rates that will apply for the entire period provided for in the Standing Offer.

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## M - STANDING OFFERS

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**M0019T (15/12/95) Rates for Subsequent Periods**

Effective 25/05/01, this clause is superseded by M0019T.

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**M0020C (01/12/92) Classification, Vendors**

This clause is cancelled effective 31/03/95.

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**M0021D (01/12/92) Boundaries of National Capital Region**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in all resultant contracts awarded on behalf of the Department of National Defence.

**M0022D (01/05/96) Defence Contract**

Any contract resulting from this Standing Offer is a Defence Contract within the meaning of the *Defence Production Act*, R.S.C. 1985, c.D-1 and shall be read accordingly.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** The contracting officer shall ensure that the applicable law selected by the offeror, or in absence of such selection, the law indicated in the Request for a Standing Offer, is inserted in the blank.

**M0023C (30/10/96) Applicable Laws**

This Standing Offer and any resultant Contract shall be interpreted and governed, and the relations between the Parties, determined by the laws in force in \_\_\_\_\_.

## M - STANDING OFFERS

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. The contracting officer shall indicate the Canadian province or territory the law of which Canada proposes to apply to the standing offer and resultant contract. Offerors will be instructed to propose any change to applicable provincial or territorial law, in their formal offer.

**M0023T (30/10/96) Applicable Laws**

1. The Standing Offer and any resultant Contract shall be interpreted and governed, and the relations between the Parties, determined by the laws in force in \_\_\_\_\_.
  2. Offerors may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their offer, by deleting the Canadian province or territory specified and inserting the Canadian province or territory of their choice. If no change is made, it acknowledges the applicable law specified is acceptable to the Offeror.
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**Remarks:** Use the following in all standing offer documents where clause M0090T was used.

**M0090C (15/09/97) Disclosure of Information**

The Offeror agrees to the disclosure of its standing offer unit prices by Canada, and further agrees that it shall have no right to claim against Canada, the Minister, the Identified User, their employees, agents or servants, or any of them, in relation to such disclosure.

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**Remarks:** Use the following clause in all requests for standing offers for goods and services.

**M0090T (15/09/97) Disclosure of Information**

In the event of a resultant standing offer, the Offeror agrees to the disclosure of its unit prices by Canada, and further agrees that it shall have no right of claim against Canada, the Minister, the Identified User, their employees, agents or servants, or any of them, in relation to such disclosure.

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## **M - STANDING OFFERS**

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**M1000T            (01/06/91)            Potential Utilization**

This clause is cancelled effective 31/03/95.

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**M1001T            (01/06/91)            Resulting Contracts**

This clause is cancelled effective 31/03/95.

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**M1002D            (01/06/91)            Identified User**

This clause is cancelled effective 31/03/95.

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**M1003D            (01/06/91)            Identified User**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M1100D            (31/03/95)            Service Site Authority**

The Service Site Authority for the Standing Offer is \_\_\_\_\_, or their delegated representative.

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**M1100D            (01/06/91)            Service Site Authority**

Effective 31/03/95, this clause is superseded by M1100D.

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## **M - STANDING OFFERS**

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**M1200D (01/06/91) Returns and Refunds**

This clause is cancelled effective 31/03/95.

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**M1300D (01/06/91) Request for a Standing Offer**

This clause is cancelled effective 31/03/95.

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**M1302D (31/03/95) Standing Offers (Multiple)**

Effective 21/06/99, this clause is superseded by M1302T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when it is anticipated that more than one Standing Offer will be issued as a result of the Request for a Standing Offer.

**M1302T (21/06/99) Standing offers (Multiple)**

It is anticipated that \_\_\_\_\_ Standing Offers with a total dollar value of \$\_\_\_\_\_ may result from this Request for a Standing Offer.

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**M1303D (31/01/92) Request For a Standing Offer**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M1500D (31/03/95) Offeror's Personnel**

The names, titles and telephone numbers of the Offeror's permanent staff members cleared to receive call-ups from Identified Users:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

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**M1500D (01/06/91) Proposer's Personnel**

Effective 31/03/95, this clause is superseded by M1500D.

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**M1501D (03/02/97) Personnel Provided - Qualification**

It is understood and agreed that personnel will not be assigned in response to call-ups unless they have been skill-tested by the Offeror. All temporary personnel supplied shall meet the applicable minimum selection standards in the latest issue of the Department of Public Works and Government Services "Catalogue of Temporary Employee Classification Descriptions," which standards are incorporated into this document as if set out in full herein and a copy of which the Offeror acknowledges to have received and read.

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**M1501D (15/12/95) Personnel Provided - Qualification**

Effective 03/02/97, this clause is superseded by M1501D.

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**M1502D (01/06/91) Personnel, Assignment of**

Effective 15/12/95, this clause is superseded by M1501D.

## **M - STANDING OFFERS**

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**M1600D      (01/06/91)      Employee Deductions**

This clause is cancelled effective 31/03/95.

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**M1700D      (01/06/91)      Supplier Profile, Changes to**

This clause is cancelled effective 31/03/95.

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**M1701D      (01/06/91)      Documents to be Provided**

This clause is cancelled effective 31/03/95.

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**M1800D      (01/06/91)      Invoicing**

This clause is cancelled effective 31/03/95.

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**M1801D      (01/06/91)      Invoices**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**M1802D      (01/06/91)      Invoicing**

This clause is cancelled effective 31/03/95.

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**M1804D      (31/01/92)      Invoicing**

This clause is cancelled effective 31/03/95.

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**M1900D      (01/06/91)      Call-Up Procedures**

This clause is cancelled effective 31/03/95.

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**M1901D      (01/06/91)      Call-up Procedures**

This clause is cancelled effective 31/03/95.

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**M1902D      (01/06/91)      Call-up Procedures**

This clause is cancelled effective 31/03/95.

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**M1903D      (31/01/92)      Call-ups**

This clause is cancelled effective 31/03/95.



## **M - STANDING OFFERS**

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**Remarks:** The purpose of form DSS-MAS 944, Call-Up Against Multiple Standing Offers (a french version entitled "Commande subséquente à plusieurs offres à commandes, PWGSC-TPSGC 945", is also available) is to allow an identified user to issue a single call-up against various standing offers (not to exceed \$40,000) to a single supplier who is the authorized agent of different offerors, when those offerors each hold a valid standing offer with Canada for identified goods.

The following clause should be included in all Requests for a Standing Offer where form DSS-MAS 944 is to be used as a call-up document in addition to the current PWGSC-TPSGC 942, Call-Up Against a Standing Offer. Should an offeror not agree that its agent may represent the holder of a standing offer other than itself and that its prices may appear on a multiple call-up form, then the clause should not be included in any subsequent Standing Offer and Call-up Authority for that offer.

Only one invoice will be issued per call-up. Call-ups issued using form DSS-MAS 944 are not, under any circumstances, to be issued in order to prevent competition.

### **M1904D            (15/06/98)            Standing Offers (Multiple)**

1.     The Offeror agrees and accepts that its agent(s) listed on this Standing Offer may represent the holder of a Standing Offer other than itself. The Offeror further agrees and accepts that its prices, along with those prices offered by those other offerors, will appear on the multiple call-up form, thereby making the prices specified public information.
2.     The Offeror agrees to the disclosure of its prices and further agrees that it shall have no right to claim against Canada, the Minister, the Identified User, their employees, agents or servants, or any of them, in relation to such disclosure. The Offeror shall also indemnify Canada, the Minister, the Identified User, their employees, agent or servants, and any of them, against any action, suit, demand, right or claim asserted by anyone as a result of such disclosure.
3.     The Offeror is responsible for delivery in the event of default by the agent for those products only that are normally offered by the Offeror.
4.     The Identified User agrees that if the agent defaults on one or more items, the call-up using DSS-MAS 944, Call-Up Against Multiple Standing Offers, cannot be terminated in whole, but only for those portions relating to goods or services specified in the particular Standing Offer to which the default relates and only after the Offeror has been provided with a reasonable opportunity to remedy the default.

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### **M1904D            (31/03/95)            Standing Offers (Multiple)**

Effective 15/06/98, this clause is superseded by M1904D.

## M - STANDING OFFERS

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M1910T (13/12/02) Electronic Purchasing**

1. The Standing Offer that will be authorized pursuant to this solicitation can be listed on e-purchasing, which is a web-based desk top purchasing system provided to Federal Government Departments.
  2. While not obligated to agree to have their products/prices listed on e-purchasing, Offerors are strongly encouraged to do so as this is the direction that the Federal Government may be taking in the future. Further, it will increase the visibility of the successful Offeror's catalogued products.
  3. The Offeror's decision to agree or decline to list its products on e-purchasing will not affect the evaluation of its proposal or the authorization of a Standing Offer pursuant to this solicitation.
  4. If the Offeror is interested in having its Standing Offer on e-purchasing, it can obtain a copy of the setup requirements by faxing a request to the Public Works and Government Services Canada (PWGSC) Contracting Authority indicated on the front page of this solicitation, at fax number \_\_\_\_\_. The Offeror should also:
    - (a) indicate, below, its interest in listing its catalogue (products/prices) on e-purchasing:  
**Interested: YES\_\_\_ NO\_\_\_**
    - (b) identify its capability to load the standing offer products on a file layout in either Excel or Lotus 123 in bilingual format (a sample layout will be provided by PWGSC upon request);
    - (c) indicate in which software the catalogue (products/prices) can be loaded:  
Excel: **YES\_\_\_ NO\_\_\_** and/or  
Lotus 123: **YES\_\_\_ NO\_\_\_**; and
  4. indicate if green products are easily identifiable:  
Green products **are** highlighted: **YES\_\_\_ NO\_\_\_**  
Green products **can be** highlighted: **YES\_\_\_ NO\_\_\_**
  - V. Contact Name: \_\_\_\_\_  
Phone Number: ( ) \_\_\_\_\_
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## **M - STANDING OFFERS**

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**M2000D (15/12/95) Temporary Help Services**

The Offeror shall provide Canada with Temporary Help Services in accordance with Canadian General Standards Board standard CAN/CGSB-168.1 and the provisions of the Standing Offer. Services requested and requisitioned by individual departments and agencies shall include:

**Professional Category**

101.LS Librarians

**Administrative Category**

201.IS Information Services Personnel  
202.AS Administrative Services  
203.PM Program Administration Personnel

**Technical Category**

301.DD Drafting and Illustrating Personnel  
302.EG-ESS Engineering and Scientific Personnel  
303.SI Library Technicians  
304.EL Electronics

**Operational Category**

501.GL-ELE General Labourers and Trades Helper  
502.GS-STC Stores Services Personnel

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**M2000D (01/06/91) Temporary Help Services**

Effective 15/12/95, this clause is superseded by M2000D.

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**M2001D (15/12/95) Estimated Utilization - Standing Offer**

Effective 13/12/99, this clause is superseded by M2001T.

## **M - STANDING OFFERS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M2001T           (13/12/99)           Estimated Utilization - Standing Offer**

It is currently estimated that the total amount that could be called up by Canada against the proposed standing offers would be \$\_\_\_\_\_.

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**M2002D           (01/06/91)           Estimated Utilization - Standing Offer**

This clause is cancelled effective 31/03/95.

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**M2003D           (01/06/91)           Fire Extinguisher Service**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M2004D           (01/06/91)           Petroleum Products, Supply of**

Item(s) quoted herein are in accordance with the posted price(s) effective \_\_\_\_\_. Name and address of supplying agent: \_\_\_\_\_

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**M2005D           (01/06/91)           Scope**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M2006D (31/03/95) Identified Users**

The Identified Users authorized by the Minister to make call-ups against the Standing Offer are:

\_\_\_\_\_

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**M2006D (01/06/91) Identified Users**

Effective 31/03/95, this clause is superseded by M2006D.

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**M2007D (01/06/91) Standing Offer**

This clause is cancelled effective 31/03/95.

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**M2008D (01/06/91) Requirement/Statement of Work**

This clause is cancelled effective 31/03/95.

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**M2009D (01/06/91) Dry Cleaning/Fire Proofing of Drapes**

Effective 31/03/95, this clause is superseded by C0418D.

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## **M - STANDING OFFERS**

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**M2010D            (01/06/91)            Laundering**

Effective 15/12/95, this clause is superseded by B6812D.

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**M2011D            (01/06/91)            Garments - Rental and Laundry**

Effective 15/12/95, this clause is superseded by B6813D.

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**M2012D            (01/06/91)            Safety Glasses**

This clause is cancelled effective 31/03/95.

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**M2013D            (01/08/92)            Aircrew Requirements**

Effective 31/03/95, this clause is superseded by B4030D.

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**M2014D            (01/08/92)            Safety Briefing**

Effective 31/03/95, this clause is superseded by B4032D.

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**M2015D            (01/08/92)            Aircrew Requirements**

Effective 31/03/95, this clause is superseded by B4031D.

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## M - STANDING OFFERS

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**M2016D (01/12/92) Priority of Documents**

Effective 31/03/95, this clause is superseded by K0012C.

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**M2017C (01/12/92) Work Location**

Effective 31/03/95, this clause is superseded by F2046C.

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**M2018D (01/12/92) Insurance Requirements**

Effective 31/03/95, this clause is superseded by G4001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all standing offer documents. At the bid solicitation stage, the sanctions are provided to bidders for information purposes only.

**M2100D (24/05/02) International Sanctions**

1. Persons in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions.

Details on existing sanctions can be found at:  
<http://www.dfait-maeci.gc.ca/trade/sanctions-e.asp>

2. It is a condition of this Standing Offer and of any ensuing call-ups, if any, that the Offeror not supply to the Government of Canada any goods or services which are subject to economic sanctions.
3. By law, the Offeror must comply with changes to the regulations imposed during the life of the Standing Offer. During the performance of any call-up under the Standing Offer, should the imposition of sanctions against a country or person or the addition of a good or service to the list of sanctioned goods and services prevent the Offeror from performing all or part of its obligations pursuant to a call-up made against this Standing Offer, the Offeror shall treat the situation as a force majeure. The Offeror shall forthwith

## **M - STANDING OFFERS**

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inform Canada of the situation; the procedures applicable to force majeure shall then apply.

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**M2100D (10/12/01) International Sanctions**

Effective 24/05/02, this clause is superseded by M2100D.

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**M2400D (01/08/92) Revision - General**

This clause is cancelled effective 31/03/95.

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**M2405D (01/08/92) Revision - New Offer**

This clause is cancelled effective 31/03/95.

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**M2410C (01/08/92) Revision - Financial Limitation**

This clause is cancelled effective 31/03/95.

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**M2415C (01/08/92) Revision - Period of Standing Offer**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**M2420C            (01/08/92)            Revision - Limitation of Expenditure**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in a "Revision to a Standing Offer and Call-up Authority" when the authority to make call-ups is being withdrawn. This clause is NOT to be used in cases where default is the reason to withdraw the authority. Use in conjunction with an Identified Users clause.

**M2430C            (31/03/95)            Withdrawal of Authority**

Identified Users are hereby notified that their authority to make call-ups against Standing Offer No. \_\_\_\_\_ is withdrawn effective \_\_\_\_\_. Call-ups made prior to this date remain in force.

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**M2430C            (01/08/92)            Withdrawal of Authority**

Effective 31/03/95, this clause is superseded by M2430C.

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**M2435D            (01/08/92)            Default**

This clause is cancelled effective 31/03/95.

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**M2500D            (01/06/91)            Call-Up Period - Minimum**

The minimum period of time for which services will be provided will be four (4) consecutive hours.

The first day of the working week is Monday.

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## **M - STANDING OFFERS**

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

**M2501D (15/12/95) Call-Ups, Period for Placing**

The period for placing call-ups against the Standing Offer shall be from \_\_\_\_\_ to \_\_\_\_\_.

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**M2501D (31/03/95) Call-Ups, Period for Placing**

Effective 15/12/95, this clause is superseded by M2501D.

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**M2502D (31/01/92) Period of Standing Offer**

This clause is cancelled effective 31/03/95.

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**M2600D (01/06/91) Option**

This clause is cancelled effective 31/03/95.

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**Remarks:** Use this clause when price lists form part of the basis of payment.

**M3000D (31/03/95) Price Lists**

Following issuance of a Standing Offer, it is the Offeror's responsibility to supply and update price lists and/or catalogues as Canada may require. The Offeror shall provide one (1) copy of its catalogue and price list and updates thereto to each Identified User requesting a copy. The Offeror shall further send one (1) copy to the Contracting Authority at the address stated in this document.

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## **M - STANDING OFFERS**

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**M3000D (01/06/91) Price Lists**

Effective 31/03/95, this clause is superseded by M3000D.

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**M3001D (01/06/91) Catalogue and Price List**

Effective 31/03/95, this clause is superseded by M3000D.

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**M3002T (01/06/91) Canadian Funds**

This clause is cancelled effective 31/03/95.

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**M3003D (01/06/91) Pricing**

This clause is cancelled effective 31/03/95.

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**M3004D (01/06/91) Sheet Materials**

This clause is cancelled effective 31/03/95.

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**M3005D (01/06/91) Prices**

This clause is cancelled effective 31/03/95.

## **M - STANDING OFFERS**

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**M3006D      (01/06/91)      Basis of Pricing**

This clause is cancelled effective 31/03/95.

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**M3007D      (01/06/91)      Basis of Pricing**

This clause is cancelled effective 31/03/95.

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**M3008T      (01/12/92)      Goods and Services Tax**

Effective 31/03/95, this clause is superseded by C2204T.

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**M3009D      (01/12/92)      Goods and Services Tax**

This clause is cancelled effective 31/03/95.

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**M3010T      (01/12/92)      Price Change, Notification of**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**M3011D      (01/12/92)      Estimated Hours of Service**

This clause is cancelled effective 31/03/95.

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**M3012D      (01/12/92)      Goods and Services Tax**

This clause is cancelled effective 31/03/95.

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**M3013D      (01/12/92)      Limitation of Expenditure**

Effective 31/03/95, this clause is superseded by M4506D.

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**M3014D      (01/12/92)      Taxes - Tobacco**

This clause is cancelled effective 31/03/95.

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**M3500D      (01/06/91)      Petroleum Products, Supply of**

This clause is cancelled effective 31/03/95.

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**M3501D      (01/06/91)      Basis of Payment**

This clause is cancelled effective 31/03/95.

## M - STANDING OFFERS

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**M3502D (01/06/91) Basis of Payment**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when it is anticipated that users will make payments for call-ups against the standing offer with a Government of Canada Acquisition Card (credit card) at the point of sale, and clause M3503T was used in the Request for Standing Offers, and the bidder has indicated in clause M3503T that payment for call-ups by credit card at point of sale is acceptable. (*Refer to Supply Manual, procedure 5.184.*)

**M3503C (13/12/02) Payment by Credit Card**

Payments at point of sale for call-ups against the standing offer made by credit card will not be subject to the Payment and Interest on Overdue Accounts provisions set out in General Conditions DSS-MAS \_\_\_\_\_ of the Standing Offer.

The following credit card(s) are accepted (as specified by the Bidder):

VISA \_\_\_\_\_  
MasterCard \_\_\_\_\_.

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**M3503C (30/10/96) Payment by Credit Card**

Effective 13/12/02, this clause is superseded by M3503C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when it is anticipated that users will make payments for call-ups against the standing offer by Government of Canada Acquisition Card (credit card) at the point of sale.

Use clause M3503C in the standing offer where the bidder indicates that payment by credit card at point of sale is acceptable. (*Refer to Supply Manual, procedure 5.184.*)

## **M - STANDING OFFERS**

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**M3503T            (13/12/02)            Payment by Credit Card**

1. Government of Canada Acquisition Cards (credit cards) may be offered for payment of call-ups at point of sale. Payments at point of sale for call-ups against the standing offer made by credit card will not be subject to the Payment and Interest on Overdue Accounts provisions set out in General Conditions DSS-MAS \_\_\_\_\_ of the Standing Offer.
2. The Contractor is not obligated to accept payment by credit card.
3. Acceptance of credit cards for payment of call-ups will not be considered as an evaluation criterion.
4. The Bidder is requested to indicate:
  - (a)    ( )    Government of Canada Acquisition Cards (credit cards) will be accepted for payment of call-ups against the standing offer.

The following credit card(s) are accepted:

VISA \_\_\_\_\_  
MasterCard \_\_\_\_\_

OR

- (b)    ( )    Government of Canada Acquisition Cards (credit cards) will NOT be accepted for payment of call-ups against the standing offer.

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**M3503T            (30/10/96)            Payment by Credit Card**

Effective 13/12/02, this clause is superseded by M3503T.

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**M3700D            (01/06/91)            Escalation**

This clause is cancelled effective 31/03/95.

## **M - STANDING OFFERS**

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**M3701D**      **(01/06/91)**      **Escalation**

This clause is cancelled effective 31/03/95.

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**Remarks:** Use the following clause when an estimate of the cost of performing specific work is required prior to issuing call-ups. Call-ups should contain the statement of work and the estimate provided by the offeror.

**M3800D**      **(31/03/95)**      **Estimates, Provision of**

Where an estimate of the cost of performing specific work is required, the Identified User shall provide the Offeror with a statement of the work required and the Offeror shall provide the Identified User with an estimate of the cost of performing the specified work in accordance with the pricing provision of the Standing Offer. The Offeror shall not undertake any of the specified work unless and until a call-up is issued by the Identified User. The estimated cost stated in the call-up shall not be exceeded without the specific written authorization of the Identified User.

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**M3800D**      **(01/06/91)**      **Authorization of Work**

Effective 31/03/95, this clause is superseded by M3800D.

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**M3801D**      **(01/06/91)**      **Authorization of Work**

Effective 31/03/95, this clause is superseded by M3800D.

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**M3802D**      **(01/06/91)**      **Work Authorization**

Effective 31/03/95, this clause is superseded by M3800D.

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## **M - STANDING OFFERS**

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**M3805C      (01/06/91)      Requisitioning Authority**

Effective 15/09/97, this clause is superseded by M2006D.

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**M4000T      (15/06/98)      Rates**

If a Regional Master Standing Offer is issued, we agree to the release by Canada of our hourly rates to all the suppliers being issued a Standing Offer against this requirement. These rates will be included in the Department of Public Works and Government Services brochure.

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**M4000T      (01/06/91)      Rates**

Effective 15/06/98, this clause is superseded by M4000T.

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**M4500D      (01/06/91)      Financial Limitation**

This clause is cancelled effective 31/03/95.

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**M4501D      (01/06/91)      Limitation of Expenditure**

Effective 31/03/95, this clause is superseded by M4506D.

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## **M - STANDING OFFERS**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M4502D (12/05/00) Limitation**

Individual call-ups against this Standing Offer must not exceed \$\_\_\_\_\_ (excluding GST/HST).

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**M4502D (15/06/98) Limitation**

Effective 12/05/00, this clause is superseded by M4502D.

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**M4503D (01/06/91) Call-Up Limitation**

This clause is cancelled effective 31/03/95.

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**M4504D (01/06/91) Call-Up Limitation**

This clause is cancelled effective 31/03/95.

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**M4505D (01/06/91) Limitation of Expenditure**

Effective 31/03/95, this clause is superseded by M4506D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

## M - STANDING OFFERS

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M4506D (31/03/95) Financial Limitation

## **M - STANDING OFFERS**

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The total cost to Canada resulting from call-ups against this Standing Offer shall not exceed the sum of \_\_\_\_\_ unless otherwise authorized in writing by the Contracting Authority. The Offeror shall not be obligated to perform any work or services or supply any articles in response to call-ups which would cause the total cost to Canada to exceed the said sum, unless an increase is so authorized. The Offeror shall notify the Contracting Authority as to the adequacy of this sum when 75 percent of this amount has been committed, or \_\_\_\_\_ months prior to the expiry date of the Standing Offer, whichever comes first. However, if at any time the Offeror considers that the said sum may be exceeded, the Offeror shall promptly notify the Contracting Authority.

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**M4506D            (01/08/92)            Financial Limitation**

Effective 31/03/95, this clause is superseded by M4506D.

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**M4508D            (31/01/92)            Financial Limitation**

Effective 31/03/95, this clause is superseded by M4506D.

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**M4509D            (31/01/92)            Call-up Limitation**

This clause is cancelled effective 31/03/95.

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**M4600D            (01/06/91)            Hourly Rates Adjustment**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**M4601D            (15/12/95)            Rates**

The Offeror is to submit all-inclusive hourly rates for the actual time to be worked during the total period of the Standing Offer subject only to the adjustment provisions specified herein.

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**M4601D            (01/06/91)            Rates**

Effective 15/12/95, this clause is superseded by M4601D.

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**M4602D            (01/06/91)            Rates**

This clause is cancelled effective 31/03/95.

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**M4603D            (01/06/91)            Rate Assessment**

This clause is cancelled effective 31/03/95.

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**M4604D            (01/06/91)            Rates**

This clause is cancelled effective 31/03/95.

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**M4605D            (15/06/98)            Rates**

**1.            Definition**

## **M - STANDING OFFERS**

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- (a) **"minimum wage"** - means the current minimum wage which shall be paid to the temporary employee as established under legislation enacted by the federal or provincial government.
- (b) **"overtime"** - means time worked in excess of forty-four (44) hours per week.
- (c) **"compulsory employee benefits"** - means all benefits stipulated under federal and provincial labour legislation such as Worker's Compensation, and if applicable, employment insurance, Canada Pension Plan, etc.

### **2. Mandatory Price Inclusions**

The all-inclusive hourly rates provided by the Offeror shall include allowances for the following:

- (a) minimum wage - the temporary employee shall be paid not less than the higher of the federal or provincial minimum wage.
- (b) employee benefits - the cost of all mandatory employee benefits as defined herein and any other benefits mutually agreed to by the offeror and the temporary employee.
- (c) interviews - the cost associated with candidate interviews with potential federal government employers.
- (d) utilization reporting - the cost of preparing and delivering the required monthly reports.

### **3. Calculation of Overtime Rates**

The increase in billing rate for authorized overtime work SHALL NOT INCLUDE any element of overhead and profit, and shall be confined solely to the increase in wages and employer contributions.

The Offeror agrees that all overtime worked shall require the prior approval of the Service Site Authority.

### **4. Employee Deductions**

The Offeror is responsible for making all temporary employee pay deductions required by federal or provincial government legislation and/or regulations.

### **5. Bilingual Rates**

Bilingual rates are provided to the extent that the Offeror has bilingual permanent personnel involved in the selection of the candidates to be provided against the call-ups.

### **6. Hourly Rates Adjustment**

- (a) The hourly rates contained herein may be subject to review and adjustment, if agreed upon by Canada, in the following cases:
  - (1) if a legislative change in the federal or provincial minimum wage takes effect. Any adjustment will be equal to the amount by which the new minimum wage exceeds an employee's hourly wage plus the related increase in employer contributions, expressed in cents per hour;

## **M - STANDING OFFERS**

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- (2) if a federal or provincial legislative change affecting employer contributions takes effect. Any adjustment will be equal to the increase in employer contributions, expressed in cents per hour.
- (b) The Offeror will be required to submit a written request to the Contracting Authority for the authorization for any adjustment as specified herein. Such request will include the following, if applicable:
  - (1) certification of existing wages paid to employees who will be affected by the said legislative changes, and
  - (2) the amount of the increase in employer contributions.
- (c) The hourly rates quoted herein may be subject to a decrease in the event of a federal or provincial legislated decrease in employer contributions. Any adjustment will be equal to the decrease in employer contributions expressed in cents per hour. Such decreases will be reflected in the hourly rates set out in this Standing Offer.

Any adjustments pursuant to this article shall be effective upon issuance of a written revision to this Standing Offer.

### **7. Transportation**

Transportation costs between the temporary help employee's residence and the work site and/or the Offeror's premises are the Offeror's responsibility and are not included in the Offeror's rates.

### **8. Verification of Time Charged**

Time charged will be verified by the Service Site Authority before payment is made to the Offeror under the terms and conditions of this Standing Offer.

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#### **M4605D (15/12/95) Rates**

Effective 15/06/98, this clause is superseded by M4605D.

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#### **M4607D (01/08/92) Overtime Rates**

This clause is cancelled effective 31/03/95.

## **M - STANDING OFFERS**

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**M4607D            (31/01/92)            Overtime Rates**

Effective 01/08/92, this clause is superseded by M4607D.

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**M4700D            (01/06/91)            Non-Canadian Content**

This clause is cancelled effective 01/08/92.

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**M4701D            (01/06/91)            Canadian Content**

This clause is cancelled effective 01/08/92.

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**M5000D            (01/12/92)            Inspection**

This clause is cancelled effective 31/03/95.

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**M5001D            (21/06/99)            Inspection - Charter**

All services provided shall be subject to the approval of and acceptance by the Charterer or his authorized representative who will have the right to inspect the aircraft, and operational documentation including flight plan or flight notification, loading records, logs and aircrew logbooks, in order to ensure compliance with the terms and conditions stated in this Standing Offer and any call-up made against it.

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## **M - STANDING OFFERS**

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**M5001D            (01/12/92)            Inspection**

Effective 21/06/99, this clause is superseded by M5001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M5002D            (01/05/96)            Delivery Call-ups**

Delivery shall be made within \_\_\_\_\_ calendar days from receipt of a call-up document.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in standing offers where the performance of the work will involve haulage.

**M5205C            (13/12/02)            Haulage Rates**

1.     The Offeror's agreement is that, for work of a haulage nature under this Standing Offer, it will pay its subcontractors the haulage rates, minimum or maximum, as and where established by the provincial or territorial authority having jurisdiction in the geographical area where the work, the majority of the work or the largest component of the work is located. The Offeror is also subject to verification by the provincial or territorial audit authority.
  
  2.     If the said audit demonstrates that the certification is in error, it is agreed that the Offeror may be subject to sanctions.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in standing offers where the performance of the work will involve either haulage or a federal Fair Wage Schedule forms part of the contract or both.

**M5205T            (13/12/02)            Haulage Rates and/or Fair Wage Schedule**

1.     Offerors must comply with the federal government Haulage Rates Policy and Fair Wages and Hours of Labour Regulations where any resultant standing offer will have truck haulage as a component of the work to be provided or involve a federal Fair Wage Schedule.
  
2.     The Offeror certifies that it will comply with the Haulage Rates Policy and Fair Wage Schedule which require payment either directly to Contractors, or through prime

## **M - STANDING OFFERS**

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contractors to their subcontractors and their employees working on federal contracts, of either

- (a) the haulage rates, minimum or maximum, as and where established by the provincial or territorial government in the geographical region in which the work, the majority of the work or the largest component of the work is located, or
- (b) the Fair Wage Schedule as and where adopted or established by the federal government for the area in which the work, the majority of the work or the largest component of the work is located, or
- (c) both.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in standing offers where the performance of the work will involve a fair wage schedule.

**M5210C            (13/12/02)            Fair Wage**

1. By submission of its tender, the Offeror's agreement is that, for work where a federal Fair Wage Schedule forms part of the Standing Offer, it will pay its employees in accordance with the Fair Wages Schedule as and where established by the federal government in the geographical area where the work, the majority of the work or the largest component of the work is located. The Offeror is also subject to verification by federal government audit.
2. If the said audit demonstrates that the certification is in error, it is agreed that the Offeror may be subject to sanctions as determined by the federal government.

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**M6000D            (01/06/91)            Attention**

This clause is cancelled effective 31/03/95.

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**M6001D            (01/06/91)            Delivery**

This clause is cancelled effective 31/03/95.

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**M6002D (01/06/91) Delivery**

This clause is cancelled effective 31/03/95.

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**M6003D (01/06/91) Delivery Point**

This clause is cancelled effective 31/03/95.

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**M6004D (31/01/92) Delivery**

This clause is cancelled effective 31/03/95.

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**M6200D (01/06/91) Packing Slips**

This clause is cancelled effective 31/03/95.

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**M6300D (01/06/91) Inspection and Acceptance**

This clause is cancelled effective 31/03/95.

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**M6400D (01/06/91) Shipment and FOB**

Effective 01/05/96, this clause is superseded by D4000C.

## **M - STANDING OFFERS**

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**M6500D      (01/06/91)      Authorization for Delivery**

This clause is cancelled effective 31/03/95.

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**M7000D      (01/06/91)      Utilization Reports**

This clause is cancelled effective 31/03/95.

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**M7001D      (01/06/91)      Reporting**

This clause is cancelled effective 31/03/95.

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**M7002D      (01/06/91)      Reporting**

Effective 15/12/95, this clause is superseded by M4506D, M7003D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M7003D      (31/03/95)      Periodic Reports**

The Offeror shall provide to the Contracting Authority \_\_\_\_\_ reports on usage of the Standing Offer, showing the number and total value of call-ups by each consignee. Reports shall be submitted in the format shown on the attached "reporting form" and forwarded to the Contracting Authority no later than fifteen (15) days after the designated reporting period.

The Offeror understands that failure to comply may result in the setting aside of the Standing offer.

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## **M - STANDING OFFERS**

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**M7003D (01/06/91) Periodic Reports**

Effective 31/03/95, this clause is superseded by M7003D.

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**M7004D (01/06/91) Reporting**

Effective 31/03/95, this clause is superseded by M4506D.

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**M7005C (31/01/92) Reporting Forms**

This clause is cancelled effective 31/03/95.

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**M7005T (31/01/92) Reporting Forms**

This clause is cancelled effective 31/03/95.

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**M8000D (01/06/91) Terms and Conditions**

Effective 31/03/95, this clause is superseded by M8003D.

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**M8001D (01/06/91) Part III - Terms and Conditions**

This clause is cancelled effective 31/03/95.

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**M8002D (01/06/91) Part III- Terms and Conditions**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause when issuing a call-up against a Departmental Individual Standing Offer.

**M8003D (31/03/95) DISO - Call-up**

All terms and conditions contained in Departmental Individual Standing Offer \_\_\_\_\_ apply to this transaction.

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**M8003D (01/06/91) DISO**

Effective 31/03/95, this clause is superseded by M8003D.

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**M8004D (01/06/91) Terms and Conditions**

Effective 31/03/95, this clause is superseded by K0000D.

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**M8006D (01/06/91) General Conditions/Standing Offer**

Effective 31/03/95, this clause is superseded by K0000D.

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## **M - STANDING OFFERS**

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**M8007D**      **(01/06/91)**      **General Conditions**

This clause is cancelled effective 31/03/95.

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**M8008D**      **(04/01/94)**      **General Conditions**

Effective 31/03/95, this clause is superseded by K0000D.

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**M8009D**      **(01/06/91)**      **General Conditions**

Effective 31/03/95, this clause is superseded by K0000D.

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**M8010D**      **(31/01/92)**      **General Conditions**

This clause is cancelled effective 01/08/92.

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**M8011D**      **(01/12/92)**      **Air Charter Conditions**

This clause is cancelled effective 31/03/95.

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**M8012D**      **(04/01/94)**      **Contractual Obligation**

This clause is cancelled effective 31/03/95.

## M - STANDING OFFERS

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**M8012D (01/12/92) Contractual Obligation**

Effective 04/01/94, this clause is superseded by M8012D.

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**M9000D (01/06/91) Call-Up Against/Offer, Authority to**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M9001D (23/11/98) Notification of Revision**

You are hereby notified of a change in the conditions respecting the use of the Standing Offer, Department of Public Works and Government Services (DPWGS) reference No. \_\_\_\_\_ received from \_\_\_\_\_ as follows:

- The original offer has been withdrawn in total and is replaced by the attached new offer, which will remain in effect up to and including \_\_\_\_\_.
- The original offer has been revised, as detailed herein. All call-ups made after \_\_\_\_\_ shall be made pursuant to these revisions.
- The financial limitation pertaining to individual call-ups placed pursuant to this Standing Offer, has been increased/decreased from \$\_\_\_\_\_ to \$\_\_\_\_\_. You are hereby authorized to make call-ups to this new maximum value, effective \_\_\_\_\_, up to and including \_\_\_\_\_.
- The period for placing call-ups against this Standing Offer has been revised to cover the period from \_\_\_\_\_, up to and including \_\_\_\_\_.
- Due to an unexpected increase in usage of this Standing Offer, DPWGS has authorized continued usage of the offer, up to the new total estimated expenditure level of \$\_\_\_\_\_.

**NOTE:** This level represents the best estimate of the value of all call-ups expected to be placed by all customers utilizing this standing offer, over the total standing offer period from \_\_\_\_\_, up to and including \_\_\_\_\_. Inquiries concerning the above, are to be directed to the contracting officer whose name appears below.

Name: \_\_\_\_\_

Telephone No.: \_\_\_\_\_



## M - STANDING OFFERS

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**M9001D (30/06/95) Notification of Revision**

Effective 23/11/98, this clause is superseded by M9001D.

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**M9002D (01/06/91) Withdrawal of Authority**

Effective 31/03/95, this clause is superseded by M2430C.

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**M9003D (01/06/91) Standing Offer**

This clause is cancelled effective 31/03/95.

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**M9004D (01/06/91) General Provisions**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in conjunction with M9014D if it is foreseen that Canada may require an extension to the period of the Standing Offer.

**M9005D (15/09/97) Standing Offer, Period of**

The period for placing call-ups and rendering services against the standing offer shall be from the \_\_\_\_ to \_\_\_\_ inclusive.

## **M - STANDING OFFERS**

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**M9005D           (30/06/95)           Standing Offer, Period of**

Effective 15/09/97, this clause is superseded by M9005D.

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**M9006D           (01/08/92)           Supplier Representative**

This clause is cancelled effective 31/03/95.

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**M9006D           (01/06/91)           Supplier Representative**

Effective 01/08/92, this clause is superseded by M9006D.

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**M9007D           (01/06/91)           Person to be Contacted**

Effective 31/03/95, this clause is superseded by D0030D.

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**M9008D           (01/06/91)           Withdrawal, Notification of**

This clause is cancelled effective 31/03/95.

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## **M - STANDING OFFERS**

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**M9009D (01/06/91) WHMIS Regulations**

Effective 15/12/95, this clause is superseded by B1505D.

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**M9010D (01/06/91) Availability of Materiel**

This clause is cancelled effective 31/03/95.

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**M9011D (01/06/91) Payment**

This clause is cancelled effective 31/03/95.

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**M9012D (01/06/91) Authorization**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in conjunction with M9005D if it is foreseen that Canada may require an extension to the period of the Standing Offer.

**M9014D (15/09/97) Standing Offer, Extension of**

Should the Standing Offer be authorized for use beyond the initial period, the Offeror hereby offers to provide the goods/services herein for an additional \_\_\_\_\_ period from \_\_\_\_\_ to \_\_\_\_\_ under the same conditions and at the rates/prices specified herein or at the rates/prices calculated in accordance with the formula specified herein.

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## **M - STANDING OFFERS**

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**M9014D (31/03/95) Period of Standing Offer, Extension of**

Effective 15/09/97, this clause is superseded by M9014D.

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**M9016D (31/01/92) Call-ups**

This clause is cancelled effective 31/03/95.

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**M9019D (04/01/94) General Provisions**

This clause is cancelled effective 31/03/95.

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**M9019D (31/01/92) General Provisions**

Effective 04/01/94, this clause is superseded by M9019D.

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**M9020D (31/01/92) Period of Proposed Standing Offer**

Effective 31/03/95, this clause is superseded by M9014D.

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**M9021D (01/08/92) General Provisions**

This clause is cancelled effective 31/03/95.

## **M - STANDING OFFERS**

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**M9021D           (31/01/92)           General Provisions**

Effective 01/08/92, this clause is superseded by M9021D.

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**M9022D           (31/01/92)           Air Charter Services**

This clause is cancelled effective 31/03/95.

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**M9023D           (01/08/92)           General Provisions**

This clause is cancelled effective 31/03/95.

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**M9024C           (01/12/92)           Standing Offer - Withdrawal**

Effective 31/03/95, this clause is superseded by J3005C.

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**M9025D           (01/12/92)           Interest on Overdue Accounts**

This clause is cancelled effective 31/03/95.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**M9026D (10/12/01) Method of Payment**

1. Payment by Canada for the Work shall be made in accordance with the Basis of Payment specified herein:
  - (a) within thirty (30) days following the date on which the Work has been performed;  
or
  - (b) within thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Standing Offer;whichever is later.
2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt Canada shall notify the Carrier of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraph 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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**M9026D (30/06/95) Method of Payment**

Effective 10/12/01, this clause is superseded by M9026D.

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**M9100D (01/08/92) Security Requirements**

Effective 31/03/95, this clause is superseded by F2045D.

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## **Section 5**

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**P0005T (31/03/95) Note to Bidders - RFP**

1. **Bidder:** The lowest Bidder is to be interpreted to mean the lowest responsive Bidder. A bid is responsive if it meets the specifications for the work and other specified conditions.
  2. **Qualifications:** The quoted price should reflect the requirement as specified; however, bid qualifications, exceptions or alterations may be submitted with a bid and will be considered as counter offers which may or may not be accepted.
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**P0010T (31/03/95) Note to Bidders - ITT**

Bidders are hereby informed that this is only an invitation to submit a tender, and hence Canada is not obligated to enter into a contractual agreement as the result of Canada receiving offers from Bidders.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P0015D (31/03/95) Plant Closing**

The Contractor's plant closing for Christmas and summer holidays, where applicable, will be taken into account in the calculation of the delivery schedule during which time there will be no delivery.

**PLANT CLOSING DATES**

Christmas Holidays FROM \_\_\_\_\_ TO \_\_\_\_\_  
Summer Holidays FROM \_\_\_\_\_ TO \_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P0020D (16/02/98) Samples**

Send one copy of each item at no charge to:

Government of Canada,  
Communications Co-ordination Services Branch  
350 Albert Street, 4<sup>th</sup> Floor  
Ottawa, Ontario  
K1A 0S5

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## P - PRINTING

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ATTENTION: \_\_\_\_\_

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**P0020D (31/03/95) Samples**

Effective 16/02/98, this clause is superseded by P0020D.

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**P0025T (31/03/95) Transportation Equalization Program**

This call for bids is part of a Transportation Equalization Program by the Government of Canada.

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**P1001D (31/03/95) Quantity - Approximation**

The quantity specified is only an approximation of requirements given in good faith. Canada shall not be bound to accept delivery of the commodity in the maximum quantity specified, but shall have the right to accept only delivery in such quantity as is actually required.

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**P1005D (31/03/95) Packaging and Packing of Printed Products**

In accordance with the latest edition of the PWGSC booklet entitled "Guide for Packaging and Packing of Printed Products".

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**P1010D (31/03/95) Print Quality**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Printing".

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## **P - PRINTING**

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**P1011D      (31/03/95)      Quality Levels for Colour**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Colour Reproduction".

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**P1012D      (31/03/95)      Quality Levels for Envelopes**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Envelopes".

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**P1013D      (31/03/95)      Quality Level for Forms**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Forms".

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**P1014D      (31/03/95)      Quality Levels for Typesetting**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Typesetting".

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**P1015D      (31/03/95)      Quality Levels for Labels**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Labels".

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**P1016D      (31/03/95)      Quality Levels for Binding**

In accordance with the latest edition of the PWGSC booklet entitled "Quality Levels for Binding".

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## **P - PRINTING**

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**P1017D           (31/03/95)           Guide to Quality Printing**

In accordance with the latest edition of the PWGSC booklet entitled "A Customer Guide to Quality Printing".

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**P1018D           (31/03/95)           Guide - Inspection of Printed Products**

In accordance with the latest edition of the PWGSC booklet entitled "Guide to the Inspection of Printed Products".

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**P1020D           (31/03/95)           Breaks Between Forms**

1. All forms supplied for this requirement will be continuous within each carton, with no breaks between forms.
  2. Any breaks that occurred in the manufacturing process are to be spliced with perforated tape or an equivalent method so as to render all forms within a carton useable. All splices must be flagged at the actual splice location and the outside of the carton must clearly indicate that the contents contain a splice. A maximum of only one (1) splice per carton will be accepted.
  3. On single part forms, a maximum of 10 percent of the total cartons used to fulfill this requirement are allowed to contain a splice.
  4. On two- and three-part forms, a maximum of 12 percent of the total cartons used to fulfill this requirement are allowed to contain a splice.
  5. On forms with four or more parts, a maximum of 20 percent of the total cartons used to fulfill this requirement are allowed to contain a splice.
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**P1025D           (31/03/95)           Overruns/Underruns**

Overruns or underruns are to be shown as a separate item on the invoice.

Unless otherwise stated herein, overruns or underruns must not exceed the following:

- 10 percent overrun on quantities of less than 5,000
- 5 percent overrun for quantities between 5,001 and 100,000

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- 2 percent overrun for quantities in excess of 100,001
  - underruns must not exceed 2 percent irrespective of ordered quantities.
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**P1026D (31/03/95) Overruns/Underruns**

No overruns or underruns will be accepted.

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**P1027D (31/03/95) Overruns**

Overruns are to be invoiced at the "Additional Same Run" price.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P1028D (31/03/95) Overruns**

Overruns in excess of \_\_\_\_\_ percent or as otherwise stated herein will not be accepted.

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**P1029D (31/03/95) Underruns**

Invoice at the total contract quantity and credit the underrun quantity at the "Additional Same Run" price.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P1030D (31/03/95) Overruns/Underruns**

No underrun will be accepted and overruns are not to exceed \_\_\_\_\_ percent.

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**P1031D (31/03/95) Overruns/Underruns**

Underruns/overruns are to be distributed in accordance with the delivery schedule and should not exceed 10 percent of the total required in each specified region.

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**P1035D (31/03/95) Alterations by Author**

Invoices for author's alterations are to be rendered on a separate invoice. Failure to return components may delay payment of invoices.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P1036D (16/02/98) Alterations by Author**

1. Author's alterations of a minor nature resulting from proof submission are permitted to a value of \_\_\_\_\_ only. Any alterations resulting in costs exceeding this amount must be submitted to the Department of Public Works and Government Services Contracting Authority for approval.
  2. No change to the specification may be made without prior approval of the Contracting Authority.
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**P1036D (31/03/95) Alterations by Author**

Effective 16/02/98, this clause is superseded by P1036D.

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**P1040D (31/03/95) Specifications, Change to**

No change to the specification may be made without prior approval of the Contracting Authority.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P2001D (31/03/95) Contract Term**

1. The term of the Contract shall be for the period commencing from date of contract booking and ending on the last day of \_\_\_\_ 19\_\_\_\_; with Canada having an option to negotiate \_\_\_\_ consecutive contract(s) de Novo for a one-year period, under the same general terms and conditions as the Contract, subject only to an increase or decrease in the cost of material and/or labour at such time.
  
2. The Contracting Authority shall notify the Contractor of its intention to negotiate for a further one-year period (90) days prior to the expiry of the then current term, whereupon the Contractor shall forthwith supply the Contracting Authority with all necessary evidence for the purpose of establishing such labour and material costs. In the event that the price resulting from the negotiation is satisfactory to Canada, then a contract de Novo will be implemented immediately on the expiry of the then current term, but if unsatisfactory to Canada the said current Contract will be deemed to have been fully discharged and ended at the expiry of the then current term.
  - a) Cover Stock:  
  
"The price includes \_\_\_\_ lbs. of paper (state grade, brand name and weight: \_\_\_\_ ) at a base price of \$ \_\_\_\_ per Cwt."
  
  - b) Text Stock:  
  
"The price includes \_\_\_\_ lbs. of paper (state grade, brand name and weight: \_\_\_\_ ) at a base price of \$ \_\_\_\_ per Cwt."

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P2002D (31/03/95) Contract Term**

1. The term of the Contract shall be for the period commencing from date of contract booking and ending on the last day of \_\_\_\_ 19\_\_\_\_.
  
2. The price to be paid to the Contractor may be increased or decreased by Canada to reflect increases or decreases in the cost to the Contractor of the paper (only) supplied in the performance of the Contract. The Contractor shall provide the Contracting Authority within ten (10) days from date of increase or decrease all necessary evidence for the purpose of establishing a firm price. The Contractor shall not invoice at other than the prices specified unless and until any proposed price revision is approved by Canada and until the Contract is amended accordingly.
  - a) Cover Stock:  
  
This provision applies to \_\_\_\_ lbs. of paper (state grade, brand name and weight: \_\_\_\_ ) at a base price of \$ \_\_\_\_ per Cwt.
  
  - b) Text Stock:

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This provision applies to \_\_\_\_\_ lbs. of paper (state grade, brand name and weight: \_\_\_\_\_ ) at a base price of \$\_\_\_\_\_ per Cwt.

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**P2010D (31/03/95) Escalation for Paper**

Effective 01/05/96, this clause is superseded by P2010T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P2010T (01/05/96) Escalation for Paper**

1. Subject to the following provisions, a portion of the price may be increased or decreased, depending on the price variation of paper stock. This clause is only applicable to changes to the price of paper stock (upwards or downwards) that occur after thirty (30) days from the closing date of the solicitation.
2. In the event of paper transaction cost variation, the Contractor shall provide notice of increase or decrease in the price of paper used for this requirement. It is mandatory that for the notice to be considered it must be received within ten (10) days of the paper delivered to the printer, indicating the price fluctuation (upwards or downwards) of paper stock, as publicly announced and came into effect, by at least three (3) Canadian paper mills who manufacture the grade specified in this requirement and one of those announcing the increase or decrease is in fact the supplier to the contractor either directly or through a distributor.
3. If less than three (3) Canadian paper mills manufacture the specified grade, the majority of the mills making this grade must have announced a price change (upwards or downwards) that did come into effect for escalation to be implemented.
4. At the time of submitting its bid, the Contractor represents that the transaction costs of paper and estimated quantities of the paper proposed, to be used for this requirement are as follows:
  - (a) cover stock: (if applicable) \_\_\_\_\_ lb. at a base transaction price per Cwt. of \$\_\_\_\_\_. Brandname and manufacturing mill: \_\_\_\_\_
  - (b) text stock: (if applicable) \_\_\_\_\_ lb. at a base transaction price per Cwt. of \$\_\_\_\_\_. Brandname and manufacturing mill: \_\_\_\_\_
  - (c) text stock: (if applicable) \_\_\_\_\_ lb. at a base transaction price per Cwt. of \$\_\_\_\_\_. Brandname and manufacturing mill: \_\_\_\_\_
5. If requested by the Contracting Authority, the above base transaction prices will be supported by submitting copies of quotations from the paper supplier(s).



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6. Escalation will be implemented by using the percentage of the announced increase or decrease that came into effect by applying it to the transaction base price(s). Price changes will also be supported by before and after invoices.
7. Upon receipt of the above notice and of the evidence of the price changes announced by the paper mills, the Contracting Authority will then modify the price, by an amendment thereto, to reflect the percentage fluctuation of the paper costs to the Contractor's supported based transaction prices.
8. While not activating the above escalation clause, if, after award, an equivalent paper stock is used by the Contractor other than that specified in the solicitation document, the Contractor must advise the Contracting Authority in writing within fourteen (14) calendar days of this change. It is understood that equivalent means that the paper must meet the specifications in the solicitation document.

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**P2011D            (31/03/95)            Escalation for Mills**

Effective 01/05/96, this clause is superseded by C3502D.

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**P2012D            (31/03/95)            Escalation for Distributors**

Effective 01/05/96, this clause is superseded by C3503D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P2020D            (15/09/97)            Warehousing**

If unforeseen circumstances arise and in the event that Canada requests some or all of the item(s) in this requirement to be warehoused by the Contractor after the shipping date specified and after the items are manufactured to completion, the price for storage per thousand units per day for each item will be as follows:

(Price per thousand) X (number of days) = Total Cost (Goods and Services Tax extra or Harmonized Sales Tax extra, as appropriate)

Price per day:            \$ \_\_\_\_\_  
Per thousand units:    \$ \_\_\_\_\_.

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**P2020D**      **(31/03/95)**      **Warehousing**

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3001D**      **(31/03/95)**      **Destination/Plant**

1.      Prices are FOB Destination for the delivery points shown on page \_\_\_\_\_.
  2.      FOB Plant prices are to be used in the event that it may be necessary to redirect deliveries to another destination.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3005D**      **(31/03/95)**      **Delivery**

Initial delivery to be made within \_\_\_\_\_ days from receipt of Request for Delivery form DSS-MAS 10047 in minimum lots and to the destinations specified on page \_\_\_\_\_. Subsequent deliveries shall be made at destination within \_\_\_\_\_ days from the date of receipt of the Request for Delivery.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3006D**      **(31/03/95)**      **Delivery**

1.      Initial delivery of \_\_\_\_\_ must be made at destination by \_\_\_\_\_ (including submission and approval of proofs where applicable).  
  
         **N.B.** Normal approval time and delivery of proofs to the printer is forty-eight (48) hours.
  2.      Balance: As and when required during the twelve (12) month period from date of Contract in lots/one lot of \_\_\_\_\_ to be delivered to destination within \_\_\_\_\_ working days from the date of the requisition.
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## **P - PRINTING**

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**P3007D (31/03/95) Delivery Authorization**

Delivery must be authorized by using requisition form DSS-MAS 10047.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3008D (31/03/95) Delivery, Periodical**

Within \_\_\_\_\_ working days after receipt of \_\_\_\_\_. To include proofing time, if required.

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**P3009D (31/03/95) Delivery, Phased**

The Contractor must inform the Contracting Authority one (1) month before expiration of the Contract if the total quantity has not been called-up.

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**P3010D (31/03/95) Printing Material**

Printing material is already in your possession.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3011D (31/03/95) Printing Material**

Printing material shall be delivered to you by: \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3015D (31/03/95) Overshipment for National Defence**

**THIS CLAUSE TO BE STRICTLY OBSERVED!**

Deliveries in excess of quantities contracted will be accepted under the following conditions only:

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- a) excess quantities are not to exceed \_\_\_\_\_ of total quantities contracted. Such overshipment will not require formal contract amendment;
  - b) any quantities in excess of the pre-authorized percentage specified in a) above may be considered. However, such quantities must be approved by Canada by formal contract amendment prior to shipment;
  - c) excess quantities whether pre-authorized as specified in a) above or otherwise will ONLY be accepted as part of a final shipment and are to be shipped to consignee \_\_\_\_\_ only; and
  - d) any deviations from points a), b) or (c) above will not be accepted and any overshipment received as a result will be promptly returned to the Contractor at its cost.
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**P3020D            (31/03/95)            Packaging Specs - Insert Type Folders**

Maximum quantities per boxed unit, according to type of insert, will be as follows:

2 folds (4 thicknesses): 1,000 per unit  
1 fold (2 thicknesses): 2,000 per unit  
single thickness (paper stock): 4,000 per unit  
single thickness (card stock): 2,000 per unit

Label all cartons as to title, language, quantity and warehouse number.

Maximum size for skids or pallets:

30 in. wide  
40 in. long  
48 in. high

Shrinkwrap skids or pallets.

**SIZE:**

17 9/16 in. (44,6 cm) Long X  
6 5/8 in. (16,8 cm) Wide X  
3 3/16 in. (8,1 cm) Deep.

**STYLE:**

One place flat die cut plain open blank. Infold sides, hinged lid with full front. No side flaps on lid. Die cut open slots on bottom for sidewall locking tab. Friction lock tab. Friction lock tabs on front lid panel.

**MATERIAL:**

175 lb. test, B flute corrugated. After inserting materials, tape lid front panel to bottom of box.

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## **P - PRINTING**

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**P3021D (31/03/95) Packaging**

The following MUST be observed:

- a) ALL printed matter is to be shipped "finished," lying FLAT in boxes - NOT on their sides or ends.
- b) ALL printed matter is to be packed in new cardboard boxes of uniform size.
- c) ALL boxes are to contain the same number of publications UNBANDED AND NOT WRAPPED.
- d) NO box is to weigh more than 35 pounds.
- e) ALL boxes are to be completely filled - NO air space or filler material.
- f) ALL boxes are to have a bursting strength of NOT LESS than 250 pounds per square inch.

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**P3022D (31/03/95) Packaging**

Items shall be packed to permit the application of the lowest available less-than-carload/truckload freight classification, in new and uniform cartons not exceeding 35 lbs. in weight.

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**P3023D (31/03/95) Packaging**

Goods must be strapped and packaged for ease of handling. Delivery must be made on standard wooden skids (40-50" wide x 48" deep). Skid load not to exceed 60" in height and no heavier than 2,500 lbs. Cartons are not to exceed 35 lbs.

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**P3024D (31/03/95) Packaging - Customs and Excise**

Goods must be strapped and packaged for ease of handling. Delivery must be made on standard wooden pallets (42" wide x 48" deep). Pallet load is not to exceed 60" in height and no heavier than 2,500 lbs. Cartons are not to exceed 35 lbs.

## **P - PRINTING**

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**P3027D (31/03/95) Labelling**

All boxes will be labelled, in large and bold lettering (minimum 20 points size) with:

- a) title and language;
  - b) catalogue number;
  - c) quantity per box.
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**P3030D (31/03/95) Serial Numbers**

Boxes without serial numbers are not acceptable. Boxes must be numbered sequentially and content serial numbers indicated on outside of container.

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**P3031D (31/03/95) Serial Numbers**

All serial numbered boxes must be packed on skids with the lowest number on top reading across from left to right so that the highest numbers will be at the bottom on the skids.

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**P3035D (31/03/95) Shipping**

The following MUST be observed:

- a) ALL boxes must be shipped on wooden skids, each with a wooden top strapped to it.
  - b) ALL skids are to be of uniform size and WILL NOT be more than 60 in. in length.
  - c) ALL skids must have the same number of boxes.
  - d) NO skid will weigh more than 2,000 pounds.
  - e) ALL deliveries must be made on a truck which fits a standard six-foot loading dock. If such a truck is not available, the printer must provide two men to assist in unloading.
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## **P - PRINTING**

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**P3039D (12/05/00) Redirect Shipments (RCT)**

Canada Customs and Revenue Agency (Taxation) is authorized to redirect shipments from one destination to another during the period of the contract. FOB Plant price to be used in the event that it may be necessary to redirect deliveries to another destination. The new transportation cost (if reflecting an increase due to changed destination) shall be submitted to the Department of Public Works and Government Services Traffic Management Directorate. It is mandatory that the cost (either an increase or decrease) be approved by the Contracting Authority prior to shipment. Failure to obtain the prior approval shall imply that any cost increase will not be paid.

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**P3039D (16/02/98) Redirect Shipments (RCT)**

Effective 12/05/00, this clause is superseded by P3039D.

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**P3050D (12/05/00) Default for Intermixing Documents**

1. In the event the Contractor delivers non-conforming work, and this non-conformity is due to pages, covers, booklets, and/or documents of one regional, provincial, or inter-provincial requirement being mixed with pages, covers, booklets, and/or documents of another regional, provincial, or interprovincial requirement, or if this intermixing takes place within the book itself, then the Contracting Authority may, by notice under this clause, inform the Contractor of such mixing and place the Contractor in default under the terms of this clause.
2. A Contractor who has been placed in default under the terms of this clause is precluded and ineligible, for a period of two (2) calendar years after the award date of the Contract under which the default took place, to be awarded more than one contract per portion of the printing requirements, of the Tax Program for Canada Customs and Revenue Agency, Taxation, whereby the possibility for intermixing could reoccur.
3. During this two-year period, in the event the Contractor submits more than one low bid in any given portion of the above-described requirements, Canada reserves the right to accept only one of those bids, and the Contractor would be offered the choice to choose which one.

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**P3050D            (31/03/95)            Default for Intermixing Documents**

Effective 12/05/00, this clause is superseded by P3050D.

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**P3053D            (31/03/95)            Components**

Components must be suitably packaged to ensure arrival at destination in an undamaged condition and clearly marked "DO NOT FOLD".

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P3054D            (16/02/98)            Components**

1. All components for this requirement will be delivered by courier to the Contractor and returned by courier to the client. The cost of the courier service will be borne by the Contractor.
  2. Please select one of the following:
    - (a) \_\_\_\_\_ Components will be picked up at the Mailroom, 350 Albert Street, 4<sup>th</sup> Floor;
    - (b) \_\_\_\_\_ Forward the components, COD, by a designated Department of Public Works and Government Services courier.
  3. The Contractor will also be responsible for the delivery of the components as specified in each contract. The cost for this service should be included in the prices that are quoted in the bid.
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**P3054D            (31/03/95)            Components**

Effective 16/02/98, this clause is superseded by P3054D.

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## P - PRINTING

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**P4001T (31/03/95) Access to Information**

The Bidder understands that a listing of bidders' corporate names and individual prices is made available after the closing of each solicitation. The Bidder understands that such a listing, known as an Award Notice, is government information that has been and is normally available to the general public. The Bidder also understands that such Notice ensures better value on dollars spent in government contracts as it maintains a healthy competitiveness in our sector of the economy.

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**P5005D (31/03/95) Invoicing**

In order to ensure prompt payment of invoices, the Contractor must either submit individual invoices for each destination showing quantity shipped, or submit a consolidated invoice showing quantity shipped to each destination.

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**P5006D (31/03/95) Invoicing**

Failure to return components may hold up payment of invoices.

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**P5010C (31/03/95) Invoices**

Invoices are to be made out to the consignee. Send original and two (2) copies to the consignee.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**P5015C (12/05/00) Invoicing Instructions**

1. Two (2) separate invoices are to be submitted in triplicate as follows:

(a) Mail first invoice to:

Canadian Government Publishing  
Communications Co-ordination Services Branch  
350 Albert, 4<sup>th</sup> floor  
Ottawa, Ontario  
K1A 0S5

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Requisition No. and Financial Code \_\_\_\_\_;  
Client Reference Number (CRN) \_\_\_\_\_;  
For a firm lot amount of \$ \_\_\_\_\_.

(b) Mail second invoice to:

Department: \_\_\_\_\_  
Division: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/Prov.: \_\_\_\_\_  
Postal Code: \_\_\_\_\_

Requisition No. and Financial Code \_\_\_\_\_;  
Client Reference Number (CRN) \_\_\_\_\_;

2. Applies to all goods delivered to all Consignees (including the quantity for delivery to the Canadian Government Publishing, Communications Co-ordination Services Branch [CCSB]) itemized in accordance with the Contract pricing schedule herein. Show the reduction off the total invoice cost for the amount payable by CCSB under (a) above.
3. All invoices, shipping and packing slips must show the applicable requisition number and financial code as indicated above.

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**P5015C      (16/02/98)      Invoicing Instructions**

Effective 12/05/00, this clause is superseded by P5015C.

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## **Section 5**

### **R - REAL PROPERTY CONTRACTING**

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## **R - REAL PROPERTY CONTRACTING**

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**R0000D (12/05/00) Standard Construction Contract-Synopsis**

This clause is cancelled effective 01/12/00.

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**R0000D (21/06/99) Standard Construction Contract-Synopsis**

Effective 12/05/00, this clause is superseded by R0000D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0001T (13/12/02) General Instructions to Tenderers**

**Public Works and Government Services Canada**

- 01 Tender Documents
- 02 Completion of Tender
- 03 Signing Procedures and Identify or Legal Capacity of the Tenderer
- 04 Goods and Services Tax
- 05 Quebec Sales Tax
- 06 Capital Development and Re-development Charges
- 07 Bid Depository
- 08 Registry and Pre-qualification of Floating Plant
- 09 Listing of Subcontractors and Suppliers
- 10 Tender Security Requirements
- 11 Submission of Tender
- 12 Revision of Tender
- 13 Acceptance of Tender
- 14 Language of the Tender and Contract Documents
- 15 Contract Security Requirements
- 16 Compliance with Applicable Laws
- 17 Approval of Alternative Materials
- 18 Performance Evaluation
- 19 Procurement Business Number (PBN)

**01 (13/12/02) Tender Documents**

- 1.1 The following are the tender documents:
  - 1.1.1 Special Instructions to Tenderers
  - 1.1.2 Tender Form;

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- 1.1.3 Plans and Specifications "A";
  - 1.1.4 General Instructions to Tenderers R0001T (13/12/02), referred to in the tender documents as the General Instructions to Tenderers;
  - 1.1.5 Articles of Agreement R0200C (01/12/00), referred to therein as the Articles of Agreement;
  - 1.1.6 Terms of Payment "B" R0201D (13/12/02), referred to in the Articles of Agreement as the Terms of Payment;
  - 1.1.7 General Conditions "C" R0202D (01/12/00), referred to in the Articles of Agreement as the General Conditions;
  - 1.1.8 Fair Wages and Hours of Labour, Labour Conditions, R0203D (01/12/00), referred to in the Articles of Agreement as Labour Conditions;
  - 1.1.9 Fair Wage Schedules for Federal Construction Contracts, referred to in the Articles of Agreement as Fair Wage Schedules;
  - 1.1.10 Insurance Conditions "E" R0204D (13/12/02), referred to in the Articles of Agreement as the Insurance Conditions;
  - 1.1.11 Contract Security Conditions "F" R0205D (13/12/02), referred to in the Articles of Agreement as the Contract Security Conditions;
  - 1.1.12 Any addenda issued before the date set for tender closing.
- 1.2 The tender documents identified in 1.1.4 to 1.1.11 inclusive by title, number and date are hereby incorporated by reference into the tender documents and form part of the tender and any resulting contract. Submission of a tender constitutes acknowledgment that the Tenderer has read and agreed to be bound by these documents and the other documents listed in 1.1.
- 1.3 Except for Fair Wage Schedules for Federal Construction Contracts, documents listed in 1.1 may be obtained in print copy from MERX in the same manner that tender packages are obtained. The telephone number for MERX is 1-800-964-MERX (6379) all across Canada. Documents referenced may also be viewed on the MERX web site at <http://www.merx.bmo.com>.
- 1.4 Contractors should also note that a copy of the Labour Conditions and the Fair Wage Schedule applicable to the project location must be posted at the work site in a convenient, easily accessible location. Fair Wage Schedules for Federal Construction Contracts and the Labour Conditions may be viewed and obtained from the web site at [http://info.load-otea.hrdc-drhc.gc.ca/fair\\_wages/schedules.shtml](http://info.load-otea.hrdc-drhc.gc.ca/fair_wages/schedules.shtml) and [http://info.load-otea.hrdc-drhc.gc.ca/fair\\_wages/conditions.shtml](http://info.load-otea.hrdc-drhc.gc.ca/fair_wages/conditions.shtml) respectively.
- 02 (12/05/00) Completion of Tender**
- 2.1 The tender shall:
- 2.1.1 be submitted on the Tender Form provided through MERX or on a clear and legible reproduced copy of said Tender Form; the reproduced copy must be identical in every respect to the Tender Form provided through MERX;
  - 2.1.2 not be delivered to the Bid Receiving Unit by means of facsimile transmission; facsimile copies of tenders are not acceptable;

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- 2.1.3 be based on the tender documents listed above;
- 2.1.4 be correctly completed in all respects;
- 2.1.5 be signed in accordance with the signing procedures set out herein; the signature of the signatory shall be an original; and
- 2.1.6 be accompanied by
  - 2.1.6.1 be the tender security as specified herein; and
  - 2.1.6.2 be any other document or documents specified elsewhere in the solicitation where it is stipulated that said documents are to accompany the tender.
- 2.2 The solicitation documentation is not available for distribution on the actual day of tender closing.
- 2.3 Any alteration to the preprinted or pre-typed sections of the Tender Form, or any condition or qualification placed upon the tender shall be direct cause for disqualification. Alterations, corrections, changes or erasures made to statements or figures entered on the Tender Form by the Tenderer shall be initialed by the person or persons signing the tender. Initials shall be original(s). Alterations, corrections, changes or erasures that are not initialed shall be deemed void and without effect.

### **03 (13/12/02) Signing Procedures and Identity or Legal Capacity of the Tenderer**

- 3.1 The signature(s) of the authorized signatory(ies) shall be affixed to the Signature Page of the Tender Form and the name(s) and title(s) typed or printed, each in the space provided. The signature(s) shall be witnessed.
- 3.2 In order to confirm the authority of the person or persons signing the tender or to establish the legal capacity under which the Tenderer proposes to enter into Contract, any Tenderer who carries on business in other than its own personal name shall, if requested by Canada, provide satisfactory proof of
  - 3.2.1 such signing authority; and
  - 3.2.2 the legal capacity under which it carries on business;prior to contract award. Proof of signing authority may be in the form of a certified copy of a resolution naming the signatory(ies) that is (are) authorized to sign this tender on behalf of the corporation or partnership. Proof of legal capacity may be in the form of a copy of the articles of incorporation or the registration of the business name of a sole proprietor or partnership.

### **04 (12/05/00) Goods and Services Tax**

- 4.1 Tenders are not to include any amounts for the Goods and Services Tax (GST), and the GST shall not be included when calculating the amount of any tender security or contract security which may be required. Any amount levied in respect of the GST will be billed as a separate item in a progress claim submitted by the Contractor, and will be paid to the Contractor in addition to the amount approved by the Engineer for work performed under the contract. The Contractor will be required to remit the appropriate amount to Canada Customs and Revenue Agency in accordance with the applicable legislation.

### **05 (01/01/96) Quebec Sales Tax**

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- 5.1 The Federal Government is exempt from the Quebec Sales Tax which took effect on July 1, 1992. Tenderers shall not include in their prices any amount that is intended to cover the 8% tax on goods and the 4% tax on services performed in the execution of the work except for such amounts for which an Input Tax Refund is not available. Tenderers should make arrangements directly with the Province of Quebec to recover any Quebec Sales Tax paid by them in performing the work under the contract.
- 06 (01/01/96) Capital Development and Re-development Charges**
- 6.1 For the purposes of GC14 of the General Conditions "C", only fees or charges directly related to the processing and issue of building permits shall be included. Tenderers shall not include any monies in the tender amount for special municipal development, re-development or other fees or charges which a municipal authority may seek as a prerequisite to the issuance of building permits.
- 07 (13/12/02) Bid Depository**
- 7.1 If the tender advertisement for the work states that a Bid Depository shall be used for specified parts of the Work, the Tenderer shall
- 7.1.1 Obtain bids for the specified parts through the Bid Depository or, if no bids are available to the Tenderer through the Bid Depository for the particular part or parts of the work specified, then from outside the Bid Depository system. Bids obtained from outside the Bid Depository system shall be subject to local Bid Depository rules specifically addressing such solicitations, if such rules exist; and
- 7.1.2 Instruct all trade contractors bidding directly to the Tenderer to tender on the scope of the work as defined in local Bid Depository rules (e.g. trade definitions, specification sections etc.).
- 08 (01/01/96) Registry and Pre-qualification of Floating Plant**
- 8.1 Dredges or other floating plant to be used in the performance of the work must be on Canadian registry. For dredges or other floating plant which are not of Canadian make or manufacture, the Tenderer must obtain a certificate of qualification from Industry Canada as described in the Floating Plant Appendix of the Tender Form, and this certificate must accompany the tender. Plant so qualified by Industry Canada may be accepted on this dredging project.
- 09 (01/01/96) Listing of Subcontractors and Suppliers**
- 9.1 Notwithstanding any list of subcontractors which the Tenderer may be required to submit as part of the tender, the Tenderer submitting the lowest acceptable tender shall, within 48 hours of receipt of a notice thereof, submit the names of subcontractors and suppliers for the part or parts of the work listed in the said notice.
- 10 (13/12/02) Tender Security Requirements**
- 10.1 The Tenderer shall submit tender security with the tender in the form of a bid bond or a security deposit, and
- 10.1.1 if the tender amount is \$250,000.00 or less, the tender security shall be equal to not less than 10% of the tender amount;



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10.1.2 if the tender amount is greater than \$250,000.00, the tender security shall be equal to not less than \$25,000.00 plus an amount that is equal to not less than 5% of that part of the tender amount that exceeds \$250,000.00.

The maximum amount of tender security required with any tender is \$250,000.00.

10.2 A bid bond shall be in an approved form, properly completed, with original signature(s) and issued by an approved company whose bonds are acceptable to the Government of Canada either at the time of tender closing or as identified at the following web sites <http://www.pwgsc.gc.ca/sos/corporate/sm/chapter-7-e.html> and [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/Contracting/contractingpol\\_1\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/Contracting/contractingpol_1_e.html) respectively.

10.3 A security deposit shall be an original, properly completed, signed where required and either:

10.3.1 a bill of exchange payable to the Receiver General for Canada,

10.3.2 bonds of the Government of Canada or bonds unconditionally guaranteed as to principal and interest by the Government of Canada,

10.3.3 an irrevocable standby letter of Credit.

10.4 A bill of exchange referred to in 10.3.1 shall be certified by or drawn on

10.4.1 a corporation or institution that is a member of the Canadian Payments Association, or

10.4.2 a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the "Régie de l'assurance-dépôts du Québec" to the maximum permitted by law, or

10.4.3 a corporation that accepts public deposits and repayment of the deposits is unconditionally guaranteed by Her Majesty in right of a province, or

10.4.4 a corporation, association or federation incorporated or organized as a credit union or cooperative credit society that conforms to the requirements of a credit union which are more particularly described in paragraph 137 (6)(b) of the Income Tax Act, or

10.4.5 Canada Post Corporation.

10.5 If a bill of exchange is drawn on an institution or corporation other than a chartered bank it must be accompanied by proof that the said institution or corporation meets at least one of the criteria described in 10.4, either by letter or by a stamped certification on the bill of exchange.

10.6 For the purposes of this section a bill of exchange is an unconditional order in writing signed by the Tenderer and addressed to an approved financial institution, requiring the said institution to pay, on demand, at a fixed or determinable time a sum certain of money to, or to the order of, the Receiver General for Canada (e.g. certified cheques, bank drafts, money orders, cashier's cheques etc.).

10.7 Bonds referred to in 10.3.2 shall be provided on the basis of their market value current at the date of tender closing, and shall be

10.7.1 payable to bearer, or

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- 10.7.2 accompanied by a duly executed instrument of transfer of the bonds to the Receiver General for Canada in the form prescribed by the Domestic Bonds of Canada Regulations, or
  - 10.7.3 registered as to principal or as to principal and interest in the name of the Receiver General for Canada pursuant to the Domestic Bonds of Canada Regulations.
- 10.8 An irrevocable standby letter of Credit;
- 10.8.1 is any arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its own behalf, is to make a payment to or to the order of Canada, as the beneficiary, or is to accept and pay bills of exchange drawn by Canada, or authorizes another financial institution to effect such payment, or accept and pay such bills of exchange, or authorizes another financial institution to negotiate, against written demand(s) for payment provided that the terms and conditions of the letter of credit are complied with.
  - 10.8.2 states the face amount which may be drawn against it;
  - 10.8.3 states its expiry date;
  - 10.8.4 provides for sight payment to the Receiver General for Canada by way of the financial institutions' draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his/her office;
  - 10.8.5 provides that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the Letter of Credit;
  - 10.8.6 provides that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500;
  - 10.8.7 clearly specifies that it is irrevocable or deemed to be irrevocable pursuant to article 6c) of the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500;and
  - 10.8.8 is issued or confirmed, in either official language, by a financial institution which is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.
- 10.9 Tender security shall lapse or be returned as soon as practical following
- 10.9.1 the tender closing date, for those Tenderers submitting non-compliant tenders; and
  - 10.9.2 the administrative tender review, for those Tenderers submitting compliant tenders ranked fourth to last on the schedule of tenders; and
  - 10.9.3 the award of contract, for those Tenderers submitting the second and third ranked tenders; and

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- 10.9.4 the receipt of contract security, for the successful Tenderer; or
- 10.9.5 the cancellation of the tender call, for all Tenderers.
- 10.10 Notwithstanding the provisions of 10.9.2 and provided more than three compliant tenders have been received, if one or more of the tenders ranked third to first is withdrawn or rejected for whatever reason then Canada reserves the right to hold the security of the next highest ranked compliant tender in order to retain the tender security of at least three valid and compliant tenders.
- 11 (12/05/00) Submission of Tender**
- 11.1 The Tender Form, duly completed, shall be enclosed and sealed in an envelope provided by the Tenderer, and shall be addressed and submitted to the office designated for the receipt of tenders. It must be received on or before the date and time set for tender closing.
- 11.2 Prior to submitting the tender, the Tenderer shall ensure that the following information is clearly printed or typed in the appropriate spaces on the face of the tender return envelope:
- 11.2.1 Solicitation Number
  - 11.2.2 Project Number and Description/Location
  - 11.2.3 Name of Tenderer
  - 11.2.4 Closing Time/Date
- 11.3 Failure to comply with 11.1 and 11.2 may render the tender liable to disqualification.
- 12 (13/12/02) Revision of Tender**
- 12.1 A tender submitted in accordance with these instructions may be revised by letter or facsimile provided the revision is received at the office designated for the receipt of tenders, on or before the date and time set for the closing of tenders. The letter or facsimile shall
- 12.1.1 be on the Tenderer's letterhead or bear a signature that identifies the Tenderer;
  - 12.1.2 for the lump sum portion of a tender, clearly identify the amount of the current revision. The total aggregate sum of all revisions submitted, including the current revision, shall be shown separately; and
  - 12.1.3 for the Unit Price portion of a tender, clearly identify the change(s) in the Price(s) per Unit and the specific Item(s) to which each change applies. If a revision is to be applied to a specific Item that was previously amended then, in addition to the amount of the current revision, the total aggregate sum of all revisions submitted, including the current revision, for that Item shall be shown separately.
- 12.2 A letter or facsimile submitted to confirm an earlier revision shall be clearly identified as "CONFIRMATION ONLY". If a revision is received and is not so identified then the amount noted therein will be deducted from or added to the identified Price(s) per Unit or Lump Sum tender amount, whichever is applicable, provide it meets the requirements described in 12.1.
- 12.3 Failure to comply with any of the above provisions will result in the rejection of the non-compliant revision(s) only. The tender shall be evaluated based on the original tender submitted and all other compliant revision(s).

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### **13 (12/05/00) Acceptance of Tender**

- 13.1 Her Majesty may accept any tender, whether it is the lowest or not, or may reject any or all tenders.
- 13.2 Without limiting the generality of 13.1, Her Majesty may reject any tender based on an unfavourable assessment of:
- 13.2.1 the adequacy of the tendered price to permit the work to be carried out and, in the case of a tender providing unit prices or a combination of lump sum and unit prices, whether each such price reasonably reflects the cost of performing the part of the work to which that price applies;
  - 13.2.2 the Tenderer's ability to provide the necessary management structure, skilled personnel, experience and equipment to perform competently the work under the contract, and
  - 13.2.3 the Tenderer's performance on other contracts.
- 13.3 In assessing the Tenderer's performance on other contracts pursuant to 13.2, Her Majesty may consider, but not be limited to, such matters as:
- 13.3.1 the quality of workmanship of the Tenderer in performing the work,
  - 13.3.2 the timeliness of completion of the work, and
  - 13.3.3 the Tenderer's overall management of the work and its effect on the level of effort demanded of the department and its representatives.
- 13.4 Her Majesty may reject a bid where any of the following circumstances is present:
- 13.4.1 the Tenderer, or any employee or subcontractor included as part of the Tender, has been convicted under section 121 ("Frauds on the government" & "Contractor subscribing to election fund"), 124 ("Selling or purchasing office") or 418 ("Selling defective stores to Her Majesty") of the Criminal Code;
  - 13.4.2 the Tenderer's bidding privileges are suspended or are in the process of being suspended;
  - 13.4.3 the bidding privileges of any employee or subcontractor included as part of the Tender have been suspended or are in the process of being suspended, which suspension or pending suspension would render that employee or subcontractor ineligible to bid on the Work, or the portion of the Work the employee or subcontractor is to perform;
  - 13.4.4 with respect to current or prior transactions with the Government of Canada
    - 13.4.4.1 the Tenderer is bankrupt or where, for whatever reason, its activities are rendered inoperable for an extended period;
    - 13.4.4.2 evidence, satisfactory to Her Majesty, of fraud, bribery, fraudulent misrepresentation or failure to comply with any law protecting individuals against any manner of discrimination, has been received with respect to the Tenderer, any of its employees or any subcontractor included as part of its Tender;

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13.4.4.3 the Minister has previously exercised or intends to exercise the contractual remedy of taking the work out of the contractor's hands with respect to a Contract with the Tenderer, any of its employees or any subcontractor included as part of its Tender; or

13.4.4.4 Her Majesty determines that the Tenderer's performance on other contracts, including the efficiency and workmanship as well as the extent to which the Tenderer executed the work in accordance with contractual terms and conditions, is sufficiently poor to jeopardize the successful completion of the requirement being bid on.

13.5 Where Her Majesty intends to reject a Tender pursuant to a provision of clause 13.4, other than subclause 13.4.2, the Minister will so inform the Tenderer and provide the Tenderer ten (10) days within which to make representations, prior to making a final decision on the Tender rejection.

### **14 (01/01/96) Language of the Tender and Contract Documents**

14.1 The contract documents to be signed by the successful Tenderer shall be in the same official language (English or French) as the language of the tender documents submitted.

### **15 (01/01/96) Contract Security Requirements**

15.1 The successful Tenderer shall be required to provide contract security in accordance with the Contract Security Conditions "F" of the tender documents listed above within fourteen (14) days after receipt of a notice in writing that the tender was accepted by Her Majesty.

### **16 (13/12/02) Compliance with Applicable Laws**

16.1 By submission of a tender, the Tenderer certifies that the Tenderer has the legal capacity to enter into a contract and is in possession of all valid licences, permits, registrations, certificates, declarations, filings, or other authorizations necessary to comply with all federal, provincial and municipal laws and regulations applicable to the submission of the tender and entry into any ensuing contract for the performance of the work.

16.2 For the purpose of validating the certification in paragraph 16.1, a Tenderer shall, if requested, provide a copy of every valid licence, permit, registration, certificate, declaration, filing or other authorization listed in the request, and shall provide such documentation within the time limit(s) set out in the said request.

16.3 Failure to comply with the requirements of paragraph 16.2 shall result in disqualification of the tender.

### **17 (13/12/02) Approval of Alternative Materials**

17.1 When materials are specified by trade names or trademarks, or by manufacturers' or suppliers' names, the tender shall be based on use of the named materials. During the tendering period, alternative materials may be considered provided full technical data is received in writing by the Contracting Authority at least ten (10) days prior to the tender closing date. If the alternative materials are approved for the purposes of the tender, an addendum to the tender documents will be issued.

### **18 (13/12/02) Performance Evaluation**

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18.1 Tenderers shall take note that the performance of the Contractor during and upon completion of the work shall be evaluated by the Minister. The evaluation will be based on the quality of workmanship; timeliness of completion of the work; project management, contract management and management of health and safety. Should the Contractor's performance be considered unsatisfactory, the Contractor's bidding privileges on future work may be suspended indefinitely.

### **19 (13/12/02) Procurement Business Number**

- 19.1 For procurement purposes, the Government of Canada uses a unique Procurement Business Number (PBN) to identify a company and its branches, divisions, or offices, where appropriate. The PBN is created using the entity's Canada Customs and Revenue Agency Business Number.
- 19.2 All Canadian companies are required to have a PBN prior to contract award in order to receive a Public Works and Government Services Canada (PWGSC) contract. Non-Canadian companies are strongly encouraged to obtain a PBN.
- 19.3 Companies may register for a PBN in the Supplier Registration Information (SRI) service on line at the Contracts Canada Internet site at: <http://contractsCanada.gc.ca>.
- 19.4 For non-Internet registration, contact the Contracts Canada InfoLine at 1-800-811-1148 or (819) 956-3440, in the National Capital Area, to obtain the telephone number of the nearest Supplier Registration Agent.

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### **R0001T (25/05/01) General Instructions to Tenderers**

Effective 13/12/02, this clause is superseded by R0001T.

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### **R0002T (12/05/00) Instructions to Tenderers**

#### **01 Receipt of Tender**

The receipt and opening of tenders will take place at Place du Portage, Phase III, Room 0A1, 11 Laurier Street, Hull, Quebec, K1A 1C9 - closing time is 2:00 p.m.

#### **02 Tender Envelope**

1. Tenderers shall complete the enclosed tender envelope by clearly printing or typing in the appropriate spaces:
- (a) project number
  - (b) description and location
  - (c) name of tenderer
  - (d) closing date

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(e) closing time: 2:00 p.m.

2. Failure to complete the tender envelope properly may render the tender liable to disqualification.

### 03 Unacceptable Tenders

1. Tender not submitted on the accompanying Tender and Acceptance Form will not be considered.
2. Telegraphic and facsimile tenders will not be accepted.
3. Tenders received after the Tender Closing Time will not be considered.
4. Incomplete tenders may be rejected.

### 04 Revision of Tenders

A tender submitted in accordance with these Instructions may be revised by letter, telegram or facsimile provided the revision is received at the office designated for the receipt of tenders, on or before the date and time set for the closing of tenders. The facsimile must be on the Contractor's letterhead or bear a signature that identifies the contractor. A revision to a unit price tender must clearly identify the changes (s) in the unit price (s) and the specific item (s) to which each change applies. (Facsimile: 1-819-956-1459).

### 05 Acceptance of Tender

1. Her Majesty may accept any tender, whether it is the lowest or not, or may reject any and all tenders.
2. Without limiting the generality of Clause 5.1, Her Majesty may reject any tender, based on unfavourable assessment as to;
  - (a) the adequacy of the tendered price to carry out the work and, in the case of a tender providing unit prices, whether the unit prices reasonably reflect the cost of performing the work related to those prices;
  - (b) whether the Tenderer has the necessary management structure, skilled personnel, experience and equipment to perform competently the work under the contract; and
  - (c) the Tenderer's performance on other contracts.
3. In assessing the Tenderer's performance on other contracts pursuant to clause 5.2.3, Her Majesty may consider, but not be limited to, such matters as;
  - (a) the efficiency and workmanship of the Tenderer in performing the work; and
  - (b) the extent to which the Tenderer executed the work in accordance with terms and conditions of the contract.
4. Her Majesty may reject a bid where any of the following circumstances is present:
  - (a) the Tenderer, or any employee or subcontractor included as part of the Tender, has been convicted under section 121 ("*Frauds on the government*" and "*Contractor subscribing to election fund*"), 124 ("*Selling or purchasing office*") or 418 ("*Selling defective stores to Her Majesty*") of the *Criminal Code*; or

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- (b) the Tenderer's bidding privileges are suspended or are in the process of being suspended;
  - (c) the bidding privileges of an employee or subcontractor included as part of the Tender have been suspended or are in the process of being suspended, which suspension or pending suspension would render that employee or subcontractor ineligible to bid on the Work, or the portion of the Work the employee or subcontractor is to perform;
  - (d) with respect to current or prior transaction with the Government of Canada;
    - (1) the Tenderer is bankrupt or where, for whatever reason, its activities are rendered inoperable for an extended period;
    - (2) evidence, satisfactory to Her Majesty, of fraud, bribery, fraudulent misrepresentation or failure to comply with any law protecting individuals against any manner of discrimination, has been received with respect to the Tenderer, any of its employees or any subcontractor included as part of its Tender;
    - (3) the Minister has previously exercised or intends to exercise the contractual remedy of taking the work out of the contractor's hands with respect to a Contract with the Tenderer, any of its employees or any subcontractor included as part of its Tender; or
    - (4) Her Majesty determines that the Tenderer's performance on other contracts, including the efficiency and workmanship as well as the extent to which the Tenderer executed the work in accordance with contractual terms and conditions, is sufficiently poor to jeopardize the successful completion of the requirement being bid on.
5. Where Her Majesty intends to reject a Tender pursuant to a provision of clause 5.4, other than subclause 5.4.2, the Minister will so inform the Tenderer and provide the Tenderer then (10 days within which to make representations prior to making a final decision on the Tender rejection.

### 06 Completion of Tender and Acceptance Form

- 1. If NO classes of labour, plant or material, units of measure and estimated quantities are shown on the Tender and Acceptance Form insert the total amount of the tender in Clause 3 only and make NO entry in Clause 4.
- 2. If classes of labour, plant or material, units of measure and estimated quantities are shown on the Tender and Acceptance form, insert the price per unit against each item, multiply by the respective estimated quantity, extend the answers in the Total Column and add the Total column to obtain the Total amount of Tender in Clause 4 and make NO entry in Clause 3.
- 3. Type or legibly print the tenderer's full business name and address under the spaces provided for Contractor's Full Business Name and Contractor's Full Business Address respectively.
- 4. Sign the Tender and Acceptance Form in the space provided as indicated below:
  - (a) **"Sole Proprietorship"**: Signature of the sole proprietor in the presence of a witness who will sign where indicated. In the event that the signatory is not the sole proprietor then a certified true copy of the agreement signed by the sole



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proprietor authorizing such person or persons to execute the documents shall accompany the tender.

- (b) **"Partnership"**: Signatures of all partners in the presence of a witness or witnesses who will sign where indicated. Insert the word "Partner" against each signature under Title/s.
- (c) **"Limited Company"**: If this tender is made by a Limited Company, the tender must be signed by duly authorized signing officers of the company in their normal signatures designating against each signature the official capacity in which the signing officer acts. The corporate seal of the company must also be affixed to the tender. If the tender is signed by officials other than the President and Secretary of the company or the President and Secretary-Treasurer of the company a copy of by-law or resolution of the Board of Directors authorizing them to do so must be submitted with the tender documents.

- 5. Do not make any entry in the signature section marked "(For Departmental Use Only)".
- 6. Tenders are to be submitted in two copies, duly completed, in the envelope provided. The Tenderer should retain the third copy of the Tender for his records.

### 07 Municipal Capital Development Charges

Tenderers shall not include monies for any "Capital Development or Re-Development Charges" that may be associated with the work being tendered.

### 08 Goods and Services Tax - Harmonized Sales Tax

Tenderers are not to include any amount for the Goods and Services Tax (GST) or Harmonized Sales Tax (HST). Any amount to be levied in respect of the GST or HST will be billed as a separate item on a request for progress payment submitted by the Contractor. The appropriate GST or HST levy will be paid to the Contractor in addition to the amount approved by the Engineer for work performed under the contract and will therefore not affect any of the individual amounts or the total amount of the contract. The Contractor will be required to remit the appropriate amount to Canada Customs and Revenue Agency in accordance with the applicable legislation.

### 09 Quebec Sales Tax

The Federal Government is exempt from the Quebec Sales Tax. Tenderers shall not include in their prices any amount that is intended to cover the tax on Goods and Services performed in the execution of the work except for such amounts for which an Input Tax Refund is not available. The Contractor should make arrangements directly with the Province of Quebec to recover any Quebec Sales Tax paid in performing this contract.

### 10 Certification - Contingency Fees

- 1. The contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Contract to any person other than an employee acting in the normal course of the employee's duties.
- 2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the accounts and audit provisions of the Contract.

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3. If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the Minister may either take the Work out of the Contractor's hands in accordance with the provisions of the Contract or recover from the Contractor by way of reduction to the Contract Price or otherwise the full amount of the contingency fee.
4. In this section:
  - (a) **"Contingency Fee"** means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms.
  - (b) **"Employee"** means a person with whom the Contractor has an employer/employee relationship.
  - (c) **"Person"** includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c. 44 (4<sup>th</sup> Supplement as the same may be amended from time to time).

### 11 Contractor Performance Evaluation Report (CPER)

1. All projects contracted by Public Works and Government Services Canada will be evaluated on Time, Management and Quality of Workmanship.
2. A completed CPER will be provided to contractors at the successful completion of project work valued at \$10,000 or more, or when the work is taken out of a contractor's hands as a result of a default.
3. For contracts under \$10,000, a CPER will be provided to contractors if it is felt the performance would rate 80 and over or under 55.
4. Bidding privileges will be suspended indefinitely if:
  - (a) a contractor received an overall point rating of 20 or less; or
  - (b) a zero rating on Time or Management; or
  - (c) two overall point ratings between 50 and 25.

### 12 Approval of Alternative Materials

Whenever materials are specified by trade names or by manufacturers' names, the tender shall be based on the use of the named materials. During the tendering period, alternative materials will be considered provided full technical data is received in writing by the Project Manager at least seven (7) days prior to the date set for the closing of the tender. If the alternative materials are approved for the purposes of the tender an addendum to the contract documents will be issued.

### 13 Tender Results

Telephone : (819) 956-3367.

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**R0002T (16/02/98) Instructions to Tenderers**

Effective 12/05/00, this clause is superseded by R0002T.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0200C (01/12/00) Articles of Agreement "A"**

**Public Works and Government Services Canada**

- A1 Contract Documents
- A2 Date of Completion of Work and Description of Work
- A3 Contract Amount
- A4 Contractor's Address
- A5 Unit Price Table

**These Articles of Agreement** made in duplicate this \_\_\_\_ day of \_\_\_\_ 19 \_\_\_\_.

**Between**

**Canada** represented by the Minister of \_\_\_\_ (referred to in the contract documents as the "Minister")

**and**

\_\_\_\_ (referred to in the contract documents as the "Contractor")

Witness that in consideration for the mutual promises and obligations contained in the contract, Canada and the Contractor covenant and agree as follows:

**A1 (01/12/00) Contract Documents**

- 1.1 Subject to A1.4 and A1.5, the documents forming the contract between Canada and the Contractor, referred to herein as the contract documents, are
  - 1.1.1 these Articles of Agreement,
  - 1.1.2 the documents attached hereto, marked "A" and entitled Plans and Specifications, referred to herein as the Plans and Specifications,
  - 1.1.3 the document entitled Terms of Payment "B", referred to herein as the Terms of Payment,
  - 1.1.4 the document entitled General Conditions "C", referred to herein as the General Conditions,
  - 1.1.5 the document entitled Fair Wages and Hours of Labour, Labour Conditions referred to herein as the Labour Conditions,

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- 1.1.6 the document entitled Insurance Conditions "E", referred to herein as the Insurance Conditions,
- 1.1.7 the document entitled Contract Security Conditions "F", referred to herein as the Contract Security Conditions,
- 1.1.8 any amendment or variation of the contract documents that is made in accordance with the General Conditions, and
- 1.1.9 the document entitled Fair Wage Schedules for Federal Construction Contracts, referred to herein as Fair Wage Schedules.
- 1.2 The Minister hereby designates \_\_\_\_\_ of \_\_\_\_\_, of the Government of Canada as the Engineer for the purposes of the contract, and for all purposes of or incidental to the contract, the Engineer's address shall be deemed to be: \_\_\_\_\_
- 1.3 In the contract
- 1.3.1 "Fixed Price Arrangement" means that part of the contract that prescribes a lump sum as payment for performance of the work to which it relates; and
- 1.3.2 "Unit Price Arrangement" means that part of the contract that prescribes the product of a price multiplied by a number of units of measurement of a class as payment for performance of the work to which it relates.
- 1.4 Any of the provisions of the contract that are expressly stipulated to be applicable only to a Unit Price Arrangement are not applicable to any part of the work to which a Fixed Price Arrangement is applicable.
- 1.5 Any of the provisions of the contract that are expressly stipulated to be applicable only to a Fixed Price Arrangement are not applicable to any part of the work to which a Unit Price Arrangement is applicable.

### **A2 (1/10/94) Date of Completion of Work and Description of Work**

- 2.1 The Contractor shall, between the date of these Articles of Agreement and the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, in a careful and workmanlike manner, diligently perform and complete the following work:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

which work is more particularly described in the Plans and Specifications.

### **A3 (01/01/96) Contract Amount**

- 3.1 Subject to any increase, decrease, deduction, reduction or set-off that may be made under the contract, Canada shall pay the Contractor at the times and in the manner that is set out or referred to in the Terms of Payment
- 3.1.1 the sum of \$\_\_\_\_\_, GST extra, in consideration for the performance of the work or the part thereof that is subject to a Fixed Price Arrangement, and

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- 3.1.2 a sum that is equal to the aggregate of the products of the number of units of measurement of each class of labour, plant and material that is set out in a Final Certificate of Measurement referred to in GC44.8 multiplied in each case by the appropriate unit price, GST extra, that is set out in the Unit Price Table in consideration for the performance of the work or the part thereof that is subject to a Unit Price Arrangement.
- 3.2 For the information and guidance of the Contractor and the persons administering the contract on behalf of Canada, but not so as to constitute a warranty, representation or undertaking of any nature by either party, it is estimated that the total amount payable by Canada to the Contractor for the part of the work to which a Unit Price Arrangement is applicable will be approximately \$ \_\_\_\_\_.
- 3.3 A3.1.1 is applicable only to a Fixed Price Arrangement.
- 3.4 A3.1.2 and A3.2 are applicable only to a Unit Price Arrangement.

**A4 (01/10/94) Contractor's Address**

- 4.1 For all purposes of or incidental to the contract, the Contractor's address shall be deemed to be:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**A5 (01/10/94) Price Table**

- 5.1 Canada and the Contractor agree that the following table is the Unit Price Table for the purposes of the contract:

| Column 6  | Column 1          | Column 2    | Column 3       | Column 4  | Column 5 |             |
|-----------|-------------------|-------------|----------------|-----------|----------|-------------|
| Item      | Class of Labour   | Unit of     | Estimated      | Price per |          |             |
| Estimated | Plant or Material | Measurement | Total Quantity | Unit      |          | Total Price |

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 5.2 The Unit Price Table that is set out in A5.1 designates the part of the work to which a Unit Price Arrangement is applicable.
- 5.3 The part of the work that is not designated in the Unit Price Table referred to in A5.2 is the part of the work to which a Fixed Price Arrangement is applicable.

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IN WITNESS WHEREOF the parties hereto have executed these Articles of Agreement as of the day and year first above written.

\_\_\_\_\_

FOR LIMITED COMPANY OR INCORPORATED COMPANY SEALED, ATTESTED TO AND DELIVERED on behalf of the Contractor by

\_\_\_\_\_  
(Signature of Authorized Signatory)

} \_\_\_\_\_  
(Print Name of Signatory)

} \_\_\_\_\_  
(Print Title of Signatory)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

} \_\_\_\_\_  
(Print Name of Signatory)

\_\_\_\_\_  
(Signature of Authorized Signatory)

} \_\_\_\_\_  
(Print Title of Signatory)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Corporate Seal)

\_\_\_\_\_

FOR PARTNERSHIP OR SOLE PROPRIETORSHIP SEALED, ATTESTED TO AND DELIVERED on behalf of the Contractor by

\_\_\_\_\_  
(Signature of Partner/Sole Proprietor)  
Seal

\_\_\_\_\_  
(Print name of Partner/Sole Proprietor)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of Partner)  
Seal

\_\_\_\_\_  
(Print Name of Partner)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_

EXECUTED ON BEHALF OF Canada by

} \_\_\_\_\_  
(Print Name of Officer)

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\_\_\_\_\_  
(Signature of Authorized Departmental Officer)

}  
\_\_\_\_\_  
(Print Title of Officer)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

and countersigned by

\_\_\_\_\_  
(Signature of Authorized Departmental Officer)

}  
\_\_\_\_\_  
(Print Name of Officer)  
\_\_\_\_\_  
(Print Title of Officer)

in the presence of

\_\_\_\_\_  
(Signature of Witness)

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### **R0200C (15/06/98) Articles of Agreement "A"**

Effective 01/12/00, this clause is superseded by R0200C.

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### **R0201D (13/12/02) Terms of Payment "B"**

#### **Public Works and Government Services Canada**

- TP1 Amount Payable - General
- TP2 Amounts Payable to the Contractor
- TP3 Amounts Payable to Her Majesty
- TP4 Time of Payment
- TP5 Progress Report and Payment Thereunder Not Binding on Her Majesty
- TP6 Delay in Making Payment
- TP7 Right of Set-off
- TP8 Payment in Event of Termination
- TP9 Interest on Settled Claims

#### **TP1 (01/01/96) Amount Payable - General**

1.1 Subject to any other provisions of the contract, Her Majesty shall pay the Contractor, at the times and in the manner hereinafter set out, the amount by which

1.1.1 the aggregate of the amounts described in TP2 exceeds

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1.1.2 the aggregate of the amounts described in TP3

and the Contractor shall accept that amount as payment in full satisfaction for everything furnished and done by the Contractor in respect of the work to which the payment relates.

**TP2 (01/10/94) Amounts Payable to the Contractor**

2.1 The amounts referred to in TP1.1.1 are the aggregate of

2.1.1 the amounts referred to in the Articles of Agreement, and

2.1.2 the amounts, if any, that are payable to the Contractor pursuant to the General Conditions.

**TP3 (01/10/94) Amounts Payable to Her Majesty**

3.1 The amounts referred to in TP1.1.2 are the aggregate of the amounts, if any, that the Contractor is liable to pay Her Majesty pursuant to the contract.

3.2 When making any payment to the Contractor, the failure of Her Majesty to deduct an amount referred to in TP3.1 from an amount referred to in TP2 shall not constitute a waiver of the right to do so, or an admission of lack of entitlement to do so in any subsequent payment to the Contractor.

**TP4 (13/12/02) Time of Payment**

4.1 In these Terms of Payment

4.1.1 The "payment period" means a period of 30 consecutive days or such other longer period as is agreed between the Contractor and the Engineer.

4.1.2 An amount is "due and payable" when it is due and payable by Her Majesty to the Contractor according to TP4.5, TP4.8 or TP4.11.

4.1.3 An amount is overdue when it is unpaid on the first day following the day upon which it is due and payable.

4.1.4 The "date of payment" means the date of the negotiable instrument of an amount due and payable by the Receiver General for Canada.

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

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

4.2 The Contractor shall, on the expiration of a payment period, deliver to the Engineer in respect of that payment period a written progress claim that fully describes any part of the work that has been completed, and any material that was delivered to the work site but not incorporated into the work, during that payment period.

4.3 The Engineer shall, not later than ten (10) days after receipt of a progress claim referred to in TP4.2,



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- 4.3.1 inspect the part of the work and the material described in the progress claim;  
and
- 4.3.2 issue a progress report, a copy of which the Engineer will give to the Contractor,  
that indicates the value of the part of the work and the material described in the  
progress claim that, in the opinion of the Engineer,
  - 4.3.2.1 is in accordance with the contract, and
  - 4.3.2.2 was not included in any other progress report relating to the contract.
- 4.4 Subject to TP1 and TP4.5 Her Majesty shall pay the Contractor
  - 4.4.1 an amount that is equal to 95% of the value that is indicated in the progress  
report referred to in TP4.3.2 if a labour and material payment bond has been  
furnished by the Contractor, or
  - 4.4.2 an amount that is equal to 90% of the value that is indicated in the progress  
report referred to in TP4.3.2 if a labour and material payment bond has not been  
furnished by the Contractor.
- 4.5 Her Majesty shall pay the amount referred to in TP4.4 not later than
  - 4.5.1 30 days after the receipt by the Engineer of a progress claim referred to in  
TP4.2, or
  - 4.5.2 15 days after the Contractor has made and delivered to the Engineer
    - 4.5.2.1 a statutory declaration described in TP4.6 in respect of a progress claim  
referred to in TP4.2,
    - 4.5.2.2 in the case of the Contractor's first progress claim, a construction  
schedule in accordance with the relevant section of the Specifications,  
and
    - 4.5.2.3 if the requirement for a schedule is specified, an update of the said  
schedule at the times identified in the relevant sections of the  
Specifications,

whichever is later.
- 4.6 A statutory declaration referred to in TP4.5 shall contain a deposition by the Contractor  
that, up to the date of the Contractor's progress claim, the Contractor has complied with  
all its lawful obligations with respect to the Labour Conditions and that all lawful  
obligations of the Contractor to subcontractors and suppliers of material in respect of the  
work under the contract have been fully discharged.
- 4.7 Subject to TP1 and TP4.8, Her Majesty shall pay the Contractor the amount referred to  
in TP1 less the aggregate of
  - 4.7.1 the sum of all payments that were made pursuant to TP4.4;
  - 4.7.2 an amount that is equal to the Engineer's estimate of the cost to Her Majesty of  
rectifying defects described in the Interim Certificate of Completion; and

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- 4.7.3 an amount that is equal to the Engineer's estimate of the cost to Her Majesty of completing the parts of the work described in the Interim Certificate of Completion other than the defects referred to in TP4.7.2.
- 4.8 Her Majesty shall pay the amount referred to in TP4.7 not later than
- 4.8.1 30 days after the date of issue of an Interim Certificate of Completion referred to in GC44.2, or
- 4.8.2 15 days after the Contractor has made and delivered to the Engineer
- 4.8.2.1 a statutory declaration described in TP4.9 in respect of an Interim Certificate of Completion referred to in GC44.2, and
- 4.8.2.2 if so specified in the relevant sections of the Specifications, an update of the construction schedule referred to in TP4.5.2 and the updated schedule shall, in addition to the specified requirements, clearly show a detailed timetable that is acceptable to the Engineer for the completion of any unfinished work and the correction of all listed defects.
- whichever is later.
- 4.9 A statutory declaration referred to in TP4.8 shall contain a deposition by the Contractor that up to the date of the Interim Certificate of Completion the Contractor has
- 4.9.1 complied with all of the Contractor's lawful obligations with respect to the Labour Conditions;
- 4.9.2 discharged all of the Contractor's lawful obligations to the subcontractors and suppliers of material in respect of the work under the contract; and
- 4.9.3 discharged the Contractor's lawful obligations referred to in GC14.6.
- 4.10 Subject to TP1 and TP4.11, Her Majesty shall pay the Contractor the amount referred to in TP1 less the aggregate of
- 4.10.1 the sum of all payments that were made pursuant to TP4.4; and
- 4.10.2 the sum of all payments that were made pursuant to TP4.7.
- 4.11 Her Majesty shall pay the amount referred to in TP4.10 not later than
- 4.11.1 60 days after the date of issue of a Final Certificate of Completion referred to in GC44.1, or
- 4.11.2 15 days after the Contractor has made and delivered to the Engineer a statutory declaration described in TP4.12,
- whichever is later.
- 4.12 A statutory declaration referred to in TP4.11 shall, in addition to the depositions described in TP4.9, contain a deposition by the Contractor that all of the Contractor's lawful obligations and any lawful claims against the Contractor that arose out of the performance of the contract have been discharged and satisfied.

**TP5 (01/10/94) Progress Report and Payment Thereunder not Binding on Her Majesty**

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5.1 Neither a progress report referred to in TP4.3 nor any payment made by Her Majesty pursuant to these Terms of Payment shall be construed as an admission by Her Majesty that the work, material or any part thereof is complete, is satisfactory or is in accordance with the contract.

### **TP6 (01/01/96) Delay in Making Payment**

6.1 Notwithstanding GC7 any delay by Her Majesty in making any payment when it is due pursuant to these Terms of Payment shall not be a breach of the contract by Her Majesty.

6.2 Subject to TP6.3, Her Majesty shall pay to the Contractor simple interest at the Average Bank Rate plus 3 percent per annum on any amount which is overdue pursuant to TP4.1.3, and the interest shall apply from and include the day such amount became overdue until the day prior to the date of payment.

6.3 Interest in accordance with TP6.2 shall be paid without demand by the Contractor except that

6.3.1 in respect of amounts which are less than 15 days overdue, no interest shall be paid in respect of payment made within such 15 days unless the Contractor so demands after such amounts have become due, and

6.3.2 interest shall not be payable or paid on overdue advance payments if any.

### **TP7 (01/10/94) Right of Set-off**

7.1 Without limiting any right of set-off or deduction given or implied by law or elsewhere in the contract, Her Majesty may set off any amount payable to Her Majesty by the Contractor under this contract or under any current contract against any amount payable to the Contractor under this contract.

7.2 For the purposes of TP7.1, "current contract" means a contract between Her Majesty and the Contractor

7.2.1 under which the Contractor has an undischarged obligation to perform or supply work, labour or material, or

7.2.2 in respect of which Her Majesty has, since the date on which the Articles of Agreement were made, exercised any right to take the work that is the subject of the contract out of the Contractor's hands.

### **TP8 (01/10/94) Payment in Event of Termination**

8.1 If the contract is terminated pursuant to GC41, Her Majesty shall pay the Contractor any amount that is lawfully due and payable to the Contractor as soon as is practicable under the circumstances.

### **TP9 (01/01/96) Interest on Settled Claims**

9.1 Her Majesty shall pay to the Contractor simple interest on the amount of a settled claim at the Average Bank Rate plus 3 per cent per annum from the date the settled claim was outstanding until the day prior to the date of payment.

9.2 For the purposes of TP9.1,

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- 9.2.1 a claim is deemed to have been settled when an agreement in writing is signed by the Engineer and the Contractor setting out the amount of the claim to be paid by Her Majesty and the items of work for which the said amount is to be paid.
- 9.2.2 a settled claim is deemed to be outstanding from the day immediately following the date the said claim would have been due and payable under the contract had it not been disputed.
- 9.3 For the purposes of TP9 a claim means a disputed amount subject to negotiation between Her Majesty and the Contractor under the contract.

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**R0201D (16/02/98) Terms of Payment "B"**

Effective 13/12/02, this clause is superseded by R0201D.

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**R0202D (01/12/00) General Conditions "C"**

**Public Works and Government Services Canada**

- GC1 Interpretation
- GC2 Successors and Assigns
- GC3 Assignment of Contract
- GC4 Subcontracting by Contractor
- GC5 Amendments
- GC6 No Implied Obligations
- GC7 Time of the Essence
- GC8 Indemnification by Contractor
- GC9 Indemnification by Her Majesty
- GC10 Members of House of Commons Not to Benefit
- GC11 Notices
- GC12 Material, Plant and Real Property Supplied by Her Majesty
- GC13 Material, Plant and Real Property Become Property of Her Majesty
- GC14 Permits and Taxes Payable
- GC15 Performance of Work under Direction of Engineer
- GC16 Cooperation with Other Contractors
- GC17 Examination of Work
- GC18 Clearing of Site
- GC19 Contractor's Superintendent
- GC20 National Security
- GC21 Unsuitable Workers
- GC22 Increased or Decreased Costs
- GC23 Canadian Labour and Material
- GC24 Protection of Work and Documents
- GC25 Public Ceremonies and Signs

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- GC26 Precautions against Damage, Infringement of Rights, Fire and Other Hazards
- GC27 Insurance
- GC28 Insurance Proceeds
- GC29 Contract Security
- GC30 Changes in the Work
- GC31 Interpretation of Contract by Engineer
- GC32 Warranty and Rectification of Defects in Work
- GC33 Non-Compliance by Contractor
- GC34 Protesting Engineer's Decision
- GC35 Changes in Soil Conditions and Neglect or Delay by Her Majesty
- GC36 Extension of Time
- GC37 Assessments and Damages for Late Completion
- GC38 Taking the Work Out of the Contractor's Hands
- GC39 Effect of Taking the Work Out of the Contractor's Hands
- GC40 Suspension of Work by Minister
- GC41 Termination of Contract
- GC42 Claims against and Obligations of the Contractor or Subcontractor
- GC43 Security Deposit - Forfeiture or Return
- GC44 Engineer's Certificate
- GC45 Return of Security Deposit
- GC46 Clarification of Terms in GC47 to GC50
- GC47 Additions or Amendments to Unit Price Table
- GC48 Determination of Cost - Unit Price Table
- GC49 Determination of Cost Prior to Undertaking Work - Lump Sum
- GC50 Determination of Cost Following Completion of Work
- GC51 Records to be Kept by Contractor
- GC52 Conflict of Interest
- GC53 Contractor's Status
- GC54 Human Remains, Archaeological Remains and Items of Historical or Scientific Interest
- GC55 Contaminated Site Conditions
- GC56 Certification - Contingency Fees
- GC57 Non-discrimination in Hiring and Employment of Labour
- GC58 Applicable Laws

### **GC1 (01/10/94) Interpretation**

#### 1.1 In the *contract*

- 1.1.1 where reference is made to a part of the *contract* by means of numbers preceded by letters, the reference shall be construed to be a reference to the particular part of the *contract* that is identified by that combination of letters and numbers and to any other part of the *contract* referred to therein;
- 1.1.2 "*contract*" means the contract documents referred to in the Articles of Agreement;
- 1.1.3 "*contract security*" means any security given by the contractor to Her Majesty in accordance with the *contract*;
- 1.1.4 "*Engineer*" means the officer or employee of Her Majesty who is designated pursuant to the Articles of Agreement and includes a *person* specially authorized by the *Engineer* to perform, on the *Engineer's* behalf, any of the *Engineer's* functions under the *contract* and is so designated in writing to the contractor;
- 1.1.5 "*materia*" includes all commodities, articles and things required to be furnished by or for the contractor under the *contract* for incorporation into the *work*;

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- 1.1.6 "*Minister*" includes a person acting for, or if the office is vacant, in place of the *Minister* and the *Minister's* successors in the office, and a lawful deputy and any representative appointed for the purposes of the *contract*;
- 1.1.7 "*person*" includes, unless there is an express stipulation in the contract to the contrary, any partnership, proprietorship, firm, joint venture, consortium, corporation;
- 1.1.8 "*plan*" includes all animals, tools, implements, machinery, vehicles, buildings, structures, equipment and commodities, articles and things other than *material*, that are necessary for the due performance of the *contract*;
- 1.1.9 "*subcontractor*" means a person to whom the contractor has, subject to GC4, subcontracted the whole or any part of the *work*;
- 1.1.10 "*superintendent*" means the employee of the contractor who is designated by the contractor to act pursuant to GC19;
- 1.1.11 "*work*" includes, subject only to any express stipulation in the *contract* to the contrary, everything that is necessary to be done, furnished or delivered by the contractor to perform the *contract*.
- 1.2 The headings in the contract documents, other than in the Plans and Specifications, form no part of the *contract* but are inserted for convenience of reference only.
- 1.3 In interpreting the *contract*, in the event of discrepancies or conflicts between anything in the Plans and Specifications and the General Conditions, the General Conditions govern.
- 1.4 In interpreting the Plans and Specifications, in the event of discrepancies or conflicts between
- 1.4.1 the Plans and Specifications, the Specifications govern;
- 1.4.2 the Plans, the Plans drawn with the largest scale govern; and
- 1.4.3 figured dimensions and scaled dimensions, the figured dimensions govern.
- GC2 (01/10/94) Successors and Assigns**
- 2.1 The *contract* shall inure to the benefit of and be binding upon the parties hereto and their lawful heirs, executors, administrators, successors and assigns.
- GC3 (01/10/94) Assignment of Contract**
- 3.1 The *contract* may not be assigned by the contractor, either in whole or in part, without the written consent of the *Minister*.
- GC4 (01/10/94) Subcontracting by Contractor**
- 4.1 Subject to this General Condition, the contractor may subcontract any part of the *work*.
- 4.2 The contractor shall notify the *Engineer* in writing of the contractor's intention to subcontract.
- 4.3 A notification referred to in GC4.2 shall identify the part of the *work*, and the *subcontractor* with whom it is intended to subcontract.

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- 4.4 The *Engineer* may object to the intended subcontracting by notifying the contractor in writing within six (6) days of receipt by the *Engineer* of a notification referred to in GC4.2.
- 4.5 If the *Engineer* objects to a subcontracting pursuant to GC4.4, the contractor shall not enter into the intended subcontract.
- 4.6 The contractor shall not, without the written consent of the *Engineer*, change a *subcontractor* who has been engaged by the contractor in accordance with this General Condition.
- 4.7 All the terms and conditions of this Contract that are of general application shall be incorporated in every other contract, except those contracts issued solely for the supply of plant or material, issued as a consequence of this Contract
- 4.8 Neither a subcontracting nor the *Engineer's* consent to a subcontracting by the contractor shall be construed to relieve the contractor from any obligation under the *contract* or to impose any liability upon Her Majesty.

### **GC5 (01/10/94) Amendments**

- 5.1 No amendment or change in any of the provisions of the *contract* shall have any force or effect until it is reduced to writing.

### **GC6 (01/10/94) No Implied Obligations**

- 6.1 No implied terms or obligations of any kind by or on behalf of Her Majesty shall arise from anything in the *contract* and the express covenants and agreements therein contained and made by Her Majesty are the only covenants and agreements upon which any rights against Her Majesty are to be founded.
- 6.2 The *contract* supersedes all communications, negotiations and agreements, either written or oral, relating to the *work*, that were made prior to the date of the *contract*.

### **GC7 (01/10/94) Time of the Essence**

- 7.1 Time is of the essence of the *contract*.

### **GC8 (01/10/94) Indemnification by Contractor**

- 8.1 The contractor shall indemnify and save Her Majesty harmless from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings by whomever made, brought or prosecuted and in any manner based upon, arising out of, related to, occasioned by or attributable to the activities of the contractor, the contractor's servants, agents, subcontractors and sub-subcontractors in performing the *work* including an infringement or an alleged infringement of a patent of invention or any other kind of intellectual property.
- 8.2 For the purposes of GC8.1, "activities" includes any act improperly carried out, any omission to carry out an act and any delay in carrying out an act.

### **GC9 (01/10/94) Indemnification by Her Majesty**

- 9.1 Her Majesty shall, subject to the *Crown Liability Act*, the *Patent Act*, and any other law that affects Her Majesty's rights, powers, privileges or obligations, indemnify and save the contractor harmless from and against all claims, demands, losses, costs, damage, actions, suits or proceedings arising out of the contractor's activities under the *contract* that are directly attributable to

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- 9.1.1 lack of or a defect in Her Majesty's title to the *work* site whether real or alleged;  
or
- 9.1.2 an infringement or an alleged infringement by the contractor of any patent of invention or any other kind of intellectual property occurring while the contractor was performing any act for the purposes of the *contract* employing a model, plan or design or any other thing related to the *work* that was supplied by Her Majesty to the contractor.

### **GC10 (01/10/94) Members of House of Commons not to Benefit**

- 10.1 As required by the *Parliament of Canada Act*, it is an express condition of the *contract* that no member of the House of Commons shall be admitted to any share or part of the *contract* or to any benefit arising therefrom.

### **GC11 (01/10/94) Notices**

- 11.1 Any notice, consent, order, decision, direction or other communication, other than a notice referred to in GC11.4, that may be given to the contractor pursuant to the *contract* may be given in any manner.
- 11.2 Any notice, consent, order, decision, direction or other communication required to be given in writing, to any party pursuant to the *contract* shall, subject to GC11.4, be deemed to have been effectively given
  - 11.2.1 to the contractor, if delivered personally to the contractor or the contractor's *superintendent*, or forwarded by mail, telex or facsimile to the contractor at the address set out in A4.1, or
  - 11.2.2 to Her Majesty, if delivered personally to the *Engineer*, or forwarded by mail, telex or facsimile to the *Engineer* at the address set out in A1.2.1.
- 11.3 Any such notice, consent, order, decision, direction or other communication given in accordance with GC11.2 shall be deemed to have been received by either party
  - 11.3.1 if delivered personally, on the day that it was delivered;
  - 11.3.2 if forwarded by mail, on the earlier of the day it was received and the sixth day after it was mailed; and
  - 11.3.3 if forwarded by telex or facsimile, 24 hours after it was transmitted.
- 11.4 A notice given under GC38.1.1, GC40 and GC41, if delivered personally, shall be delivered to the contractor if the contractor is doing business as a sole proprietor or, if the contractor is a partnership or corporation, to an officer thereof.

### **GC12 (01/10/94) Material, Plant and Real Property Supplied by Her Majesty**

- 12.1 Subject to GC12.2, the contractor is liable to Her Majesty for any loss of or damage to *material, plant* or real property that is supplied or placed in the care, custody and control of the contractor by Her Majesty for use in connection with the *contract*, whether or not that loss or damage is attributable to causes beyond the contractor's control.
- 12.2 The contractor is not liable to Her Majesty for any loss or damage to *material, plant* or real property referred to in GC12.1 if that loss or damage results from and is directly attributable to reasonable wear and tear.



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- 12.3 The contractor shall not use any *material, plant* or real property referred to in GC12.1 except for the purpose of performing this *contract*.
- 12.4 When the contractor fails to make good any loss or damage for which the contractor is liable under GC12.1 within a reasonable time after being required to do so by the *Engineer*, the *Engineer* may cause the loss or damage to be made good at the contractor's expense, and the contractor shall thereupon be liable to Her Majesty for the cost thereof and shall, on demand, pay to Her Majesty an amount equal to that cost.
- 12.5 The contractor shall keep such records of all *material, plant* and real property referred to in GC12.1 as the *Engineer* from time to time requires and shall satisfy the *Engineer*, when requested, that such *material, plant* and real property are at the place and in the condition in which they ought to be.

### **GC13 (01/10/94) Material, Plant and Real Property become Property of Her Majesty**

- 13.1 Subject to GC14.7 all *material* and *plant* and the interest of the contractor in all real property, licences, powers and privileges purchased, used or consumed by the contractor for the *contract* shall, after the time of their purchase, use or consumption be the property of Her Majesty for the purposes of the *work* and they shall continue to be the property of Her Majesty
- 13.1.1 in the case of *material*, until the *Engineer* indicates that it will not be required for the *work*, and
- 13.1.2 in the case of *plant*, real property, licenses, powers and privileges, until the *Engineer* indicates that the interest vested in Her Majesty therein is no longer required for the purposes of the *work*.
- 13.2 *Material* or *plant* that is the property of Her Majesty by virtue of GC13.1 shall not be taken away from the *work* site or used or disposed of except for the purposes of the *work* without the written consent of the *Engineer*.
- 13.3 Her Majesty is not liable for loss of or damage from any cause to the *material* or *plant* referred to in GC13.1 and the contractor is liable for such loss or damage notwithstanding that the *material* or *plant* is the property of Her Majesty.

### **GC14 (01/10/94) Permits and Taxes Payable**

- 14.1 The contractor shall, within thirty (30) days after the date of the *contract*, tender to a municipal authority an amount equal to all fees and charges that would be lawfully payable to that municipal authority in respect of building permits as if the *work* were being performed for a *person* other than Her Majesty.
- 14.2 Within ten (10) days of making a tender pursuant to GC14.1, the contractor shall notify the *Engineer* of the contractor's action and of the amount tendered and whether or not the municipal authority has accepted that amount.
- 14.3 If the municipal authority does not accept the amount tendered pursuant to GC14.1, the contractor shall pay that amount to Her Majesty within six (6) days after the time stipulated in GC14.2.
- 14.4 For the purposes of GC14.1 to GC14.3, "municipal authority" means any authority that would have jurisdiction respecting permission to perform the *work* if the owner were not Her Majesty.

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- 14.5 Notwithstanding the residency of the contractor, the contractor shall pay any applicable tax arising from or related to the performance of the *work* under the *contract*.
- 14.6 In accordance with the Statutory Declaration referred to in TP4.9, a contractor who has neither residence nor place of business in the province in which *work* under the *contract* is being performed shall provide Her Majesty with proof of registration with the provincial sales tax authorities in the said province.
- 14.7 For the purpose of the payment of any applicable tax or the furnishing of security for the payment of any applicable tax arising from or related to the performance of the *work* under the *contract*, the contractor shall, notwithstanding the fact that all *material, plant* and interest of the contractor in all real property, licences, powers and privileges, have become the property of Her Majesty after the time of purchase, be liable, as a user or consumer, for the payment or for the furnishing of security for the payment of any applicable tax payable, at the time of the use or consumption of that *material, plant* or interest of the contractor in accordance with the relevant legislation.

### **GC15 (01/10/94) Performance of Work under Direction of Engineer**

- 15.1 The contractor shall
- 15.1.1 permit the *Engineer* to have access to the *work* and its site at all times during the performance of the *contract*;
- 15.1.2 furnish the *Engineer* with such information respecting the performance of the *contract* as the *Engineer* may require; and
- 15.1.3 give the *Engineer* every possible assistance to enable the *Engineer* to carry out the *Engineer's* duty to see that the *work* is performed in accordance with the *contract* and to carry out any other duties and exercise any powers specially imposed or conferred on the *Engineer* under the *contract*.

### **GC16 (01/10/94) Cooperation with Other Contractors**

- 16.1 Where, in the opinion of the *Engineer*, it is necessary that other contractors or workers with or without *plant* and *material*, be sent onto the *work* or its site, the contractor shall, to the satisfaction of the *Engineer*, allow them access and cooperate with them in the carrying out of their duties and obligation.
- 16.2 If
- 16.2.1 the sending onto the *work* or its site of other contractors or workers pursuant to GC16.1 could not have been reasonably foreseen or anticipated by the contractor when entering into the *contract*; and
- 16.2.2 the contractor incurs, in the opinion of the *Engineer*, extra expense in complying with GC16.1; and
- 16.2.3 the contractor has given the *Engineer* written notice of the contractor's claim for the extra expense referred to in GC16.2.2 within thirty (30) days of the date that the other contractors or workers were sent onto the *work* or its site,

Her Majesty shall pay the contractor the cost, calculated in accordance with GC48 to GC50, of the extra labour, *plant* and *material* that was necessarily incurred.

### **GC17 (01/10/94) Examination of Work**

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- 17.1 If, at any time after the commencement of the *work* but prior to the expiry of the warranty or guarantee period, the *Engineer* has reason to believe that the *work* or any part thereof has not been performed in accordance with the *contract*, the *Engineer* may have that *work* examined by an expert of the *Engineer's* choice.
- 17.2 If, as a result of an examination of the *work* referred to in GC17.1, it is established that the *work* was not performed in accordance with the *contract*, then, in addition to and without limiting or otherwise affecting any of Her Majesty's rights and remedies under the *contract* either at law or in equity, the contractor shall pay Her Majesty, on demand, all reasonable costs and expenses that were incurred by Her Majesty in having that examination performed.

### **GC18 (01/10/94) Clearing of Site**

- 18.1 The contractor shall maintain the *work* and its site in a tidy condition and free from the accumulation of waste *material* and debris, in accordance with any directions of the *Engineer*.
- 18.2 Before the issue of an interim certificate referred to in GC44.2, the contractor shall remove all the *plant* and *material* not required for the performance of the remaining *work*, and all waste *material* and other debris, and shall cause the *work* and its site to be clean and suitable for occupancy by Her Majesty's servants, unless otherwise stipulated in the *contract*.
- 18.3 Before the issue of a final certificate referred to in GC44.1, the contractor shall remove from the *work* and its site all of the surplus *plant* and *material* and any waste *material* and other debris.
- 18.4 The contractor's obligations described in GC18.1 to GC18.3 do not extend to waste *material* and other debris caused by Her Majesty's servants or contractors and workers referred to in GC16.1

### **GC19 (01/10/94) Contractor's Superintendent**

- 19.1 The contractor shall, forthwith upon the award of the *contract*, designate a *superintendent*.
- 19.2 The contractor shall forthwith notify the *Engineer* of the name, address and telephone number of a *superintendent* designated pursuant to GC19.1.
- 19.3 A *superintendent* designated pursuant to GC19.1 shall be in full charge of the operations of the contractor in the performance of the *work* and is authorized to accept any notice, consent, order, direction, decision or other communication on behalf of the contractor that may be given to the *superintendent* under the *contract*.
- 19.4 The contractor shall, until the *work* has been completed, keep a competent *superintendent* at the *work* site during *working* hours.
- 19.5 The contractor shall, upon the request of the *Engineer*, remove any *superintendent* who, in the opinion of the *Engineer*, is incompetent or has been guilty of improper conduct, and shall forthwith designate another *superintendent* who is acceptable to the *Engineer*.
- 19.6 Subject to GC19.5, the contractor shall not substitute a *superintendent* without the written consent of the *Engineer*.

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19.7 A breach by the contractor of GC19.6 entitles the *Engineer* to refuse to issue any certificate referred to in GC44 until the *superintendent* has returned to the *work* site or another *superintendent* who is acceptable to the *Engineer* has been substituted.

### **GC20 (01/10/94) National Security**

20.1 If the *Minister* is of the opinion that the *work* is of a class or kind that involves the national security, the *Minister* may order the contractor

20.1.1 to provide the *Minister* with any information concerning persons employed or to be employed by the contractor for purposes of the *contract*; and

20.1.2 to remove any *person* from the *work* and its site if, in the opinion of the *Minister*, that *person* may be a risk to the national security.

20.2 The contractor shall, in all contracts with persons who are to be employed in the performance of the *contract*, make provision for the performance of any obligation that may be imposed upon the contractor under GC19 to GC21.

20.3 The contractor shall comply with an order of the *Minister* under GC20.1.

### **GC21 (01/10/94) Unsuitable Workers**

21.1 The contractor shall, upon the request of the *Engineer*, remove any *person* employed by the contractor for purposes of the *contract* who, in the opinion of the *Engineer*, is incompetent or is guilty of improper conduct, and the contractor shall not permit a *person* who has been removed to return to the *work* site.

### **GC22 (01/10/94) Increased or Decreased Costs**

22.1 The amount set out in the Articles of Agreement shall not be increased or decreased by reason of any increase or decrease in the cost of the *work* that is brought about by an increase or decrease in the cost of labour, *plant* or *material* or any wage adjustment arising pursuant to the Labour Conditions.

22.2 Notwithstanding GC22.1 and GC35, an amount set out in the Articles of Agreement shall be adjusted in the manner provided in GC22.3, if any change in a tax imposed under the *Excise Act*, the *Excise Tax Act*, the *Old Age Security Act*, the *Customs Act*, the *Customs Tariff* or any provincial sales tax legislation imposing a retail sales tax on the purchase of tangible *personal* property incorporated into Real Property

22.2.1 occurs after the date of the submission by the contractor of the contractor's tender for the *contract*;

22.2.2 applies to *material*; and

22.2.3 affects the cost to the contractor of that *material*.

22.3 If a change referred to in GC22.2 occurs, the appropriate amount set out in the Articles of Agreement shall be increased or decreased by an amount equal to the amount that is established by an examination of the relevant records of the contractor referred to in GC51 to be the increase or decrease in the cost incurred that is directly attributable to that change.

22.4 For the purpose of GC22.2, where a tax is changed after the date of submission of the tender but public notice of the change has been given by the Minister of Finance before

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that date, the change shall be deemed to have occurred before the date of submission of the tender.

### **GC23 (01/10/94) Canadian Labour and Material**

- 23.1 The contractor shall use Canadian labour and *material* in the performance of the *work* to the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of the *work*.
- 23.2 Subject to GC23.1, the contractor shall, in the performance of the *work*, employ labour from the locality where the *work* is being performed to the extent to which it is available, and shall use the offices of the Canada Employment Centres for the recruitment of workers wherever practicable.
- 23.3 Subject to GC23.1 and GC23.2, the contractor shall, in the performance of the *work*, employ a reasonable proportion of persons who have been on active service with the armed forces of Canada and have been honourably discharged therefrom.

### **GC24 (01/10/94) Protection of Work and Documents**

- 24.1 The contractor shall guard or otherwise protect the *work* and its site, and protect the *contract*, specifications, plans, drawings, information, *material*, *plant* and real property, whether or not they are supplied by Her Majesty to the contractor, against loss or damage from any cause, and the contractor shall not use, issue, disclose or dispose of them without the written consent of the *Minister*, except as may be essential for the performance of the *work*.
- 24.2 If any document or information given or disclosed to the contractor is assigned a security rating by the *person* who gave or disclosed it, the contractor shall take all measures directed by the *Engineer* to be taken to ensure the maintenance of the degree of security that is ascribed to that rating.
- 24.3 The contractor shall provide all facilities necessary for the purpose of maintaining security, and shall assist any *person* authorized by the *Minister* to inspect or to take security measures in respect of the *work* and its site.
- 24.4 The *Engineer* may direct the contractor to do such things and to perform such additional *work* as the *Engineer* considers reasonable and necessary to ensure compliance with or to remedy a breach of GC24.1 to GC24.3.

### **GC25 (01/10/94) Public Ceremonies and Signs**

- 25.1 The contractor shall not permit any public ceremony in connection with the *work* without the prior consent of the *Minister*.
- 25.2 The contractor shall not erect or permit the erection of any sign or advertising on the *work* or its site without the prior consent of the *Engineer*.

### **GC26 (01/10/94) Precautions Against Damage, Infringement of Rights, Fire, and other Hazards**

- 26.1 The contractor shall, at the contractor's expense, do whatever is necessary to ensure that
- 26.1.1 no *person*, property, right, easement or privilege is injured, damaged or infringed by reasons of the contractor's activities in performing the *contract*;

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- 26.1.2 pedestrian and other traffic on any public or private road or waterway is not unduly impeded, interrupted or endangered by the performance or existence of the *work* or *plant*;
  - 26.1.3 fire hazards in or about the *work* or its site are eliminated and, subject to any direction that may be given by the *Engineer*, any fire is promptly extinguished;
  - 26.1.4 the health and safety of all persons employed in the performance of the *work* is not endangered by the method or means of its performance;
  - 26.1.5 adequate medical services are available to all *persons* employed on the *work* or its site at all times during the performance of the *work*;
  - 26.1.6 adequate sanitation measures are taken in respect of the *work* and its site; and
  - 26.1.7 all stakes, buoys and marks placed on the *work* or its site by or under the authority of the *Engineer* are protected and are not removed, defaced, altered or destroyed.
- 26.2 The *Engineer* may direct the contractor to do such things and to perform such additional *work* as the *Engineer* considers reasonable and necessary to ensure compliance with or to remedy a breach of GC26.1.
- 26.3 The contractor shall, at the contractor's expense, comply with a direction of the *Engineer* made under GC26.2.

### **GC27 (01/10/94) Insurance**

- 27.1 The contractor shall, at the contractor's expense, obtain and maintain insurance *contracts* in respect of the *work* and shall provide evidence thereof to the *Engineer* in accordance with the requirements of the Insurance Conditions "E".
- 27.2 The insurance contracts referred to in GC27.1 shall
- 27.2.1 be in a form, of the nature, in the amounts, for the periods and containing the terms and conditions specified in Insurance Conditions "E"; and
  - 27.2.2 provide for the payment of claims under such insurance contracts in accordance with GC28.

### **GC28 (01/10/94) Insurance Proceeds**

- 28.1 In the case of a claim payable under a Builders Risk/Installation (All Risks) insurance *contract* maintained by the contractor pursuant to GC27, the proceeds of the claim shall be paid directly to Her Majesty, and
- 28.1.1 the monies so paid shall be held by Her Majesty for the purposes of the *contract*, or
  - 28.1.2 if Her Majesty elects, shall be retained by Her Majesty, in which event they vest in Her Majesty absolutely.
- 28.2 In the case of a claim payable under a General Liability insurance contract maintained by the contractor pursuant to GC27, the proceeds of the claim shall be paid by the insurer directly to the claimant.

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- 28.3 If an election is made pursuant to GC28.1, the *Minister* may cause an audit to be made of the accounts of the contractor and of Her Majesty in respect of the part of the *work* that was lost, damaged or destroyed for the purpose of establishing the difference, if any, between
- 28.3.1 the aggregate of the amount of the loss or damage suffered or sustained by Her Majesty, including any costs incurred in respect of the clearing and cleaning of the *work* and its site and any other amount that is payable by the contractor to Her Majesty under the *contract*, minus any monies retained pursuant to GC28.1.2; and
- 28.3.2 the aggregate of the amounts payable by Her Majesty to the contractor pursuant to the *contract* up to the date of the loss or damage.
- 28.4 A difference that is established pursuant to GC28.3 shall be paid forthwith by the party who is determined by the audit to be the debtor to the party who is determined by the audit to be the creditor.
- 28.5 When payment of a deficiency has been made pursuant to GC28.4, all rights and obligations of Her Majesty and the contractor under the *contract* shall, with respect only to the part of the *work* that was the subject of the audit referred to in GC28.3, be deemed to have been expended and discharged.
- 28.6 If an election is not made pursuant to GC28.1.2, the contractor shall, subject to GC28.7, clear and clean the *work* and its site and restore and replace the part of the *work* that was lost, damaged or destroyed at the contractor's expense as if that part of the *work* had not yet been performed.
- 28.7 When the contractor clears and cleans the *work* and its site and restores and replaces the *work* referred to in GC28.6, Her Majesty shall pay the contractor out of the monies referred to in GC28.1 so far as they will thereunto extend.
- 28.8 Subject to GC28.7, payment by Her Majesty pursuant to GC28.7 shall be made in accordance with the *contract* but the amount of each payment shall be 100% of the amount claimed notwithstanding TP4.4.1 and TP4.4.2.

### **GC29 (01/10/94) Contract Security**

- 29.1 The contractor shall obtain and deliver *contract security* to the *Engineer* in accordance with the provisions of the Contract Security Conditions.
- 29.2 If the whole or a part of the *contract security* referred to in GC29.1 is in the form of a security deposit, it shall be held and disposed of in accordance with GC43 and GC45.
- 29.3 If a part of the *contract security* referred to in GC29.1 is in the form of a labour and *material* payment bond, the contractor shall post a copy of that bond on the *work* site.

### **GC30 (01/10/94) Changes in the Work**

- 30.1 Subject to GC5, the *Engineer* may, at any time before issuing a Final Certificate of Completion,
- 30.1.1 order *work* or *material* in addition to that provided for in the Plans and Specifications; and

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- 30.1.2 delete or change the dimensions, character, quantity, quality, description, location or position of the whole or any part of the *work* or *material* provided for in the Plans and Specifications or in any order made pursuant to GC30.1.1,
- if that additional *work* or *material*, deletion, or change is, in the *Engineer's* opinion, consistent with the general intent of the original *contract*.
- 30.2 The contractor shall perform the *work* in accordance with such orders, deletions and changes that are made by the *Engineer* pursuant to GC30.1 from time to time as if they had appeared in and been part of the Plans and Specifications.
- 30.3 The *Engineer* shall determine whether or not anything done or omitted by the contractor pursuant to an order, deletion or change referred to in GC30.1 increased or decreased the cost of the *work* to the contractor.
- 30.4 If the *Engineer* determines pursuant to GC30.3 that the cost of the *work* to the contractor has been increased, Her Majesty shall pay the contractor the increased cost that the contractor necessarily incurred for the additional *work* calculated in accordance with GC49 or GC50.
- 30.5 If the *Engineer* determines pursuant to GC30.3 that the cost of the *work* to the contractor has been decreased, Her Majesty shall reduce the amount payable to the contractor under the *contract* by an amount equal to the decrease in the cost caused by the deletion or change referred to in GC30.1.2 and calculated in accordance with GC49.
- 30.6 GC30.3 to GC30.5 are applicable only to a *contract* or a portion of a *contract* for which a Fixed Price Arrangement is stipulated in the *contract*.
- 30.7 An order, deletion or change referred to in GC30.1 shall be in writing, signed by the *Engineer* and given to the contractor in accordance with GC11.

### **GC31 (01/10/94) Interpretation of Contract by Engineer**

- 31.1 If, at any time before the *Engineer* has issued a Final Certificate of Completion referred to in GC44.1, any question arises between the parties about whether anything has been done as required by the *contract* or about what the contractor is required by the *contract* to do, and, in particular but without limiting the generality of the foregoing, about
- 31.1.1 the meaning of anything in the Plans and Specifications,
- 31.1.2 the meaning to be given to the Plans and Specifications in case of any error therein, omission therefrom, or obscurity or discrepancy in their wording or intention,
- 31.1.3 whether or not the quality or quantity of any *material* or *workmanship* supplied or proposed to be supplied by the contractor meets the requirements of the *contract*,
- 31.1.4 whether or not the labour, *plant* or *material* provided by the contractor for performing the *work* and carrying out the *contract* are adequate to ensure that the *work* will be performed in accordance with the *contract* and that the *contract* will be carried out in accordance with its terms,
- 31.1.5 what quantity of any kind of *work* has been completed by the contractor, or
- 31.1.6 the timing and scheduling of the various phases of the performance of the *work*,



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the question shall be decided by the *Engineer* whose decision shall be final and conclusive in respect of the *work*.

- 31.2 The contractor shall perform the *work* in accordance with any decisions of the *Engineer* that are made under GC31.1 and in accordance with any consequential directions given by the *Engineer*.

### **GC32 (01/10/94) Warranty and Rectification of Defects in Work**

- 32.1 Without restricting any warranty or guarantee implied or imposed by law or contained in the *contract* documents, the contractor shall, at the contractor's expense,
- 32.1.1 rectify and make good any defect or fault that appears in the *work* or comes to the attention of the *Minister* with respect to those parts of the *work* accepted in connection with the Interim Certificate of Completion referred to in GC44.2 within 12 months from the date of the Interim Certificate of Completion;
- 32.1.2 rectify and make good any defect or fault that appears in or comes to the attention of the *Minister* in connection with those parts of the *work* described in the Interim Certificate of Completion referred to in GC44.2 within 12 months from the date of the Final Certificate of Completion referred to in GC44.1.
- 32.2 The *Engineer* may direct the contractor to rectify and make good any defect or fault referred to in GC32.1 or covered by any other expressed or implied warranty or guarantee.
- 32.3 A direction referred to in GC32.2 shall be in writing, may include a stipulation in respect of the time within which a defect or fault is required to be rectified and made good by the contractor, and shall be given to the contractor in accordance with GC11.
- 32.4 The contractor shall rectify and make good any defect or fault described in a direction given pursuant to GC32.2 within the time stipulated therein.

### **GC33 (01/10/94) Non-compliance by Contractor**

- 33.1 If the contractor fails to comply with any decision or direction given by the *Engineer* pursuant to GC18, GC24, GC26, GC31 or GC32, the *Engineer* may employ such methods as the *Engineer* deems advisable to do that which the contractor failed to do.
- 33.2 The contractor shall, on demand, pay Her Majesty an amount that is equal to the aggregate of all costs, expenses and damage incurred or sustained by Her Majesty by reason of the contractor's failure to comply with any decision or direction referred to in GC33.1, including the cost of any methods employed by the *Engineer* pursuant to GC33.1.

### **GC34 (01/10/94) Protesting Engineer's Decisions**

- 34.1 The contractor may, within ten days after the communication to the contractor of any decision or direction referred to in GC30.3 or GC33.1, protest that decision or direction.
- 34.2 A protest referred to in GC34.1 shall be in writing, contain full reasons for the protest, be signed by the contractor and be given to Her Majesty by delivery to the *Engineer*.
- 34.3 If the contractor gives a protest pursuant to GC34.2, any compliance by the contractor with the decision or direction that was protested shall not be construed as an admission by the contractor of the correctness of that decision or direction, or prevent the

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contractor from taking whatever action the contractor considers appropriate in the circumstances.

- 34.4 The giving of a protest by the contractor pursuant to GC34.2 shall not relieve the contractor from complying with the decision or direction that is the subject of the protest.
- 34.5 Subject to GC34.6, the contractor shall take any action referred to in GC34.3 within three months after the date that a Final Certificate of Completion is issued under GC44.1 and not afterwards.
- 34.6 The contractor shall take any action referred to in GC34.3 resulting from a direction under GC32 within three months after the expiry of a warranty or guarantee period and not afterwards.
- 34.7 Subject to GC34.8, if Her Majesty determines that the contractor's protest is justified, Her Majesty shall pay the contractor the cost of the additional labour, *plant* and *material* necessarily incurred by the contractor in carrying out the protested decision or direction.
- 34.8 Costs referred to in GC34.7 shall be calculated in accordance with GC48 to GC50.

**GC35 (01/10/94) Changes in Soil Conditions and Neglect or Delay by Her Majesty**

- 35.1 Subject to GC35.2 no payment, other than a payment that is expressly stipulated in the *contract*, shall be made by Her Majesty to the contractor for any extra expense or any loss or damage incurred or sustained by the contractor.
- 35.2 If the contractor incurs or sustains any extra expense or any loss or damage that is directly attributable to
- 35.2.1 a substantial difference between the information relating to soil conditions at the *work* site that is contained in the Plans and Specifications or other documents supplied to the contractor for use in preparing the contractor's tender or a reasonable assumption of fact based thereon made by the contractor, and the actual soil conditions encountered by the contractor at the *work* site during the performance of the *contract*, or
- 35.2.2 any neglect or delay that occurs after the date of the *contract* on the part of Her Majesty in providing any information or in doing any act that the *contract* either expressly requires Her Majesty to do or that would ordinarily be done by an owner in accordance with the usage of the trade,

the contractor shall, within ten days of the date the actual soil conditions described in GC35.2.1 were encountered or the neglect or delay described in GC35.2.2 occurred, give the *Engineer* written notice of intention to claim for that extra expense or that loss or damage.

- 35.3 When the contractor has given a notice referred to in GC35.2, the contractor shall give the *Engineer* a written claim for extra expense or loss or damage within 30 days of the date that a Final Certificate of Completion referred to in GC44.1 is issued and not afterwards.
- 35.4 A written claim referred to in GC35.3 shall contain a sufficient description of the facts and circumstances of the occurrence that is the subject of the claim to enable the *Engineer* to determine whether or not the claim is justified and the contractor shall supply such further and other information for that purpose as the *Engineer* requires from time to time.

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- 35.5 If the *Engineer* determines that a claim referred to in GC35.3 is justified, Her Majesty shall make an extra payment to the contractor in an amount that is calculated in accordance with GC47 to GC50.
- 35.6 If, in the opinion of the *Engineer*, an occurrence described in GC35.2.1 results in a savings of expenditure by the contractor in performing the *contract*, the amount set out in the Articles of Agreement shall, subject to GC35.7, be reduced by an amount that is equal to the saving.
- 35.7 The amount of the saving referred to in GC35.6 shall be determined in accordance with GC47 to GC50.
- 35.8 If the contractor fails to give a notice referred to in GC35.2 and a claim referred to in GC35.3 within the times stipulated, an extra payment shall not be made to the contractor in respect of the occurrence.

### **GC36 (01/10/94) Extension of Time**

- 36.1 Subject to GC36.2, the *Engineer* may, on the application of the contractor made before the day fixed by the Articles of Agreement for completion of the *work* or before any other date previously fixed under this General Condition, extend the time for its completion by fixing a new date if, in the opinion of the *Engineer*, causes beyond the control of the contractor have delayed its completion.
- 36.2 An application referred to in GC36.1 shall be accompanied by the written consent of the bonding company whose bond forms part of the *contract security*.

### **GC37 (01/10/94) Assessments and Damages for Late Completion**

- 37.1 For the purposes of this General Condition
- 37.1.1 the *work* shall be deemed to be completed on the date that an Interim Certificate of Completion referred to in GC44.2 is issued, and
- 37.1.2 "period of delay" means the number of days commencing on the day fixed by the Articles of Agreement for completion of the *work* and ending on the day immediately preceding the day on which the *work* is completed but does not include any day within a period of extension granted pursuant to GC36.1, and any other day on which, in the opinion of the *Engineer*, completion of the *work* was delayed for reasons beyond the control of the contractor.
- 37.2 If the contractor does not complete the *work* by the day fixed for its completion by the Articles of Agreement but completes it thereafter, the contractor shall pay Her Majesty an amount equal to the aggregate of
- 37.2.1 all salaries, wages and travelling expenses incurred by Her Majesty in respect of persons overseeing the performance of the *work* during the period of delay;
- 37.2.2 the cost incurred by Her Majesty as a result of the inability to use the completed *work* for the period of delay; and
- 37.2.3 all other expenses and damages incurred or sustained by Her Majesty during the period of delay as a result of the *work* not being completed by the day fixed for its completion.

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37.3 The *Minister* may waive the right of Her Majesty to the whole or any part of the amount payable by the contractor pursuant to GC37.2 if, in the opinion of the *Minister*, it is in the public interest to do so.

### GC38 (01/01/96) Taking the Work Out of the Contractor's Hands

38.1 The *Minister* may, at the *Minister's* sole discretion, by giving a notice in writing to the contractor in accordance with GC11, take all or any part of the *work* out of the contractor's hands, and may employ such means as the *Minister* sees fit to have the *work* completed if the contractor

38.1.1 has not, within six days of the *Minister* or the *Engineer* giving notice to the contractor in writing in accordance with GC11, remedied any delay in the commencement or any default in the diligent performance of the *work* to the satisfaction of the *Engineer*;

38.1.2 has defaulted in the completion of any part of the *work* within the time fixed for its completion by the *contract*;

38.1.3 has become insolvent or has committed an act of bankruptcy, and has neither made a proposal to its creditors nor filed a notice of intention to make such a proposal, pursuant to the *Bankruptcy and Insolvency Act*;

38.1.4 has abandoned the *work*;

38.1.5 has made an assignment of the *contract* without the consent required by GC3.1; or

38.1.6 has otherwise failed to observe or perform any of the provisions of the *contract*.

38.2 If the contractor has become insolvent or has committed an act of bankruptcy, and has either made a proposal to its creditors or filed a notice of intention to make such a proposal, pursuant to the *Bankruptcy and Insolvency Act*, the contractor shall immediately forward a copy of the proposal or the notice of intention to Her Majesty.

38.3 If the whole or any part of the *work* is taken out of the contractor's hands pursuant to GC38.1,

38.3.1 the contractor's right to any further payment that is due or accruing due under the *contract* is, subject only to GC38.5, extinguished, and

38.3.2 the contractor is liable to pay Her Majesty, upon demand, an amount that is equal to the amount of all loss and damage incurred or sustained by Her Majesty in respect of the contractor's failure to complete the *work*.

38.4 If the whole or any part of the *work* that is taken out of the contractor's hands pursuant to GC38.1 is completed by Her Majesty, the *Engineer* shall determine the amount, if any, of the holdback or a progress claim that had accrued and was due prior to the date on which the *work* was taken out of the contractor's hands and that is not required for the purposes of having the *work* performed or of compensating Her Majesty for any other loss or damage incurred or sustained by reason of the contractor's default.

38.5 Her Majesty may pay the contractor the amount determined not to be required pursuant to GC38.4.

### GC39 (01/10/94) Effect of Taking the Work Out of the Contractor's Hands

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- 39.1 The taking of the *work* or any part thereof out of the contractor's hands pursuant to GC38 does not operate so as to relieve or discharge the contractor from any obligation under the *contract* or imposed upon him by law except the obligation to complete the performance of that part of the *work* that was taken out of the contractor's hands.
- 39.2 If the *work* or any part thereof is taken out of the contractor's hands pursuant to GC38, all *plant* and *material* and the interest of the contractor in all real property, licences, powers and privileges acquired, used or provided by the contractor under the *contract* shall continue to be the property of Her Majesty without compensation to the contractor.
- 39.3 When the *Engineer* certifies that any *plant*, *material*, or any interest of the contractor referred to in GC39.2 is no longer required for the purposes of the *work*, or that it is not in the interests of Her Majesty to retain that *plant*, *material*, or interest, it shall revert to the contractor.

### **GC40 (01/10/94) Suspension of Work by Minister**

- 40.1 The *Minister* may, when in the *Minister's* opinion it is in the public interest to do so, require the contractor to suspend performance of the *work* either for a specified or an unspecified period by giving a notice of suspension in writing to the contractor in accordance with GC11.
- 40.2 When a notice referred to in GC40.1 is received by the contractor in accordance with GC11, the contractor shall suspend all operations in respect of the *work* except those that, in the opinion of the *Engineer*, are necessary for the care and preservation of the *work*, *plant* and *material*.
- 40.3 The contractor shall not, during a period of suspension, remove any part of the *work*, *plant* or *material* from its site without the consent of the *Engineer*.
- 40.4 If a period of suspension is 30 days or less, the contractor shall, upon the expiration of that period, resume the performance of the *work* and the contractor is entitled to be paid the extra cost, calculated in accordance with GC48 to GC50, of any labour, *plant* and *material* necessarily incurred by the contractor as a result of the suspension.
- 40.5 If, upon the expiration of a period of suspension of more than 30 days, the *Minister* and the contractor agree that the performance of the *work* will be continued by the contractor, the contractor shall resume performance of the *work* subject to any terms and conditions agreed upon by the *Minister* and the contractor.
- 40.6 If, upon the expiration of a period of suspension of more than 30 days, the *Minister* and the contractor do not agree that performance of the *work* will be continued by the contractor or upon the terms and conditions under which the contractor will continue the *work*, the notice of suspension shall be deemed to be a notice of termination pursuant to GC41.

### **GC41 (01/10/94) Termination of Contract**

- 41.1 The *Minister* may terminate the *contract* at any time by giving a notice of termination in writing to the contractor in accordance with GC11.
- 41.2 When a notice referred to in GC41.1 is received by the contractor in accordance with GC11, the contractor shall, subject to any conditions stipulated in the notice, forthwith cease all operations in performance of the *contract*.
- 41.3 If the *contract* is terminated pursuant to GC41.1, Her Majesty shall pay the contractor, subject to GC41.4, an amount equal to

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41.3.1 the cost to the contractor of all labour, *plant* and *material* supplied by the contractor under the *contract* up to the date of termination in respect of a *contract* or part thereof for which a Unit Price Arrangement is stipulated in the *contract*, or

41.3.2 the lesser of

41.3.2.1 an amount, calculated in accordance with the Terms and Payment, that would have been payable to the contractor had the contractor completed the *work*, and

41.3.2.2 an amount that is determined to be due to the contractor pursuant to GC49 in respect of a *contract* or part thereof for which a Fixed Price Arrangement is stipulated in the *contract*

less the aggregate of all amount that were paid to the contractor by Her Majesty and all amounts that are due to Her Majesty from the contractor pursuant to the *contract*.

41.4 If Her Majesty and the contractor are unable to agree about an amount referred to in GC41.3 that amount shall be determined by the method referred to in GC50.

### **GC42 (01/10/94) Claims Against and Obligations of the Contractor or Subcontractor**

42.1 Her Majesty may, in order to discharge lawful obligations of and satisfy claims against the contractor or a *subcontractor* arising out of the performance of the *contract*, pay any amount that is due and payable to the contractor pursuant to the *contract* directly to the obligees of and the claimants against the contractor or the *subcontractor* but such amount if any, as is paid by Her Majesty shall not exceed that amount which the contractor would have been obliged to pay to such claimant had the provisions of the Provincial or Territorial lien legislation, or, in the Province of Quebec, the law relating to privileges, been applicable to the *work*. Any such claimant need not comply with the provisions of such legislation setting out the steps by way of notice, registration or otherwise as might have been necessary to preserve or perfect any claim for lien or privilege which claimant might have had.

42.2 Her Majesty will not make any payment as described in GC42.1 unless and until that claimant shall have delivered to Her Majesty:

42.2.1 a binding and enforceable Judgment or Order of a court of competent jurisdiction setting forth such amount as would have been payable by the contractor to the claimant pursuant to the provisions of the applicable Provincial or Territorial lien legislation, or, in the Province of Quebec, the law relating to privileges, had such legislation been applicable to the *work*; or

42.2.2 a final and enforceable award of an arbitrator setting forth such amount as would have been payable by the contractor to the claimant pursuant to the provisions of the applicable Provincial or Territorial lien legislation, or, in the Province of Quebec, the law relating to privileges, had such legislation been applicable to the *work*; or

42.2.3 the consent of the contractor authorizing a payment.

For the purposes of determining the entitlement of a claimant pursuant to GC42.2.1 and GC42.2.2, the notice required by GC42.8 shall be deemed to replace the registration or provision of notice after the performance of *work* as required by any applicable legislation and no claim shall be deemed to have expired, become void or unenforceable

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by reason of the claimant not commencing any action within the time prescribed by any applicable legislation.

- 42.3 The contractor shall, by the execution of this *contract*, be deemed to have consented to submit to binding arbitration at the request of any claimant those questions that need be answered to establish the entitlement of the claimant to payment pursuant to the provisions of GC42.1 and such arbitration shall have as parties to it any *subcontractor* to whom the claimant supplied *material*, performed *work* or rented equipment should such *subcontractor* wish to be adjointed and the Crown shall not be a party to such arbitration and, subject to any agreement between the contractor and the claimant to the contrary, the arbitration shall be conducted in accordance with the Provincial or Territorial legislation governing arbitration applicable in the Province or Territory in which the *work* is located.
- 42.4 A payment made pursuant to GC42.1 is, to the extent of the payment, a discharge of Her Majesty's liability to the contractor under the *contract* and may be deducted from any amount payable to the contractor under the *contract*.
- 42.5 To the extent that the circumstances of the *work* being performed for Her Majesty permit, the contractor shall comply with all laws in force in the Province or Territory where the *work* is being performed relating to payment period, mandatory holdbacks, and creation and enforcement of mechanics' liens, builders' liens or similar legislation or in the Province of Quebec, the law relating to privileges.
- 42.6 The contractor shall discharge all the contractor's lawful obligations and shall satisfy all lawful claims against the contractor arising out of the performance of the *work* at least as often as the *contract* requires Her Majesty to pay the contractor.
- 42.7 The contractor shall, whenever requested to do so by the *Engineer*, make a statutory declaration deposing to the existence and condition of any obligations and claims referred to in GC42.6.
- 42.8 GC42.1 shall only apply to claims and obligations
- 42.8.1 the notification of which has been received by the *Engineer* in writing before payment is made to the contractor pursuant to TP4.10 and within 120 days of the date on which the claimant
- 42.8.1.1 should have been paid in full under the claimant's *contract* with the contractor or *subcontractor* where the claim is for money that was lawfully required to be held back from the claimant; or
- 42.8.1.2 performed the last of the services, *work* or labour, or furnished the last of the *material* pursuant to the claimant's *contract* with the contractor or *subcontractor* where the claim is not for money referred to in GC42.8.1.1, and
- 42.8.2 the proceedings to determine the right to payment of which, pursuant to GC42.2, shall have commenced within one year from the date that the notice referred to in GC42.8.1 was received by the *Engineer*, and
- the notification required by GC42.8.1 shall set forth the amount claimed to be owing and the *person* who by contract is primarily liable.
- 42.9 Her Majesty may, upon receipt of a notice of claim under GC42.8.1, withhold from any amount that is due and payable to the contractor pursuant to the *contract* the full amount of the claim or any portion thereof.

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42.10 The *Engineer* shall notify the contractor in writing of receipt of any claim referred to in GC42.8.1 and of the intention of Her Majesty to withhold funds pursuant to GC42.9 and the contractor may, at any time thereafter and until payment is made to the claimant, be entitled to post, with Her Majesty, security in a form acceptable to Her Majesty in an amount equal to the value of the claim, the notice of which is received by the *Engineer* and upon receipt of such security Her Majesty shall release to the contractor any funds which would be otherwise payable to the contractor, that were withheld pursuant to the provisions of GC42.9 in respect of the claim of any claimant for whom the security stands.

### **GC43 (01/10/94) Security Deposit - Forfeiture or Return**

43.1 If

43.1.1 the *work* is taken out of the contractor's hands pursuant to GC38,

43.1.2 the *contract* is terminated pursuant to GC41, or

43.1.3 the contractor is in breach of or in default under the *contract*,

Her Majesty may convert the security deposit, if any, to Her own use.

43.2 If Her Majesty converts the *contract security* pursuant to GC43.1, the amount realized shall be deemed to be an amount due from Her Majesty to the contractor under the *contract*.

43.3 Any balance of an amount referred to in GC43.2 that remains after payment of all losses, damage and claims of Her Majesty and others shall be paid by Her Majesty to the contractor if, in the opinion of the *Engineer*, it is not required for the purposes of the *contract*.

### **GC44 (01/10/94) Engineer's Certificates**

44.1 On the date that

44.1.1 the *work* has been completed, and

44.1.2 the contractor has complied with the *contract* and all orders and directions made pursuant thereto,

both to the satisfaction of the *Engineer*, the *Engineer* shall issue a Final Certificate of Completion to the contractor.

44.2 If the *Engineer* is satisfied that the *work* is substantially complete the *Engineer* shall, at any time before issuing a certificate referred to in GC44.1, issue an Interim Certificate of Completion to the contractor, and

44.2.1 for the purposes of GC44.2 the *work* will be considered to be substantially complete,

44.2.1.1 when the *work* under the *contract* or a substantial part thereof is, in the opinion of the *Engineer*, ready for use by Her Majesty or is being used for the purposes intended; and

44.2.1.2 when the *work* remaining to be done under the *contract* is, in the opinion of the *Engineer*, capable of completion or correction at a cost of not more than



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44.2.1.2.1 - 3% of the first \$500,000, and

44.2.1.2.2 - 2% of the next \$500,000, and

44.2.1.2.3 - 1% of the balance

of the value of the *contract* at the time this cost is calculated.

- 44.3 For the sole purpose of GC44.2.1.2, where the *work* or a substantial part thereof is ready for use or is being used for the purposes intended and the remainder of the *work* or a part thereof cannot be completed by the time specified in A2.1, or as amended pursuant to GC36, for reasons beyond the control of the contractor or where the *Engineer* and the contractor agree not to complete a part of the *work* within the specified time, the cost of that part of the *work* which was either beyond the control of the contractor to complete or the *Engineer* and the contractor have agreed not to complete by the time specified shall be deducted from the value of the *contract* referred to GC44.2.1.2 and the said cost shall not form part of the cost of the *work* remaining to be done in determining substantial completion.
- 44.4 An Interim Certificate of Completion referred to in GC44.2 shall describe the parts of the *work* not completed to the satisfaction of the *Engineer* and all things that must be done by the contractor
- 44.4.1 before a Final Certificate of Completion referred to in GC44.1 will be issued; and
- 44.4.2 before the 12-month period referred to in GC32.1.2 shall commence for the said parts and all the said things.
- 44.5 The *Engineer* may, in addition to the parts of the *work* described in an Interim Certificate of Completion referred to in GC44.2, require the contractor to rectify any other parts of the *work* not completed to the *Engineer's* satisfaction and to do any other things that are necessary for the satisfactory completion of the *work*.
- 44.6 If the *contract* or a part thereof is subject to a Unit Price Arrangement, the *Engineer* shall measure and record the quantities of labour, *plant* and *material*, performed, used and supplied by the contractor in performing the *work* and shall, at the request of the contractor, inform the contractor of those measurements.
- 44.7 The contractor shall assist and co-operate with the *Engineer* in the performance of the *Engineer's* duties referred to in GC44.6 and shall be entitled to inspect any record made by the *Engineer* pursuant to GC44.6.
- 44.8 After the *Engineer* has issued a Final Certificate of Completion referred to in GC44.1, the *Engineer* shall, if GC44.6 applies, issue a Final Certificate of Measurement.
- 44.9 A Final Certificate of Measurement referred to in GC44.8 shall
- 44.9.1 contain the aggregate of all measurements of quantities referred to in GC44.6; and
- 44.9.2 be binding upon and conclusive between Her Majesty and the contractor as to the quantities referred to therein.
- GC45 (01/10/94) Return of Security Deposit**
- 45.1 After an Interim Certificate of Completion referred to in GC44.2 has been issued, Her Majesty shall, if the contractor is not in breach of or in default under the *contract*,

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return to the contractor all or any part of the security deposit that, in the opinion of the *Engineer*, is not required for the purposes of the *contract*.

- 45.2 After a Final Certificate of Completion referred to in GC44.1 has been issued, Her Majesty shall return to the contractor the remainder of any security deposit unless the *contract* stipulates otherwise.
- 45.3 If the security deposit was paid into the Consolidated Revenue Fund of Canada, Her Majesty shall pay interest thereon to the contractor at a rate established from time to time pursuant to section 21(2) of the *Financial Administration Act*.

### **GC46 (01/10/94) Clarification of Terms in GC47 to GC50**

- 46.1 For the purposes of GC47 to GC50,
- 46.1.1 "Unit Price Table" means the table set out in the Articles of Agreement, and
- 46.1.2 "plant" does not include tools customarily provided by a tradesperson in practising a trade.

### **GC47 (01/10/94) Additions or Amendments to Unit Price Table**

- 47.1 Where a Unit Price Arrangement applies to the *contract* or a part thereof the *Engineer* and the contractor may, by an agreement in writing,
- 47.1.1 add classes of labour, *plant* or *material*, and units of measurement, prices per unit and estimated quantities to the Unit Price Table if any labour, *plant* or *material* that is to be included in the Final Certificate of Measurement referred to in GC44.8 is not included in any class of labour, *plant* or *material* set out in the Unit Price Table; or
- 47.1.2 subject to GC47.2 and GC47.3, amend a price per unit set out in the Unit Price Table for any class of labour, *plant* or *material* included therein if the Final Certificate of Measurement referred to in GC44.8 shows or is expected to show that the total quantity of that class of labour, *plant* or *material* actually performed, used or supplied by the contractor in performing the *work* is
- 47.1.2.1 less than 85% of that estimated total quantity, or
- 47.1.2.2 in excess of 115% of that estimated total quantity.
- 47.2 In no event shall the total cost of an item set out in the Unit Price Table that has been amended pursuant to GC47.1.2.1 exceed the amount that would have been payable to the contractor had the estimated total quantity actually been performed, used or supplied.
- 47.3 An amendment that is made necessary by GC47.1.2.2 shall apply only to the quantities that are in excess of 115%.
- 47.4 If the *Engineer* and the contractor do not agree as contemplated in GC47.1, the *Engineer* shall determine the class and the unit of measurement of the labour, *plant* or *material* and, subject to GC47.2 and GC47.3, the price per unit therefor shall be determined in accordance with GC50.

### **GC48 (01/10/94) Determination of Cost - Unit Price Table**

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48.1 Whenever, for the purposes of the *contract* it is necessary to determine the cost of labour, *plant* or *material*, it shall be determined by multiplying the quantity of that labour, *plant* or *material* expressed in the unit set out in column 3 of the Unit Price Table by the price of that unit set out in column 5 of the Unit Price Table.

### **GC49 (12/05/00) Determination of Cost Prior to Undertaking Work - Lump Sum**

49.1 If the method described in GC48 cannot be used because the labour, plant and material is of a kind or class that is not set out in the Unit Price Table then, for the purposes of the contract, the price of the change shall be the aggregate costs of all labour, plant and material that is required for the change as agreed upon by the Contractor and the Engineer plus a mark-up for all supervision, coordination, administration, overhead, margin and the risk of undertaking the work within the stipulated amount, which mark-up shall be equal to

49.1.1 20% of the aggregate costs referred to herein for that portion of the Work done by the Contractor's own forces; and

49.1.2 15% of the aggregate costs referred to herein for that portion of the Work that is done by subcontract.

49.2 Subject to similar provisions expressed elsewhere in the contract, in order to facilitate approval of the change, the Contractor shall submit a cost breakdown identifying, as a minimum, the cost of labour, plant, material, each subcontract amount and the amount of the appropriate percentage mark-up as described herein.

### **GC50 (12/05/00) Determination of Cost Following Completion of Work**

50.1 Where it is not possible to predetermine the price of a change, including elements not set out in the Unit Price Table, the actual price of the change shall be equal to the aggregate costs of

50.1.1 all reasonable and proper amounts actually expended or legally payable by the Contractor in respect of the labour, plant and material that falls within one of the classes of expenditure described in GC50.2 that are directly attributable to the performance of the contract;

50.1.2 a mark-up equal to 10% of the amounts referred to in GC50.1.1 which mark-up shall be for profit and all other expenditures or costs, not covered in GC50.1.1 or GC50.1.3, including overhead, general administration costs and financing and interest charges; and

50.1.3 interest on the costs determined under GC50.1.1 and GC50.1.2, which interest shall be calculated in accordance with TP9,

provided that the total cost of an item set out in the Unit Price Table that is subject to the provisions of GC47.1.2.1 does not exceed the amount that would have been payable to the Contractor had the Estimated Total Quantity of the said item actually been performed, used or supplied.

50.2 For the purposes of GC50.1.1, the classes of expenditure that may be taken into account in determining the cost of labour, plant and material are

50.2.1 payment to subcontractors;

50.2.2 wages, salaries and traveling expenses of employees of the Contractor located at the work site and that portion of wages, salaries, bonuses, living and traveling

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expenses of personnel of the Contractor generally employed at the head office or at a general office of the Contractor provided they are actually and properly engaged on the work under the Contract;

- 50.2.3 assessments payable under any statutory authority relating to workmen's compensation, employment insurance, pension plan or holidays with pay, provincial health or insurance plans, environmental reviews and GST collection costs;
- 50.2.4 rent that is paid or an amount equivalent to the said rent if the plant is owned by the Contractor, that is necessary for and used in the performance of the work, if the rent or the equivalent amount is reasonable and use of that plant has been approved by the Engineer;
- 50.2.5 payment for maintenance and operating the plant necessary for and used in the performance of the work, and payments for effecting such repairs thereto as, in the opinion of the Engineer, are necessary to the proper performance of the Contract other than payments for any repairs to the plant arising out of defects existing before its allocation to the work;
- 50.2.6 payment for material that is necessary for and incorporated in the work, or that is necessary for and consumed in the performance of the Contract;
- 50.2.7 payments for preparation, delivery, handling, erection, installation, inspection, protection and removal of the plant and material necessary for and used in the performance of the Contract; and
- 50.2.8 any other payments made by the Contractor with the approval of the Engineer that are necessary for the performance of the Contract.

### **GC51 (01/10/94) Records to be Kept by Contractor**

- 51.1 The contractor shall
  - 51.1.1 maintain full records of the contractor's estimated and actual cost of the *work* together with all tender calls, quotations, *contracts*, correspondence, invoices, receipts and vouchers relating thereto;
  - 51.1.2 make all records and *material* referred to in GC51.1.1 available to audit and inspection by the *Minister* and the Deputy Receiver General for Canada or by persons acting on behalf of either or both of them, when requested;
  - 51.1.3 allow any of the persons referred to in GC51.1.2 to make copies of and to take extracts from any of the records and *material* referred to in GC51.1.1; and
  - 51.1.4 furnish any *person* referred to in GC51.1.2 with any information that *person* may require from time to time in connection with such records and *material*.
- 51.2 The records maintained by the contractor pursuant to GC51.1.1 shall be kept intact by the contractor until the expiration of two years after the date that a Final Certificate of Completion referred to in GC44.1 was issued or until the expiration of such other period of time as the *Minister* may direct.
- 51.3 The contractor shall cause all *subcontractors* and all other *persons* directly or indirectly controlled by or affiliated with the contractor and all *persons* directly or indirectly having control of the contractor to comply with GC51.1 and GC51.2 as if they were the contractor.

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### **GC52 (01/01/96) Conflict of Interest**

52.1 It is a term of this *contract* that no individual, for whom the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders (1994) or the Conflict of Interest and Post-Employment Code for the Public Service (1985) apply, shall derive a direct benefit from this *contract* unless that individual is in compliance with the applicable post-employment provisions.

### **GC53 (01/10/94) Contractor Status**

- 53.1 The contractor shall be engaged under the *contract* as an independent contractor.
- 53.2 The contractor and any employee of the said contractor is not engaged by the *contract* as an employee, servant or agent of Her Majesty.
- 53.3 For the purposes of GC53.1 and GC53.2 the contractor shall be solely responsible for any and all payments and deductions required to be made by law including those required for Canada or Québec Pension Plans, Unemployment Insurance, Worker's Compensation or Income Tax.

### **GC54 (01/01/96) Human Remains, Archaeological Remains and Items of Historical or Scientific Interest**

- 54.1 For the purposes of this clause
- 54.1.1 "human remains" means the whole or any part of a deceased human being, irrespective of the time that has elapsed since death,
- 54.1.2 "archaeological remains" are items, artifacts or things made, modified or used by human beings in antiquity and may include, but not be limited to stone, wood or iron structures or monuments, dump deposits, bone artifacts, weapons, tools, coins and pottery,
- 54.1.3 "items of historical or scientific interest" are naturally occurring or manufactured objects or things of any age that are not archaeological remains but may be of interest to society because of their historical or scientific significance, value, rarity, natural beauty or other quality.
- 54.2 If, during the course of the *work*, the contractor encounters any object, item or thing which is described in GC54.1, or which resembles any object, item or thing described in GC54.1, the contractor shall
- 54.2.1 take all reasonable steps, including stopping *work* in the affected area, to protect and preserve the object, item or thing, and
- 54.2.2 immediately notify the *Engineer* of the circumstances in writing, and
- 54.2.3 take all reasonable steps to minimize additional costs which may accrue as a result of any *work* stoppage.
- 54.3 Upon receipt of a notification in accordance with GC54.2.2, the *Engineer* shall, in a timely manner, determine whether the object, item or thing is one described in, or contemplated by, GC54.1, and shall notify the contractor in writing of any action to be performed, or *work* to be carried out by, the contractor as a result of the *Engineer's* determination.

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- 54.4 The *Engineer* may, at any time, enlist the services of experts, particularly and archaeologist or historian as appropriate, to assist in the investigation, examination, taking of measurements or other such recordings, placing of permanent protection around or removing of the object, item or thing encountered by the contractor, and monitoring in case of further discoveries, and the contractor shall, to the satisfaction of the *Engineer*, allow them access and cooperate with them in the carrying out of their duties and obligations.
- 54.5 Human remains, archaeological remains and items of historic or scientific interest encountered at the site of the *work* shall remain the property of Her Majesty.
- 54.6 Except as may be otherwise provided for in the *contract*, the provisions of GC30 shall apply.

### **GC55 (01/01/96) Contaminated Site Conditions**

- 55.1 For the purposes of this clause, a contaminated site condition exists when toxic, radioactive or other hazardous substances or *materials*, or other pollutants, are found to be present at the site of the *work* to the extent that they constitute a hazard, or potential hazard, to the environment, property, or the health or safety of any *person*.
- 55.2 If the contractor encounters a contaminated site condition, or has reasonable grounds to believe that a contaminated site condition exists at the site of the *work*, the contractor shall
- 55.2.1 take all reasonable steps, including stopping the *work*, to ensure that no *person* suffers injury, sickness or death, and that neither property nor the environment is injured or destroyed as a result of the contaminated site conditions, and
- 55.2.2 immediately notify the *Engineer* of the circumstances in writing, and
- 55.2.3 take all reasonable steps to minimize additional costs which may accrue as a result of any *work* stoppage.
- 55.3 Upon receipt of a notification in accordance with GC55.2.2, the *Engineer* shall, in a timely manner, determine whether a contaminated site condition as described in, or contemplated by, GC55.1, exists, and shall notify the contractor in writing of any action to be taken, or *work* to be performed, by the contractor as a result of the *Engineer's* determination.
- 55.4 If the contractor's services are required by the *Engineer*, the contractor shall follow the direction of the *Engineer* with regard to any excavation, treatment and disposal of the contaminated substances or *materials*.
- 55.5 The *Engineer* may at any time, and at the *Engineer's* sole discretion, enlist the services of experts and specialty contractors to assist in determining the existence of, and the extent and treatment of the contaminated site conditions, and the contractor shall, to the satisfaction of the *Engineer*, allow them access and cooperate with them in the carrying out of their duties and obligations.
- 55.6 Except as may be otherwise provided for in the *contract*, the provisions of GC30 shall apply.

### **GC56 (01/01/96) Certification - Contingency Fees**

- 56.1 The contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay or agree to pay a contingency fee for

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the solicitation, negotiation or obtaining of this *contract* to any *person* other than an employee acting in the normal course of the employee's duties.

- 56.2 All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the *contract* shall be subject to the accounts and audit provisions of the *contract*.
- 56.3 If the contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either take the *work* out of the contractor's hands in accordance with the provisions of the *contract* or recover from the contractor by way of reduction to the *contract* amount or otherwise the full amount of the contingency fee.
- 56.4 In this section:
- 56.4.1 "contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a Government contract or negotiating the whole or any part of its terms;
- 56.4.2 "employee" means a person with whom the contractor has an employer/employee relationship;
- 56.4.3 "person" includes an individual or a group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

### **GC57 (01/12/00) Non-discrimination in Hiring and Employment of Labour**

- 57.1 For the purpose of this clause and without restricting the provision of GC1.1.7, "persons" include the Contractor, its subcontractors, its sub-subcontractors and their respective employees, agents, licensees or invitees, and any other individual granted access to the site of the work.
- 57.2 Without restricting the provisions of GC 19.5,
- 57.2.1 the Contractor shall, within two (2) working days immediately following receipt of a written complaint alleging a breach of Section 9 of the Labour Conditions at the site of the work,
- 57.2.1.1 cause to have issued a written direction to the person or persons named by the complainant to cease all actions that form the basis of the complaint; and
- 57.2.1.2 forward, by registered mail, two copies of the complaint, one to the Engineer and one to HRDC-Labour, to the attention of the appropriate Director as described in the Labour Conditions;
- For the purpose of this clause "HRDC-Labour" means the labour component of the federal Department of Human Resources.
- 57.2.2 the Contractor shall,
- 57.2.2.1 within twenty four (24) hours immediately following receipt of a direction from the Engineer to do so, cause to have removed from the site of the work any person or persons whom the

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Engineer believes is in breach of Section 9 of the Labour Conditions; and

- 57.2.2.2 no later than thirty (30) days after receipt of the direction, cause to have the necessary action commenced to remedy the breach described in the direction;
- 57.2.3 if a direction is issued pursuant to GC57.2.2, Her Majesty may withhold from monies that are due and payable to the Contractor or set-off pursuant to TP7, whichever is applicable, an amount representing the sum of the costs and payment referred to in GC57.2.4 and GC57.2.5 respectively;
- 57.2.4 if the Contractor fails to proceed in accordance with GC57.2.2.2, the Engineer shall take the necessary action to:
- 57.2.4.1 have the breach remedied; and
- 57.2.4.2 determine all supplementary costs incurred by Her Majesty;
- 57.2.5 Her Majesty may make a payment directly to the complainant from monies that are due and payable to the Contractor upon receipt from the complainant of:
- 57.2.5.1 a written award issued pursuant to the federal *Commercial Arbitration Act*, R.S., 1985, c. C-34.6; or
- 57.2.5.2 a written award issued pursuant to the *Canadian Human Rights Act*, R.S., 1985, c. H-6; or
- 57.2.5.3 a written award issued pursuant to provincial or territorial human rights legislation; or
- 57.2.5.4 a judgment issued by a court of competent jurisdiction.
- 57.2.6 If the Engineer is of the opinion that the Contractor has breached any of the provisions of GC57, the Minister may take the work out of the Contractor's hands pursuant to GC38.
- 57.2.7 the Contractor shall ensure that the provisions of this General Condition are included in all contracts issued as a consequence of this work.

### **GC58 (12/05/00) Applicable Laws**

- 58.1 The Contractor shall comply with all legislative and regulatory provisions whether federal, provincial or municipal applicable to the performance of the Work.
- 58.2 Unless otherwise provided in the Contract, the Contractor shall obtain all permits and hold all certificates and licences for the performance of the Work.
- 58.3 From time to time, the Engineer may request that the Contractor provide evidence that it complies with all applicable legislative and regulatory provisions and that it holds all required permits, certificates and licences. Such evidence shall be provided within the time set in the request or as otherwise stipulated in the Contract.



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**R0202D (12/05/00) General Conditions "C"**

Effective 01/12/00, this clause is superseded by R0202D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0203D (01/12/00) Fair Wages and Hours of Labour - Labour Conditions**

**Public Works and Government Services Canada**

- 01 Interpretation
- 02 General Fair Wage Clause
- 03 Hours of Work
- 04 Labour Conditions to be Posted
- 05 The Contractor to Keep Records which are to be Kept Open for Inspection
- 06 Departmental Requirements before Payment made to Contractor
- 07 Authority to pay Wages in the Event of Default by the Contractor
- 08 Conditions of Subcontracting
- 09 Non-discrimination in Hiring and Employment of Labour

**01 (01/12/00) Interpretation**

1. In these Conditions

"Act" means the Fair Wages and Hours of *Labour Act*;

"Regulations" means the Fair Wages and Hours of Labour Regulations made pursuant to the Act;

"Contract" means the contract of which these Labour Conditions are part;

"Contracting Authority" means the department of Government or a crown corporation with whom the contract is made;

"Contractor" means the person who has entered into the contract with the contracting authority;

"Regional Director" means the director of a regional office of the Department of Human Resources Development or the director's designated representative;

"Inspector" has the meaning assigned to the term by Part III of the Canada Labour Code.

"Minister" means the Minister of Labour of Canada;

"persons" means those workers employed by the contractor, subcontractor or any other person doing or contracting to do the whole or any part of the work contemplated by the contract;

**02 (01/12/00) General Fair Wage Clause**

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1. All persons in the employ of the *Contractor*, subcontractor, or any other person doing or contracting to do the whole or any part of the work contemplated by the *Contract*, shall during the continuance of the work:
  - (a) be paid fair wages that is, such wages as are generally accepted as current for competent workers in the district in which the work is being performed for the character or class of work in which such workers are respectively engaged; and
  - (b) in all cases, be paid no less than the minimum hourly rate of pay established by the Labour Program of the Department of Human Resources Development in the Fair Wage Schedules which form a part of this *Contract* as Appendix A to these Labour Conditions; and
  - (c) for contracts covering work performed in the province of Quebec, be paid at least the wage rates established by that province for the purposes of the Quebec "Construction Decree".
2. Where there is no wage rate in the schedules referred to in 1. for a particular character or class of work, the *Contractor* shall pay wages for that character or class of work at a rate not less than the rate for an equivalent character or class of work.
3. Where during the term of the *Contract*, the *Contractor* receives notice from the *Contracting Authority* of any change in wage rates, the *Contractor* shall pay not less than the changed wage rate beginning on the first day after receipt, by the *Contractor*, of the notice of the change in wage rates.

### **03 (01/12/00) Hours of Work**

1. The hours of work in a day and in a week of *persons* employed in the execution of the *Contract*, including the hours of work in excess of which a person shall be paid overtime at a rate at least equal to one and one half times the fair wage, are the hours of work for the province in which the work is being performed as set out from time to time in an Act of that province.
2. The daily or weekly hours of work referred to in paragraph 1. may be exceeded in accordance with the applicable provincial law.

### **04 (01/12/00) Labour Conditions to be Posted**

For the information and the protection of all *persons*, the *Contractor* agrees to post and keep posted, in a conspicuous place on the premises where work contemplated by the *Contract* is being carried out or on premises occupied or used by persons engaged in carrying out such work, a copy of these Labour Conditions, and a copy of the applicable Fair Wage Schedules along with any subsequent changes.

### **05 (01/12/00) The Contractor to Keep Records which are to be Kept Open for Inspection**

1. The *Contractor* agrees to keep books and records showing the names, addresses, classifications of employment and work of all workers employed under the *Contract*, the rate of wages to be paid, the wages paid and the daily hours worked by the workers.
2. The *Contractor* also agrees that the *Contractor's* books, records and premises will be open at all reasonable times for inspection by an *Inspector*.
3. The *Contractor* also agrees to furnish the *Inspector* and the *Contracting Authority*, on request, with such further information as is required to ascertain that the requirements of

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the *Act*, the *Regulations* and the *Contract* with respect to wages, hours of work and other labour conditions have been complied with.

### 06 (01/12/00) Departmental Requirements before Payment made to Contractor

1. The *Contractor* agrees that the *Contractor* will not be entitled to payment of any money otherwise payable under the *Contract* until the *Contractor* has filed with the *Contracting Authority* in support of a claim for payment a sworn statement:
  - (a) that the *Contractor* has kept the books and records required by these *Regulations*,
  - (b) that there are no wages in arrears in respect of work performed under the *Contract*, and
  - (c) that to the *Contractor's* knowledge, all the conditions in the *Contract* required by the *Act* and the *Regulations* have been complied with.
2. The *Contractor* also agrees that, where fair wages have not been paid by the *Contractor* to *persons* employed under the *Contract*, the *Contracting Authority* shall withhold from any money otherwise payable under the *Contract* to the *Contractor* the amount necessary to ensure that fair wages are paid to all employees until fair wages are paid.

### 07 (01/12/00) Authority to pay Wages in the Event of Default by the Contractor

1. The *Contractor* agrees that where the *Contractor* is in default of payment of fair wages to an employee, the *Contractor* will pay the *Minister* the amount the *Contractor* is in default.
2. The *Contractor* agrees that where the *Contractor* fails to comply with paragraph 1., the *Contracting Authority* will pay to the Receiver General, out of any money otherwise payable to the *Contractor*, the amount for which the *Contractor* is in default.

### 08 (01/12/00) Conditions of Subcontracting

The *Contractor* and the subcontractor agree that in subcontracting any part of the work contemplated by the *Contract*, they will place in the subcontract the conditions respecting fair wages, hours of work and other labour conditions set out in the *Contract* and the requirements set out in Section 4. The *Contractor* further agrees that the *Contractor* will be responsible for carrying out these conditions in the event the subcontractor fails to carry them out.

### 09 (01/12/00) Non-discrimination in Hiring and Employment of Labour

1. The *Contractor* agrees that in the hiring and employment of workers to perform any work under the *Contract*, the *Contractor* will not refuse to employ and will not discriminate in any manner against any person because
  - (a) of that person's race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, disability, conviction for which a pardon has been granted, or family status;
  - (b) of the race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, disability, conviction for which a pardon has been granted, or family status of any person having a relationship or association with that person, or

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- (c) a complaint has been made or information has been given in respect of that person relating to an alleged failure by the *Contractor* to comply with subparagraph (a) or (b).
- 

**R0203D (16/02/98) Labour Conditions "D"**

Effective 01/12/00, this clause is superseded by R0203D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0204D (13/12/02) Insurance Conditions "E"**

**GENERAL CONDITIONS**

- IC 1 Proof of Insurance
- IC 2 Risk Management
- IC 3 Payment of Deductible
- IC 4 Litigation Rights

**GENERAL INSURANCE COVERAGES**

- GIC 1 Insured
- GIC 2 Period of Insurance
- GIC 3 Proof of Insurance
- GIC 4 Notification

**COMMERCIAL GENERAL LIABILITY**

- CGL 1 Scope of Policy
- CGL 2 Coverages/Provisions
- CGL 3 Additional Exposures
- CGL 4 Insurance Proceeds
- CGL 5 Deductible

**BUILDER'S RISK - INSTALLATION FLOATER-ALL RISKS**

- BR 1 Scope of Policy
- BR 2 Property Insured
- BR 3 Insurance Proceeds
- BR 4 Amount of Insurance
- BR 5 Deductible
- BR 6 Subrogation
- BR 7 Exclusion Qualifications

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## GENERAL CONDITIONS

### **IC 1 (13/12/02) Proof of Insurance**

Within thirty (30) days after acceptance of the Contractor's tender, the Contractor shall, unless otherwise directed in writing by the Contracting Officer, deposit with the Contracting Officer an Insurer's Certificate of Insurance in the form displayed in this document and, if requested by the Contracting Officer, the originals or certified true copies of all contracts of insurance maintained by the Contractor pursuant to the Insurance Coverage Requirements shown hereunder.

### **IC 2 (01/10/94) Risk Management**

The provisions of the Insurance Coverage Requirements contained hereunder are not intended to cover all of the Contractor's obligations under GC8 of the General Conditions "C" of the contract. Any additional risk management measures or additional insurance coverages the Contractor may deem necessary to fulfill its obligations under GC8 shall be at its own discretion and expense.

### **IC 3 (01/10/94) Payment of Deductible**

The payment of monies up to the deductible amount made in satisfaction of a claim shall be borne by the Contractor.

### **IC 4 (13/12/02) Litigation Rights**

It is understood and agreed that where any suit is instituted for or against Canada which the Insurer, or Insurers would, but for this clause, have the right to pursue or defend on behalf of Canada under these insurance policies, the Insurer shall promptly contact the Attorney General of Canada to agree on the legal strategies by sending a registered letter to:

Senior General Counsel  
Civil Litigation Section  
Department of Justice  
Kent and Wellington Streets  
Ottawa, Ontario K1A 0H8

The notification referred to herein must be followed, within a reasonable period, by an information copy to the Contracting Officer identified in the tender documents. The Insurer also agrees that Canada reserves the right to co-defend any action brought against Canada. However, all expenses incurred by Canada to co-defend such actions would be at Canada's expense.

## INSURANCE COVERAGE REQUIREMENTS

### PART I

### GENERAL INSURANCE COVERAGES (GIC)

#### **GIC 1 (01/10/94) Insured**

Each insurance policy shall insure the Contractor, and shall include, as an Additional Named Insured, Her Majesty the Queen in right of Canada, represented by the Minister of Public Works and of Supply and Services.

#### **GIC 2 (13/12/02) Period of Insurance**

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Unless otherwise directed in writing by the Contracting Officer or otherwise stipulated elsewhere in these Insurance Conditions, the policies required hereunder shall be in force and be maintained from the date of contract award until the day of issue of the Engineer's Final Certificate of Completion.

### **GIC 3 (01/10/94) Proof of Insurance**

Within twenty five (25) days after acceptance of the Contractor's tender, the Insurer shall, unless otherwise directed in writing by the Contractor, deposit with the Contractor an Insurer's Certificate of Insurance in the form displayed in this document and, if requested, the originals or certified true copies of all contracts of insurance maintained by the Contractor pursuant to the requirements of these Insurance Coverages.

### **GIC 4 (01/10/94) Notification**

Each Insurance policy shall contain a provision that thirty (30) days prior written notice shall be given by the Insurer to Her Majesty in the event of any material change in or cancellation of coverage. Any such notice received by the Contractor shall be transmitted forthwith to Her Majesty.

## **PART II COMMERCIAL GENERAL LIABILITY**

### **CGL 1 (01/10/94) Scope of Policy**

The policy shall be written on a form similar to that known and referred to in the insurance industry as IBC 2100 - Commercial General Liability policy (Occurrence form) and shall provide for limit of liability of not less than \$2,000,000 inclusive for Bodily Injury and Property Damage for any one occurrence or series of occurrences arising out of one cause. Legal or defence costs incurred in respect of a claim or claims shall not operate to decrease the limit of liability.

### **CGL 2 (01/10/94) Coverages/Provisions**

The policy shall include but not necessarily be limited to the following coverages/provisions.

- 2.1 Liability arising out of or resulting from the ownership, existence, maintenance or use of premises by the Contractor and operations necessary or incidental to the performance of this contract.
- 2.2 "Broad Form" Property Damage including the loss of use of property.
- 2.3 Removal or weakening of support of any building or land whether such support be natural or otherwise.
- 2.4 Elevator liability (including escalators, hoists and similar devices).
- 2.5 Contractor's Protective Liability
- 2.6 Contractual and Assumed Liabilities under this contract.
- 2.7 Completed Operations Liability - The insurance, including all aspects of this Part II of these Insurance Conditions shall continue for a period of at least one (1) year beyond the date of the Engineer's Final Certificate of Completion for the Completed Operations.
- 2.8 Cross Liability - The Clause shall be written as follows:

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"Cross Liability - The insurance as is afforded by this policy shall apply in respect to any claim or action brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each Insured. The inclusion herein of more than one Insured shall not increase the limit of the Insurer's liability."

2.9 Severability of Interests - The Clause shall be written as follows:

"Severability of Interests - This policy, subject to the limits of liability stated herein, shall apply separately to each Insured in the same manner and to the same extent as if a separate policy had been issued to each. The inclusion herein of more than one insured shall not increase the limit of the Insurer's liability."

### **CGL 3 (01/10/94) Additional Exposures**

The policy shall either include or be endorsed to include the following exposures or hazards if the Work is subject thereto:

- 3.1 Blasting
- 3.2 Pile driving and caisson work
- 3.3 Underpinning
- 3.4 Risks associated with the activities of the Contractor on an active airport
- 3.5 Radioactive contamination resulting from the use of commercial isotopes
- 3.6 Damage to the portion of an existing building beyond that directly associated with an addition, renovation or installation contract. (The care, custody and control exclusion shall not apply.)
- 3.7 Marine risks associated with the construction of piers, wharves and docks.

### **CGL 4 (01/10/94) Insurance Proceeds**

Insurance Proceeds from this policy are usually payable directly to a Claimant/Third Party.

### **CGL 5 (13/12/02) Deductible**

The policy shall be issued with a deductible amount of not more than \$10,000 per occurrence applying to Property Damage claims only.

## **PART III BUILDER'S RISK - INSTALLATION FLOATER- ALL RISKS**

### **BR 1 (01/10/94) Scope of Policy**

The policy shall be written on an "All Risks" basis granting coverages similar to those provided by the forms known and referred to in the insurance industry as "Builder's Risk Comprehensive Form" or "Installation Floater - All Risks".

### **BR 2 (01/10/94) Property Insured**

The property insured shall include:

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- 2.1 The Work and all property, equipment and materials intended to become part of the finished Work at the site of the project while awaiting, during and after installation, erection or construction including testing.
- 2.2 Expenses incurred in the removal from the construction site of debris of the property insured, including demolition of damaged property, de-icing and dewatering, occasioned by loss, destruction or damage to such property and in respect of which insurance is provided by this policy.

**BR 3 (01/10/94) Insurance Proceeds**

- 3.1 Insurance proceeds from this policy are payable in accordance with GC28 of the General Conditions "C" of the contract.
- 3.2 The policy shall provide that the proceeds thereof are payable to Her Majesty or as the Minister may direct
- 3.3 The Contractor shall do such things and execute such documents as are necessary to effect payment of the proceeds.

**BR 4 (01/10/94) Amount of Insurance**

The amount of insurance shall not be less than the sum of the contract value plus the declared value (if any) set forth in the contract documents of all material and equipment supplied by Her Majesty at the site of the project to be incorporated into and form part of the finished Work.

**BR 5 (13/12/02) Deductible**

The policy shall be issued with a deductible amount of not more than \$10,000.

**BR 6 (01/10/94) Subrogation**

The following Clause shall be included in the policy:

"All rights of subrogation or transfer of rights are hereby waived against any corporation, firm, individual or other interest, with respect to which, insurance is provided by this policy".

**BR 7 (01/10/94) Exclusion Qualifications**

The policy may be subject to the standard exclusions but the following qualifications shall apply:

- 7.1 Faulty materials, workmanship or design may be excluded only to the extent of the cost of making good thereof and shall not apply to loss or damage resulting therefrom.
- 7.2 Loss or damage caused by contamination by radioactive material may be excluded except for loss or damage resulting from commercial isotopes used for industrial measurement, inspection, quality control radiographic or photographic use.
- 7.3 Use and occupancy of the project or any part or section thereof shall be permitted where such use and occupancy is for the purposes for which the project is intended upon completion.

**INSURER'S CERTIFICATE OF INSURANCE**

(To be completed by Insurer (not broker) and delivered to Public Works and Government Services Canada within 30 days following acceptance of tender)



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**CONTRACT**

|                                  |                           |                         |
|----------------------------------|---------------------------|-------------------------|
| Description of Work<br><br>_____ | Contract No.<br><br>_____ | Award Date<br><br>_____ |
| Location<br><br>_____            |                           |                         |

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**INSURER**

**BROKER**

|               |               |
|---------------|---------------|
| Name _____    | Name _____    |
| Address _____ | Address _____ |

**INSURED**

**ADDITIONAL NAMED INSURED**

Name of Contractor \_\_\_\_\_  
and \_\_\_\_\_

Address \_\_\_\_\_  
Region \_\_\_\_\_

Her Majesty the Queen in right of Canada as  
represented by the Minister of Public Works  
Government Services

PWGSC

Address \_\_\_\_\_

This document certifies that the following policies of insurance are at present in force covering all operations of the Insured, in connection with the contract made between the named insured and Public Works and Government Services Canada:

POLICY

| Type       | Number | Inception | Expiry | Limits of |
|------------|--------|-----------|--------|-----------|
| Deductible |        | Date      | Date   | Liability |

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Commercial General Liability

Builder's Risk  
"All Risks"

Installation Floater  
"All Risks"

Other (list) \_\_\_\_\_

Each of these policies includes coverages/provisions as specified in the Insurance Coverage Requirements in this document which form part of this contract and each policy has been endorsed to cover Her Majesty as an Additional Named Insured. The Insurer agrees to notify Her Majesty and the Named Insured in writing thirty (30) days prior to any material change in, or cancellation of any policy or coverage. The Insurer further agrees to provide the Contracting Officer in writing with the cost, nature and date of each claim within thirty (30) days of its being

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received by the Insurer and to advise the Contracting Officer in writing of the final settlement thereof.

Name of Insurer's Officer  
or Authorized Employee

Telephone Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
**ISSUANCE OF THIS CERTIFICATE SHALL NOT LIMIT OR RESTRICT THE RIGHT OF PUBLIC WORKS AND GOVERNMENT SERVICES CANADA TO REQUEST AT ANY TIME DUPLICATE CERTIFIED COPIES OF SAID INSURANCE POLICIES.**

\_\_\_\_\_  
**R0204D (16/02/98) Insurance Conditions "E"**

Effective 13/12/02, this clause is superseded by R0204D.

\_\_\_\_\_  
**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0205D (13/12/02) Contract Security Conditions "F"**

### **Public Works and Government Services Canada**

CS1 Obligation to Provide Contract Security  
CS2 Prescribed Types and Amounts of Contract Security

#### **CS1 (13/12/02) Obligation to Provide Contract Security**

- 1.1 The Contractor shall, at the Contractor's own expense, provide one or more of the forms of contract security prescribed in CS.2.
- 1.2 The Contractor shall deliver to the Contracting Officer the contract security referred to in CS1.1 within fourteen (14) days after the date that the Contractor receives notice that the Contractor's tender or offer was accepted by Her Majesty.

#### **CS2 (13/12/02) Prescribed Types and Amounts of Contract Security**

- 2.1 The Contractor shall deliver to the Engineer pursuant to CS1

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- 2.1.1 a performance bond and a labour and material payment bond each in an amount that is equal to not less than 50% of the contract amount referred to in the Articles of Agreement, or
- 2.1.2 a labour and material payment bond in an amount that is equal to not less than 50% of the contract amount referred to in the Articles of Agreement, and a security deposit in an amount that is equal to
  - 2.1.2.1 not less than 10% of the contract amount referred to in the Articles of Agreement where that amount does not exceed \$250,000, or
  - 2.1.2.2 \$25,000 plus 5% of the part of the contract amount referred to in the Articles of Agreement that exceeds \$250,000, or
- 2.1.3 a security deposit in an amount prescribed by CS2.1.2 plus an additional amount that is equal to 10% of the contract amount referred to in the Articles of Agreement.
- 2.2 A performance bond and a labour and material payment bond referred to in CS2.1 shall be in a form and be issued by a bonding or surety company that is approved by Her Majesty as identified at web sites <http://www.pwgsc.gc.ca/sos/corporate/sm/chapter-7-e.html> (annexes 7.2 and 7.3) and [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/Contracting/contractingpol\\_1\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/Contracting/contractingpol_1_e.html) respectively.
- 2.3 The amount of a security deposit referred to in CS2.1.2 shall not exceed \$250,000 regardless of the contract amount referred to in the Articles of Agreement.
- 2.4 A security deposit referred to in CS2.1.2 and CS2.1.3 shall be in the form of
  - 2.4.1 a bill of exchange made payable to the Receiver General for Canada and certified by an approved financial institution or drawn by an approved financial institution on itself, or
  - 2.4.2 bonds of or unconditionally guaranteed as to principal and interest by the Government of Canada, or
  - 2.4.3 an irrevocable standby letter of Credit.
- 2.5 For the purposes of CS2.4
  - 2.5.1 a bill of exchange is an unconditional order in writing signed by the Contractor and addressed to an approved financial institution, requiring the said institution to pay, on demand, at a fixed or determinable future time a sum certain of money to, or to the order of, the Receiver General for Canada, and
  - 2.5.2 if a bill of exchange is certified by a financial institution other than a chartered bank then it must be accompanied by a letter or stamped certification confirming that the financial institution is in at least one of the categories referred to in CS2.5.3.
  - 2.5.3 an approved financial institution is
    - 2.5.3.1 a corporation or institution that is a member of the Canadian Payments Association,

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- 2.5.3.2 a corporation that accepts deposits that are insured, to the maximum permitted by law, by the Canadian Deposit Insurance Corporation or the "Régie de l'assurance-dépôts du Québec",
  - 2.5.3.3 a corporation that accepts deposits from the public and repayment of the deposits is guaranteed by Her Majesty in right of a province,
  - 2.5.3.4 a corporation, association or federation incorporated or organized as a credit union or cooperative credit society that conforms to the requirements of a credit union which are more particularly described in paragraph 137(6)(b) of the *Income Tax Act*,
  - 2.5.3.5 Canada Post Corporation.
- 2.5.4 The bonds referred to in CS2.4.2 shall be
- 2.5.4.1 made payable to bearer, or
  - 2.5.4.2 accompanied by a duly executed instrument of transfer of the bonds to the Receiver General for Canada in the form prescribed by the *Domestic Bonds of Canada Regulations*, or
  - 2.5.4.3 registered, as to principal or as to principal and interest in the name of the Receiver General for Canada pursuant to the *Domestic Bonds of Canada Regulations*, and
  - 2.5.4.4 provided on the basis of their market value current at the date of the Contract.
- 2.5.5 The irrevocable standby letter of Credit referred to in CS2.4.3 shall be
- 2.5.5.1 an arrangement, however named or described, whereby a financial institution (the "Issuer"), acting at the request and on the instructions of a customer (the "Applicant"), or on its own behalf, is to make a payment to or to the order of Canada, as the beneficiary, or is to accept and pay bills of exchange drawn by Canada, or authorizes another financial institution to effect such payment, or accept and pay such bills of exchange, or authorizes another financial institution to negotiate, against written demand(s) for payment provided that the terms and conditions of the letter of credit are complied with.
  - 2.5.5.2 states the face amount which may be drawn against it
  - 2.5.5.3 states its expiry date
  - 2.5.5.4 provides for sight payment to the Receiver General for Canada by way of the financial institutions' draft against presentation of a written demand for payment signed by the authorized departmental representative identified in the letter of credit by his/her office;
  - 2.5.5.5 provides that more than one written demand for payment may be presented subject to the sum of those demands not exceeding the face amount of the Letter of Credit;
  - 2.5.5.6 provides that it is subject to the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500;

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2.5.5.7 clearly specifies that it is irrevocable or deemed to be irrevocable pursuant to article 6c) of the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500; and

2.5.5.8 is issued or confirmed, in either official language, by a financial institution which is a member of the Canadian Payments Association and is on the letterhead of the Issuer or Confirmer. The format is left to the discretion of the Issuer or Confirmer.

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**R0205D (12/05/00) Contract Security Conditions "F"**

Effective 13/12/02, this clause is superseded by R0205D.

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**R0206D (13/12/02) Submission of Quotation for Contemplated Change Notices**

**Public Works and Government Services Canada**

- 01 Submission of Quotation for Contemplated Change Notices
- 02 General
- 03 Hourly Labour Rates
- 04 Material, Plant and Equipment Costs
- 05 Allowance to the Contractor or Subcontractor on Work by Own Forces
- 06 Allowance to Contractor on Work Performed by Its Subcontractors

**01 (13/12/02) Submission of Quotation for Contemplated Change Notices**

1.1 If the Engineer determines that the cost of the work will be affected due to a contemplated change, the Contractor shall submit a quotation to the Engineer in accordance with the instructions specified herein.

**02 (13/12/02) General**

2.1 Quotations for Contemplated Change Notices must include a detailed breakdown of all labour, material, plant and equipment costs incurred by the Contractor. Quotations from subcontractors involved in the change must also be supported by similarly detailed breakdowns of the subcontractors' costs.

2.2 It is the responsibility of the Contractor to ensure that all subcontractors' quotations included in the Contractor's quotation to the Engineer are fair and reasonable in view of the terms expressed herein.

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- 2.3 The labour hours required for the contemplated change shall be based on the estimated number of hours to perform the work.
- 2.4 Time spent by a working foreman may be included in the number of labour hours, at a rate agreed to in writing by the Contractor and the Engineer.
- 2.5 Time attributable to material handling, productivity factors and approved rest periods is to be included in the number of hours required by the contemplated change and will not be paid as a separate item under hourly rates.
- 2.6 Markups referred to in Sections 5 and 6 below are not to be included in the hourly labour rates.
- 2.7 Credit for work deleted will only be for the work directly associated with the changes stipulated in the particular Contemplated Change Notice.
- 2.8 When a change deletes work which has not yet been performed, the Engineer is entitled to an adjustment in the Contract Amount equal to the cost the contractor would have incurred had the work not been deleted.
- 2.9 Markups referred to in Sections 5 and 6 below shall not be applied to any credit amounts for deleted work.
- 2.10 In those cases where the change involves additions and deletions to the work, the percentage markups referred to in Sections 5 and 6 below shall apply only when the cost of the additions minus the cost of the deletions would result in an increase in the Contract Amount. The percentage allowance shall only be applied to that portion of the costs of the additions that is in excess of the cost of the deletions.
- 2.11 If the contemplated change in the work necessitates a change in the contract completion date, or has an impact on the work, the Contractor shall identify and include the resulting cost in the breakdown of its quotation to the Engineer.
- 2.12 The work shall conform to the contract documents unless otherwise stated in the Contemplated Change Notice, Change Order or Site Instruction signed by the Engineer.
- 2.13 Upon acceptance of the Contractor's quotation by the Engineer, the Engineer shall prepare and issue the formal Change Order.

### **03 (13/12/02) Hourly Labour Rates**

- 3.1 The hourly labour rates listed in the Contractor's quotation shall be determined in accordance with the collective agreements that are applicable at the site of the work and shall include
- 3.1.1 the base rate of pay;
  - 3.1.2 vacation pay;
  - 3.1.3 benefits which includes
    - 3.1.3.1 welfare contributions;
    - 3.1.3.2 pension contributions;
    - 3.1.3.3 union dues;

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- 3.1.3.4 training and industry funds contributions; and
- 3.1.3.5 other applicable benefits, if any, that can be substantiated by the Contractor.
- 3.1.4 statutory and legislated requirements, assessed and payable under statutory authority, which includes
  - 3.1.4.1 Employment Insurance contributions;
  - 3.1.4.2 Canada Pension Plan or Quebec Pension Plan contributions;
  - 3.1.4.3 Worker's Compensation Board or *Commission de la santé et de la sécurité du travail* premiums;
  - 3.1.4.4 Public Liability and Property Damage insurance premiums; and
  - 3.1.4.5 health tax premiums.
- 3.2 In the case of nonunion labour, all rates claimed shall be in accordance with the terms of the Labour Conditions forming part of this contract and the Contractor must provide satisfactory proof of the rates actually paid. Nonunion rates shall not exceed rates payable under any applicable collective trade agreement unless approved in writing by the Engineer.
- 04 (13/12/02) Material, Plant and Equipment Costs**
- 4.1 The costs of all purchases and rentals must be based on the actual amount paid to the suppliers by the Contractor or subcontractor and said costs are to include all applicable discounts.
- 05 (13/12/02) Allowance to the Contractor or Subcontractor on Work by Own Forces**
- 5.1 A markup, equal to 20% of the cost of all labour, material, plant and equipment furnished or supplied by the Contractor or subcontractor that is required by the contemplated change, shall be added to the Contractor's or subcontractor's quotation as full compensation for all supervision, coordination, administration, overhead, margin and the risk of undertaking the work within the stipulated amount; plus
  - 5.2.1 miscellaneous additional costs related to
    - 5.2.1.1 the purchase or rental of material, plant and equipment;
    - 5.2.1.2 the purchase of small tools and supplies;
    - 5.2.1.3 safety and protection measures; and
    - 5.2.1.4 permits, bonds, insurance, engineering, as built drawings, commissioning and site office.
- 06 (13/12/02) Allowance to Contractor on Work Performed by Its Subcontractors**
- 6.1 A markup, equal to 15% of the total of all quotations received from subcontractors, shall be added to the Contractor's quotation as full compensation for all supervision, coordination, administration, overhead, margin and the risk of undertaking the work within the stipulated amount; plus

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- 6.1.2 miscellaneous costs related to
  - 6.1.2.1 safety and protection measures; and
  - 6.1.2.2 permits, bonds, insurance, engineering, as built drawings, commissioning and site office.

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**R0207D (13/12/02) Dispute Resolution - Conditions "G"**

**Public Works and Government Services Canada**

- DR 01 Interpretation
- DR 02 Consultation and Co-operation
- DR 03 Authority of Engineer
- DR 04 Negotiation
- DR 05 Mediation
- DR 06 Binding Arbitration
- DR 07 Disputes Not Subject to Arbitration
- DR 08 Confidentiality
- DR 09 Settlement

**DR 01 (13/12/02) Interpretation**

- 1.1 In these Dispute Resolution Conditions and in the Rules attached hereto, "arbitral question of law" means a question of law that:
  - 1.1.1 is capable of determination by arbitration under the laws of Canada, and
  - 1.1.2 does not involve interpretation or application of public law of Canada, including without limitation any matter of constitutional, administrative, criminal or tax law, and
  - 1.1.3 concerns:
    - 1.1.3.1 the formation, validity, interpretation, application or enforce ability of the contract;
    - 1.1.3.2 the performance, breach, termination or other discharge of the contract;
    - 1.1.3.3 the rights, duties, obligations or remedies of parties created by or pursuant to the contract; or
    - 1.1.3.4 any other issue of private law that may arise between parties relative to performance of the contract;

"dispute" means any disagreement regarding any issue identified by the Contractor in the notice submitted to the Engineer in accordance with DR 3.2, and includes any claim by the Contractor arising from such disagreement and any counterclaim by Her Majesty, but does not include any claim by either party for punitive or exemplary damages, injury to persons, death, or any claim based on an allegation of libel or slander;



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“working day” means a day other than a Saturday, Sunday, or a holiday which is observed by the construction industry in the area of the place of the work.

- 1.2 The alternative dispute resolution procedures set out in these Dispute Resolution Conditions do not apply to any claim by Her Majesty against the Contractor except any counterclaim in a dispute as defined in this DR 01 Interpretation, including, but not limited to, any claim of set off regarding any amount due to Her Majesty under GC37 of the General Conditions.

### **DR 02 (13/12/02) Consultation and Co-operation**

- 2.1 The parties agree to maintain open and honest communication throughout the performance of the contract.
- 2.2 The parties agree to consult and cooperate with each other in the furtherance of the work and the resolution of problems or differences which may arise.

### **DR 03 (13/12/02) Authority of Engineer**

- 3.1 Any difference between the parties to the contract of any nature arising out of or in connection with the contract which could result in a claim by the Contractor against Her Majesty, and which is not settled by consultation and cooperation as envisaged in DR 02 Consultation and Co-operation, shall be resolved in the first instance by the Engineer, whose written decision or direction shall be final and binding subject only to the provisions of these Dispute Resolution Conditions "G." Such written decision or direction includes, but is not limited to, any written decision or direction by the Engineer under any provision of the General Conditions.
- 3.2 The Contractor shall be deemed to have accepted the decision or direction of the Engineer referred to in DR 3.1 and to have expressly waived and released Her Majesty from any claim in respect of the particular matter dealt within that decision or direction unless, within fifteen (15) working days after receipt of the decision or direction, the Contractor submits to the Engineer a written notice of dispute requesting formal negotiation under DR 04 Negotiation. Such notice shall refer specifically to DR 04 Negotiation and shall specify the issues in contention and the relevant provisions of the contract.
- 3.3 The giving of a written notice in accordance with DR 3.2 shall not relieve the Contractor from complying with the decision or direction that is the subject of the dispute. Such compliance, however, shall not be construed as an admission by the Contractor of the correctness of such decision or direction.
- 3.4 If a dispute is not resolved promptly, the Engineer shall give such instructions as, in the Engineer's opinion, are necessary for the proper performance of the work and to prevent delays pending a resolution of the matter. Unless the Minister terminates the contract, orders the Contractor to suspend the work, or takes the work out of the hands of the Contractor, the Contractor shall continue to perform the work in accordance with the provisions and requirements of the contract and the instructions of the Engineer. Such performance shall not prejudice any claim that the Contractor may have.
- 3.5 Nothing in these Dispute Resolution Conditions relieves the Contractor from its obligation to provide any other notice required by the Contract within the time specified in the Contract, including, but not limited to, any notice required under GC35 of the General Conditions.

### **DR 04 (13/12/02) Negotiation**

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- 4.1 Within ten (10) working days after receipt by the Engineer of a notice referred to in DR 3.2, or within such other period of time as may be mutually agreed to, the parties shall commence formal negotiations in order to resolve the dispute. Negotiations shall occur initially between representatives of the Contractor and Her Majesty who play a direct supervisory role in the performance or management of the contract.
- 4.2 If the representatives referred to in DR 4.1 are unable to resolve some or all of the issues which are the subject of the negotiations within ten (10) working days, the parties shall refer the remaining issues which are in dispute to a second level of negotiation between a principal or principals of the Contractor and a senior level manager or senior level managers representing Her Majesty.
- 4.3 If negotiations fail to resolve the dispute within thirty (30) working days from the date of delivery of the notice referred to in DR 3.2, or within such longer period as may have been agreed to by the parties, the Contractor may, by giving written notice to the Engineer, in accordance with GC11 of the General Conditions, within ten (10) working days from the end of such period, request that mediation be undertaken to assist the parties to reach agreement on the outstanding issues.
- 4.4 If the Contractor does not request mediation within the period permitted by DR 4.3, the Contractor shall be deemed to have accepted the decision or direction of the Engineer under DR 3.1 and to have expressly waived and released Her Majesty from any claim in respect of the particular matter dealt within that decision or direction.

### **DR 05 (13/12/02) Mediation**

- 5.1 If the Contractor has requested mediation in accordance with DR 4.3, mediation shall be conducted in accordance with the current issue of the Public Works and Government Services Canada rules for mediation of construction contract disputes attached hereto as Dispute Resolution Rules for Mediation (Construction Contract).
- 5.2 If a Project Mediator has not previously been appointed for the purposes of the contract, a Project Mediator shall be appointed in accordance with Dispute Resolution Rules for Mediation forthwith after delivery of a notice in accordance with DR 4.3 requesting mediation.
- 5.3 If the dispute has not been resolved within
- 5.3.1 ten (10) working days following the appointment of a Project Mediator in accordance with DR 5.2, if a Project Mediator was not previously appointed, or
  - 5.3.2 ten (10) working days following receipt by the Engineer of a written notice in accordance with DR 4.3, if a Project Mediator was previously appointed, or
  - 5.3.3 such other longer period as may have been agreed to by the parties,
- the Project Mediator shall terminate the mediation by giving written notice to the parties stating the effective date of termination.

### **DR 06 (13/12/02) Binding Arbitration**

- 6.1 If mediation of the dispute is terminated pursuant to the provisions of DR 05 Mediation, and
- 6.1.1 the termination of mediation occurs prior to the applicable date set out in DR 6.4, and

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- 6.1.2 the disputed issues involve issues of fact or issues of arbitral questions of law or issues of mixed fact and arbitral questions of law,
- either party, by giving notice in writing to the other party in accordance with GC11 of the General Conditions, may require that the dispute be resolved by binding arbitration pursuant to this DR 06 Binding Arbitration.
- 6.2 A notice referred to in DR 6.1 shall be given within ten (10) working days of the date of termination of mediation under DR 05 Mediation. If delivered personally, a notice to the Contractor shall be delivered to the Contractor if the Contractor is doing business as a sole proprietor or, if the Contractor is a partnership or corporation, to an officer thereof.
- 6.3 If no notice is given within the period set out in DR 6.2, or if the conditions set out in DR 6.1.1 and DR 6.1.2 are not met, the arbitration provisions set out in this DR 06 Binding Arbitration do not apply to the dispute.
- 6.4 Unless otherwise agreed, the arbitration of the dispute shall be held in abeyance until the earlier of
- 6.4.1 the date of issuance of an Interim Certificate of Completion under GC44.2 of the General Conditions,
- 6.4.2 the date the work is taken out of the Contractor's hands,
- 6.4.3 the date of termination of the contract,
- and consolidated with all other such disputes into a single arbitration.
- 6.5 Arbitral proceedings under this DR 06 Binding Arbitration shall be governed by and conducted in accordance with the Commercial Arbitration Act, R.S.C. 1985, c.17 (2nd Supp.) and the provisions of the Public Works and Government Services Canada rules for arbitration of construction contract disputes attached hereto as Dispute Resolution Rules for Arbitration (Construction Contract).
- 6.6 For the purposes of calculating time under the Rules for Arbitration referred to in DR 6.5, arbitration proceedings shall commence on the applicable date set out in DR 6.4.
- 6.7 Notwithstanding anything else contained in this DR 06 Binding Arbitration, the arbitration provisions in this DR 6 do not apply if the aggregate amount of all claims by the Contractor required to be arbitrated on the applicable date set out in DR 6.4 is less than \$25,000.

### **DR 07 (13/12/02) Disputes Not Subject to Arbitration**

- 7.1 Where the arbitration provisions in DR 06 Binding Arbitration do not apply to a dispute as a result of DR 6.3 or DR 6.7, either party may take such court action or proceedings as it considers appropriate, including, without limiting the foregoing, all suits that would otherwise have been immediately available to it but for the provisions of these Dispute Resolution Conditions. Subject to the provisions of DR 7.2, the Contractor shall initiate any such action or proceeding no later than three calendar months after the date that a Final Certificate of Completion is issued under GC44.1 of the General Conditions and not afterwards.
- 7.2 Any action or proceeding resulting from a direction under GC32 of the General Conditions shall be initiated by the Contractor no later than three calendar months after the expiry of the warranty or guarantee period and not afterwards.

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### **DR 08 (13/12/02) Confidentiality**

- 8.1 All information exchanged during alternative dispute resolution procedures, by whatever means, shall be without prejudice and shall be treated as confidential by the parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during an alternative dispute resolution process.

### **DR 09 (13/12/02) Settlement**

- 9.1 Any agreement to settle all or any part of a dispute, by whatever means, shall be in writing and be signed by the parties or their authorized representatives.

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### **R0208D (13/12/02) Dispute Resolution - Rules for Mediation**

#### **Public Works and Government Services Canada**

- RM 01 Interpretation
- RM 02 Application
- RM 03 Communications
- RM 04 Appointment of Project Mediator
- RM 05 Confidentiality
- RM 06 Time and Place of Mediation
- RM 07 Representation
- RM 08 Procedure
- RM 09 Settlement Agreement
- RM 10 Termination of Mediation
- RM 11 Costs
- RM 12 Subsequent Proceedings

### **RM 01 (13/12/02) Interpretation**

- 1.1 Terms defined in the Contract and used in these Rules shall have the meaning assigned to them in the Contract.
- 1.2 "Dispute Resolution Coordinator" or "Coordinator" means the Director, Contract Claims Resolution Board, Public Works and Government Services Canada, Place du Portage Phase III, 7A1, 11 Laurier Street, Hull, Quebec K1A 0S5.

### **RM 02 (13/12/02) Application**

- 2.1 These Rules apply to mediation conducted under the Contract. By mutual agreement, the parties may change or make additions to the Rules.

### **RM 03 (13/12/02) Communications**

- 3.1 Written communications pursuant to these Rules shall be given in the same manner as written notices are to be given pursuant to the Contract.

### **RM 04 (13/12/02) Appointment of Project Mediator**

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- 4.1 The parties to the Contract may, by mutual consent, at any time after entry into the Contract, appoint a mediator (the "Project Mediator") to conduct mediation proceedings in accordance with these Rules for Mediation of Construction Disputes, in regard to any dispute which may arise with regard to the interpretation, application or administration of the Contract. In this case, they shall jointly enter into a contract with the appointed Project Mediator, which contract shall be in a form drafted by the Coordinator and agreed to by the parties.
- 4.2 If the parties do not appoint a Project Mediator pursuant to RM 4.1, the parties shall appoint a Project Mediator within seventeen (17) working days following receipt of a written notice from the Contractor, in accordance with DR 4.3 of Dispute Resolution Conditions "G", requesting that mediated negotiations be undertaken in accordance with these Rules to assist the parties to reach agreement on any outstanding issues which may be in dispute. Any contract entered into with the appointed Project Mediator shall meet the requirements as set out for the contract described in RM 4.1 of these rules.
- 4.3 When mediation is requested by the Contractor pursuant to the terms of the Contract, if the parties have previously entered into a contract with a Project Mediator, the parties shall within two (2) days send to both the Project Mediator and the Coordinator
- 4.3.1 a copy of the written notice of dispute requesting formal negotiation under the terms of the Contract,
  - 4.3.2 a copy of the Engineer's written position in relation to the notice, the issues in contention and the relevant provisions of the contract, and
  - 4.3.3 a copy of the Contractor's written request for mediation required under the terms of the Contract.
- 4.4 If the parties have not agreed on a Project Mediator, the parties shall forthwith provide the Coordinator with the written materials referred to in 4.3.1, 4.3.2 and 4.3.3 of RM 4.3 together with a request that the Coordinator assist in the appointment of a mutually acceptable Project Mediator in accordance with these Rules.
- 4.5 Within five (5) working days following receipt of the request and materials referred to in RM 4.4, the Coordinator shall provide the parties with a list of qualified private sector mediators obtained from an independent and impartial entity, together with instructions to each party to individually and confidentially select and rank their preferred and fully acceptable choices of mediator in descending order. Each mediator listed shall be impartial and independent of the parties, and shall be an experienced and skilled commercial mediator, preferably with knowledge of the subject matter of the dispute.
- 4.6 Within ten (10) working days of receipt of the list referred to in RM 4.5 each party shall comply with the instructions accompanying the list(s) and shall deliver the completed listing to the Coordinator.
- 4.7 Within two (2) working days following receipt of the completed listings, the Coordinator shall select the highest common ranked mediator to act as Project Mediator for the purposes of the contract.
- 4.8 In the event of a tie, the Coordinator shall consult both parties to re-evaluate their rankings in order to assist the Coordinator in selecting a Project Mediator acceptable to both parties. If the parties cannot agree upon a Project Mediator, the Coordinator shall forthwith provide the parties with a second list of mediators and the procedure shall be repeated.

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- 4.9 If the parties have not previously entered into a contract with a mutually acceptable Project Mediator, the Coordinator shall use reasonable efforts to negotiate a contract with a mutually acceptable Project Mediator on behalf of the parties, which contract shall incorporate or otherwise comply with the provisions of these Rules. If negotiations are unsuccessful, or if for other reason the individual is unwilling or unable to enter into a contract to act as Project Mediator, the Coordinator shall repeat the process with the second-highest common ranked mediator.
- 4.10 The parties agree that, upon successful completion of the negotiations referred to in RM 4.9, they shall jointly enter into an agreement with the selected Project Mediator, which agreement shall be in a form drafted by the Coordinator and agreed to by the parties.
- 4.11 Upon execution of the agreement with the Project Mediator referred to in RM 4.10, the Coordinator shall provide the Project Mediator with copies of the documents referred to in RM 4.3 above.

### **RM 05 (13/12/02) Confidentiality**

- 5.1 Subject to RM 5.2, and unless otherwise agreed in writing by the parties, the Project Mediator, the parties and their counsel or representatives shall keep confidential all matters and documents disclosed during mediation proceedings except where the disclosure is necessary for any implementation of any agreement reached or is required by law.
- 5.2 Evidence that is independently admissible or discoverable in any arbitral or judicial proceeding shall not be rendered inadmissible or non-discoverable by virtue of its use in mediation proceedings.
- 5.3 Neither party shall make transcripts, minutes or other records of a mediation conference.
- 5.4 The personal notes and written opinions of the Project Mediator made in relation to mediation are in the Project Mediator's sole possession and control, are confidential, and may not be used in any subsequent proceeding between the parties or where they are opposed in interest without the express written permission of the parties.
- 5.5 All information exchanged during mediation procedures, by whatever means, shall be without prejudice and shall be treated as confidential by the parties and their representatives, unless otherwise required by law.

### **RM 06 (13/12/02) Time and Place of Mediation**

- 6.1 The Project Mediator, in consultation with the parties shall set the date, time and place of any mediation conference as soon as possible, bearing in mind that, subject to agreement to the contrary between the parties, only ten (10) working days are available within which to attempt to settle the dispute.

### **RM 7 (13/12/02) Representation**

- 7.1 Representatives of the parties may be accompanied at the mediation conference by legal counsel or any other person.
- 7.2 If the Project Mediator is a lawyer, the Project Mediator shall not provide legal advice to a party during the course of the mediation conference, but may recommend that a party obtain independent legal advice before finalizing a settlement agreement.

### **RM 8 (13/12/02) Procedure**

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- 8.1 The parties agree to an exchange of all facts, information and documents upon which they intend to rely in any oral or written presentation during the mediation. This exchange shall be completed no later than two (2) working days prior to the date set for a mediation conference.
- 8.2 The Project Mediator shall be free to meet with the parties individually during a mediation conference if the Project Mediator is of the opinion that this may improve the chances of a mediated settlement, and either party may request such an individual meeting at any time.
- 8.3 The parties may agree to extend the ten (10) working days available for settlement of the dispute through mediation, and the Project Mediator shall record that agreement in writing.

### **RM 09 (13/12/02) Settlement Agreement**

- 9.1 The parties shall record in writing any settlement agreement reached, with sufficient detail to ensure a clear understanding of
- 9.1.1 the issues resolved
  - 9.1.2 any obligations assumed by each party including criteria to determine if and when these obligations have been met, and
  - 9.1.3 the consequences of failure to comply with the agreement reached.
- 9.2 The parties agree to carry out the terms of a settlement agreement as soon as possible and, in any event, within any time periods specified in the agreement.

### **RM 10 (13/12/02) Termination of Mediation**

- 10.1 Either party may withdraw from mediation at any time without reason and, in that event, the Project Mediator shall give each party a written notice terminating the mediation and establishing the effective date of termination.
- 10.2 If, in the opinion of the Project Mediator, either party fails to mediate in good faith or fails to comply with the terms of these Rules, or if the Project Mediator, at any time during mediation, is of the opinion that further negotiations will fail to resolve the issues outstanding, the Project Mediator may terminate the negotiations by providing the parties with a written notice of termination, stating therein the Project Mediator's reasons for the termination, and the effective date of termination.
- 10.3 If a dispute has not been resolved within the 10-day period set out in DR 5.3 of Dispute Resolution Conditions "G" or such other longer period as may have been agreed to by the parties, the Project Mediator shall terminate the mediation by giving written notice to the parties stating the effective date of termination.

### **RM 11 (13/12/02) Costs**

- 11.1 The parties agree that they will each be responsible for the costs of their own representatives and advisors and associated travel and living expenses. Fees and expenses of the Project Mediator and all administrative costs of mediation, such as the cost of the meeting room(s), if any, shall be borne equally by the parties.

### **RM 12 (13/12/02) Subsequent Proceedings**

- 12.1 The parties shall not rely on or introduce as evidence in any arbitral or judicial proceeding, whether or not such proceeding relates to the subject matter of mediation,

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- 12.1.1 any document of other parties which are not otherwise producible in those proceedings,
  - 12.1.2 any views expressed or suggestions made by any party in respect of a possible settlement of issues,
  - 12.1.3 any admission made by any party in the course of mediation unless otherwise stipulated by the admitting party,
  - 12.1.4 the fact that any party has indicated a willingness to make or accept a proposal or recommendation for settlement.
- 12.2 The Project Mediator shall neither represent nor testify on behalf of either of the parties in any subsequent investigation, action or proceeding relating to the issues in mediation proceedings.
- 12.3 The Project Mediator shall not be subpoenaed to give evidence relating to
- 12.3.1 the Project Mediator's role in mediation, or
  - 12.3.2 the matters or issues in mediation
- in any subsequent investigation, action or proceeding and the parties agree to vigorously oppose any effort to have the Mediator so subpoenaed.
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### **R0209D (13/12/02) Dispute Resolution - Rules for Arbitration**

#### **Public Works and Government Services Canada**

- RA 1 Interpretation
- RA 2 Arbitration Tribunal
- RA 3 Application
- RA 4 Initiation of Proceedings
- RA 5 Appointment of Tribunal
- RA 6 Preliminary Meeting
- RA 7 Communications
- RA 8 Representation
- RA 9 Conduct of Proceedings
- RA 10 Place of Arbitration
- RA 11 Time Limitations
- RA 12 Statement of Claim and Defence
- RA 13 Further Written Statements
- RA 14 Agreed Statement of Facts
- RA 15 Evidence
- RA 16 Hearings
- RA 17 Default
- RA 18 Arbitral Decision

### **RA 1 (13/12/02) Interpretation**



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1.1 Terms defined in the Contract and used in these Rules shall have the meaning assigned to them in the Contract.

1.2 In these Rules,

“claimant” means the Contractor;

“Dispute Resolution Coordinator” or “Coordinator” means the Director, Contract Claims Resolution Board, Public Works and Government Services Canada, Place du Portage Phase III, 7A1 11 Laurier Street, Hull, Quebec K1A 0S5; and

“respondent” means Her Majesty.

### **RA 2 (13/12/02) Arbitration Tribunal**

2.1 Subject to these Rules, and unless otherwise agreed by the parties, the arbitration tribunal shall consist of a single arbitrator (“the Tribunal”) who shall be appointed in accordance with the provisions of the Rules.

### **RA 3 (13/12/02) Application**

3.1 These Rules apply to arbitration conducted under the Contract. By mutual agreement, the parties may change or make additions to the Rules.

3.3 The scope of the arbitral proceedings shall be limited to the resolution of the dispute submitted to arbitration.

3.3 The dispute shall be subject to resolution pursuant to the provisions of these Rules whether or not such resolution requires determination of a question of law if such question of law is an arbitral question of law as defined in the terms and conditions of the Contract.

3.4 Arbitral proceedings shall be governed by and in accordance with the *Commercial Arbitration Act*, R.S.C. 1985, c. 17 (2nd Supp.), the Code referred to therein, and the provisions of these Rules, and, subject only to the provisions of the *Commercial Arbitration Act*, the parties agree that the determination and award of the Tribunal shall be final and binding on both parties.

3.5 The Tribunal shall not decide the dispute *ex aequo et bono* or as amiable compositeur.

3.6 The Tribunal shall decide in accordance with the terms and conditions of the Contract and shall take into account the usages of the trade applicable to the transaction.

3.7 The costs of the Tribunal and the arbitration shall be shared equally by the parties and each party shall bear its own costs.

### **RA 4 (13/12/02) Initiation of Proceedings**

4.1 Either party may submit a dispute to binding arbitration to the extent permitted under the Contract, by giving notice in writing to the other party in accordance with the requirements of the Contract.

4.2 The notice referred to in RA 4.1 shall contain the following:

4.2.1 a brief description of the Contract;

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- 4.2.2 a statement of the issue(s) in dispute;
- 4.2.3 a request that the dispute be referred to binding arbitration;
- 4.3 A copy of the notice referred to in RA 4.1 shall be given to the Coordinator at the same time it is given to the other party.
- 4.4 Unless otherwise agreed, the arbitration of the dispute shall be held in abeyance and consolidated with all other such disputes into a single arbitration in accordance with the terms of the Contract.

### **RA 5 (13/12/02) Appointment of Tribunal**

- 5.1 No later than ten (10) working days following the date of commencement of arbitration proceedings as set out in DR 6.6, the Coordinator shall assemble and provide the parties with a list of qualified private sector arbitrators obtained from an independent and impartial entity, together with instructions to each party to individually and confidentially select and rank their preferred and fully acceptable choices of arbitrator in descending order.
- 5.2 Within ten (10) working days of receipt of the list referred to in RA 5.1, each party shall comply with the instructions accompanying the list(s) and shall deliver the completed listing to the Coordinator.
- 5.3 Within two (2) working days following receipt of the completed listings, the Coordinator shall select the highest common ranked arbitrator to act as the Tribunal for the purposes of the arbitration.
- 5.4 In the event of a tie, the Coordinator shall consult both parties to re-evaluate their rankings in order to assist the Coordinator in selecting a single arbitrator acceptable to both parties. If the parties cannot agree upon an arbitrator, the Coordinator shall forthwith provide the parties with a second list of arbitrators and the procedure shall be repeated.
- 5.5 In the event that, following the repeated procedure, the Coordinator again fails to select a single arbitrator acceptable to both parties, the Tribunal shall consist of three (3) arbitrators, one arbitrator appointed by each of the parties and the third arbitrator appointed by these two (2) arbitrators.
- 5.6 The Tribunal shall in any event be composed of a person or persons who have experience in the subject matter of the dispute and are independent of either party. Without limiting the generality of the foregoing, the Tribunal shall be at arm's length from both parties and shall not be composed of members of any company, firm, or agency which advises either party, nor shall the Tribunal be composed of a person or persons who are otherwise regularly retained by such parties.
- 5.7 The parties agree that they shall jointly enter into an agreement with the selected Tribunal, which agreement shall be in a form drafted by the Coordinator and agreed to by the parties.
- 5.8 The parties agree that they shall each bear their own costs. Fees and reasonable expenses of the Tribunal and reasonable expenses associated with the conduct of the arbitration shall be borne equally by the parties.

### **RA 6 (13/12/02) Preliminary Meeting**

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- 6.1 Unless the parties to the arbitration and the Tribunal otherwise agree, the parties shall meet with the Tribunal within ten (10) working days of the Tribunal's appointment to:
- 6.1.1 settle the location of premises for proceedings and responsibilities for the arrangement;
  - 6.1.2 verify addresses for the delivery of written communications to each party and to the Tribunal;
  - 6.1.3 present to the Tribunal the issues to be resolved by means of the arbitration;
  - 6.1.4 estimate the length of time the hearing might take and the number of witnesses likely to be produced;
  - 6.1.5 determine if a stenographic record or any other type of recording of proceedings should measures should be provided; and
  - 6.1.6 determine any other matters pertinent to conduct of the arbitration.

### **RA 7 (13/12/02) Communications**

- 7.1 Subject to RA 7.2, the Tribunal shall not communicate with a party to the dispute except in the presence of the other party.
- 7.2 Notwithstanding RA 7.1, the Tribunal may communicate with the parties separately for the purpose of establishing procedures to be followed or setting the time of a meeting; other exceptions to the general rule shall only be made with the consent in writing of all parties.
- 7.3 If a communication by the Tribunal to one party is in writing, a copy shall be sent to the other party.
- 7.4 If a party sends any written communication to the Tribunal, a copy shall be sent to the other party.
- 7.5 Any communication that is required or permitted to be given to the Tribunal or either party shall be in writing and may be given by delivering the same by facsimile or by mail, postage prepaid, to the address established for the purposes of the Contract in the case of the parties, and to the address provided by the Tribunal in the case of the Tribunal, and such communication shall be deemed to have been received in accordance with the provisions of the General Conditions of the Contract.

### **RA 8 (13/12/02) Representation**

- 8.1 The parties may be represented or assisted by any person during the arbitral proceedings.

### **RA 9 (13/12/02) Conduct of Proceedings**

- 9.1 Subject to the provisions of these Rules, the Tribunal may conduct the arbitration in the manner it considers appropriate. The power conferred upon the Tribunal includes the power to determine the admissibility, relevance, materiality and weight of any evidence.

### **RA 10 (13/12/02) Place of Arbitration**

- 10.1 The Tribunal may meet at any place it considers appropriate for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property. The

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Tribunal will conduct on-site inspections at the request of either party. Any on-site inspections shall be made in the presence of both parties and their representatives. The proceedings of any on-site inspections shall be recorded as part of the hearing itself.

### **RA 11 (13/12/02) Time Limitations**

- 11.1 The Tribunal may extend or abridge a period of time required in these Rules or fixed or determined by the Tribunal where the Tribunal considers it to be reasonable and appropriate.
- 11.2 Where any proceeding is terminated pursuant to paragraph 25(a) or 32 (2)(a) of the Code referred to in the *Commercial Arbitration Act*, unless the respondent agrees otherwise in writing, such termination is deemed to be a final award dismissing the claim of the claimant.

### **RA 12 (13/12/02) Statement of Claim and Defence**

- 12.1 Within ten (10) working days after the Tribunal has been appointed, the claimant shall state, in writing, the facts supporting its claim, points at issue and relief or remedy sought, and shall submit the statement to the respondent, the Coordinator, and the Tribunal.
- 12.2 Within ten (10) working days after receipt of the statement of claim, the respondent shall state, in writing, its defence in respect of these particulars and any counterclaim and shall submit its statement to the claimant, the Coordinator and the Tribunal.
- 12.3 Within five (5) working days after receipt of the statement of defence, the claimant may state, in writing, its response to the defence and to any counterclaim, and shall submit its statement to the respondent, the Coordinator and the Tribunal.
- 12.4 A party may amend or supplement its statements during the course of arbitral proceedings unless the Tribunal considers it inappropriate to allow such amendment or supplement having regard to all circumstances including delay in making the amendment or supplement.
- 12.5 A statement may not be amended if the amended statement would fall outside the scope of the arbitration agreement.

### **RA 13 (13/12/02) Further Written Statements**

- 13.1 The Tribunal may require or permit the presentation of further written statements by the parties and shall fix the periods of time for submitting those statements.

### **RA 14 (13/12/02) Agreed Statement of Facts**

- 14.1 Within a time period specified by the Tribunal, the parties shall prepare and file with the Tribunal an agreed statement of facts including but not limited to a chronology of the project, schedules, quantities and progress payments. The Tribunal shall make itself available, upon reasonable notice, to assist the parties to arrive at agreement on as many facts as possible under the circumstances.
- 14.2 Within a time period specified by the Tribunal, the parties shall prepare and file with the Tribunal a common book of documents including all documents referred to in an agreed statement of facts and in statements of claim, defence and response.

### **RA 15 (13/12/02) Evidence**

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- 15.1 Each party shall prove the facts relied upon to support its claim or defence.
- 15.2 Each party shall deliver to the Tribunal and to the other party, within such period of time that the Tribunal determines, a copy of the documents and a summary of the other evidence that party intends to present in support of the facts in issue set out in its statement of claim, defence or response.
- 15.3 From time to time, the Tribunal may require the parties to produce documents, exhibits and other evidence within such period of time that the Tribunal may determine.

### **RA 16 (13/12/02) Hearings**

- 16.1 All statements, documents or other information supplied to, or applications made to, the Tribunal by one party shall be communicated to the other party, and any expert report or evidentiary document on which the Tribunal may rely in making its decision shall be communicated to the parties at least eight (8) working days prior to its entry in evidence.
- 16.2 The parties shall be given reasonably sufficient advance notice of any hearing of the Tribunal and any meeting of the Tribunal for the purpose of inspection of documents, goods or other property.
- 16.3 If a party intends to give evidence through a witness, the party shall communicate to the Tribunal and to the other party, within such period that the Tribunal determines
- 16.3.1 the names, addresses and *curriculum vitae* of each of the witnesses it intends to present, and
- 16.3.2 the subject upon which those witnesses will give their testimony.
- 16.4 Each party shall have the right to examine, cross-examine and re-examine all witnesses as appropriate.
- 16.5 All oral hearings and meetings in arbitral proceedings shall be held *in camera*.

### **RA 17 (13/12/02) Default**

- 17.1 Where, without showing sufficient cause, the claimant fails to communicate its statement of claim in accordance with these Rules or within such further period of time permitted by the Tribunal under these Rules, the Tribunal shall issue an order terminating the arbitral proceedings with respect to that claim.
- 17.2 An order made under RA 17.1 does not affect a counterclaim made in respect of those arbitral proceedings.
- 17.3 Where, without showing sufficient cause, the respondent fails to communicate a statement of defence in accordance with these Rules, or within such further period of time permitted by the Tribunal under these Rules, the Tribunal shall continue the arbitral proceedings without treating that failure in itself as an admission of the claimant's allegations.
- 17.4 Where, without showing sufficient cause, a party fails to appear at an oral hearing or produce documentary evidence, the Tribunal may continue the arbitral proceedings and make the arbitral award on the evidence before it.

### **RA 18 (13/12/02) Arbitral Decision**

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- 18.1 Unless otherwise agreed to by the parties, the Tribunal shall make the award no later than thirty (30) days after completion of the arbitration hearings unless that time period is extended for an express period by the Tribunal on written notice to each party, due to illness or other cause beyond the Tribunal's control.

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### Remarks:

**R0210D (25/05/01) General Conditions - Minor Works**

#### Public Works and Government Services Canada

- GC 01 Definition of Terms
- GC 02 Assignment and Subcontracting
- GC 03 Members of House of Commons and Former Public Office Holders
- GC 04 Indemnification
- GC 05 Property of Her Majesty
- GC 06 Applicable Laws
- GC 07 Canadian Labour and Materials
- GC 08 Publicity
- GC 09 Materials, Equipment, etc. to become Property of Her Majesty
- GC 10 Contractor's Superintendent and Workers
- GC 11 Co-operation with other Contractors
- GC 12 Claims Against and Obligations of the Contractor or Subcontractor
- GC 13 Architect/Engineer's Rights and Obligations
- GC 14 Delay, Non-Compliance or Default by the Contractor
- GC 15 Changes in Soil Conditions, Delay by Her Majesty
- GC 16 Contesting Architect/Engineer's Decision
- GC 17 Suspension or Termination of the Contract
- GC 18 No Additional Payments
- GC 19 Determination of Costs
- GC 20 Records to be Kept
- GC 21 Extension of Time
- GC 22 Cleaning of Work
- GC 23 Architect/Engineer's Certificates
- GC 24 Rectification of Defects
- GC 25 Payment
- GC 26 Non-discrimination in Hiring and Employment of Labour
- GC 27 Certification - Contingency Fees

#### **GC 01 (16/02/98) Definition of Terms**

- 1.1 In the Contract,

the "*Architect/Engineer*" means such person as may be specifically designated by or on behalf of the *Minister* upon the award of this contract and includes a person specially authorized by the *Architect/Engineer* to act on his behalf,

"*Minister*" includes a person acting for, or if the office is vacant, in place of the *Minister* and his successors in the office, and his or their lawful deputy and any of his or their representatives appointed for the purpose of the contract,

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"*person*" includes, unless there is an express stipulation in the contract to the contrary, any partnership, proprietorship, firm, joint venture, consortium, corporation.

"*work*" includes the whole of the works, materials, matters and things to be done, furnished and performed by the Contractor under the contract,

### **GC 02 (16/02/98) Assignment and Subcontracting**

- 2.1 This Contract may not be assigned without the written consent of the *Minister*, and neither the whole nor any part of the *work* may be subcontracted by the Contractor without the consent of the *Architect/Engineer*. All the terms and conditions of this Contract that are of general application shall be incorporated in every other contract, excluding those contracts issued solely for the supply of plant or material, issued as a consequence of this Contract.

### **GC 03 (16/02/98) Members of The House of Commons and Former Public Office Holders**

- 3.1 No Member of the House of Commons shall be admitted to any share or part of the contract or to any benefit arising therefrom.
- 3.2 It is a term of this contract that no former public office holder who is not in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders shall derive a direct benefit from this Contract.

### **GC 04 (16/02/98) Indemnification**

- 4.1 The Contractor shall indemnify and save harmless Her Majesty from and against all claims, losses, costs, damages, suits, proceedings, or actions arising out of or related to the Contractor's activities in executing the *work*, other than those arising from a defect in title to the site of the *work* or the infringement of a patent arising from a design supplied by Her Majesty, but including his omissions, improper acts or delays in executing the *work* under the contract.

### **GC 05 (16/02/98) Property of Her Majesty**

- 5.1 The Contractor shall be responsible for any loss or damage, excluding reasonable wear and tear, to any property of Her Majesty arising out of the performance of the *work* whether or not such loss arises from causes beyond his control. Such property shall only be used by the Contractor as may be directed by the *Architect/Engineer* and the Contractor shall, at any time when requested to do so, account to the *Architect/Engineer* for the use of such property.

### **GC 06 (01/12/00) Applicable Laws**

- 6.1 The Contractor shall comply with all legislative and regulatory provisions whether federal, provincial or municipal applicable to the performance of the *work*.
- 6.2 Unless otherwise provided in the contract, the Contractor shall obtain all permits and hold all certificates and licenses required for the performance of the Work.
- 6.3 From time to time, the *Architect/Engineer* may request that the Contractor provide evidence that it complies with all applicable legislative and regulatory provisions and that it holds all required permits, certificates and licenses. Such evidence shall be provided within the time set in the request or as otherwise stipulated in the contract.

### **GC 07 (16/02/98) Canadian Labour and Materials**

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7.1 In so far as is practicable the Contractor shall employ and use only Canadian labour and materials in the execution of the *work*, employ local labour with a reasonable proportion of workers who have served on active service with the Canadian Armed Services, and utilize the services of the Canada Employment Centres in the recruitment of such labour.

### **GC 08 (16/02/98)      Publicity**

8.1 The Contractor will neither permit any public ceremony, nor erect or permit the erection of any sign or advertising, in connection with the *work* without the approval of the *Architect/Engineer*.

### **GC 09 (16/02/98)      Materials, Equipment, etc. to become Property of Her Majesty**

9.1 All materials and plant used or provided for the *work* shall be the property of Her Majesty, shall not be removed from the site of the *work* and shall be used only for the purpose of the *work*, until the *Architect/Engineer* shall certify that they are, if not incorporated in the *work*, no longer required for the purpose of the *work*. The Contractor shall be liable for all loss or damage to material or plant that is the property of Her Majesty by virtue of this section.

### **GC 10 (16/02/98)      Contractor's Superintendent and Workers**

10.1 The Contractor will keep a competent superintendent on the site of the *work* at all times during the progress of the *work* unless otherwise authorized by the *Architect/Engineer*. The Superintendent must be acceptable to the *Architect/Engineer* and have the authority to receive on behalf of the Contractor any order or communication in respect of the contract. Any superintendent and worker not acceptable to the *Architect/Engineer* because of incompetency, improper conduct or security risk will be removed from the site of the *work* and replaced forthwith.

### **GC 11 (16/02/98)      Co-operation with other Contractors**

11.1 The Contractor will co-operate fully with other contractors or workers sent onto the site of the *work* by the *Architect/Engineer*. If the sending onto the *work* of other contractors and workers could not have been reasonably foreseen by the Contractor when entering into the contract, and if, in the opinion of the *Architect/Engineer* the Contractor has incurred additional expense by such action, and if the Contractor has given written notice of claim within thirty days of such action, Her Majesty will pay the cost of such additional expense to the Contractor calculated in accordance with GC 19.

### **GC 12 (25/05/01)      Claims Against and Obligations of the Contractor or Subcontractor**

12.1 The Contractor shall ensure that all its lawful obligations and any lawful claims against the Contractor arising out of the performance of the *work* are discharged and satisfied at least as often as the contract requires Her Majesty to discharge Her obligations to the Contractor. The Contractor shall provide the *Architect/Engineer* with a Statutory Declaration deposing to the existence and condition of such claims and obligations when called upon to do so.

12.2 Her Majesty may, in order to discharge lawful obligations of and satisfy lawful claims against the Contractor or a subcontractor arising out of the performance of the *work*, pay an amount, which is to be determined in accordance with GC 12.3, from money that is due and payable to the Contractor pursuant to the contract directly to the obligees of the claimants against the Contractor or the subcontractor.



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- 12.3 The amount referred to in GC 12.2 shall be that amount which the Contractor would have been obliged to pay to such claimant had the provisions of the Provincial or Territorial lien legislation, or in the province of Quebec, the law relating to privileges, been applicable to the *work*. Any such claimant need not comply with the provisions of such legislation setting out the steps by way of notice, registration or otherwise an might have been necessary to preserve or perfect any claim for lien or privilege which the claimant might have had.
- 12.4 For the purposes of GC 12.2, a claim shall be considered lawful when it is so determined;
- 12.4.1 by a court of competent jurisdiction, or
- 12.4.2 by an arbitrator duly appointed to arbitrate the said claim, or
- 12.4.3 by a written notice delivered to the *Architect/Engineer* and signed by the Contractor authorizing payment of the said claim or claims.
- 12.5 A payment made pursuant to GC 12.2 is, to the extent of the payment, a discharge of Her Majesty's liability to the Contractor under the contract and may be deducted from any amount payable to the Contractor under the contract.
- 12.6 GC 12.2 shall only apply to claims and obligations:
- 12.6.1 The notification of which has set forth the amount claimed to be owing and the person who by contract is primarily liable. The notification must be received by the *Architect/Engineer* in writing before final payment is made to the Contractor and within 120 days of the date on which the claimant;
- 12.6.1.1 should have been paid in full under the claimant's contract with the Contractor or subcontractor where the claim is for money that was lawfully required to be held back from the claimant; or
- 12.6.1.2 performed the last of the services, *work* or labour, or furnished the last of the material pursuant to the claimant's contract with the Contractor or subcontractor where the claim is not for money referred to in GC 12.6.1.1, and
- 12.6.2 The proceedings to determine the right to payment of the claim shall have commenced within one year from the date that the notice referred to in GC 12.6.1 was received by the *Architect/Engineer*.
- 12.7 Her Majesty may, upon receipt of a notification of claim referred to in GC 12.6.1, withhold from any amount that is due and payable to the Contractor pursuant to the contract the full amount of the claim or any portion thereof.
- 12.8 The *Architect/Engineer* shall notify the Contractor in writing of receipt of any notification of claim and of the intention of Her Majesty to withhold funds pursuant to GC 12.7. The Contractor may, at any time thereafter and until payment is made to the claimant, post with Her Majesty, security in a form acceptable to Her Majesty in an amount equal to the value of the said claim. Upon receipt of such security Her Majesty shall release to the Contractor any funds which would be otherwise payable to the Contractor, that were withheld pursuant to the provisions of GC 12.7.

### GC 13 (25/05/01) Architect/Engineer's Rights and Obligations

- 13.1 The *Architect/Engineer* shall:

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- 13.1.1 have access to the *work* at all times during its execution and the Contractor will provide the *Architect/Engineer* with full information and assistance in order that he may ensure that the *work* is executed in accordance with the contract.
- 13.1.2 decide any question as to whether anything has been done as required by the contract or as to what the Contractor is required by the contract to do, including questions as to the acceptability of the quality or quantity of any labour, plant or material used in the execution of the *work* and the timing and scheduling of the various phases of the *work*.
- 13.1.3 have the right to order additional *work*, dispense with, or change the whole or any part of the *work* provided for in the plans and specifications. The *Architect/Engineer* shall decide whether anything done or not done as a result of directions given under this subsection has increased or decreased the cost of the *work* to the Contractor and the amount payable under the contract to the Contractor will be increased or decreased accordingly by an amount calculated in accordance with GC 19 hereof.

13.2 The Contractor shall comply with any decision or direction of the *Architect/Engineer* given under this section.

### **GC 14 (16/02/98) Delay, Non-Compliance or Default by the Contractor**

14.1 If the Contractor delays in the commencement, execution or completion of the *work*, fails to comply with a direction or decision of the *Architect/Engineer* properly give, or is in default in any other manner under the contract, the *Architect/Engineer* may do such things as he deems necessary to correct the Contractor's default. The Contractor will reimburse Her Majesty for all costs, expenses and damage incurred or sustained by Her Majesty, by reason of the Contractor's default, or in correcting the default. In addition to the aforementioned remedies in this section, the *Minister* may, if the default continues for 6 days after notice in writing of default has been given to the Contractor by the *Architect/Engineer*, terminate the contract in accordance with GC 17.3.

### **GC 15 (25/05/01) Changes in Soil Conditions, Delay by Her Majesty, etc.**

15.1 No extra payment will be made to the Contractor for any extra expense, loss or damage for any reason unless the *Architect/Engineer* shall certify that such extra expense, loss or damage is directly attributable to:

15.1.1 a substantial difference between the soil conditions at the site of the *work* indicated by the plans and specifications and the actual soil conditions found there;

15.1.2 neglect or delay by Her Majesty, occurring after the date of contract, in providing any information or doing any act which is required expressly by the contract or by usage of the trade, or suspension of the *work* by the *Minister*;

and the Contractor has within 30 days of encountering such soil conditions or of the commencement of such neglect or delay, given written notice to the *Architect/Engineer* of a claim for such extra expense, loss or damage. The amount of any extra payment to be made under this Section will be calculated in accordance with GC 19.

15.2 If in the opinion of the *Architect/Engineer* any difference in soil conditions referred to in GC 15.1.1 hereto results in a saving of expenditure to the Contractor the amount of such saving shall be paid to Her Majesty by the Contractor.

### **GC 16 (16/02/98) Protesting Architect/Engineer's Decision**

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- 16.1 If the Contractor, within 10 days of receiving any decision or direction of the *Architect/Engineer*, gives written notice to the *Architect/Engineer* that the decision or direction is accepted under protest, Her Majesty will pay to the Contractor the cost, calculated according to GC19, of anything that the Contractor was required to do, as a result of the decision or direction, beyond what the contract correctly understood would have required him to do.

### GC 17 (16/02/98) Suspension or Termination of the Contract

- 17.1 The *Minister* may upon notice in writing to the Contractor suspend or terminate the contract at any time. The Contractor will comply with such notice immediately.
- 17.2 If the *Minister* suspends the *work* for 30 days or less the Contractor must, subject to his remedy under GC 15 hereof, complete the *work* when called upon to do so. If the *Minister* suspends the *work* for a period in excess of 30 days the Contractor may request the *Minister* to terminate the *work* under GC 17.4 hereof.
- 17.3 If the *Minister* terminates the contract because of default by the Contractor, the insolvency of or the commission of an act of bankruptcy by the Contractor, the obligation of Her Majesty to make payments to the Contractor shall cease and no further payments shall be made to the Contractor unless the *Architect/Engineer* shall certify that no financial prejudice will result to Her Majesty from such further payments. Termination under this subsection shall not relieve the Contractor of any legal or contractual obligations other than the physical completion of the *work*. In such circumstances the *Architect/Engineer* may complete or have the *work* completed as he sees fit and all costs and damages incurred by Her Majesty due to the non-completion of the *work* by the Contractor shall be payable by the Contractor to Her Majesty.
- 17.4 If the *Minister* terminates the *work* other than in accordance with GC 17.3 hereof Her Majesty will pay to the Contractor an amount calculated in accordance with GC 19 hereof subject to any additions or deductions otherwise provided by the General Conditions or Labour Conditions less any payments made pursuant to GC 25.3 hereof. In no event, however, shall such amount be greater than the amount which would have been payable to the Contractor had the contract been completed.

### GC 18 (16/02/98) No Additional Payments

- 18.1 The amount payable to the Contractor under this contract will not be increased or decreased by reason of any increase or decrease in the cost of the *work* brought about by any increase in the cost of plant, labour or material, except that, in the event of a change in any tax, that affects the cost of any materials incorporated in or to be incorporated in the *work*, imposed under the *Excise Act*, the *Excise Tax Act*, the *Old Age Security Act*, the *Customs Act* or *Customs Tariff*, made public after the date of the submission of the tender, an appropriate adjustment may be made.

### GC 19 (25/05/01) Determination of Costs

- 19.1 For the purposes of GC11, GC13.3, GC15, GC16, and GC17.4 and subject to the provisions of GC 25.2.2, the amount payable to the Contractor for any change in the scope of work requested by the *Architect/Engineer* shall be based on the Unit Prices as set out in Clause 4 of the Tender and Acceptance.
- 19.2 If the Unit Prices referred to in GC19.1 cannot be used to determine the amount payable to the Contractor due to a change in the scope of the work, then the Contractor shall submit to the *Architect/Engineer* a quotation of the Contractor's costs for all labour, plant and material required by the change. The Contractor shall include a mark-up in an amount equal to 20% of its costs for the labour, plant and material portion of the work to

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be done by its own forces and an additional mark-up in an amount equal to 15% of all quotations received from its subcontractors. The Contractor shall ensure that its subcontractor shall include a mark-up in an amount equal to 20% of its costs for the labour, plant and material portion of the work to be done by the subcontractors own forces and an additional mark-up in an amount equal to 15% of all quotations received from its sub-subcontractors. The mark-ups referred to herein shall be considered full compensation for all supervision, coordination, administration, overhead, margin, finance and interest charges, and the risk of undertaking the work within a stipulated amount. The Contractor's and subcontractors' costs shall be inclusive of all contractor and trade discounts. Quotations referred to herein shall be prepared and submitted in accordance with the appropriate percentage mark-up as described elsewhere in the Contract.

- 19.3 If the *Architect/Engineer* and the Contractor fail to reach agreement on the prices quoted in GC 19.2, then the amount payable to the Contractor shall be all reasonable and proper costs paid or legally payable by the Contractor that are directly attributable to the change in the scope of the work plus an additional amount equal to 10% of such costs to cover overhead, finance and interest charges, and margin. The Contractor shall provide evidence of such costs to the *Architect/Engineer* with its progress claim or invoice.

### **GC 20 (16/02/98) Records to be Kept**

- 20.1 The Contractor shall for a period of two years from the date of the Final Certificate of Completion, maintain and keep full records, vouchers, other writings and information in respect of his estimates and actual cost of the *work* and shall make them available for copy, audit or inspection by any persons acting on behalf of the *Minister*.

### **GC 21 (25/05/01) Extension of Time**

- 21.1 The *Minister* may, on the application of the Contractor made before the day fixed for the completion of the *work*, extend the time for the completion of the *work*. Whether or not the *Minister* grants an extension, the Contractor shall, except to the extent that the *Minister* is of the opinion that the need for an extension was due to causes beyond the control of the Contractor, pay to Her Majesty.

21.1.1 an amount equal to Departmental inspection costs relating to the *work* incurred after the original completion date and

21.1.2 compensation for any loss or damage resulting to Her Majesty from failure by the Contractor to complete the *work* by the original completion date.

### **GC 22 (16/02/98) Cleaning of Work**

- 22.1 The Contractor will upon completion of the *work*, clear and clean the *work* and its site to the satisfaction of and in accordance with any directions of the *Architect/Engineer*.

### **GC 23 (16/02/98) Architect/Engineer's Certificates**

- 23.1 On the day that the *work* has been completed and the Contractor has complied with the contract and all orders and directions pursuant thereto to the satisfaction of the *Architect/Engineer*, the *Architect/Engineer* will issue to the Contractor a Final Certificate of Completion. In the case of a unit price contract, the *Architect/Engineer* will at the same time issue a Final Certificate of Measurement setting out the final quantities used or employed in respect of the classes and units set out in the Unit Price Table, and any subsequent amendments thereto, under Clause 4 of the Tender and Acceptance, such certificate to be binding upon the Contractor and Her Majesty.

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### GC 24 (16/02/98) Rectification of Defects

- 24.1 The Contractor will, upon notice from the *Architect/Engineer* and within such time as specified in said notice, rectify at his own expense any defect or fault, however caused, which appears in the *work* within 12 months of the date of the Final Certificate of Completion.

### GC 25 (25/05/01) Payment

- 25.1 Her Majesty will pay and the Contractor will accept as full consideration for the *work* performed and executed an amount by which the amount referred to in Clause 1 of the Tender and Acceptance together with the aggregate of the amounts payable by Her Majesty under GC 11, 13.1.3, 15.1, 16 and 18 exceed the aggregate of any payments by Her Majesty under GC 12 and indemnification and amounts payable to or costs and damages incurred by Her Majesty under GC 4, 5, 9, 13.1.3, 14, 15.2, 17.3, 18 and 21.
- 25.2 In the case of a unit price contract:
- 25.2.1 The amount referred to in Clause 1 of the Tender and Acceptance will be deemed to be the amount computed by totalling the products of the unit prices set out in Clause 4 of the Tender and Acceptance, as amended pursuant to GC 25.2.2 hereof, if applicable, and the actual quantities of such units as set out in the *Architect/Engineer's* Final Certificate of Measurement, subject to any adjustment provided for in GC 25.2.2 of this section.
- 25.2.2 The *Architect/Engineer* and the Contractor may by agreement in writing add to the aforesaid Unit Price Table other classes of labour, etc., units of measure, estimated quantities and prices per unit, and may if the actual quantities as set out in the aforesaid Final Certificate of Measurement exceed or fall short of the estimated quantities in respect of any item(s) shown in the aforesaid Unit Price Table by more than 15% amend the unit prices shown in the Unit Price Table for such items, provided that in the event the actual quantities exceed the estimated quantities by more than 15% the aforementioned amendment to the unit prices shall apply only to the actual quantities in excess of 115% of the estimated quantities. Where the *Architect/Engineer* and the Contractor fail to agree on the amount of any adjustment as contemplated by this subsection the revised or new prices per unit shall be determined in accordance with GC 19 hereof.
- 25.3 If the amount of the Contract is in excess of \$5,000 the Contractor shall be entitled to receive progress payments upon submitting Progress Claims which must be approved by Progress Reports issued by the *Architect/Engineer* at monthly intervals. The amount to be paid to the Contractor for a progress payment shall be 90% of the value of the *work* certified by the *Architect/Engineer* in the Progress Report as having been completed since the date of the immediately preceding Progress Claim, if any.
- 25.4 Thirty days after receipt by the *Architect/Engineer* of the Progress Claim and if the Contractor has made and delivered to the *Architect/Engineer* his Statutory Declaration pursuant to GC 12 the amount of the Progress Claim, subject to GC 25.3 of this section, shall become due and payable.
- 25.5 Sixty days after the issue by the *Architect/Engineer* of the Final Certificate of Completion there shall become due and payable to the Contractor the amount described in GC 25.1 of this section less the aggregate of the amounts, if any, paid pursuant to subsection GC 25.3 of this section.
- 25.6 Notwithstanding GC 25.3, 25.4 and 25.5 above, an amount shall be due and payable to the Contractor only if the Contractor has supplied a Statutory Declaration pursuant to

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GC 12 of the General Conditions. The amount referred to above shall be due and payable as indicated in GC 25.4 and 25.5 above or, in the case where the Contractor failed to provide a Statutory Declaration, 15 days after such Statutory Declaration was made and delivered to the *Architect/Engineer*, whichever is later.

- 25.7 A payment by Her Majesty pursuant to this section shall not be construed as evidence that the *work* is satisfactory or in accordance with the contract.
- 25.8 Delay in making payment by Her Majesty under this section shall not be deemed to be a breach of the contract.
- 25.8.1 However, subject to GC 25.6 above and GC 25.8.2 below, Her Majesty shall pay the Contractor simple interest on any amount overdue, at the Average Bank Rate plus 3 % per year. The interest shall apply from and include the day such amount became overdue until the day prior to the date of payment.
- 25.8.2 Interest in accordance with GC 25.8.1 above shall be paid to the Contractor without demand, except that, in respect of amounts which are less than 15 days overdue, no interest shall be paid in respect of payment made within such 15 days unless the Contractor so demands after such amounts have become due.
- 25.8.3 The "*Average Bank Rate*" means the simple arithmetic mean of the Bank Rate in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made.
- 25.8.4 The "*Bank Rate*" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.
- 25.9 Her Majesty may set-off against any amount payable or debt due by Her Majesty under this contract the amount of any debt due to Her Majesty under this contract or any other contract between the Contractor and Her Majesty.

### **GC 26 (25/05/01) Non-discrimination in Hiring and Employment of Labour**

- 26.1 For the purpose of this section and without restricting the provision of GC 1.1, "persons" include the Contractor, its subcontractors, its sub-subcontractors, and its respective employees, agents, licensees or invitees, and any other individual granted access to the site of the *work*.
- 26.2 For contracts over \$30,000, refer to Section 9 of the Labour Conditions attached hereto which forms part of this contract.
- 26.3 For all contracts, the provision shall be that the Contractor shall not refuse to employ and will not discriminate in any manner against any person because
- 26.3.1 of that person's race, national origin, colour, religion, age, sex or marital status,
- 26.3.2 of the race, national origin, colour, religion, age, sex, or marital status of any person having any relationship or association with that person, or
- 26.3.3 a complaint has been made or information has been given by or in respect of that person relating to an alleged failure by the Contractor to comply with GC 26.3.1 and 26.3.2 above.
- 26.4 Without restricting the provisions of Section 9 of the Labour Conditions,
- 26.4.1 the Contractor shall, within two (2) working days immediately following receipt of a written complaint alleging a breach of the Labour Conditions or pursuant to GC 26.3 above, at the site of the *work*,

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- 26.4.1.1 cause to have issued a written direction to the person or persons named by the complainant to cease all actions that form the basis of the complaint; and
  - 26.4.1.2 for all contracts, forward a copy of the complaint to the *Architect/Engineer* by registered mail; and
  - 26.4.1.3 for contracts over \$30,000, forward another copy of the complaint to the federal Department of Human Resources Development, to the attention of the appropriate Director as described in the Labour Conditions;
- 26.4.2 the Contractor shall,
- 26.4.2.1 within twenty four (24) hours immediately following receipt of a direction from the *Architect/Engineer* to do so, cause to have removed from the site of the *work* any person or persons whom the *Architect/Engineer* believes is in breach of the Labour Conditions or of GC 26.3 above, as applicable, and
  - 26.4.2.2 no later than thirty (30) days after receipt of the direction, caused to have the necessary action commenced to remedy the breach described in the direction;
- 26.4.3 if a direction is issued pursuant to GC 26.4.2 above, Her Majesty may withhold from monies that are due and payable to the Contractor or set-off pursuant to this contract, whichever is applicable, an amount representing the sum of the costs and payment referred to in GC 26.4.4 and 26.4.5 below;
- 26.4.4 if the Contractor fails to proceed in accordance with GC 26.4.2.2 above, the *Architect/Engineer* shall take the necessary action to:
- 26.4.4.1 have the breach remedied; and
  - 26.4.4.2 determine all supplementary costs incurred by Her Majesty;
- 26.4.5 Her Majesty may make a payment directly to the complainant from monies that are due and payable to the Contractor upon receipt from the complainant of:
- 26.4.5.1 a written award issued pursuant to the federal *Commercial Arbitration Act*, R.S., 1985, c. C-34.6; or
  - 26.4.5.2 a written award issued pursuant to the *Canadian Human Rights Act*, R.S., 1985, c. H-6; or
  - 26.4.5.3 a written award issued pursuant to provincial or territorial human rights legislation; or
  - 26.4.5.4 a judgement issued by a court of competent jurisdiction.
- 26.4.6 if the *Architect/Engineer* is of the opinion that the Contractor has breached any of the provisions of GC 26, the *Minister* may terminate the contract pursuant to the termination provisions of this contract.
- 26.4.7 the Contractor shall ensure that the provisions of this General Condition are included in all contracts issued as a consequence of this *work*.

### GC 27 (01/12/00) Certification - Contingency Fees

- 27.1 The Contractor certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay or agree to pay a *contingency fee* for

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the solicitation, negotiation or obtaining of this contract to any *person* other than an *employee* acting in the normal course of the *employee's* duties.

- 27.2 All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Contract shall be subject to the accounts and audit provisions of the Contract.
- 27.3 If the Contractor certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either take the work out of the Contractor's hands in accordance with the provisions of the Contract or recover from the Contractor by way of reduction to the Contract amount or otherwise the full amount of the *contingency fee*.
- 27.4 In this section:
- 27.4.1 "*contingency fee*" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;
- 27.4.2 "*employee*" means a person with whom the contractor has an employer/employee relationship;
- 27.4.3 "*person*" includes an individual or a group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

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**R0210D (01/12/00) General Conditions - Minor Works**

Effective 25/05/01, this clause is superseded by R0210D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R0215D (13/12/02) International Sanctions**

1. Persons and companies in Canada, and Canadians outside of Canada, are bound by economic sanctions imposed by Canada. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries or persons subject to economic sanctions.

Details on existing sanctions can be found at:  
<http://www.dfait-maeci.gc.ca/trade/sanctions-e.asp>

2. It is a condition of the Contract that the Contractor not supply to the Government of Canada any goods or services which are subject to economic sanctions.
3. By law, the Contractor must comply with changes to the regulations imposed during the life of the Contract. During the performance of the Contract should the imposition of



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sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services cause an impossibility of performance for the Contractor, the Contractor may request that the Contract be terminated in accordance with GC41 of the General Conditions.

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**Remarks:** Use this clause in Architectural and Engineering Consultant Agreements - Buildings, Engineering Works, Open and General.

**R0220D (16/02/98) General Conditions**

**A GENERAL PROVISIONS**

**A1 Definitions**

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

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

**Canada, Crown, Her Majesty or the Government** means Her Majesty the Queen in right of *Canada*;

**Construction Contract** means a contract entered into between *Canada* and a *Contractor* for the construction of the Project;

**Construction Contract Award Price** means the price at which a *Construction Contract* is awarded to a *Contractor*;

**Construction Cost Estimate** means an anticipated amount for which a *Contractor* will execute the construction of the Project;

**Construction Cost Limit** means that portion of the total amount of Project funds which shall not be exceeded on construction of the Project;

**Consultant** means the party identified in the Articles of Agreement to perform the *Consultant's Services* under this Agreement, and includes the officer or employee of the *Consultant* identified in writing by the *Consultant*;

**Contractor** means a person, firm or corporation with whom *Canada* enters, or intends to enter, into a *Construction Contract*;

**Cost Plan** means the allocation of proposed costs among the various elements of the Project, as described in the *Project Brief or Terms of Reference*;

**Days** means continuous calendar days, including weekends and statutory public holidays;

**Departmental Representative** means the officer or employee of *Canada* identified in writing by a duly authorized departmental officer to perform the *Departmental Representative's* duties under this Agreement;

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**Mediation** is a process of dispute resolution in which a neutral third party assists the parties involved in a dispute to negotiate their own settlement;

**Minister** includes a person acting for, or if the office is vacant, in place of, the Minister of Public Works and Government Services and the *Minister's* successors in the office. *Minister* also includes the *Minister's* lawful deputy and any of the ministers or their representatives appointed for the purpose of this Agreement;

**Payroll Cost** means the actual cost of any person employed by the *Consultant* or the *Consultant's Sub-Consultants* as a staff member, including principals employed as staff members, and includes an amount for salary, statutory holidays, vacations with pay, unemployment insurance premiums and worker's compensation contributions where applicable, pension plan contributions, sick time allowance, medical/dental insurance premiums, and such other employee benefits as may be approved by the *Departmental Representative*;

**Project Brief or Terms of Reference** means a document describing in sufficient detail the *Services* to be provided by the *Consultant* to permit the *Consultant* to proceed with the *Services* and may include general project information, scope of the work, site and design data, and time plan, specifically related to the Project;

**Project Schedule** means a time plan, including the sequence of tasks, milestone dates and critical dates which must be met for the implementation of the planning, design and construction phases of the Project;

**Service(s)** means the *Consultant Services* and *Project Services* as set forth in this Agreement;

**Specialist Consultant** means any Architect, Professional Engineer, or other specialist, other than the *Consultant*, engaged by *Canada* directly or, at the specific request of *Canada*, engaged by the *Consultant* for "Additional Services";

**Sub-Consultant** means any Architect, Professional Engineer, or other specialist engaged by the *Consultant* for the *Services* included in this Agreement;

**Technical Documentation** includes designs, reports, photographs, physical models, surveys, drawings, specifications, computer software developed for the purpose of the Project, computer printouts, design notes, calculations, CADD (Computer-aided Design and Drafting) files, and other data, information and material, prepared, computed, drawn, or produced and operating and maintenance manuals either prepared or collected for the Project.

### A2 Interpretations

1. Words importing the singular only also include the plural, and vice versa, where the context requires;
2. Headings or notes in this Agreement shall not be deemed to be part thereof, or be taken into consideration in its interpretation;
3. "Herein", "hereby", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular subdivision or part thereof.

### A3 Successors and Assigns

This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their lawful heirs, executors, administrators, successors and assigns.

### A4 Assignment

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1. This Agreement shall not be assigned, in whole or in part, by the *Consultant* without the prior consent of the *Minister*. After a request for assignment has been received from the *Consultant*, a decision shall be given by the Minister to the *Consultant* in a timely manner.
2. An assignment of this Agreement without such consent shall not relieve the *Consultant* from any obligation under this Agreement, or impose any liability upon *Canada* or the *Minister*.

### A5 Administration

*Canada* shall not transfer the administration of this Agreement to another federal department or agency without giving prior notice to the *Consultant*.

### A6 Indemnification

1. The *Consultant* shall indemnify and save harmless *Canada*, its employees and agents, from losses arising out of the errors, omissions or negligent acts of the *Consultant*, its employees and agents, in the performance of the *Services* under this Agreement.
2. The *Consultant's* liability to indemnify or reimburse *Canada* under this Agreement shall not affect or prejudice *Canada* from exercising any other rights under law.

### A7 Notices

1. Any notice, request, direction, consent, decision, or other communication that is required to be given or made by either party pursuant to this Agreement, shall be in writing, and shall be deemed to have been effectively given when:
  - (a) served personally, on the day it is delivered;
  - (b) forwarded by registered mail, on the day the postal receipt is acknowledged by the other party; or
  - (c) forwarded by facsimile or other electronic means of transmission, one working day after it was transmitted.
2. The address of either party, or the person authorized to receive notices, may be changed by notice in the manner set out in this provision.

### A8 Suspension

1. The *Departmental Representative* may require the *Consultant* to suspend the *Services* being provided, or any part thereof, for a specified or unspecified period.
2. If a period of suspension does not exceed sixty (60) *days* and when taken together with other periods of suspension does not exceed ninety (90) *days*, the *Consultant* shall, upon the expiration of that period, resume the performance of the *Services* in accordance with the terms of this Agreement, subject to any agreed adjustment of the time schedule as referred to in C2.
3. If a period of suspension exceeds sixty (60) *days* or when taken together with other periods of suspension, the total exceeds ninety (90) *days*, and:
  - (a) the *Departmental Representative* and the *Consultant* agree that the performance of the *Services* shall be continued, then the *Consultant* shall resume performance of the *Services*, subject to any terms and conditions agreed upon by the *Departmental Representative* and the *Consultant*, or
  - (b) the *Departmental Representative* and the *Consultant* do not agree that the performance of the *Services* shall be continued, then this Agreement shall be

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terminated by notice given by the *Minister* to the *Consultant*, in accordance with the terms of A9.

4. Suspension costs related to this clause are as outlined in B7.

### A9 Termination

The *Minister* may terminate this Agreement at any time, and the fees paid to the *Consultant* shall be in accordance with the relevant provisions in B8.

### A10 Taking the Services Out of the Consultant's Hands

1. The *Minister* may take all or any part of the *Services* out of the *Consultant's* hands and may employ reasonable means necessary to complete such *Services* in the event that:
  - (a) the *Consultant* has become insolvent or has committed an act of bankruptcy, and has neither made a proposal to the *Consultant's* creditors nor filed a notice of intention to make such a proposal, pursuant to the *Bankruptcy and Insolvency Act*, or
  - (b) the *Consultant* fails to perform any of the *Consultant's* obligations under this Agreement or, in the *Minister's* opinion, so fails to make progress as to endanger performance of this Agreement, in accordance with its terms.
2. If the *Consultant* has become insolvent or has committed an act of bankruptcy, and has either made a proposal to the *Consultant's* creditors or filed a notice of intention to make such a proposal, pursuant to the *Bankruptcy and Insolvency Act*, the *Consultant* shall immediately forward a copy of the proposal or the notice of intention to *Canada*.
3. Before the *Services* or any part thereof are taken out of the *Consultant's* hands under A10.1(b), the *Departmental Representative* shall provide notice to the *Consultant*, and may require such failure of performance or progress to be corrected. If within fourteen (14) *days* after receipt of such notice such default shall not have been corrected or corrective action initiated to correct such fault, the *Minister* may, by notice, without limiting any other right or remedy, take all or any part of the *Services* out of the *Consultant's* hands.
4. If the *Services* or any part thereof have been taken out of the *Consultant's* hands, the *Consultant* shall be liable for, and upon demand pay to *Canada*, an amount equal to all loss and damage suffered by *Canada* by reason of the non-completion of the *Services* by the *Consultant*.
5. If the *Consultant* fails to pay on demand for the loss or damage as a result of A10.4, *Canada* shall be entitled to deduct and withhold the same from any payments due and payable to the *Consultant*.
6. If the *Services* or any part thereof are taken out of the *Consultant's* hands as a result of A10.1(b) and A10.3, the amount referred to in A10.5 shall remain in the Consolidated Revenue Fund until an Agreement is reached or a decision of a court or tribunal is rendered. At that time the amount, or any part of it, which may become payable to the *Consultant* shall be paid together with interest from the due date referred to in B2 and in accordance with the terms of this Agreement.
7. The taking of the *Services*, or any part thereof, out of the *Consultant's* hands does not relieve or discharge the *Consultant* from any obligation under this Agreement, or imposed upon the *Consultant* by law, in respect to the *Services* or any part thereof that the *Consultant* has performed.

### A11 Records to be Kept by the Consultant

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1. The *Consultant* shall keep accurate time sheets and cost records and, if required for the purposes of this Agreement, shall make these documents available at reasonable times to the *Departmental Representative* who may make copies and take extracts therefrom.
2. The *Consultant* shall afford facilities for audit and inspection at mutually agreeable times and at places where the relevant documents are located, and shall provide the *Departmental Representative* with such information as the *Minister* may from time to time require with reference to the documents referred to in A11.1.
3. The *Consultant* shall, unless otherwise specified, keep the time sheets and cost records available for audit and inspection for a period of at least two (2) years following completion of the *Services*.

### A12 National or Departmental Security

1. If the *Departmental Representative* is of the opinion that the Project is of a class or kind that involves national or departmental security, the *Consultant* may be required:  
  
VI. to provide any information concerning persons employed for purposes of this Agreement unless prohibited by law;  
  - (b) to remove any person from the Project and its site if that person cannot meet the prescribed security requirements; and
  - (c) to retain the Project *Technical Documentation* while in the *Consultant's* possession in a manner specified by the *Departmental Representative*.
2. If the Project is of a class or kind that involves national or departmental security, the *Consultant* shall not issue, disclose, discard or use the Project *Technical Documentation* on another project without the written consent of the *Departmental Representative*.

### A13 Copyright and Reuse of Documents

1. Except as otherwise specified in the Supplementary Conditions any copyright in any and all documents which are instruments of the *Services* for this Project, and are prepared by or under the direction of the *Consultant*, shall belong to the *Consultant*.
2. *Canada* may, after consultation with the *Consultant*, reuse for another Project the documents referred to in A13.1, and shall pay to the *Consultant* for such reuse an appropriate fee based on current practice.

### A14 Conflict of Interest

1. The *Consultant* declares that the *Consultant* has no pecuniary interest in the business of any third party that would cause, or seem to cause, a conflict of interest in carrying out the *Services*, and should such an interest be acquired during the life of this Agreement, the *Consultant* shall declare it immediately to the *Departmental Representative*.
2. The *Consultant* shall not have any tests or investigations carried out by any persons, firms, or corporations, that may have a direct or indirect financial interest in the results of those tests or investigations.
3. The *Consultant* shall not submit, either directly or indirectly, a bid for any Construction Contract related to the Project.
4. No former public office holder who is not in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders shall derive a direct benefit from this Agreement.

### A15 Status of Consultant

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1. The *Consultant* is engaged under this Agreement as an independent *Consultant* for the sole purpose of providing *Services*.
2. Neither the *Consultant* nor any of the *Consultant's* employees shall be regarded as employees or agents of *Canada*.
3. The *Consultant*, as employer, agrees to be solely responsible for any and all payments and deductions required to be made by law, including those required for *Canada* or Québec Pension Plans, Unemployment Insurance, Worker's Compensation, and Income Tax.

### A16 Declaration by Consultant

1. The *Consultant* declares that:
  - (a) based on the information provided pertaining to the *Services* required under this Agreement, the *Consultant* has been provided sufficient information by the *Departmental Representative* to enable the *Services* required under this Agreement to proceed and is competent to perform the *Services* and has the necessary licences and qualifications including the knowledge, skill and ability to perform the *Services*;
  - (b) the quality of *Services* to be provided by the *Consultant* shall be consistent with generally accepted professional standards and principles.

### A17 Insurance

The *Consultant* shall obtain and maintain professional liability insurance coverage for the *Services* required under this Agreement, and supplementary liability insurance specifically described in the Agreement Particulars and Supplementary Conditions if applicable, and shall, if required, furnish evidence satisfactory to the *Departmental Representative* of such insurance and any renewals thereof.

### A18 Resolution of Disagreements

1. In the event of a disagreement regarding any aspect of the *Services* or any instructions given under this Agreement:
  - (a) the *Consultant* may give a notice of disagreement to the *Departmental Representative*. Such notice shall be promptly given and contain the particulars of the disagreement, any changes in time or amounts claimed, and reference to the relevant clauses of the Agreement;
  - (b) the *Consultant* shall continue to perform the *Services* in accordance with the instructions of the *Departmental Representative*; and
  - (c) the *Consultant* and the *Departmental Representative* shall attempt to resolve the disagreement by negotiations conducted in good faith. The negotiations shall be conducted, first, at the level of the *Consultant's* project representative and the *Departmental Representative* and, secondly and if necessary, at the level of a principal of the *Consultant* firm and a senior departmental manager.
2. The *Consultant's* continued performance of the *Services* in accordance with the instructions of the *Departmental Representative* shall not jeopardize the legal position of the *Consultant* in any disagreement.
3. If it was subsequently agreed or determined that the instructions given were in error or contrary to the Agreement, *Canada* shall pay the *Consultant* those fees the *Consultant* shall have earned as a result of the change(s) in the *Services* provided, together with

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those reasonable disbursements arising from the change(s) and which have been authorized by the *Departmental Representative*.

4. The fees mentioned in A18.3 shall be calculated in accordance with the Terms of Payment set out in this Agreement.
5. If the disagreement is not settled, the *Consultant* may make a request to the *Departmental Representative* for a written departmental decision and the *Departmental Representative* shall give notice of the departmental decision within fourteen (14) *days* of receiving the request, setting out the particulars of the response and any relevant clauses of the Agreement.
6. Within fourteen (14) *days* of receipt of the written departmental decision, the *Consultant* shall notify the *Departmental Representative* if the *Consultant* accepts or rejects the decision.
7. If the *Consultant* rejects the departmental decision, the *Consultant*, by notice may refer the disagreement to *Mediation*.
8. If the disagreement is referred to *Mediation*, the *Mediation* shall be conducted with the assistance of a skilled and experienced mediator chosen by the *Consultant* from a list of mediators proposed by the *Minister*, and departmental *Mediation* procedures shall be used unless the parties agree otherwise.
9. Negotiations conducted under this Agreement, including those conducted during *Mediation*, shall be without prejudice.

### **A19 Members of House of Commons**

1. No member of the House of Commons shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

### **A20 Amendments**

This Agreement may not be amended, or modified, nor shall any of its terms and conditions be waived, except by Agreement in writing executed by both parties.

### **A21 Entire Agreement**

This Agreement constitutes the entire arrangement between the parties with respect to the subject matter of the Agreement, and supersedes all previous negotiations, communications and other arrangements relating to it, unless incorporated by reference herein.

### **A22 Lobbyist Certification - Contingency Fees**

1. The *Consultant* certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Agreement to any person other than an employee acting in the normal course of the employee's duties.
2. All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Agreement shall be subject to the accounts and audit provisions of the Agreement.
3. If the *Consultant* certifies falsely under this section or is in default of the obligations contained therein, the *Minister* may either take the work out of the *Consultant's* hands in accordance with the provisions of the Agreement or recover from the *Consultant* by way of reduction to the Basic Fee or otherwise the full amount of the contingency fee.

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4. In this clause,

"**Contingency fee**" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining a Government Agreement or negotiating the whole or any part of its term.

"**Employee**" means a person with whom the *Consultant* has an employer/employee relationship.

"**Person**" includes an individual or group of individuals, a corporation, a partnership, an organization and an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to section 5 of the *Lobbyist Registration Act*, R.S. 1985 c.44 (4<sup>th</sup> Supplement) as the same may be amended from time to time.

### A23 Non-discrimination in Hiring and Employment Practices

1. For the purpose of this Supplementary Condition, "person" includes the *Consultant*, the *Consultant's Sub-Consultants* and other firms forming the *Consultant* team, and their respective employees, agents, licensees or invitees, and any other individual involved in the performance of the work.
2. The *Consultant* shall not refuse to employ and will not discriminate in any manner against any person because
  - (a) of that person's race, national origin, colour, religion, age, sex or marital status,
  - (b) of the race, national origin, colour, religion, age, sex, or marital status of any person having any relationship or association with that person, or
  - (c) a complaint has been made or information has been given by or in respect of that person relating to an alleged failure by the *Consultant* to comply with A23.2(a) and A23.2(b) above.
3. Within two (2) working days immediately following receipt of a written complaint pursuant to A23.2 above, the *Consultant* shall
  - (a) cause to have issued a written direction to the person or persons named by the complainant to cease all actions that form the basis of the complaint; and
  - (b) forward a copy of the complaint to the *Departmental Representative* by registered mail.
4. Within twenty four (24) hours immediately following receipt of a direction from the *Departmental Representative* to do so, the *Consultant* shall cause to have removed from the *Consultant* team any person or persons whom the *Departmental Representative* believes to be in breach of the provisions of A23.2 above.
5. No later than thirty (30) days after receipt of the direction referred to in A23.4 above, the *Consultant* shall cause the necessary action to be commenced to remedy the breach described in the direction.
6. If a direction is issued pursuant to A23.4 above, *Canada* may withhold from monies that are due and payable to the *Consultant* an amount representing the sum of the costs and payment referred to in A23.8 and A23.9 below.
7. If the *Consultant* fails to proceed in accordance with A23.6 above, the *Departmental Representative* shall take the necessary action to have the breach remedied, and shall determine all supplementary costs incurred as a result by *Canada*.



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8. *Canada* may make a payment directly to the complainant from monies that are due and payable to the *Consultant* upon receipt from the complainant of:
  - (a) a written award issued pursuant to the federal *Commercial Arbitration Act*, R.S., 1985, c. C-34.6; or
  - (b) a written award issued pursuant to the *Canadian Human Rights Act*, R.S., 1985, c.H-6; or
  - (c) a written award issued pursuant to provincial or territorial human rights legislation; or
  - (d) a judgment issued by a court of competent jurisdiction.
9. The *Consultant* shall be liable for and upon demand shall pay to *Canada* the supplementary costs referred to in A23.8 If the *Consultant* fails to make payment on demand, *Canada* may deduct the same from any amount due and payable to the *Consultant*.
10. A payment made pursuant to A23.8 is, to the extent of the payment, a discharge of *Canada's* liability to the *Consultant* under the terms of the Agreement and may be deducted from any amount due and payable to the *Consultant*.
11. If the *Departmental Representative* is of the opinion that the *Consultant* has breached any of the provisions of this General Condition, the *Minister* may take the work out of the *Consultant's* hands pursuant to A10.
12. The *Consultant* shall ensure that the provisions of this General Condition are included in all agreements and contractual arrangements entered into as a consequence of this work.

### A24 Supplementary Conditions

Supplementary Conditions, if required, shall be as described elsewhere in this Agreement.

## B TERMS OF PAYMENT

### B1 Fees

1. The *Consultant's* fees shall be calculated and paid in accordance with the fee arrangements identified herein.
2. The *Consultant's* fees are only payable when the *Consultant* has performed the *Services* as determined by the *Departmental Representative*. Payment in respect of a *Service*, or part of a *Service*, is not to be deemed a waiver of *Canada's* rights of set-off at law or under this Agreement for costs or expenses arising from default or negligence of the *Consultant*.

### B2 Payments to the Consultant

1. The *Consultant* shall be entitled to receive progress payments at monthly or other agreed intervals, subject to the limitations of the Calculation of Fees clause herein, if applicable. Such payments shall be made not later than the due date. The due date shall be the 30<sup>th</sup> day following receipt of a properly submitted invoice.
2. The properly submitted invoice shall be an invoice delivered to the *Departmental Representative* in the agreed format with sufficient detail and information to permit verification. The invoice shall also identify, as separate items:

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- (a) the amount of the progress payment being claimed for *Services* satisfactorily performed,
  - (b) the amount for any tax calculated in accordance with the applicable federal legislation, and
  - (c) the total amount which shall be the sum of the amounts referred to in B2.2(a) and B2.2(b).
3. The amount of the tax shown on the invoice shall be paid by *Canada* to the *Consultant* in addition to the amount of the progress payment for *Services* satisfactorily performed.
  4. The *Departmental Representative* shall notify the *Consultant* within fifteen (15) *days* after the receipt of an invoice of any error or missing information therein. Payment shall be made not later than thirty (30) *days* after receipt of the corrected invoice or the required information.
  5. Upon completion of each *Service* as described elsewhere in this Agreement, provided at least one progress payment has been made, the *Consultant* shall provide a Statutory Declaration evidencing that all the *Consultant's* financial obligations for *Services* rendered to the *Consultant* or on the *Consultant's* account, in connection with this Agreement, have been satisfied, before any further payment is made.
  6. Upon written notice by a *Sub-Consultant*, with whom the *Consultant* has a direct contract, of an alleged non payment to the *Sub-Consultant*, the *Departmental Representative* may provide the *Sub-Consultant* with a copy of the latest approved progress payment made to the *Consultant* for the *Services*.
  7. Upon the satisfactory completion of all *Services*, the amount due, less any payments already made, shall be paid to the *Consultant* not later than thirty (30) *days* after receipt of a properly submitted invoice, together with the Final Statutory Declaration in accordance with B2.5.

### **B3 Delayed Payment**

1. Subject to B3.4 below, if *Canada* delays in making a payment that is due in accordance with B2, the *Consultant* will be entitled to receive interest on the amount that is overdue for the period of time as defined in B3.2 including the day previous to the date of payment. Such date of payment shall be deemed to be the date on the cheque given for payment of the overdue amount. An amount is overdue when it is unpaid on the first day following the due date described in B2.1.
2. Except as provided for in B3.4, interest shall be paid automatically on all amounts that are not paid by the due date or fifteen (15) *days* after the *Consultant* has delivered a Statutory Declaration in accordance with B2.5 or B2.7, whichever is the later.
3. The rate of interest shall be the *Average Bank Rate* plus 3 percent per year on any amount which is overdue pursuant to B3.1.
4. With respect to amounts which are less than fifteen (15) *days* overdue, no interest shall be payable or paid if a payment is made within the said fifteen (15) *days* unless the *Consultant* so demands after such amounts have become due.

### **B4 Claims Against, and Obligations of, the Consultant**

1. *Canada* may, in order to discharge lawful obligations of and satisfy lawful claims against the *Consultant* by a *Sub-Consultant*, with whom the *Consultant* has a direct contract, for *Services* rendered to, or on behalf of, the *Consultant*, pay an amount from money that is due and payable to the *Consultant* directly to the claimant *Sub-Consultant*.

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2. For the purposes of B4.1 a claim shall be considered lawful when it is so determined
  - (a) by a court of legal jurisdiction, or
  - (b) by an arbitrator duly appointed to arbitrate the said claim, or
  - (c) by a written notice delivered to the *Departmental Representative* and signed by the *Consultant* authorizing payment of the said claim or claims.
3. A payment made pursuant to B4.1 is, to the extent of the payment, a discharge of *Canada's* liability to the *Consultant* under this Agreement and will be deducted from any amount payable to the *Consultant* under this Agreement.
4. B4.1 shall only apply to claims and obligations
  - (a) the notification of which has set forth the amount claimed to be owing and a full description of the *Services* or a part of the *Services* for which the claimant has not been paid. The notification must be received by the *Departmental Representative* in writing before the final payment is made to the *Consultant* and within one hundred twenty (120) days of the date on which the claimant
    - (1) should have been paid in full under the claimant's Agreement with the *Consultant* where the claim is for an amount that was lawfully required to be held back from the claimant; or
    - (2) performed the last of the *Services* pursuant to the claimant's Agreement with the *Consultant* where the claim is not for an amount referred to in B4.4(a)(1), and
  - (b) the proceedings to determine the right to payment of which shall have commenced within one year from the date that the notification referred to in B4.4(a) was received by the *Departmental Representative*.
5. *Canada* may, upon receipt of a notification of claim referred to in B4.4(a), withhold from any amount that is due and payable to the *Consultant* pursuant to this Agreement the full amount of the claim or any portion thereof.
6. The *Departmental Representative* shall notify the *Consultant* in writing of receipt of any notification of claim and of the intention of *Canada* to withhold funds pursuant to B4.5. The *Consultant* may, at any time thereafter and until payment is made to the claimant, post with *Canada*, security in a form acceptable to *Canada* in an amount equal to the value of the said claim. Upon receipt of such security *Canada* shall release to the *Consultant* any funds which would be otherwise payable to the *Consultant*, that were withheld pursuant to the provision of B4.5.
7. The *Consultant* shall discharge all lawful obligations and shall satisfy all lawful claims against the *Consultant* for *Services* rendered to, or on behalf of, the *Consultant* in respect of this Agreement at least as often as this Agreement requires *Canada* to discharge its obligations to the *Consultant*.

### **B5 No Payment for Errors and Omissions**

The *Consultant* shall not be entitled to payment in respect of costs incurred by the *Consultant* in remedying errors and omissions in the *Services* that are attributable to the *Consultant*, the *Consultant's* employees, or persons for whom the *Consultant* had assumed responsibility in performing the *Services*.

### **B6 Payment for Changes and Revisions**

Payment for any additional or reduced *Services* provided by the *Consultant* and authorized by the *Departmental Representative* shall be made in accordance with the terms of such authorization and these Terms of Payment.

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## R - REAL PROPERTY CONTRACTING

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### B7 Suspension Costs

1. During a period of suspension of the *Services* pursuant to A8, the *Consultant* shall minimize all costs and expenses relating to the *Services* that may occur during the suspension period.
2. Within fourteen (14) *days* of notice of such suspension, the *Consultant* shall submit to the *Departmental Representative* a schedule of costs and expenses, if any, that the *Consultant* expects to incur during the period of suspension, and for which the *Consultant* will request reimbursement.
3. Payment shall be made to the *Consultant* for those costs and expenses that are substantiated as having been reasonably incurred during the suspension period.

### B8 Termination Costs

1. In the event of termination of this Agreement pursuant to A9, *Canada* shall pay, and the *Consultant* shall accept in full settlement, an amount based on these Terms of Payment, for *Services* satisfactorily performed, plus an amount to compensate the *Consultant* for reasonable costs and expenses, if any, that are related to the *Services* not performed and incurred after the date of termination.
2. Within fourteen (14) *days* of notice of such termination, the *Consultant* shall submit to the *Departmental Representative* a schedule of costs and expenses incurred plus any additional costs that the *Consultant* expects to incur after the date of termination, and for which the *Consultant* will request reimbursement.
3. Payment shall be made to the *Consultant* for those costs and expenses that are substantiated as having been reasonably incurred after the date of termination.

### B9 Disbursements

1. The following disbursements incurred by the *Consultant*, that are related to the *Services* and approved by the *Departmental Representative*, shall be reimbursed to the *Consultant* at actual cost:
  - (a) long distance telephone calls and facsimiles;
  - (b) copies of drawings, CADD files and specifications additional to those specified in the Agreement Particulars clause herein;
  - (c) transportation costs for material samples and models, courier and delivery charges;
  - (d) other disbursements made with the prior approval and authorization of the *Departmental Representative*.
2. Disbursements for Project related travel and accommodation shall be reimbursed in accordance with current Treasury Board Travel Policy.
3. Disbursements shall be Project related and shall not include expenses that are related to the normal operation of the *Consultant's* business. The amounts payable, shall not exceed the amount entered in the Agreement Particulars clause herein, without the prior authorization of the *Departmental Representative*.

## C CONSULTANT SERVICES AND DEPARTMENTAL RESPONSIBILITIES

### C1 Services

The *Consultant* shall perform the *Services* described herein, in accordance with the terms and conditions of this Agreement.

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### C2 Time Schedule

1. The *Consultant* shall:
  - (a) submit in a timely manner to the *Departmental Representative*, for approval, a time schedule for the *Services* to be performed, in detail appropriate to the size and complexity of the Project, and in a format as requested by the *Departmental Representative*;
  - (b) adhere to the approved time schedule and, if changes in the approved time schedule become necessary, indicate the extent of, and the reasons for such changes, and obtain the approval of the *Departmental Representative*.

### C3 Project Information, Decisions, Acceptances, Approvals

1. The *Departmental Representative* shall provide, in a timely manner, project information, written decisions and instructions, including acceptances and approvals relating to the *Services* provided by the *Consultant*.
2. No acceptance or approval by the *Departmental Representative*, whether expressed or implied, shall be deemed to relieve the *Consultant* of the professional or technical responsibility for the *Services* provided by the *Consultant*.

### C4 Changes in Services

1. The *Consultant* shall:
  - (a) make changes in the *Services* to be provided for the Project, including changes which may increase or decrease the original scope of *Services*, when requested in writing by the *Departmental Representative*; and
  - (b) prior to commencing such changes, advise the *Departmental Representative* of any known and anticipated effects of the changes on the *Construction Cost Estimate*, *Consultant fees*, *Project Schedule*, and other matters concerning the Project.

### C5 Codes, By-Laws, Licences, Permits

The *Consultant* shall comply with all statutes, codes, regulations and by-laws applicable to the design and where necessary, shall review the design with those public authorities having jurisdiction in order that the consents, approvals, licences and permits required for the project may be applied for and obtained.

### C6 Provision of Staff

1. The *Consultant* shall, on request, submit to the *Departmental Representative* for approval, the names, addresses, qualifications, experience and proposed roles of all persons, including principals, to be employed by the *Consultant* to provide the *Services* for the Project and, on request, submit any subsequent changes to the *Departmental Representative* for approval.
2. When fees are on a *Payroll Cost* basis, the *Consultant* shall submit to the *Departmental Representative*, for approval, a statement of *Payroll Costs*, and any amendments thereof, for all persons to be employed by the *Consultant* to provide the *Services* for the Project.

### C7 Sub-Consultants

1. The *Consultant* shall:

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- (a) notify the *Departmental Representative* of those sub-consultants identified during the negotiations of this Agreement with whom the *Consultant* will enter into Agreements for part of the *Services* and, on request, provide details of the terms, and *Services* to be performed under the said Agreements and the qualifications and names of the personnel of the *Sub-Consultants* proposed to be employed on the Project;
  - (b) subsequent to this Agreement notify the *Departmental Representative* of any other *Sub-Consultants* with whom the *Consultant* intends to enter into Agreements for part of these *Services* and, on request, provide details of the terms and *Services* to be performed under the said Agreements and the qualifications and names of the personnel of these *Sub-Consultants* proposed to be employed on this Project;
  - (c) include in any Agreements entered into with sub-consultants such provisions of this Agreement as they apply to the *Sub-Consultants'* responsibilities; and
  - (d) upon written notice by a *Sub-Consultant*, with whom the *Consultant* has a direct contract, inform the *Sub-Consultant* of the *Consultant's* obligations to the *Sub-Consultant* under this Agreement.
2. The *Departmental Representative* may object to any *Sub-Consultant* within six (6) days of receipt of notification given in accordance with C7.1(b) and, on notification of such objection, the *Consultant* shall not enter into the intended Agreement with the *Sub-Consultant*.
  3. Neither an Agreement with a *Sub-Consultant* nor the *Departmental Representative's* consent to such an Agreement by the *Consultant* shall be construed as relieving the *Consultant* from any obligation under this Agreement, or as imposing any liability upon *Canada*.

### **C8 Cost Control**

1. Throughout Project development, the *Construction Cost Estimate* prepared by the *Consultant* shall not exceed the *Construction Cost Limit*.
2. In the event that the *Consultant* considers that the *Construction Cost Estimate* will exceed the *Construction Cost Limit*, the *Consultant* shall notify the *Departmental Representative*, and
  - (a) if the excess is due to factors under the control of, or reasonably foreseeable by the *Consultant*, the *Consultant* shall, if requested by the *Departmental Representative*, and at no additional cost to *Canada*, make such changes or revisions to the design as may be necessary to bring the *Construction Cost Estimate* within the *Construction Cost Limit*, or
  - (b) if the excess is due to factors that are not under the control of the *Consultant*, changes or revisions may be requested by the *Departmental Representative*. Such changes or revisions shall be undertaken by the *Consultant* at *Canada's* expense, and the cost involved shall become an amount to be mutually agreed, prior to performance of the said changes or revisions.
3. If the lowest price obtained by bid process or negotiation exceeds the *Construction Cost Limit*, and if the excess is due to reasons within the control of, or reasonably foreseeable by the *Consultant*, the *Consultant* shall, if requested by the *Departmental Representative*, and without additional charge, co-operate in revising the Project scope and quality as required to reduce the construction cost and shall modify the construction documents as necessary to comply with the *Construction Cost Limit*.

### **C9 Additional Services**

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Additional *Services*, if required, shall be as described elsewhere in this Agreement and shall be determined in the manner set out in the "Calculation of Fees" and "Agreement Particulars" clauses.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in Architectural and Engineering Consultant Agreements - Buildings, Engineering Works and General.

**R0300D (16/02/98) Supplementary General Conditions**

**1. Other Supplementary Conditions (as applicable)**

\_\_\_\_\_  
\_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Open.

**R0301D (16/02/98) Supplementary Conditions - Open**

**1. Services**

- (a) This A&E Agreement - Open is for the acquisition of *Services* to be performed by the *Consultant* for projects to be designated from time to time by the *Departmental Representative*.
- (b) The *Consultant* agrees to provide only the *Services* required under a Commitment for *Services*. The Commitment for *Services* shall be provided by the *Departmental Representative* for the designated project(s).
- (c) The Commitment for *Services* shall be the written instructions and any amendments, provided by the *Departmental Representative* from time to time, describing, among other things
  - (1) the *Services* to be provided
  - (2) the terms of payment agreed upon for such *Services*.

**2. Term of this Agreement**

This Agreement shall remain in effect until either party gives notice that no further *Services* shall be required or performed, or in the absence of such notice, until the expiration of two (2) years from the date of this Agreement. In the event that *Services* undertaken prior to the two (2) year expiry date are not fully completed at the said expiry date, the Agreement will expire upon completion of such *Services*, or upon notice from the *Minister* in accordance with the provisions of General Conditions A1.9.

**3. Statutory Declaration**

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Before final payment is made under each Commitment for Services, the *Consultant* shall provide a Statutory Declaration evidencing that all the *Consultant's* financial obligations in connection with the Commitment for Services have been met.

#### 4. Other Supplementary Conditions (if applicable)

\_\_\_\_\_  
\_\_\_\_\_

**Remarks:** Use this clause in Architectural and Engineering Consultant Agreement - Buildings.

**R0400D (16/02/98) A&E Agreement - Buildings**

The following documents and any amendments relating thereto (referred to herein as the "Agreement") form the Agreement between Canada and the Consultant:

**R0412D Articles of Agreement**

**R0425D Instructions and Conditions**

**R0220D General Conditions**

#### **A GENERAL PROVISIONS**

- A1** Definitions
- A2** Interpretations
- A3** Successors and Assigns
- A4** Assignment
- A5** Administration
- A6** Indemnification
- A7** Notices
- A8** Suspension
- A9** Termination
- A10** Taking the Services out of the Consultant's Hands
- A11** Records to be Kept by the Consultant
- A12** National or Departmental Security
- A13** Copyright and Reuse of Documents
- A14** Conflict of Interest
- A15** Status of Consultant
- A16** Declaration by Consultant
- A17** Insurance
- A18** Resolution of Disagreements
- A19** Members of House of Commons
- A20** Amendments
- A21** Entire Agreement
- A22** Lobbyist Certification - Contingency Fees
- A23** Non-discrimination in Hiring and Employment Practices
- A24** Supplementary Conditions

#### **B TERMS OF PAYMENT**

- B1** Fees
- B2** Payments to the Consultant
- B3** Delayed Payment
- B4** Claims Against, and Obligations of, the Consultant



## R - REAL PROPERTY CONTRACTING

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- B5** No Payment for Errors and Omissions
- B6** Payment for Changes and Revisions
- B7** Suspension Costs
- B8** Termination Costs
- B9** Disbursements

### **C CONSULTANT SERVICES AND DEPARTMENTAL RESPONSIBILITIES**

- C1** Services
  - C2** Time Schedule
  - C3** Project Information, Decisions, Acceptances, Approvals
  - C4** Changes in Services
  - C5** Codes, By-Laws, Licences, Permits
  - C6** Provision of Staff
  - C7** Sub-Consultants
  - C8** Cost Control
  - C9** Additional Services
- 
- R0300D** Supplementary Conditions
  - R1000D** Basic Services
  - R1001D** Analysis of Project Brief
  - R1002D** Design Concept
  - R1003D** Design Development
  - R1008D** Documents, Estimate and Schedule
  - R1009D** Tender Call, Evaluation & Contract Award
  - R1010D** Construction and Contract Administration
  - R1011D** Post-Construction Warranty Review
  - R1012D** Modification to Basic Services
  - R1014D** Additional Services
    - Bilingual Construction Documents
    - Resident Services During Construction
    - Other Additional Services
  - R2000D** Calculation of Fees - Buildings
    - Fee Arrangement(s) for Basic Services
    - Payments for Basic Services
    - Fee Arrangement(s) for Additional Services
    - Payments for Additional Services
  - R2001D** Agreement Particulars - Buildings
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## **R - REAL PROPERTY CONTRACTING**

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**Remarks:** Use the following clause in Architectural and Engineering Consultant Agreement - Engineering Works.

**R0401D (16/02/98) A&E Agreement - Engineering Works**

The following documents and any amendments relating thereto (referred to herein as the "Agreement") form the Agreement between Canada and the Consultant:

- R0412D Articles of Agreement**
- R0425D Instructions and Conditions**
- R0220D General Conditions**

**A GENERAL PROVISIONS**

- A1** Definitions
- A2** Interpretations
- A3** Successors and Assigns
- A4** Assignment
- A5** Administration
- A6** Indemnification
- A7** Notices
- A8** Suspension
- A9** Termination
- A10** Taking the Services out of the Consultant's Hands
- A11** Records to be Kept by the Consultant
- A12** National or Departmental Security
- A13** Copyright and Reuse of Documents
- A14** Conflict of Interest
- A15** Status of Consultant
- A16** Declaration by Consultant
- A17** Insurance
- A18** Resolution of Disagreements
- A19** Members of House of Commons
- A20** Amendments
- A21** Entire Agreement
- A22** Lobbyist Certification - Contingency Fees
- A23** Non-discrimination in Hiring and Employment Practices
- A24** Supplementary Conditions

**B TERMS OF PAYMENT**

- B1** Fees
- B2** Payments to the Consultant
- B3** Delayed Payment
- B4** Claims Against, and Obligations of, the Consultant
- B5** No Payment for Errors and Omissions
- B6** Payment for Changes and Revisions
- B7** Suspension Costs
- B8** Termination Costs
- B9** Disbursements

**C CONSULTANT SERVICES AND DEPARTMENTAL RESPONSIBILITIES**

- C1** Services
- C2** Time Schedule

## R - REAL PROPERTY CONTRACTING

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|               |                                                                                                                                                                                                                   |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>C3</b>     | Project Information, Decisions, Acceptances, Approvals                                                                                                                                                            |
| <b>C4</b>     | Changes in Services                                                                                                                                                                                               |
| <b>C5</b>     | Codes, By-Laws, Licences, Permits                                                                                                                                                                                 |
| <b>C6</b>     | Provision of Staff                                                                                                                                                                                                |
| <b>C7</b>     | Sub-Consultants                                                                                                                                                                                                   |
| <b>C8</b>     | Cost Control                                                                                                                                                                                                      |
| <b>C9</b>     | Additional Services                                                                                                                                                                                               |
| <b>R0300D</b> | Supplementary Conditions                                                                                                                                                                                          |
| <b>R1004D</b> | Categories of Services                                                                                                                                                                                            |
| <b>R1005D</b> | Terms of Reference and Conceptual Design                                                                                                                                                                          |
| <b>R1006D</b> | Preliminary Design                                                                                                                                                                                                |
| <b>R1008D</b> | Documents, Estimate and Schedule                                                                                                                                                                                  |
| <b>R1009D</b> | Tender Call, Evaluation & Contract Award                                                                                                                                                                          |
| <b>R1010D</b> | Construction and Contract Administration                                                                                                                                                                          |
| <b>R1011D</b> | Post-Construction Warranty Review                                                                                                                                                                                 |
| <b>R1013D</b> | Modification to Categories of Services                                                                                                                                                                            |
| <b>R1014D</b> | Additional Services<br>Bilingual Construction Documents<br>Resident Services During Construction<br>Other Additional Services                                                                                     |
| <b>R2002D</b> | Calculation of Fees - Engineering Works<br>Fee Arrangement(s) for Categories of Services<br>Payments for Categories of Services<br>Fee Arrangement(s) for Additional Services<br>Payments for Additional Services |
| <b>R2003D</b> | Agreement Particulars - Engineering Works                                                                                                                                                                         |

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**Remarks:** Use the following clause in the Architectural and Engineering Consultant Agreement - General.

**R0402D (16/02/98) A&E Agreement - General**

The following documents and any amendments relating thereto (referred to herein as the "Agreement") form the Agreement between Canada and the Consultant:

|               |                                    |
|---------------|------------------------------------|
| <b>R0412D</b> | <b>Articles of Agreement</b>       |
| <b>R0425D</b> | <b>Instructions and Conditions</b> |
| <b>R0220D</b> | <b>General Conditions</b>          |
| <b>A</b>      | <b>GENERAL PROVISIONS</b>          |
| <b>A1</b>     | Definitions                        |

## **R - REAL PROPERTY CONTRACTING**

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|            |                                                       |
|------------|-------------------------------------------------------|
| <b>A2</b>  | Interpretations                                       |
| <b>A3</b>  | Successors and Assigns                                |
| <b>A4</b>  | Assignment                                            |
| <b>A5</b>  | Administration                                        |
| <b>A6</b>  | Indemnification                                       |
| <b>A7</b>  | Notices                                               |
| <b>A8</b>  | Suspension                                            |
| <b>A9</b>  | Termination                                           |
| <b>A10</b> | Taking the Services out of the Consultant's Hands     |
| <b>A11</b> | Records to be Kept by the Consultant                  |
| <b>A12</b> | National or Departmental Security                     |
| <b>A13</b> | Copyright and Reuse of Documents                      |
| <b>A14</b> | Conflict of Interest                                  |
| <b>A15</b> | Status of Consultant                                  |
| <b>A16</b> | Declaration by Consultant                             |
| <b>A17</b> | Insurance                                             |
| <b>A18</b> | Resolution of Disagreements                           |
| <b>A19</b> | Members of House of Commons                           |
| <b>A20</b> | Amendments                                            |
| <b>A21</b> | Entire Agreement                                      |
| <b>A22</b> | Lobbyist Certification - Contingency Fees             |
| <b>A23</b> | Non-discrimination in Hiring and Employment Practices |
| <b>A24</b> | Supplementary Conditions                              |

### **B TERMS OF PAYMENT**

|           |                                                    |
|-----------|----------------------------------------------------|
| <b>B1</b> | Fees                                               |
| <b>B2</b> | Payments to the Consultant                         |
| <b>B3</b> | Delayed Payment                                    |
| <b>B4</b> | Claims Against, and Obligations of, the Consultant |
| <b>B5</b> | No Payment for Errors and Omissions                |
| <b>B6</b> | Payment for Changes and Revisions                  |
| <b>B7</b> | Suspension Costs                                   |
| <b>B8</b> | Termination Costs                                  |
| <b>B9</b> | Disbursements                                      |

### **C CONSULTANT SERVICES AND DEPARTMENTAL RESPONSIBILITIES**

|           |                                                        |
|-----------|--------------------------------------------------------|
| <b>C1</b> | Services                                               |
| <b>C2</b> | Time Schedule                                          |
| <b>C3</b> | Project Information, Decisions, Acceptances, Approvals |
| <b>C4</b> | Changes in Services                                    |
| <b>C5</b> | Codes, By-Laws, Licences, Permits                      |
| <b>C6</b> | Provision of Staff                                     |
| <b>C7</b> | Sub-Consultants                                        |
| <b>C8</b> | Cost Control                                           |
| <b>C9</b> | Additional Services                                    |

|               |                                                                                                            |
|---------------|------------------------------------------------------------------------------------------------------------|
| <b>R0300D</b> | Supplementary Conditions                                                                                   |
| <b>R1015D</b> | Description of Required Services                                                                           |
| <b>R1016D</b> | Additional Services - General<br>Bilingual Construction Documents<br>Resident Services During Construction |
| <b>R2006D</b> | Calculation of Fees - General<br>Fee Arrangement(s) for the Required Services<br>Payments Stages           |

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**R2007D** Agreement Particulars - General

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**Remarks:** Use the following clause in Architectural and Engineering Consultant Agreement - Open.

**R0403D (16/02/98) A&E Agreement - Open**

The following documents and any amendments relating thereto (referred to herein as the "Agreement") form the Agreement between Canada and the Consultant:

**R0412D Articles of Agreement**

**R0425D Instructions and Conditions**

**R0220D General Conditions**

**A GENERAL CONDITIONS**

- A1** Definitions
- A2** Interpretations
- A3** Successors and Assigns
- A4** Assignment
- A5** Administration
- A6** Indemnification
- A7** Notices
- A8** Suspension
- A9** Termination
- A10** Taking the Services out of the Consultant's Hands
- A11** Records to be Kept by the Consultant
- A12** National or Departmental Security
- A13** Copyright and Reuse of Documents
- A14** Conflict of Interest
- A15** Status of Consultant
- A16** Declaration by Consultant
- A17** Insurance
- A18** Resolution of Disagreements
- A19** Members of House of Commons
- A20** Amendments
- A21** Entire Agreement
- A22** Lobbyist Certification - Contingency Fees
- A23** Non-discrimination in Hiring and Employment Practices
- A24** Supplementary Conditions

**B TERMS OF PAYMENT**

- B1** Fees
- B2** Payments to the Consultant
- B3** Delayed Payment
- B4** Claims Against, and Obligations of, the Consultant
- B5** No Payment for Errors and Omissions
- B6** Payment for Changes and Revisions
- B7** Suspension Costs
- B8** Termination Costs

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**B9** Disbursements

**C CONSULTANT SERVICES AND DEPARTMENTAL RESPONSIBILITIES**

**C1** Services

**C2** Time Schedule

**C3** Project Information, Decisions, Acceptances, Approvals

**C4** Changes in Services

**C5** Codes, By-Laws, Licences, Permits

**C6** Provision of Staff

**C7** Sub-Consultants

**C8** Cost Control

**C9** Additional Services

**R0301D** Supplementary Conditions - Open  
Services  
Term of this Agreement  
Statutory Declaration  
Other Supplementary Conditions

**R1017D** Services to be Provided

**R2008D** Calculation of Fees - Open

**R2009D** Agreement Particulars - Open

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in Architectural and Engineering Consultant Agreements - Buildings, Engineering Works, Open and General.

**R0412D (16/02/98) Articles of Agreement**

These Articles of Agreement made the \_\_\_\_ day of \_\_\_\_ 19 \_\_\_\_ ,

between

*Canada*, represented by the Minister of Public Works and Government Services (referred to herein as the "*Minister*"),

and

\_\_\_\_ (referred to herein as the "*Consultant*").

**For the following Project:**

Title: \_\_\_\_

Location: \_\_\_\_

Description: \_\_\_\_ (referred to herein as the "Project").

*Canada* and the *Consultant* agree as follows:

**1. SERVICES**

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The *Consultant* shall perform and complete the *Services* that are described in this Agreement.

### 2. PAYMENT

- (a) Subject to the terms and conditions of this Agreement, and in consideration for the performance of the *Services*, *Canada* shall pay to the *Consultant* a sum of money calculated in accordance with the provisions of the Calculation of Fees and Agreement Particulars.
- (b) The maximum amount payable under this Agreement, including fees and disbursements, shall not exceed the sum specified in the Agreement Particulars, without the prior written authorization of the *Departmental Representative*.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year first above written.

### EXECUTED IN THE PRESENCE OF:

#### CONSULTANT

#### WITNESS

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print name of signatory)

\_\_\_\_\_  
(Print capacity of signatory)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print name of signatory)

\_\_\_\_\_  
(Print capacity of signatory)

#### On behalf of Canada

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print name of the officer)

\_\_\_\_\_

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(Print capacity of the officer)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print name of the officer)

\_\_\_\_\_  
(Print capacity of the officer)

\_\_\_\_\_

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in Architectural Engineering and Consultant Agreements - Buildings, Engineering Works, Open and General.

**R0425D (13/12/02) Standard Instructions and Conditions**

### Terms and Conditions of Agreement

Pursuant to the Department of Public Works and Government Services Act, S.C. 1996, c.16, the general terms, conditions and clauses identified herein by title, number and date, are hereby incorporated by reference into and form part of this tender, bid and any resulting contract, as though expressly set out herein, subject to any other express terms and conditions herein contained.

### Standard Acquisition Clauses and Conditions Manual

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

A hard copy of the SACC Manual (Catalogue No. P60-4/1) is available through your local book seller or by mail from:

Canadian Government Publishing  
Communication Canada  
Ottawa, Ontario K1A 0S9

Telephone: (819) 956-4800  
Fax: (819) 994-1498  
Orders only: 1-800-635-7943

An electronic version is also available at the following PWGSC Website:  
<http://www.pwgsc.gc.ca/sacc>.

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**R0425D (24/05/02) Standard Instructions and Conditions**

Effective 13/12/02, this clause is superseded by R0425D.

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**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R1000D (16/02/98) Basic Services**

1. Unless otherwise indicated in clauses R1012D, Modification to Basic Services and R2001D, Agreement Particulars, this Agreement includes the following *Basic Services*:
    - (a) Analysis of *Project Brief*
    - (b) Design Concept
    - (c) Design Development
    - (d) Construction Documents, Pre-Tender Construction Cost Estimate and Project Schedule
    - (e) Tender Call, Bid Evaluation and Construction Contract Award
    - (f) Construction and Contract Administration
    - (g) Post-Construction Warranty Review
- 

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R1001D (16/02/98) Analysis of Project Brief**

The *Consultant* shall analyze the *Project Brief* and advise the *Departmental Representative* of any noted problems or the need for more information, clarification and direction.

---

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R1002D (16/02/98) Design Concept**

1. The *Consultant* shall:
  - (a) submit to the *Departmental Representative*, design concept documents in sufficient detail to illustrate the design concept and to demonstrate compliance with the *Project Brief*,

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- (b) submit a preliminary *Construction Cost Estimate*, *Cost Plan* and *Project Schedule* to confirm the feasibility of the Project, and
  - (c) provide copies of all design concept documents in the type and number specified in clause R2001D, Agreement Particulars.
- 

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

### R1003D (16/02/98) Design Development

- 1. The *Consultant* shall, after acceptance of the design concept documents, prepare and
    - (a) submit to the *Departmental Representative*, design development documents in sufficient detail to define the size, intent and character of the entire Project;
    - (b) submit an updated *Construction Cost Estimate* based on the design development documents, and an updated *Cost Plan* and *Project Schedule*; and
    - (c) provide copies of all design development documents in the type and number specified in clause R2001D, Agreement Particulars.
- 

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

### R1004D (16/02/98) Categories of Service

- 1. Unless otherwise indicated in clause R1013D, Modification to Categories of Services or clause R2003D, Agreement Particulars, this Agreement includes the following Categories of Services:
    - (a) Analysis of *Terms of Reference* and Conceptual Design,
    - (b) Preliminary Design,
    - (c) Construction Documents, Pre-Tender *Construction Cost Estimate* and *Project Schedule*,
    - (d) Tender Call, Bid Evaluation and *Construction Contract Award*,
    - (e) Construction and Contract Administration,
    - (f) Post-Construction Warranty Review.
- 

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

### R1005D (16/02/98) Terms of Reference and Conceptual Design

- 1. The *Consultant* shall:

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- (a) analyze the *Terms of Reference*, and other relevant information and advise the *Departmental Representative* of any noted problems or the need for more information, clarification and direction;
  - (b) study the potential site or sites and related site data and identify any related issues;
  - (c) develop alternative conceptual designs for each potential site, evaluate their feasibility and provide recommendations including a preliminary *Construction Cost Estimate* and *Project Schedule* for each alternative conceptual design;
  - (d) provide copies of all conceptual design documents in the type and number specified in clause R2003D, Agreement Particulars.
- 

**Remarks:** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

### R1006D (16/02/98) Preliminary Design

1. The *Consultant* shall, after acceptance of the conceptual design, prepare and
    - (a) submit to the *Departmental Representative*, preliminary design documents in sufficient detail to illustrate the preliminary design and to demonstrate compliance with the *terms of reference*;
    - (b) submit a preliminary *Construction Cost Estimate*, *Cost Plan* and *Project Schedule* to confirm the feasibility of the project; and
    - (c) provide copies of all preliminary design documents in the type and number specified in clause R2003D, Agreement Particulars.
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings and Engineering Works. When this clause is used in Buildings requirements, insert "R2001D"; when used in Engineering Works requirements, insert "R2003D".

### R1008D (16/02/98) Documents, Estimate and Schedule

#### Construction Documents

1. The *Consultant* shall, after acceptance of the design development documents, prepare and
  - (a) submit for review to the *Departmental Representative* construction documents detailing the requirements for the construction of the Project at each stage of production as specified in clause \_\_\_\_, Agreements Particulars.
  - (b) submit an updated *Cost Plan* including a *Construction Cost Estimate* and *Project Schedule* at each specified stage of production;

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- (c) provide copies of all construction documents submitted, in the type and number specified in clause \_\_\_\_\_.

### **Pre-Tender Construction Cost Estimate and Project Schedule**

The *Consultant* shall prepare for tender call purposes and submit to the *Departmental Representative* for acceptance a final *Construction Cost Estimate* based on the approved construction documents, together with a breakdown thereof, and an updated *Project Schedule*.

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**Remarks:** Use this clause in Architectural and Engineering Consultant Agreements - Buildings and Engineering Works.

### **R1009D (16/02/98) Tender Call, Evaluation & Contract Award**

#### **Tender Call**

1. Whereas the *Departmental Representative* shall be responsible for the production of the required number of copies of the tender documents, and for such other documents as are necessary for tender call purposes, the *Consultant* shall, after acceptance of the final submission of the construction documents, provide, in a manner satisfactory to the *Departmental Representative*, one (1) complete set of the approved working drawings on mylar or similar material, suitable for reproduction and microfilming, and two (2) sets of the approved specifications, one set to be suitable for reproduction and the other set to be properly bound and covered. The *Consultant* shall, on request:
  - (a) provide the *Departmental Representative* with information required for interpretation and clarification of the construction documents;
  - (b) assist in the evaluation and approval of equivalent alternative materials, methods and systems;
  - (c) assist with the preparation of addenda;
  - (d) attend job or site showings as required.

#### **Bid Evaluation and Construction Contract Award**

1. Whereas the *Departmental Representative* shall be responsible for assembling and issuing tender documents and arranging for the receipt of tenders and awarding of the *Construction Contract*, the *Consultant* shall, on request:
    - (a) review and evaluate the bids received for the construction of the Project, and advise on their relative merits;
    - (b) provide information to support price negotiations.
- 

**Remarks:** Use this clause in Architectural and Engineering Consultant Agreements - Buildings and Engineering Works.

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**R1010D** (16/02/98) **Construction and Contract Administration**

### Construction Schedule

1. The *Consultant* shall:
  - (a) as soon as practical after the award of the *Construction Contract*, request from the *Contractor* a detailed construction schedule, and, after review for conformity with the *Project Schedule*, forward two (2) copies of the construction schedule to the *Departmental Representative*;
  - (b) monitor and report to the *Departmental Representative* the progress of the construction; and
  - (c) notify the *Departmental Representative* of any known and anticipated delays which may affect the completion date of the Project, and keep accurate records of the causes of delays.
2. The *Departmental Representative* shall evaluate all requests from the *Contractor* for time extensions, and shall issue directions to the *Contractor* and the *Consultant*.

### Construction Meetings

1. The *Consultant* shall:
  - (a) advise the *Contractor* to hold and attend construction meetings as required by the *Construction Contract*;
  - (b) advise the *Departmental Representative* of the dates and times of the proposed meetings;
  - (c) attend all such meetings;
  - (d) maintain a record of the proceedings of such meetings and provide the *Departmental Representative* with a copy thereof.

### Clarification and Interpretation

The *Consultant* shall provide clarification and interpretation of the construction documents in written or graphic form, to the *Contractor* for the proper execution and progress of the construction as and when necessary.

### Shop Drawings

1. The *Consultant* shall:
  - (a) specify in the construction documents the shop drawings that are to be submitted by the *Contractor*;
  - (b) review in a timely manner the shop drawings provided by the *Contractor* to determine conformity with the general concept and intent of the construction documents and indicate to the *Contractor* such conformance with the general concept or lack thereof;
  - (c) provide the *Departmental Representative* with one (1) copy when such conformity is confirmed.

### Testing and Inspection

1. The *Consultant* shall:

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- (a) recommend the need for, and review, test reports of materials or construction;
- (b) recommend quality assurance testing to be undertaken during construction, evaluate the results and advise the *Departmental Representative* accordingly;
- (c) request the *Contractor* to take remedial action when observed material or construction fails to comply with the requirements of the *Construction Contract*, and advise the *Departmental Representative* accordingly;
- (d) specify in the construction documents product and performance testing to be undertaken by the *Contractor*.

### Site Visits

1. The *Consultant* shall:
  - (a) make visits to the site to determine, on an adequate sampling basis, whether this work is in conformity with the construction documents;
  - (b) record and report to the *Departmental Representative* on the progress, non-conformities and deficiencies observed during each site visit, and provide the *Contractor* with written progress reports and lists of deficiencies observed;
  - (c) recommend the action to be taken.

### Changes to *Construction Contract*

1. The *Consultant* shall:
  - (a) submit all requests and recommendations for changes to the *Construction Contract* and their implications to the *Departmental Representative* for approval;
  - (b) obtain quotations from the *Contractor* for contemplated changes, review the prices for acceptability, assess the effect on construction progress, and submit recommendations to the *Departmental Representative*.
2. The *Departmental Representative* shall issue Change Orders for all approved changes.

### Contractor's Progress Claims

1. The *Consultant* shall:
  - (a) request from the *Contractor* a cost breakdown of the *Construction Contract Award Price* in detail appropriate to the size and complexity of the Project, or as may otherwise be specified in the *Construction Contract*, and submit the cost breakdown to the *Departmental Representative* prior to the *Contractor's* first progress claim;
  - (b) examine progress claims in a timely manner and, if acceptable, certify the progress claims for work completed and materials delivered pursuant to the *Construction Contract*, and submit them to the *Departmental Representative* for approval and processing; and
  - (c) if the construction is based on unit prices, measure and record the quantities of labour, materials and equipment involved for the purpose of certifying progress claims.

### Interim Completion of the Project

1. The *Consultant* shall:

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- (a) review the construction with the *Departmental Representative* and the *Contractor*, and record all unacceptable and incomplete work detected;
- (b) request from the *Contractor*, review for completeness and adequacy and provide the *Departmental Representative* with, all operation and maintenance manuals and any other documents or items to be provided by the *Contractor*, in accordance with the *Construction Contract*;
- (c) prepare and submit to the *Departmental Representative* for approval and processing, and as a basis for payment to the *Contractor*, an Interim Certificate of Completion as required by the *Construction Contract*, together with supporting documents properly signed and certified.

### As-built and Record Drawings

1. The *Consultant* shall, before issuance of the Final Certificate of Completion:
  - (a) prepare and provide the *Departmental Representative* with a complete set of record drawings of the type and number as specified in clause R2001D, Agreement Particulars;
  - (b) verify that record drawings are suitable for microfilming, incorporating all recorded changes to the original working drawings based on as-built prints, drawings and other information provided by the *Contractor*, together with change orders and site instructions;
  - (c) verify that record drawings are labelled "Record", dated and signed by the *Consultant*, and provide also a marked-up copy of the specifications recording changes related thereto.

### Final Completion of the Project

1. The *Consultant* shall:
  - (a) advise the *Departmental Representative* when the construction has been completed in general conformity with the *Construction Contract*;
  - (b) make a final review of the construction with the *Departmental Representative* and the *Contractor* and, if satisfactory, prepare and submit to the *Departmental Representative* for approval and final payment to the *Contractor*, a Final Certificate of Completion as required by the *Construction Contract*, together with supporting documents properly signed and certified, including manufacturers' and suppliers' warranties.

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**Remarks:** Use this clause in Architectural and Engineering Consultant Agreements - Buildings and Engineering Works.

### R1011D (16/02/98) Post-Construction Warranty Review

1. The *Consultant* shall:
  - (a) review if requested, during the *Contractor's* warranty period, any defects reported by the *Departmental Representative*;

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- (b) thirty (30) days prior to the expiry of any warranty period, visit the site, and record any defects observed or reported;
  - (c) at the end of any warranty period, carry out a final review of the Project and report to the *Departmental Representative* the status of defects. If the *Departmental Representative* accepts the rectification of the defects, a notice of "Final Warranty Inspection" shall be issued to the *Contractor*.
- 
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R1012D (16/02/98) Modification to Basic Services**

The Basic *Services* are modified as follows: \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

**R1013D (16/02/98) Modification to Categories of Service**

The Categories of *Services* are modified as follows: \_\_\_\_\_.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in Architectural and Engineering Consultant Agreements - Buildings and Engineering Works. When this clause is used for Buildings requirements, insert "R2001D"; when used for Engineering Works requirements, insert "R2003D".

**R1014D (16/02/98) Additional Services**

**Bilingual Construction Documents** Yes: \_\_\_\_\_ No: \_\_\_\_\_

1. The *Consultant* shall:
  - (a) provide construction documents in Canada's two Official Languages;
  - (b) affix a professional seal to both language versions of the construction documents.
2. The total amount payable for the production of bilingual construction documents shall not exceed the amount entered in clause \_\_\_\_\_, Agreement Particulars, without the prior authorization of the *Departmental Representative*.

**Resident Services During Construction** Yes: \_\_\_\_\_ No: \_\_\_\_\_

1. In addition to the site visits during construction referred to in clause R1010D, Construction and Contract Administration, the *Consultant* shall:



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- (a) provide continuous resident site inspection, compile and maintain up-to-date records of execution of the work;
  - (b) co-ordinate the provision of services for the inspection, testing and evaluation of suitability of materials and equipment in compliance with the *Construction Contract*;
  - (c) maintain and keep available for examination by the *Departmental Representative* an up-to-date record showing the number of persons and items of equipment employed from time to time on the Project by the *Contractor* and provide information necessary to assess the progress, determine the cause of any delays and verify any claims;
2. The total amount payable for the resident services during construction shall not exceed the amount entered in clause \_\_\_\_\_, without prior authorization of the *Departmental Representative*.

### Other Additional Services

1. If applicable, the *Consultant* shall provide other additional services that may be required, such as pre-design, *specialist consultant(s)*, co-ordination, sequential tendering, etc., as described below.
2. The total amount payable for other additional services shall not exceed the amount entered in clause \_\_\_\_\_, without prior authorization of the *Departmental Representative*.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in the Architectural and Engineering Consultant Agreement - General.

### R1015D (16/02/98) Description of Required Services

Required Services to be provided: \_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in the Architectural and Engineering Consultant Agreement - General.

### R1016D (16/02/98) Additional Services - General

**Bilingual Construction Documents** Yes: \_\_\_\_\_ No: \_\_\_\_\_

1. The *Consultant* shall:
  - (a) provide construction documents in Canada's two Official Languages;
  - (b) affix a professional seal to both language versions of the construction documents.
2. The total amount payable for the production of bilingual construction documents shall not exceed the amount entered in clause R2007D, Agreement Particulars, without the prior authorization of the *Departmental Representative*.

**Resident Services During Construction** Yes: \_\_\_\_\_ No: \_\_\_\_\_

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1. The *Consultant* shall:
    - (a) provide continuous resident site inspection, compile and maintain up-to-date records of execution of the work;
    - (b) co-ordinate the provision of services for the inspection, testing and evaluation of suitability of materials and equipment in compliance with the *Construction Contract*;
    - (c) maintain and keep available for examination by the *Departmental Representative* an up-to-date record showing the number of persons and items of equipment employed from time to time on the Project by the *Contractor* and provide information necessary to assess the progress, determine the cause of any delays and verify any claims;
  2. The total amount payable for the resident services during construction shall not exceed the amount entered in clause R2007D, without prior authorization of the *Departmental Representative*.
- 

**Remarks:** Use the following clause in the Architectural and Engineering Consultant Agreement - Open.

**R1017D (16/02/98) Services to be Provided**

1. The *Departmental Representative* shall provide a Commitment for Services describing the *Services* to be performed by the *Consultant*.
  2. The *Consultant* shall carry out the said *Services* within such time and cost limits as may be stipulated in the Commitment for Services or other contract documents.
- 

**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R2000D (16/02/98) Calculation of Fees**

**1. Fee Arrangement(s) for Basic Services**

The basic fee to be paid to the *Consultant* for the *Basic Services* described herein, shall be determined by one or more of the following arrangements:

- (a) Percentage Fee

The calculation of the total basic fee recognizes the variability of the *Construction Cost Estimate* as the Project develops. The basic fee for the various *Services* of the Project development shall be calculated on the basis of the following formula:

An amount equal to  $F \times A$

Where  $F$  = the percentage specified in clause R2001D, Agreement Particulars ,  
and  $A$  = as follows:

- (1) At Analysis of *Project Brief* and Design Concept:

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A = the *Construction Cost Estimate* at the time of signing this Agreement.

- (2) At Design Development:  
A = the accepted preliminary *Construction Cost Estimate* prepared on completion of the design concept documents.
- (3) At Construction Documents:  
A = the accepted updated *Construction Cost Estimate* prepared on completion of the design development documents.
- (4) At Tender Call and Tender Evaluation:  
A = the accepted final *Construction Cost Estimate* prepared on completion of the construction documents.
- (5) At Construction and Contract Administration and Post Construction Warranty Review:  
A = the *Construction Contract Award Price*.

The total basic fee is adjusted in accordance with the terms of any authorization pursuant to B6 in clause R0220D, General Conditions.

(b) Fixed Fee

The fixed fee shall be in the amount(s) specified in clause R2001D.

(c) Time Based Fee

- (1) Principals and executives, and other personnel approved in that capacity by the *Departmental Representative* shall be paid at the hourly rate specified in clause R2001D.

- (2) Staff approved by the *Departmental Representative* shall be paid at *Payroll Cost* multiplied by the factor(s) specified in clause R2001D, except that the multiplying factor shall not be applied to the premium portion of authorized overtime included in *Payroll Cost*.

- (3) Normal Working Hours  
The normal working hours per day for principals, executives and *Consultant's* employees, shall be deemed to be seven and a half (7.5) hours of any day during which they are actually engaged in the performance of the *Services*.

- (4) Travel Time  
Travel time during normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable as time worked.

Travel time outside normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable up to a maximum of three (3) hours per day, unless otherwise authorized.

- (5) Maximum Amount(s) Payable  
The maximum amount(s) that applies (apply) to the *Services* to be carried out at time rates shall be as specified in clause R2001D, which amount(s) shall not be exceeded without the prior authorization of the *Departmental Representative*.

### 2. Payments for Basic Services

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- (a) Payments in respect of the percentage fee arrangement shall be made during the performance of the *Services*, on the basis of the fee calculations as described in subsection 1.(a) above, for each of the Basic Services equal to the amounts specified below:
- (1) Payment for Analysis of *Project Brief* and Design Concept:  
Upon acceptance of the design concept documents, an amount equal to 10 percent of the basic fee;
  - (2) Payment for Design Development:  
Upon acceptance of the design development documents, an amount equal to 15 percent of the basic fee;
  - (3) Payment for Construction Documents:  
Upon acceptance of the construction documents, an amount equal to 45 percent of the basic fee;
  - (4) Payment for Tender Call, Tender Evaluation and Contract Award:  
Upon award of the *Construction Contract*, or upon completion of tender evaluation(s) in such cases where Canada does not award a *Construction Contract* for reasons other than those specified in subsection 2.(f) below, an amount equal to 5 percent of the basic fee;
  - (5) Payment for Construction and Contract Administration:  
Upon interim completion of the *Construction Contract*, an amount equal to 22 percent of the basic fee;
  - (6) Payment for Final Completion and Post Construction Warranty Review:  
Upon reporting to the *Departmental Representative* on the status of the defects at the end of the warranty period(s) an amount equal to 3 percent of the basic fee.
- (b) Payments in respect of the fixed fee arrangement shall be made upon satisfactory performance of the *Services* but such payments shall not exceed the amount(s) as specified in clause R2001D for each *Service*.
- (c) Payments in respect of the time based fee arrangement shall be made upon satisfactory performance of the *Services* but such payments shall not exceed the amount(s) as specified in clause R2001D for each *Service*.
- (d) Progress payments, in respect of all fee arrangements, shall be made in accordance with clause R0220D of this Agreement, but such payments shall not exceed the value of the fee indicated for each *Service* under consideration.
- (e) Progress payments in respect of construction and contract administration for percentage fee or fixed fee arrangements may be made in proportion to the percentage of the construction work completed and approved for payment under the *Construction Contract*.
- (f) If, for reasons attributable to the *Consultant*, a price cannot be obtained by a tender or negotiation within the *Construction Cost Limit*, or acceptable to the *Departmental Representative* for the award of the *Construction Contract*, the *Consultant* shall be entitled to receive payment for the tender call, bid evaluation and construction contract award *Services*, only when the requirements of C8.3, in clause R0220D have been met.

### 3. Fee Arrangement(s) for Additional Services

Fee arrangement(s) of Additional *Services* described herein shall be determined as follows:

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\_\_\_\_\_

\_\_\_\_\_

**4. Payments for Additional Services**

Payments for Additional *Services* shall be made upon satisfactory performance of the Additional *Service(s)* but such payments shall not exceed the amount(s) specified in clause R2001D for each Additional *Service*.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Buildings.

**R2001D (16/02/98) Agreement Particulars**

**1. Agreement Particulars (as applicable)**

(a) Supplementary Liability Insurance Requirements for this Project (clause R0220D, General Conditions) (as described in clause R0300D, Supplementary Conditions)

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Amount of Insurance    \$ \_\_\_\_\_

- |     |                                                                          |             |            |
|-----|--------------------------------------------------------------------------|-------------|------------|
| (b) | Design Concept Documents (clause R1002D, Design Concept)                 |             |            |
|     | No. of copies:                                                           |             |            |
|     |                                                                          | hard copies | CADD files |
|     |                                                                          | _____       | _____      |
| (c) | Design Development Documents (clause R1003D, Design Development)         |             |            |
|     | No. of copies:                                                           |             |            |
|     |                                                                          | hard copies | CADD files |
|     |                                                                          | _____       | _____      |
| (d) | Construction Documents (clause R1008D, Documents, Estimate and Schedule) |             |            |
|     | No. of copies during development:                                        |             |            |
|     |                                                                          | hard copies | CADD files |
|     | _____ % complete                                                         | _____       | _____      |
|     | _____ % complete                                                         | _____       | _____      |
|     | _____ % complete                                                         | _____       | _____      |
|     | _____ % complete                                                         | _____       | _____      |

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(e) Record Drawings (clause R1010D, Construction and Contract Administration)

No. of copies:

hard copies

CADD files

mylar

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(f) Percentage Fee (clause R2000D, Calculation of Fees)

\_\_\_\_\_ %

(g) Fixed Fee (clause R2000D)

*SERVICES*

FIXED

FEE

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

*MAXIMUM FIXED FEES*

\$ \_\_\_\_\_

(h) Time Based Fees (clause R2000D)

Hourly Rates (clause R2000D)

Principals, Executives and other Personnel approved in that capacity: Per

Hour

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

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*Payroll Cost Factors (clause R2000D)*

Staff:

Factor:

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Maximum Amount(s) Payable (clause R2000D)

*SERVICES*

TIME BASED

FEE

|    |  |
|----|--|
| \$ |  |
| \$ |  |
| \$ |  |
| \$ |  |

MAXIMUM TIME BASED FEES

\$

(i) Fee Arrangement(s) for Additional *Services* (clause R1014D, Additional *Services*)

Bilingual Construction Documents:

\$

Resident *Services* During Construction:

\$

Other Additional *Services*:

Pre-design:

\$

Co-ordination:

\$

Sequential Tendering:

\$

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Specialist *Consultant*(s):

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

TOTAL FEES FOR ADDITIONAL *SERVICES*: \$ \_\_\_\_\_

(j) Maximum Amount Payable for Disbursements: (clause R0220D)  
Disbursements for Basic *Services*:

\$ \_\_\_\_\_

Disbursements for Additional *Services*: \$ \_\_\_\_\_

Premium for Supplementary Liability Insurance:  
(subsection 1.(a) above)

\$ \_\_\_\_\_

TOTAL DISBURSEMENTS: \$ \_\_\_\_\_

(k) Maximum Amount Payable:  
Maximum Fees for Basic *Services*:

\$ \_\_\_\_\_

Maximum Fees for Additional *Services*: \$ \_\_\_\_\_

Maximum Disbursements:

\$ \_\_\_\_\_

Tax: \_\_\_\_\_

\$ \_\_\_\_\_

**TOTAL THIS AGREEMENT** \$ \_\_\_\_\_



## R - REAL PROPERTY CONTRACTING

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

### R2002D (16/02/98) Calculation of Fees

#### 1. Fee Arrangement(s) for Categories of Services

The basic fee to be paid to the *Consultant* for the Categories of *Services* described herein, shall be determined by one or more of the following arrangements except that the fee for the analysis of the project requirements and conceptual design shall be either a fixed fee or a time based fee, as specified in clause R2003D, Agreement Particulars:

(a) Percentage Fee

Percentage fee for the following Categories of *Services* shall be calculated as follows:

- (1) The fee for Preliminary Design shall be an amount equal to the accepted preliminary *Construction Cost Estimate* prepared by the *Consultant* on completion of the Analysis of the *Terms of Reference* and Conceptual Design multiplied by the percentage specified in clause R2003D for Preliminary Design.
- (2) The fee for Construction Documents and Tender Call shall be an amount equal to the accepted updated *Construction Cost Estimate* prepared by the *Consultant* on completion of Preliminary Design multiplied by the percentage specified in clause R2003D for Construction Documents and Tender Call.
- (3) The fee for the Construction and Contract Administration shall be an amount equal to the *Construction Contract Award Price*, multiplied by the percentage specified in clause R2003D for Construction and Contract Administration.
- (4) The fee for Post-Construction Warranty Review shall be an amount equal to the *Construction Contract Award Price*, multiplied by the percentage specified in clause R2003D for Post-Construction Warranty Review.

(b) Fixed Fee

The fixed fee shall be in the amount(s) specified in clause R2003D.

(c) Time Based Fee

- (1) Principals and executives, and other personnel approved in that capacity by the *Departmental Representative* shall be paid at the hourly rate specified in clause R2003D.
- (2) Staff approved by the *Departmental Representative* shall be paid at Payroll Cost multiplied by the factor(s) specified in clause R2003D, except that the multiplying factor shall not be applied to the premium portion of authorized overtime included in *Payroll Cost*.
- (3) Normal Working Hours

## R - REAL PROPERTY CONTRACTING

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The normal working hours per day for principals, executives and *Consultant's* employees, shall be deemed to be seven and a half (7.5) hours of any day during which they are actually engaged in the performance of the *Services*.

- (4) **Travel Time**  
Travel time during normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable as time worked. Travel time outside normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable up to a maximum of three (3) hours per day, unless otherwise authorized.
- (5) **Maximum Amount(s) Payable**  
The maximum amount(s) that applies (apply) to the *Services* to be carried out at time rates shall be as specified in clause R2003D, which amount(s) shall not be exceeded without the prior authorization of the *Departmental Representative*.

### 2. **Payments for Categories of Services**

- (a) Payments in respect of the percentage fee arrangement shall be made during the performance of the *Services*, on the basis of the fee calculations as described in 1.(a) above of this Agreement.
- (b) Payments in respect of the fixed fee arrangement shall be made upon satisfactory performance of the *Services* but such payments shall not exceed the amount(s) as specified in clause R2003D for each Category of *Services*.
- (c) Payments in respect of the time based fee arrangement shall be made upon satisfactory performance of the *Services* but such payments shall not exceed the amount(s) as specified in clause R2003D for each Category of *Services*.
- (d) Progress payments, in respect of all fee arrangements, shall be made in accordance with clause R0220D, General Conditions, of this Agreement but such payments shall not exceed the value of the fee indicated for each Category of *Services* under consideration.
- (e) Progress payments in respect of construction and contract administration for percentage fee or fixed fee arrangements may be made in proportion to the percentage of the construction work completed and approved for payment under the *Construction Contract*.
- (f) If, for reasons attributable to the *Consultant*, a price cannot be obtained by a tender or negotiation within the *Construction Cost Limit*, or acceptable to the *Departmental Representative* for the award of the *Construction Contract*, the *Consultant* shall be entitled to receive payment for the tender call, bid evaluation and construction contract award *Services*, only when the requirements of clause R0220D have been met.

### 3. **Fee Arrangement(s) for Additional Services**

Fee arrangement(s) of Additional *Services* described herein shall be determined as follows:

\_\_\_\_\_

## R - REAL PROPERTY CONTRACTING

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#### 4. Payments for Additional Services

Payments for Additional *Services* shall be made upon satisfactory performance of the Additional *Service(s)* but such payments shall not exceed the amount(s) specified in clause R2003D for each Additional *Service*.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - Engineering Works.

#### R2003D (16/02/98) Agreement Particulars

##### 1. Agreement Particulars (as applicable)

- (a) Supplementary Liability Insurance Requirements for this Project (clause R0220D, General Conditions) (as described in clause R0300D, Supplementary Conditions)
- 
- 

Amount of Insurance                      \$ \_\_\_\_\_

- (b) Conceptual Design Documents (clause R1005D, Terms of Reference and Conceptual Design)

No. of copies:

|             |            |
|-------------|------------|
| hard copies | CADD files |
| _____       | _____      |

- (c) Preliminary Design Documents (clause R1006D, Preliminary Design)

No. of copies:

|             |            |
|-------------|------------|
| hard copies | CADD files |
| _____       | _____      |

- (d) Construction Documents (clause R1008D, Documents, Estimate and Schedule)

No. of copies during development:

|             |            |
|-------------|------------|
| hard copies | CADD files |
|-------------|------------|

|                 |       |
|-----------------|-------|
| Draft Documents | _____ |
|-----------------|-------|

|                 |       |
|-----------------|-------|
| Final Documents | _____ |
|-----------------|-------|

- (e) Record Drawings (clause R1010D, Construction and Contract Administration)

# R - REAL PROPERTY CONTRACTING

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No. of copies:

hard copies

CADD files

mylar

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(f) Percentage Fee (clause R2002D, Calculation of Fees)

For Preliminary Design

\_\_\_\_\_ %

For Construction Documents and Tender Call

\_\_\_\_\_ %

For Construction and Contract Administration

\_\_\_\_\_ %

For Post Construction Warranty Review

\_\_\_\_\_ %

(g) Fixed Fee (clause R2002D)

*SERVICES*

FIXED

FEE

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

MAXIMUM FIXED FEES

(h) Time Based Fees (clause R2002D)

Hourly Rates (clause R2002D)

Principals, Executives and other Personnel approved in that capacity:

Per

Hour

\$ \_\_\_\_\_

\$ \_\_\_\_\_

# R - REAL PROPERTY CONTRACTING

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\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

*Payroll Cost Factors (clause R2002D)*

Staff

Factor

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Maximum Amount(s) Payable (clause R2002D)

SERVICES

TIME BASED

FEE

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

MAXIMUM TIME BASED FEES

# R - REAL PROPERTY CONTRACTING

(i) Fee Arrangement(s) for Additional *Services* (clause R1014D, Additional *Services*)

Bilingual Construction Documents:

\$ \_\_\_\_\_

Resident *Services* During Construction:

\$ \_\_\_\_\_

Other Additional *Services*:

Pre-design:

\$ \_\_\_\_\_

Co-ordination:

\$ \_\_\_\_\_

Sequential Tendering:

\$ \_\_\_\_\_

*Specialist Consultant(s)*:

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**TOTAL FEES FOR ADDITIONAL *SERVICES*:**

\$ \_\_\_\_\_

(j) Maximum Amount Payable for Disbursements: (clause R0220D)

Disbursements for Categories of *Services*

\$ \_\_\_\_\_

Disbursements for Additional *Services*:

\$ \_\_\_\_\_

Premium for Supplementary Liability Insurance: (subsection 1(a) above)

\$ \_\_\_\_\_

**TOTAL DISBURSEMENTS:**

\$ \_\_\_\_\_

(k) Maximum Amount Payable: (clause R0412D, Articles of Agreement)

## R - REAL PROPERTY CONTRACTING

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Maximum Fees for Categories of *Services*:

\$ \_\_\_\_\_

Maximum Fees for Additional *Services*:

\$ \_\_\_\_\_

Maximum Disbursements:

\$ \_\_\_\_\_

Tax: \_\_\_\_\_

\$ \_\_\_\_\_

**TOTAL THIS AGREEMENT:**

\$ \_\_\_\_\_

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - General.

### R2006D (16/02/98) Calculation of Fees

#### 1. Fee Arrangement(s) for the Required *Services*

The basic fee to be paid to the *Consultant* for the Required *Services* described herein, shall be determined by one or more of the following arrangements:

(a) Percentage Fee

The calculation of the total basic fee recognizes the variability of the *Construction Cost Estimate* as the Project develops. The basic fee for the Required *Services* of the Project development shall be calculated on the basis of the following formula:

An amount equal to  $F \times A$

Where  $F$  = the percentage specified in clause R2007D, Agreement Particulars, and  $A$  = the *Construction Cost Estimate* or  $A$  = the *Construction Contract Award Price*

These calculations are as follows: \_\_\_\_\_

(b) Fixed Fee

The fixed fee shall be in the amount(s) specified in clause R2007D.

(c) Time Based Fee

(1) Principals and executives, and other personnel approved in that capacity by the *Departmental Representative* shall be paid at the hourly rate specified in clause R2007D.

(2) Staff approved by the *Departmental Representative* shall be paid at *Payroll Cost* multiplied by the factor(s) specified in clause R2007D,

## R - REAL PROPERTY CONTRACTING

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except that the multiplying factor shall not be applied to the premium portion of authorized overtime included in *Payroll Cost*.

- (3) **Normal Working Hours**  
The normal working hours per day for principals, executives and *Consultant's* employees, shall be deemed to be seven and a half (7.5) hours of any day during which they are actually engaged in the performance of the *Required Services*.
- (4) **Travel Time**  
Travel time during normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable as time worked. Travel time outside normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable up to a maximum of three (3) hours per day, unless otherwise authorized.
- (5) **Maximum Amount(s) Payable**  
The maximum amount(s) that applies (apply) to the *Required Services* to be carried out at time rates shall be as specified in clause R2007D, which amount(s) shall not be exceeded without the prior authorization of the *Departmental Representative*.

### 2. **Payments Stages**

- (a) Payments in respect of the percentage fee arrangement shall be made during the performance of the *Required Services*, on the basis of the fee calculations as follows: \_\_\_\_\_
- (b) Payments in respect of the fixed fee arrangement shall be made upon satisfactory performance of the *Required Services* but such payments shall not exceed the amount(s) as specified in clause R2007D for each *Required Service*.
- (c) Payments in respect of the time based fee arrangement shall be made upon satisfactory performance of the *Required Services* but such payments shall not exceed the amount(s) as specified in clause R2007D for each *Required Service*.
- (d) Progress payments, in respect of all fee arrangements, shall be made in accordance with clause R0220D, General Conditions, of this Agreement but such payments shall not exceed the value of the fee indicated for each *Required Service* under consideration.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in the Architectural and Engineering Consultant Agreement - General.

**R2007D (16/02/98) Agreement Particulars**

### 1. **Agreement Particulars (as applicable)**

- (a) Supplementary Liability Insurance Requirements for this Project (as described in clause R0300D, Supplementary Conditions)





# R - REAL PROPERTY CONTRACTING

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## MAXIMUM FIXED FEES

\$ \_\_\_\_\_

(e) Time Based Fees (clause R2006D)

Hourly Rates (clause R2006D)

Principals, Executives and other Personnel approved in that capacity Per

Hour

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

*Payroll Cost Factors* (clause R2006D)

Staff

Factor

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Maximum Amount(s) Payable (clause R2006D)

*SERVICES*

TIME BASED

FEE

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

## R - REAL PROPERTY CONTRACTING

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\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

MAXIMUM TIME BASED FEES

\$ \_\_\_\_\_

(f) Fee Arrangement(s) for Additional *Services* (clause R1016D, Additional *Services*)

Bilingual Construction Documents:

\$ \_\_\_\_\_

Resident *Services* During Construction:

\$ \_\_\_\_\_

TOTAL FEES FOR ADDITIONAL *SERVICES*:

\$ \_\_\_\_\_

(g) Maximum Amount Payable for Disbursements: (clause R0220D, General *Conditions*)

Disbursements

\$ \_\_\_\_\_

Premium for Supplementary Liability Insurance:  
(subsection 1.(a) above)

\$ \_\_\_\_\_

TOTAL DISBURSEMENTS

\$ \_\_\_\_\_

(h) Maximum Amount Payable:  
Maximum Fees for Required *Services*:

\$ \_\_\_\_\_

Maximum Fees for Additional *Services*:

\$ \_\_\_\_\_

Maximum Disbursements:

\$ \_\_\_\_\_

Tax:

\$ \_\_\_\_\_

## R - REAL PROPERTY CONTRACTING

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### TOTAL THIS AGREEMENT

\$ \_\_\_\_\_

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**Remarks:** Use the following clause in the Architectural and Engineering Consultant Agreement - Open.

#### R2008D (16/02/98) Calculation of Fees

##### 1. Fee Arrangements for Services

- (a) The fees and disbursements are only payable when the *Consultant* has performed the *Services* in accordance with the Commitment for Services.
- (b) Canada shall pay to the *Consultant* as consideration for the execution of the *Services* described in the Commitment for Services a sum of money calculated by one or several of the following methods which shall be specified in the Commitment for Services document:
  - (1) **Percentage Fee**  
A fee calculated as an agreed percentage of the approved *Construction Cost Estimate* payable as described in the Commitment for Services.
  - (2) **Fixed Fee**  
An agreed fixed fee being the total amount payable for *Services* rendered pursuant to the Commitment for Services.
  - (3) **Time Based Fee**
    - (i) Principals and executives, and other personnel approved in that capacity by the *Departmental Representative* shall be paid at the hourly rate specified in the Commitment for Services;
    - (ii) Staff approved by the *Departmental Representative* shall be paid at *Payroll Cost* multiplied by the factor(s) specified in the Commitment for Services, except that the multiplying factor shall not be applied to the premium portion of authorized overtime included in *Payroll Cost*;
    - (iii) **Normal Working Hours**  
The normal working hours per day for principals, executives and *Consultant's* employees, shall be deemed to be seven and a half (7.5) hours of any day during which they are actually engaged in the performance of the *Services*;
    - (iv) **Travel Time**  
Travel time during normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable as time worked. Travel time outside normal working hours, that is related to the Project and authorized by the *Departmental Representative*, shall be chargeable up to a maximum of three (3) hours per day, unless otherwise authorized;

## R - REAL PROPERTY CONTRACTING

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- (v) Maximum Amount(s) Payable  
The maximum amount(s) that applies (apply) to the *Services* to be carried out at time rates shall be as specified in the Commitment for Services, which amount(s) shall not be exceeded without the prior authorization of the *Departmental Representative*.
- 

**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in the Architectural and Engineering Consultant Agreement - Open.

**R2009D (16/02/98) Agreement Particulars**

**1. Agreement Particulars (as applicable)**

- (a) Supplementary professional liability insurance coverage for the *Services* included in this agreement (clause R0220D, General Conditions) is as described in the Commitment for Services.

- (b) Maximum Amount Payable

The maximum amount payable by Canada under this Agreement including miscellaneous disbursements shall not exceed the total sum of \$\_\_\_\_\_ without the prior written authorization of the *Departmental Representative*.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**

**R4000D (16/02/98) Statutory Declaration**

Canada, Province or Territory of \_\_\_\_\_  
IN THE MATTER OF an agreement bearing no. \_\_\_\_\_ and dated the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ between Canada, and \_\_\_\_\_ **{insert full name of Consultant and delete this instruction}** hereinafter referred to as the \_\_\_\_\_ **{insert Consultant or Manager as applicable and delete this instruction}**, for \_\_\_\_\_ **{insert description and location of project}**, and IN THE MATTER OF <sup>1</sup> a service completed or <sup>2</sup> the final payment for the service (refer to clause R0220D, General Conditions, of the Agreement), as indicated by a CHECKMARK { } in APPLICABLE BOX below.

TO WIT:

I, \_\_\_\_\_, of \_\_\_\_\_  
(Name of Declarant) (Declarant's address)

do solemnly declare that I am \_\_\_\_\_  
(Capacity of Declarant)

and as such have personal knowledge of the said agreement and the facts and matters stated herein, and

<sup>1</sup>  that, up to the date of completion of the service described in the agreement as: \_\_\_\_\_ **{insert the service attested to as described in the Agreement and**

~~delete this instruction~~ the Consultant has complied with and discharged all lawful obligations arising out of the execution of this service.

**OR**

- <sup>2</sup>  that, up to the date of final completion of the services, the Consultant has complied with and discharged all its lawful obligations in respect of the services contracted for and discharged and satisfied all lawful claims against it that arose out of the performance of the services, except for the amounts owing which total \$ \_\_\_\_\_.  
A detailed explanatory statement of the amounts owing, including any amounts in dispute, must be attached as part of this Statutory Declaration.

And I make this SOLEMN DECLARATION conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath, and by virtue of the *CANADA EVIDENCE ACT*.

Witnessing Authority

Please clearly state authority for receiving solemn declaration

Declarant:

\_\_\_\_\_  
(Notary Public, Commissioner, or other authorized officer)

DECLARED before me at \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

\_\_\_\_\_  
(Signature of person before whom the Declaration is made)

\_\_\_\_\_  
(Signature of Declarant)

\_\_\_\_\_  
(Name of person before whom the Declaration is made)

Notaries affix Notarial Seal

**NOTICE:**

If this Declaration is not complete in every detail, it will be returned for completion and payment will be delayed.  
Sections 131 and 361 of the Criminal Code of Canada which deals with offences relating to affidavits are hereby brought to the attention of the Declarant

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## **Section 5**

### **W - LAND CLAIMS SET-ASIDE**

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## W - LAND CLAIMS SET-ASIDE

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. This clause is to be used in solicitations involving final delivery to locations **outside** Comprehensive Land Claims Settlement Areas (CLCSAs) when the original requirement has been divided to handle final delivery locations **outside** CLCSAs on one solicitation and final delivery locations **inside** CLCSAs on a different solicitation. Contracting Officers are to modify the clauses as required for either a standing offer or contract and to insert the solicitation number dealing with deliveries inside CLCSAs.

The second paragraph of this clause is to cover the eventuality of there being no bids received as a result of the solicitation pertaining to delivery locations inside a CLCSA. The clause gives Canada the capability to include final delivery locations inside CLCSAs in the proposed standing offer/contract with the successful bidder of the solicitation for delivery points outside CLCSAs.

### **W0001T (01/12/00) Delivery Requirements Outside CLCSAs**

Any resulting Standing Offer(s)/Contract(s) shall be for delivery requirements to locations within Canada, except locations within Comprehensive Land Claims Settlement Areas (CLCSAs). For delivery requirements to locations within CLCSAs, solicitation number \_\_\_\_ (*insert applicable number*) applies.

In the event that there (is/are) no (Standing Offer(s)/Contract(s)) (issued/awarded) pursuant to solicitation number \_\_\_\_ (*insert applicable number*), Canada reserves the right to negotiate for deliveries within CLCSAs with suppliers who have been approved for (issuance/award) of a (Standing Offer/Contract) under this (Request for Standing Offer/Request for Proposal).

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### **W0001T (15/06/98) Delivery Requirements Outside CLCSAs**

Effective 01/12/00, this clause is superseded by W0001T.

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**Remarks:** This clause is to be used in both solicitations and standing offers/contracts when the procurement will only provide for delivery locations **outside** a Comprehensive Land Claims Settlement Area (CLCSA), only one solicitation will be issued, and the destinations are not specified. Contracting Officers are to modify the clause as required for either a standing offer or contract.

### **W0002D (01/12/00) Delivery Requirements Outside a CLCSA**

The resulting (Standing Offer/Contract) is not to be used for deliveries within a Comprehensive Land Claims Settlement Area (CLCSA). All requirements for delivery within a CLCSA are to be submitted to the Department of Public Works and Government Services for individual processing.

## W - LAND CLAIMS SET-ASIDE

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**W0002D (15/06/98) Delivery Requirements Outside a CLCSA**

Effective 01/12/00, this clause is superseded by W0002D.

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**Remarks:** This clause is to be used in both solicitations and standing offers/contracts involving delivery locations **outside** Comprehensive Land Claims Settlement Areas when the term "FOB Destination" is used and the procurement is for unspecified destinations.

**W0003D (01/12/00) FOB Destination Outside CLCSAs**

Any reference within this document to "FOB Destination any point in Canada" or "FOB Destination/Region" shall apply **ONLY** to destinations which are not within a Comprehensive Land Claims Settlement Area.

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**W0003D (15/06/98) FOB Destination Outside CLCSAs**

Effective 01/12/00, this clause is superseded by W0003D.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0011T (15/06/98) JBNQA - Notification**

The benefits that apply to this procurement are contained in: Section 1, James Bay and Northern Quebec Agreement (JBNQA), clauses:

- 4.3 The List of Inuit Firms shall be used by Canada for purposes of requesting Inuit firms to participate in solicited bidding, but shall not restrict the ability of any Inuit firm to tender bids for government contracts, in accordance with Section 9 below.
- 28.10.3 For projects initiated by Canada or Québec or their agencies, delegates, or contractors, and for projects by any proponent a major purpose of which is to provide goods and services to or for the benefit of Cree communities the governments shall take all reasonable measures to

## W - LAND CLAIMS SET-ASIDE

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establish Cree priority in respect to employment and contracts created by such projects

- b) in respect to contracts arising from such projects, including requirements that the proponent;
  - ii) post calls for tenders in a public place in all Cree communities on the date on which the general public is made aware of such calls for tenders;
  - iii) set the date, location, terms and conditions for tendering so that the Cree individuals or groups may reply with reasonable ease.

29.0.31 For projects initiated or conducted by Canada or Québec or their agents, delegates or contractors, and for projects by any proponent a major purpose of which is to provide goods or services to or for the benefit of Inuit communities the governments shall take all reasonable measures to establish Inuit priority in respect to employment and contracts created by such projects:

- b) in respect to contracts arising from such projects, including requirements that the proponents:
  - ii) post calls for tenders in a public place in all Inuit communities on the date on which the general public is made aware for such calls for tenders;
  - iii) set the date, location, terms and conditions for tendering so that Inuit individuals or groups may reply with reasonable ease.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0012T (15/06/98) JBNQA - Soliciting Bids**

The benefits that apply to this procurement are contained in: Section 1, James Bay and Northern Quebec Agreement (JBNQA), clauses:

- 8.1 Wherever practicable and consistent with sound procurement management, contracting authorities will first solicit bids from within the Territory.
- 8.2 Where the Crown intends to solicit bids for government contracts in the Territory, the Contracting Authority will make all possible attempts to award contracts to qualified Inuit firms.
- 8.3 Where the Crown intends to solicit bids for government contracts in the Territory, the Contracting Authority shall take all reasonable measures to determine if there are Inuit firms qualified to perform government contracts.
- 8.4 Where it is determined that there is a single firm within the Territory qualified to perform a government contract, the Contracting Authority will solicit that firm to submit a bid for

## W - LAND CLAIMS SET-ASIDE

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the government contract. The Contract may be awarded upon negotiation of acceptable terms and conditions.

- 8.5 Where the Crown intends to solicit bids from more than one qualified firm within the Territory, the Contracting Authority shall take all reasonable measures to determine if there are Inuit firms qualified to perform the government contract, and shall solicit bids from those Inuit firms.
- 8.6 Where a Contract has been awarded it is the responsibility of the Contracting Authority to ensure that the contract document contains appropriate terms and conditions to make certain that sub-contractors to the Contractor are also subject to the intent and the specific provisions of the Contract.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0013T (15/06/98) JBNQA - Tendering Provisions**

The benefits that apply to this procurement are contained in: Section 1, James Bay and Northern Quebec Agreement (JBNQA), clauses:

- 28.10.3 For projects initiated by Canada or Québec or their agencies, delegates, or contractors, and for projects by any proponent a major purpose of which is to provide goods and services to or for the benefit of Cree communities the governments shall take all reasonable measures to establish Cree priority in respect to employment and contracts created by such projects
- b) in respect to contracts arising from such projects, including requirements that the proponent;
- i) design contract packages to provide to the Crees a reasonable opportunity to submit competitive tenders;
- ii) post calls for tenders in a public place in all Cree communities on the date on which the general public is made aware of such calls for tenders;
- iii) set the date, location, terms and conditions for tendering so that the Cree individuals or groups may reply with reasonable ease.
- 29.0.31 For projects initiated or conducted by Canada or Québec or their agents, delegates or contractors, and for projects by any proponent a major purpose of which is to provide goods or services to or for the benefit of Inuit communities the governments shall take all reasonable measures to establish Inuit priority in respect to employment and contracts created by such projects:
- b) in respect to contracts arising from such projects, including requirements that the proponents:
- i) design contract packages to provide to the Inuit a reasonable opportunity to submit competitive tenders;

## W - LAND CLAIMS SET-ASIDE

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- ii) post calls for tenders in a public place in all Inuit communities on the date on which the general public is made aware for such calls for tenders;
  - iii) set the date, location, terms and conditions for tendering so that Inuit individuals or groups may reply with reasonable ease.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0014T (15/06/98) JBNQA - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 1, James Bay and Northern Quebec Agreement (JBNQA), clause:

- 7.1 Whenever practicable and consistent with sound procurement management, all of the following criteria, or as many as may be appropriate with respect to any particular government contract, shall be included in the bid evaluation criteria established by the contracting authority for the awarding of government contracts in the Territory:
- a) the contribution by Inuit in carrying out the contract, which will include, but shall not be limited to, the employment of Inuit labour, the engagement of Inuit professional services or the use of Inuit suppliers;
  - b) creation of permanent head offices, administrative offices or other facilities in the Territory; and,
  - c) the undertaking of commitments, under the contract, with respect to on-the-job training or skills development for the Inuit.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0021T (15/06/98) IFA - Notification**

The benefits that apply to this procurement are contained in: Section 2, Inuvialuit Final Agreement (IFA), clause:

- 16.(8) In order to expand the role of the Inuvialuit Development Corporation and its subsidiaries in the supply and delivery of goods and services in the Inuvialuit Settlement Region and the Inuvialuit communities, to strengthen the economic viability of the renewable resource sector in the Inuvialuit Settlement Region, to diversify the economy of the Western Arctic, and to assist the Inuvialuit Development Corporation (IDC) and the Inuvialuit in contributing to the development of the private sector, the Government shall:

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- (b) notify the Inuvialuit of all government contracts subject to public tender that relate to activities in the Inuvialuit Settlement Region and the Inuvialuit communities. Where the Inuvialuit submit the best bid having regard to price, quality, delivery and other stipulated conditions, the contract shall be awarded to the Inuvialuit; and
- (c) notify the Inuvialuit Development Corporation of instances where federal government procurement of goods and services related to activities in the Inuvialuit Settlement Region takes place on a basis other than public tender. If the Inuvialuit are capable of supplying those goods and services on a reasonable basis, they shall receive a reasonable share of the contracts so awarded.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### W0022T (15/06/98) IFA - Evaluation Criteria

The benefits that apply to this procurement are contained in: Section 2, Inuvialuit Final Agreement (IFA), clause:

6.00 In accordance with normal procurement practices, the contracting authority should develop evaluation criteria to ensure fair consideration of all bids and should consider all aspects of bidders' competencies and capabilities. To avoid confusion, bid solicitation documents should define qualitative terms or terminology critical to the contracting situation.

When establishing bid evaluation criteria for the awarding of government contracts, and whenever practicable and consistent with sound procurement management, contracting authorities should consider the potential contribution of the Inuvialuit in carrying out the contract. This may include, as appropriate:

- (a) the employment of Inuvialuit, the engagement of Inuvialuit professional services and the use of Inuvialuit suppliers,
- (b) the creation of administrative offices or other facilities in the Inuvialuit Settlement Region,
- (c) the undertaking of commitments, under the contract, with respect to related on-the-job training or skills development for Inuvialuit.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

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### **W0031T (15/06/98) GCLCA - Notification**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), Appendix C, clause:

- 17.2.1 For contracts to be awarded in the primary use area, Canada undertakes to include on contract lists the names of those qualified Tetlit Gwich'in who have indicated an interest in contracting.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0032T (15/06/98) GCLCA - Creation of a List**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), Appendix C, clause:

- 17.2.5 Canada shall ensure that the Tetlit Gwich'in are advised on how to access federal contracting, and that the Tetlit Gwich'in and businesses owned by the Tetlit Gwich'in are given full opportunity to be registered on any lists or inventories Canada uses for contracting purposes.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0033T (15/06/98) GCLCA - Heritage Resources**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), clause:

- 25.1.10 The Gwich'in shall have preference in being hired at public sites, museums, heritage resource projects, archaeological works and similar public facilities and projects in the settlement area related to Gwich'in heritage resources, in a manner to be set out in the protected area agreement or, where there is no protected area agreement, in the management or work plans for the public sites, museums, projects, facilities and works referred to in this chapter. The Gwich'in Tribal Council shall be consulted in the development of such plans.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0034T (15/06/98) GCLCA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), Appendix C, clauses:

- 9.7.1 Canada shall provide written notice to the Tetlit Gwich'in of any invitation for public tenders in respect of contracts associated with the management of heritage sites directly related to the history or culture of the Tetlit Gwich'in.
- 9.7.2 The Tetlit Gwich'in shall have the first opportunity to accept any fixed term contract offered by Canada associated with the management of a designated heritage site in the primary use area.
- 9.7.5 Canada shall include in any public tender in respect of contracts associated with the management of designated heritage sites in the primary use area:
- (a) a criterion for Tetlit Gwich'in employment; and
  - (b) a criterion for special knowledge or experience related to the designated heritage site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0035T (15/06/98) GCLCA - Survey**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), Appendix C, clauses:

- 11.6.1 (a) Where employment in surveying of Tetlit Gwich'in Yukon land is generated as a direct consequence of this appendix, Canada shall include a criterion for Tetlit Gwich'in employment in any contract opportunities associated with the survey of Tetlit Gwich'in Yukon land.
- (b) Nothing in (a) shall be construed to mean that the criterion for Tetlit Gwich'in employment shall be the determining criterion in awarding any contract.
- 11.6.2 (a) Where economic opportunities and benefits are associated with the survey of Tetlit Gwich'in Yukon land, the Tetlit Gwich'in shall have access to these opportunities and benefits. Any contract issued for the survey of Tetlit Gwich'in Yukon land shall contain the condition that the Tetlit Gwich'in and Tetlit Gwich'in businesses with the necessary qualifications and experience shall be given first consideration in providing technical and support services associated with the contract. A list of Tetlit Gwich'in businesses and Tetlit Gwich'in interested in providing such services to potential contractors for such surveys of the Tetlit



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Gwich'in Yukon land shall be included with all requests for proposals, and documentary proof the Tetlit Gwich'in' businesses and Tetlit Gwich'in were given first consideration shall form part of a contractor's proposal.

- (b) Where Tetlit Gwich'in Yukon land abuts settlement lands of the First Nation of Na'cho N'y'ak Dun shall agree on how to share the economic benefits in (a).

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0036T (15/06/98) GCLCA - Silviculture**

The benefits that apply to this procurement are contained in: Section 3, Gwich'in Comprehensive Land Claim Agreement (GCLCA), Appendix C, clauses:

- 13.6.2 Government shall provide written notice to the Tetlit Gwich'in of any invitation for public tenders in respect of contracts associated with silviculture within the primary use area.
- 13.6.3 The Tetlit Gwich'in shall have the first opportunity to accept any fixed term contract offered by government associated with silviculture within the primary use area.
- 13.6.6 Government shall include a criterion for Tetlit Gwich'in employment in any contract opportunities associated with silviculture within the primary use area.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0041T (15/06/98) NLCA - Notification**

The benefits that apply to this procurement are contained in: Section 4, Inuit of Nunavut Land Claims Agreement (NLCA), clauses:

- 24.5.1 Where the Government of Canada or the Territorial Government solicits bids for government contracts to be performed in the Nunavut Settlement Area, it shall ensure that qualified Inuit firms are included in the list of those firms solicited to bid.
- 24.5.2 Where an Inuit firm has previously been awarded a government contract, and has successfully carried out the contract, that Inuit firm shall be included in the solicitation to bid for contracts of a similar nature.
- 24.5.3 In the absence of competitive bidding for government contracts, qualified Inuit firms will be given fair consideration.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0042T (15/06/98) NLCA - Creation of a list**

The benefits that apply to this procurement are contained in: Section 4, Inuit of Nunavut Land Claims Agreement (NLCA), clause:

- 24.7.1 The Designated Inuit Organization shall prepare and maintain a comprehensive list of Inuit firms, together with information on the goods and services which they would be in a position to furnish in relation to government contracts. This list shall be considered by the Government of Canada and the Territorial Government in meeting their obligations under this Article.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0043T (15/06/98) NLCA - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 4, Inuit of Nunavut Land Claims Agreement (NLCA), clauses:

- 24.6.1 Whenever practicable, and consistent with sound procurement management, and subject to Canada's international obligations, all of the following criteria, or as many as may be appropriate with respect to any particular contract, shall be included in the bid criteria established by the Government of Canada for the awarding of its government contracts in the Nunavut Settlement Area:
- (a) the existence of head offices, administrative offices or Other facilities in the Nunavut Settlement Area;
  - (b) the employment of Inuit labour, engagement of Inuit professional services, or use of suppliers that are Inuit or Inuit firms in carrying out the contracts; or
  - (c) the undertaking of commitments, under the contract, with respect to on-the-job training or skills development for Inuit.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

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### **W0044T (15/06/98) NLCA - Park Facilities**

The benefits that apply to this procurement are contained in: Section 4, Inuit of Nunavut Land Claims Agreement (NLCA), clauses:

- 8.4.8 Where Government intends to contract for the establishment, operation or maintenance of park facilities in the Nunavut Settlement Area, Government shall:
- (a) give preferential treatment to qualified Inuit contractors where Government proposes to tender such contracts; and
  - (b) ensure that all contractors give preferential treatment to Inuit.
- 8.4.9 A Designated Inuit Organization (DIO) shall have the right of first refusal to operate all business opportunities and ventures that are contracted out with respect to Parks in the Nunavut Settlement Area. Upon request, Government shall make available to a DIO all reports and other materials in its possession relevant to the analysis of the economic feasibility of business opportunities and ventures in Parks in the Nunavut Settlement Area.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0045T (15/06/98) HLCA - Archaeological Work**

The benefits that apply to this procurement are contained in: Section 4, Inuit of Nunavut Land Claims Agreement, clauses:

- 33.6.1 Where any agency of the Government intends to contract for carrying out of archaeological work in the Nunavut Settlement Area, the agency shall:
- (a) give preferential treatment to qualified Inuit contractors where the agency proposes to tender such contract; and
  - (b) ensure that all contractors give preferential treatment to qualified Inuit.
- 33.6.2 Any archaeological programs in the Nunavut Settlement Area that are administered by Government shall conform, at a minimum, to the employment and training provisions set out in Article 23.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

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### **W0051T (15/06/98) UFACYI - Notification**

The benefits that apply to this procurement are contained in: Section 5, Umbrella Final Agreement, Council for Yukon Indians (UFACYI), clause:

- 22.5.1 The Yukon, at the time it publicly invites tenders, shall provide written notice to those Yukon First Nations who have indicated a wish to be advised of public tenders. Where bidders' lists or similar methods are used, the Yukon shall notify those Yukon First Nations who have indicated their interest in contracting and their ability to supply the tendered goods or services.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0052T (15/06/98) UFACYI - Creation of a List**

The benefits that apply to this procurement are contained in: Section 5, Umbrella Final Agreement, Council for Yukon Indians (UFACYI), clauses:

- 22.5.4 For contracts to be awarded in the Yukon, Canada undertakes to include on contract lists those qualified Yukon First Nations who have indicated an interest in contracting.
- 22.5.8 Government shall ensure that Yukon Indian People and Yukon First Nations' corporations are advised on how to access Government contracting, and that such individuals and businesses are given full opportunity to be registered on any lists or inventories Government uses for contracting purposes.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0053T (15/06/98) UFACYI - Survey**

The benefits that apply to this procurement are contained in: Section 5, Council of Yukon First Nations Final Agreement (UFACYI), clauses:

- 15.7.1 Where employment in surveying of Settlement Land is generated as a direct consequence of a Yukon First Nation Final Agreement, the parties to the Yukon First Nation Final Agreement shall negotiate as part of the Yukon First Nation Final Agreement, the participation qualifications or experience, in such employment, and the determination of such qualifications and experience.
- 15.7.2 Where economic opportunities and benefits are associated with the survey of Settlement Land, Yukon First Nations shall have access to these opportunities and benefits. Any contract issued for the survey of Settlement land shall contain the condition that Yukon Indian People and Yukon First Nation businesses with the necessary qualifications and

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experience shall be given first consideration in providing technical and support services associated with the contract. A list of Yukon First Nation businesses and Yukon Indian People interested in providing such services to potential contractors for such surveys of a Yukon First Nation's Settlement Land shall be included with all requests for proposals, and documentary proof the Yukon First Nation's businesses and Yukon Indian People were given first consideration shall form part of a contractor's proposal.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0061T (15/06/98) NNDFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.1, First Nation of Nacho Nyak Dun Final Agreement (NNDFA), clauses:

- 13.12.1.1 Government shall provide written notice to the First Nation of Nacho Nyak Dun of any invitation for public tenders in respect of contracts for public tenders in respect of contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Nacho Nyak Dun within the Traditional Territory of the First Nation of Nacho Nyak Dun.
- 13.12.1.2 The First Nation of Nacho Nyak Dun shall have the first opportunity to accept any fixed term contract offered by Government associated with the management of a Designated Heritage Site directly related to the history or culture of Nacho Nyak Dun within the Traditional Territory of the First Nation of Nacho Nyak Dun.
- 13.12.1.5 Government shall include in any contract opportunities associated with the management of a Designated Heritage site directly related to the history or culture of Nacho Nyak Dun within the Traditional Territory of the First Nation or the Nacho Nyak Dun:
- (a) a criterion for Nacho Nyak Dun employment; and
  - (b) a criterion for special knowledge or experience of Nacho Nyak Dun which is related to the Heritage Site.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0062T (15/06/98) NNDFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.1, First Nation of Nacho Nyak Dun Final Agreement (NNDFA), clauses:

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- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of First Nation of Nacho Nyak Dun Settlement Land, Government shall include among the factors for consideration, Nacho Nyak Dun employment, Nacho Nyak Dun ownership or equity investment in the firm submitting the proposal, bid or tender, and in any subcontractor to that firm.
- 15.7.1.2 The determination of the qualifications and experience appropriate for the survey of First Nation of Nacho Nyak Dun Settlement Land shall be set out in the economic development opportunities plan required pursuant to 22.3.1.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0063T (15/06/98) NNDA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.1, First Nation of Nacho Nyak Dun Final Agreement (NNDA), clauses:

- 17.14.2.2 Government shall provide written notice to the First Nation of Nacho Nyak Dun of any invitation for public tenders in respect of contracts associated with silviculture within the Traditional Territory for the first Nation of Nacho Nyak Dun.
- 17.14.2.3 The First Nation of Nacho Nyak Dun shall have the first opportunity to accept any fixed term contract offered by Government associated with silviculture within the Traditional Territory of the First Nation of Nacho Nyak Dun.
- 17.14.2.6 Government shall include a criterion for Nacho Nyak Dun employment in any contract opportunities associated with silviculture within the Traditional Territory of the First Nation of Nacho Nyak Dun.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0071T (15/06/98) CAFA - Use of Horses**

The benefits that apply to this procurement are contained in: Section 5.2, Champagne and Aishihik First Nations Final Agreement (CAFA), Chapter 10, Schedule A, clauses:

- 9.3 The Canadian Parks Service shall provide the Champagne and Aishihik First Nations with a right of first refusal to accept any contract offered by the Canadian Parks Service for the use of horses in the Park, which right of first refusal shall be offered in the following manner:
- 9.3.1 the Canadian Parks Service shall provide notice to the Champagne and Aishihik First Nations specifying the terms and conditions of the contract;

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- 9.3.2 where the Champagne and Aishihik First Nations does not tender acceptance, the Canadian Parks Service may offer the contract publicly on the same terms and conditions specified in the notice pursuant to 9.3.1; and
- 9.3.3 if the contract offered publicly is not accepted, the Canadian Parks Service may re-offer the contract on new terms and conditions in accordance with the procedure set out in 9.3.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0072T (15/06/98) CAFA - Trails and Roads**

The benefits that apply to this procurement are contained in: Section 5.2, Champagne and Aishihik First Nations Final Agreement (CAFA), Chapter 10, Schedule A, clauses:

- 9.4 The Canadian Parks Service shall provide the Champagne and Aishihik First Nations with a right of first refusal to accept any contract offered by the Canadian Parks Service for the construction of trails or construction or maintenance of roads in the Park, which right of first refusal shall be offered in the following manner:
- 9.4.1 the Canadian Parks Service shall provide notice to the Champagne and Aishihik First Nations specifying the terms and conditions of the contract;
- 9.4.2 where the Champagne and Aishihik First Nations does not tender acceptance within 30 days, the Canadian Parks Service may offer the contract publicly on the same terms and conditions specified in the notice pursuant to 9.4.1; and
- 9.4.3 if the contract offered publicly is not accepted, the Canadian Parks Service may re-offer the contract on new terms and conditions in accordance with the procedure set out in 9.4.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0073T (15/06/98) CAFA - Designate Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.2, Champagne and Aishihik First Nations Final Agreement (CAFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Champagne and Aishihik First Nations of any invitation for public tenders in respect of contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Champagne and Aishihik people within the Champagne and Aishihik First Nations Traditional Territory.

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- 13.12.1.2 The Champagne and Aishihik First Nations shall have the first opportunity to accept any fixed term contract offered by Government associated with the management of a Designated Heritage Site directly related to the history or culture of Champagne and Aishihik People within the Champagne and Aishihik First Nations Traditional Territory.
- 13.12.1.5 Government shall include in any contract opportunities associated with the management of a Designated Heritage Site directly related to the history or culture of Champagne and Aishihik People within the Champagne and Aishihik First Nations Traditional Territory:
- (a) a criterion for the employment of Champagne and Aishihik People; and
  - (b) a criterion for special knowledge or experience of Champagne and Aishihik People which is related to the Designated Heritage Site.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0074T (15/06/98) CAFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.2, Champagne and Aishihik First Nation Final Agreement, clauses:

- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Champagne and Aishihik First Nations Settlement Land, Government shall include among the factors for consideration, Champagne and Aishihik Person employment, Champagne and Aishihik Person ownership or equity investment in the firm submitting the proposal, bid or tender, and in any subcontractor to that firm.
- 15.7.1.2 The determination of the qualifications and experience appropriate for the survey of Champagne and Aishihik First Nations Settlement Land shall be set out in the economic development opportunities plan required by 22.3.1.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0075T (15/06/98) CAFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.2, Champagne and Aishihik First Nations Final Agreement (CAFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Champagne and Aishihik First Nations of any invitation for public tenders for contracts associated with



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silviculture within the Champagne and Aishihik First Nations Traditional Territory.

- 17.14.2.3 The Champagne and Aishihik First Nations shall have the first opportunity to accept any fixed term contract offered by Government associated with silviculture within the Champagne and Aishihik First Nations Traditional Territory.
- 17.14.2.6 Government shall include a criterion for Champagne Aishihik Person employment in any contract opportunities associated with silviculture within the Champagne and Aishihik First Nations Traditional Territory.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0081T (15/06/98) TTFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.3, Teslin Tlingit Council Final Agreement (TTFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Teslin Tlingit Council of any invitation for public tenders for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Teslin Tlingit Council Traditional Territory.
- 13.12.1.2 The Teslin Tlingit Council shall have the first opportunity to accept any fixed term contract offered by Government associated with the management of Designated Heritage Site directly related to the history or culture of Teslin Tlingit within the Teslin Tlingit Council Traditional Territory.
- 13.12.1.5 Government shall include in any contract opportunities associated with the management of a Designated Heritage Site directly related to the history or culture of Teslin Tlingit in the Teslin Tlingit Council Traditional Territory:
- (a) a criterion for Teslin Tlingit employment; and
  - (b) a criterion for special Teslin Tlingit knowledge or experience related to the Heritage Site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0082T (15/06/98) TTFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.3, Teslin Tlingit Council Final Agreement (TTFA), clauses:

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- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Teslin Tlingit Council Settlement Land, Government shall include among the factors for consideration Teslin Tlingit employment and Teslin Tlingit ownership or equity investment in the firm submitting the subcontractor to that firm.
- 15.7.1.2 The determination of the qualifications and experience appropriate for the survey of Teslin Tlingit Council Settlement Land shall be set out in the economic development opportunities plan required pursuant to 22.3.1.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0083T (15/06/98) TTFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.3, Teslin Tlingit Council Final Agreement (TTFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Teslin Tlingit Council of any invitation for public tenders for contracts associated with silviculture within the Teslin Tlingit Council Traditional Territory.
- 17.14.2.3 The Teslin Tlingit Council shall have the first opportunity to accept any fixed term contract offered by Government associated with silviculture within the Teslin Tlingit Council Traditional Territory.
- 17.14.2.6 Government shall include a criterion for Teslin Tlingit employment in any contract opportunities associated with silviculture in the Teslin Tlingit Council Traditional Territory.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0091T (15/06/98) VGFA - Trails**

The benefits that apply to this procurement are contained in: Section 5.4, Vuntut Gwitchin First Nation Final Agreement (VGFA), Chapter 10, Schedule A, clauses:

- 9.6 The Canadian Parks Service shall provide timely written notice to the Vuntut Gwitchin First Nation of any invitation by the Canadian Parks Service respecting contracts for the provision of goods and services in the Vuntut Gwitchin First Nation Traditional Territory for the development, operation and management of the Park.
- 9.7 The Canadian Parks Service shall provide the Vuntut Gwitchin with a right of first refusal to accept any contract offered by the Canadian Parks Service for the construction or maintenance of trails within the Vuntut Gwitchin First Nation Traditional Territory in the following manner:

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- 9.7.1 the Canadian Parks Service shall provide notice to the Vuntut Gwitchin First Nation specifying the terms and conditions of the contract;
- 9.7.2 the Vuntut Gwitchin First Nation shall have 30 days from the date the notice in 9.7.1 is received to advise the Park superintendent in writing whether it is exercising its right of first refusal under 9.7;
- 9.7.3 if the Vuntut Gwitchin First Nation does not exercise its right of first refusal under 9.7, the Canadian Parks Service may offer the contract publicly on the same terms and conditions specified in the notice pursuant to 9.7.1; and
- 9.7.4 if the contract offered publicly is not accepted, the Canadian Parks Service may re-offer the contract on new terms and conditions in accordance with the procedure set out in 9.7.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0092T (15/06/98) VGFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.4, Vuntut Gwich'in First Nation Final Agreement (VGFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Vuntut Gwitchin First Nation of any invitation for public tenders for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Yukon Indian People within the Vuntut Gwitchin First Nation Traditional Territory.
- 13.12.1.3 The Vuntut Gwitchin First Nation shall have the first opportunity to accept any fixed term contract offered by Government associated with the management of a Designated Heritage Site directly related to the history and culture of Yukon Indian People within the Vuntut Gwitchin First Nation Traditional Territory.
- 13.12.1.6 Government shall include in any contract opportunities associated with the management of a Designated Heritage Site directly related to the history and culture of Yukon Indian People in the Vuntut Gwitchin First Nation Traditional Territory:
  - (a) a criterion for Vuntut Gwitchin employment; and
  - (b) a criterion for special Vuntut Gwitchin knowledge or experience related to the Heritage Site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0093T (15/06/98) VGFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.4, Vuntut Gwitchin First Nation Final Agreement (VGFA), clauses:

- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Vuntut Gwitchin First Nation Settlement Land, the Government shall include among the factors for consideration Vuntut Gwitchin employment and Vuntut Gwitchin investment in the firm submitting the proposal bid or tender, and in any subcontractor to that firm.
- 15.7.1.2 The determination of the qualifications and experience appropriate for the survey of Vuntut Gwitchin First Nation Settlement Land shall be set out in the economic development opportunities plan required by 22.3.1.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0094T (15/06/98) VGFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.4, Vuntut Gwitchin First Nation Final Agreement (VGFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Vuntut Gwitchin First Nation of any invitation for public tenders for contracts associated with silviculture within the Vuntut Gwitchin First Nation Traditional Territory.
- 17.14.2.3 The Vuntut Gwitchin First Nation shall have the first opportunity to accept any fixed term contract offered by Government associated with silviculture within the Vuntut Gwitchin First Nation Traditional Territory.
- 17.14.2.6 Government shall include a criterion for Vuntut Gwitchin employment in any contract opportunities associated with silviculture in the Vuntut Gwitchin First Nation Traditional Territory.
- 17.14.2.7 In evaluating any competitive proposal, bid or tender for the management of forest resources in the Vuntut Gwitchin First Nation Traditional Territory, the Government shall include among the factors for consideration, Vuntut Gwitchin employment and Vuntut Gwitchin ownership or equity investment in the firm or its subcontractors submitting the proposal, bid or tender.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0095T (15/06/98) VGFA - Canadian Parks Service**

The benefits that apply to this procurement are contained in: Section 5.4, Vuntut Gwitchin First Nation Final Agreement (VGFA), Chapter 10, Schedule A, clauses:

- 9.8 For any contracts tendered publicly by the Canadian Parks Service, other than the contracts referred to in 9.7, the Canadian Parks Service shall include, where appropriate, criteria for:
- 9.8.1 knowledge of Vuntut Gwitchin language, culture, society or traditional knowledge of the Vuntut Gwitchin First Nation Traditional Territory; and
  - 9.8.2 the employment of Vuntut Gwitchin professional services, the use of Vuntut Gwitchin professional services, the use of Vuntut Gwitchin suppliers, on-the-job training or skills development for Vuntut Gwitchin, in the specifications for the tendering of contracts related to the procurement of goods and services for the Park.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0101T (15/06/98) SFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.5, Selkirk First Nation Final Agreement (SFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Selkirk First Nation of any public tender for contracts associated with a Designated Heritage Site directly related to the history or culture of Selkirk People within the Traditional Territory of the Selkirk First Nation.
- 13.12.1.2 Government shall include the Selkirk First Nation in any invitational tender for contracts associated with a Designated Heritage Site directly related to the history or culture of Selkirk People within the Traditional Territory of the Selkirk First Nation.
- 13.12.1.3 The Selkirk First Nation shall have the first opportunity to accept any contract offered by Government other than by public or invitational tenders, associated with a Designated Heritage Site directly related to the history or culture of Selkirk People within the Traditional Territory of the Selkirk First Nation upon the same terms and conditions as would be offered to others.
- 13.12.1.7 Government shall include in any contract opportunities associated with a Designated Heritage Site directly related to the history or culture of Selkirk People within the Traditional Territory of the Selkirk First Nation:

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- (a) a criterion for the employment of Selkirk People or engagement of Selkirk Firms; and
- (b) a criterion for special knowledge or experience of Selkirk People related to the Designated Heritage Site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0102T (15/06/98) SFA - Fort Selkirk**

The benefits that apply to this procurement are contained in: Section 5.5, Selkirk First Nation Final Agreement (SFA), Chapter 13, Schedule A, clause:

- 5.1 The Selkirk First Nation and Selkirk Firms shall have the first opportunity to accept any contracting opportunity associated with Fort Selkirk offered by Government, the Selkirk First Nation, or Government and the Selkirk First Nation on the same terms and conditions as would be offered to others.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0103T (15/06/98) SFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.5, Selkirk First Nation Final Agreement (SFA), clauses:

- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Selkirk First Nation Settlement Land, Government shall include among the factors for consideration, employment of Selkirk People, and Selkirk First Nation and Selkirk People ownership or equity investment in the firm submitting the proposal, bid or tender, and in any subcontractor to that firm
- 15.7.1.2 Selkirk First Nation and Government shall ensure that qualifications and experience requirements for employment of Selkirk People in the surveying of Selkirk First Nation Settlement Land, shall be established at levels appropriate to the nature of the tasks being performed in that employment, and shall take into account the local knowledge of Selkirk People.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0104T (15/06/98) SFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.5, Selkirk First Nation Final Agreement (SFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Selkirk First Nation of any public tender for contracts associated with Forest Resources Management within the Traditional Territory of the Selkirk First Nation.
- 17.14.2.3 Government shall include the Selkirk First Nation in any invitational tender for contracts associated with Forest Resources Management within the Traditional Territory of the Selkirk First Nation.
- 17.14.2.4 The Selkirk First Nation shall have the first opportunity to accept any contract offered by Government other than by public or invitational tender associated with silviculture within the Traditional Territory of the Selkirk First Nation upon the same terms and conditions as would be offered to others.
- 17.14.2.8 Government shall include a criterion for employment of Selkirk People or engagement of Selkirk Firms in any contract opportunities associated with silviculture in the Traditional Territory of the Selkirk First Nation.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0111T (15/06/98) LSCFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.6, Little Salmon/Carmacks First Nation Final Agreement (LSCFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Little Salmon/Carmacks First Nation of any invitation for public tenders for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Little Salmon/Carmacks People within the Traditional Territory of the Little Salmon/Carmacks First Nations.
- 13.12.1.2 Government shall include the Little Salmon/Carmacks First Nation in any invitational tender for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Little Salmon/Carmacks First Nation.
- 13.12.1.3 The Little Salmon/Carmacks First Nation shall have the first opportunity to accept any contract offered by Government other than by public or invitational tender associated with the management of a Designated Heritage Site directly related to the history or culture of Little Salmon/Carmacks People within the

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Traditional Territory of the Little Salmon/Carmacks First Nation upon the same terms and conditions as would be offered to others.

- 13.12.1.7 Government shall include in any contract opportunity associated with the management of a Designated Heritage Site directly related to the history or culture of Little Salmon/Carmacks People in the Traditional Territory of the Little Salmon/Carmacks First Nations:
- (a) a criterion for Little Salmon/Carmacks People employment; and
  - (b) a criterion for special knowledge or experience of Little Salmon/Carmacks People related to the Designated Heritage Site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0112T (15/06/98) LSCFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.6, Little Salmon/Carmacks First Nation Final Agreement (LSCFA), clauses:

- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Little Salmon/Carmacks First Nation Settlement Land, Government shall include among the factors for consideration, employment of Little Salmon/Carmacks People, and Little Salmon/Carmacks First Nation and equity investment in the firm submitting the proposal, bid or tender, and in any subcontractor to that firm.
- 15.7.1.2 Little Salmon/Carmacks First Nation and Government shall ensure that qualifications and experience requirements for employment of Little Salmon/Carmacks People in the surveying of Little Salmon/Carmacks People Settlement Land shall be established at levels appropriate to the nature of the tasks being performed in that employment, and shall take into account the local knowledge of Little Salmon/Carmacks People.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0113T (12/05/00) LSCFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.6, Little Salmon / Carmacks First Nation Final Agreement (LSCFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Little Salmon/Carmacks First Nation of any public tender for contracts associated with Forest Resources



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Management within the Traditional Territory of the Little Salmon/Carmacks First Nation.

- 17.14.2.3 Government shall include the Little Salmon/Carmacks First Nation in any invitational tender for contracts associated with Forest Resources Management within the Traditional Territory of the Little Salmon/Carmacks First Nation.
- 17.14.2.4 The Little Salmon/Carmacks First Nation shall have the first opportunity to accept any contract offered by Government other than by public or invitational tender associated with silviculture within the Traditional Territory of the Little Salmon Carmacks First Nation upon the same terms and conditions as would be offered to others.
- 17.14.2.8 Government shall include a criterion for employment of Little Salmon/ Carmacks People in any contract opportunities associated with silviculture in the Traditional Territory of the Little Salmon/Carmacks First Nation.

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**W0113T (15/06/98) LSCFA - Silviculture**

Effective 12/05/00, this clause is superseded by W0113T.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0121T (15/06/98) SDMCLCA - Notification**

The benefits that apply to this procurement are contained in: Section 6, Sahtu Dene and Metis Comprehensive Land Claim Agreement (SDMCLCA), clauses:

- 12.2.1 Where government carries out public activities in the settlement area which give rise to employment or other economic opportunities and government elects to enter into contracts with respect to those activities:
- (a) the Government of Canada contracting procedures and approaches intended to maximize local and regional employment and business opportunities, including the provision of opportunities for potential contractors to become familiar with bidding systems, or
  - (b) the Government of the Northwest Territories preferential contracting policies, procedures and approaches intended to maximize local, regional and northern employment and business opportunities shall be followed respectively by Canada or the Government of the Northwest Territories.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation document, before any annexes or appendices.

**W0122T (15/06/98) SDMCLCA - Heritage Resources**

The benefits that apply to this procurement are contained in: Section 6, Sahtu Dene and Metis Comprehensive Land Claim Agreement (SDMCLCA), clause:

- 26.2.8 The participants shall have preference in being hired at public sites, museums, heritage resource projects, archaeological works and similar public facilities and projects in the settlement area related to Sahtu heritage resources, in a manner to be set out in the protected area agreement or, where there is no protected area agreement, in the management or work plans for the public sites, museums, projects, facilities and works referred to in this chapter. The Sahtu Tribal Council shall be consulted in the development of such plans.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0131T (15/06/98) Banks Island- Notification**

The benefits that apply to this procurement are contained in: Section 7, An Agreement for the Establishment of a National Park on Banks Island, clause:

- 8.02 The Inuvialuit Regional Corporation (IRC), with respect to Western Arctic Region, and the Sachs Harbour Community Corporation (SHCC), with respect to the community of Sachs Harbour, shall prepare and maintain a comprehensive list of Inuvialuit businesses which shall include information on the goods and services those businesses are in a position to furnish in relation to actual or potential Government Contracts related to the establishment, development, management or operation of the park. The IRC and the SHCC shall ensure that the list of Inuvialuit businesses is provided to the Superintendent, Western Arctic District, Canadian Parks Service, Inuvik. Canada shall use the list of Inuvialuit businesses for purposes of soliciting bids from Inuvialuit businesses, but this shall not restrict the ability of any Inuvialuit business to submit bids for Government Contracts in accordance with the bid invitation process where bids are invited by public notice.
- 8.03 In the planning of Government Contracts related to the Park, Canada shall take all reasonable measures to provide opportunities to qualified Inuvialuit businesses to compete for and obtain such contracts. Canada shall consider, but not necessarily be limited to, the following measures with particular regard to Inuvialuit businesses located in Sachs Harbour:
- (a) providing on the request of IRC or SHCC reasonable assistance in familiarizing Inuvialuit businesses with the contracting procedures of Canada;

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- (b) setting the date, location and terms and conditions for bidding so that Inuvialuit businesses may readily bid;
- (c) inviting bids for commodity groupings to permit smaller and more specialized Inuvialuit businesses to bid;
- (d) permitting bids for goods and services for a specified portion on a larger contract package to permit smaller and more specialized businesses to bid; and

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0132T (15/06/98) Banks Island - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 7, An Agreement for the Establishment of a National Park on Banks Island, clause:

- 8.05 As many of the following factors as may be appropriate to any particular contract shall be reflected in the bid evaluation criteria established by Canada for the awarding of Government Contracts related to the Park:
- (a) the employment of Inuvialuit labour and services, and the engagement of Inuvialuit suppliers, particularly the Inuvialuit of Sachs Harbour;
  - (b) the undertaking of commitments with respect to on-the-job training and skills development for Inuvialuit, particularly Inuvialuit of Sachs Harbour; and
  - (c) the location of head offices, administrative offices, and other facilities in the Western Arctic Region, and particularly in the community of Sachs Harbour.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation document, before any annexes or appendices.

### **W0133T (15/06/98) Banks Island - Sachs Harbour**

The benefits that apply to this procurement are contained in: Section 7, An Agreement for the Establishment of a National Park on Banks Island, clauses:

- 8.04 Qualified Inuvialuit businesses, particularly those in Sachs Harbour, shall be given first consideration where a Government Contract related to the park may, in accordance with the Government Contracts Regulations, be awarded without competition.
- 8.06 Prior to inviting bids by public notice for Government Contracts related to the park, Canada shall solicit bids from suppliers of goods and services, firstly from within the community of Sachs Harbour and secondly from within the Western Arctic Region. When soliciting bids:

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- (a) Canada shall make all possible attempts to award contracts to qualified Inuvialuit businesses according to the measures outlined in this Article;
- (b) Canada shall take all reasonable measures to determine if there are Inuvialuit businesses, particularly Inuvialuit businesses located in Sachs Harbour, qualified to perform the contracts. This determination will usually be made by reference to the list of Inuvialuit businesses provided by the Inuvialuit Regional Corporation (IRC) and the Sachs Harbour Community Corporation (SHCC);
- (c) Where it is determined that a single business within the Western Arctic Region is qualified to perform a particular contract, Canada shall solicit that business to submit a bid for that contract. The contract may be awarded upon the negotiation of acceptable terms and conditions;
- (d) Where Canada intends to solicit bids from more than one qualified business within the Western Arctic Region, Canada shall take all reasonable measures to determine if there are Inuvialuit businesses qualified to perform the contract, and shall solicit bids from those Inuvialuit businesses. This determination will usually be made by reference to the list of Inuvialuit businesses provided by the IRC and the SHCC. The contract, if awarded, shall take into account the bid evaluation criteria contained in this Article; and
- (e) Where a contract is awarded in accordance with the provisions of (c) or (d) above, Canada shall ensure that the contract document contains appropriate terms and conditions to ensure that sub-contractors are also subject to the intent and specific provisions of the contract.

Where, after considering known available suppliers including those on the list of Inuvialuit businesses, it is determined that there are no qualified suppliers or where bid solicitation is inconsistent with laws of general application, Canada may proceed directly to bid invitation as set out in 8.07.

- 8.07 Canada may invite bids, firstly from within the community of Sachs Harbour and secondly from within the Western Arctic Region. When inviting bids for Government Contracts related to the Park:
- (a) Canada shall take all reasonable measures to inform Inuvialuit businesses of such bid invitations and to provide Inuvialuit businesses with a fair and reasonable opportunity to submit bids, notwithstanding that one or more such businesses may have submitted bids as part of the solicitation process. These measures will include the measures referred to in 8.03 above;
  - (b) Where Canada intends to invite bids for Government Contracts related to the Park, the bid invitation process shall take into account the bid evaluation criteria contained in 8.05; and
  - (c) Where a contract has been awarded in accordance with the provisions of (b) above, Canada shall ensure that the contract document contains appropriate terms and conditions to ensure that sub-contractors are also subject to the intent and specific provisions of the contract.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0141T (15/06/98) Tuktut Nogait - Notification**

The benefits that apply to this procurement are contained in: Section 8, Tuktut Nogait National Park Agreement clause:

- 14.2 The Inuvialuit Regional Corporation (IRC), with respect to the Inuvialuit Settlement Region (ISR), and the Paulatuk Community Corporation (PCC), with respect to the community of Paulatuk, shall prepare and maintain a comprehensive list of Inuvialuit Businesses. This list shall include information on the goods and services those businesses are in a position to furnish in relation to actual or potential Government Contracts related to the establishment, management or operation of the Park. The IRC and the PCC shall ensure that the list of Inuvialuit Businesses is provided to the Department of Canadian Heritage (DCH) Director. Canada shall use the list of Inuvialuit Businesses for purposes of soliciting bids from Inuvialuit Businesses, but this shall not restrict the ability of any Inuvialuit Business to submit bids for Government Contracts in accordance with the Bid Invitation process where bids are invited by public notice.
- 14.3 In the planning of Government Contracts related to the Park, Canada shall take all reasonable measures to provide opportunities to qualified Inuvialuit Businesses to compete for obtain such contracts. Canada shall consider, but not necessarily be limited to the following measures with particular regard to Inuvialuit Businesses located in Paulatuk:
- i) providing on the request of the IRC or the PCC reasonable assistance in familiarising Inuvialuit Businesses with the contracting procedures of Canada;
  - ii) setting the date, location and terms and conditions for bidding so that Inuvialuit Businesses may reasonably bid;
  - iii) inviting bids by commodity groupings to permit smaller and more specialised Inuvialuit Businesses to bid;
  - iv) permitting bids for goods and services for a specified portion of a larger contract package to permit smaller and more specialised Inuvialuit Businesses to bid;
  - v) designing construction contracts in a way so as to increase the opportunity for smaller and more specialised Inuvialuit Businesses to bid; and

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0142T (15/06/98) Tuktut Nogait - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 8, Tuktut Nogait National Park Agreement clause:

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- 14.5 The following factors shall be reflected in the bid evaluation criteria established by Canada for the awarding of Government Contracts related to the Park:
- i) the employment of Inuvialuit labour and services, and the engagement of Inuvialuit suppliers, particularly from Paulatuk;
  - ii) the undertaking of commitments with respect to on-the-job training and skills development for Inuvialuit, particularly Inuvialuit from Paulatuk; and
  - iii) the location of head offices, administrative office, and other facilities in the Inuvialuit Settlement Region, and particularly in Paulatuk.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0143T (15/06/98) Tuktut Nogait - Paulatuk**

The benefits that apply to this procurement are contained in: Section 8, Tuktut Nogait National Park Agreement clauses:

- 14.4. Qualified Inuvialuit Businesses, particularly those in Paulatuk, shall be given first consideration where a Government Contract related to the Park may, in accordance with the Government Contracts Regulations, be awarded without competition.
- 14.6 Prior to inviting bids by public notice for Government Contracts related to the Park Canada shall solicit bids from suppliers of goods and services, firstly from with Paulatuk and secondly from within the Inuvialuit Settlement Region (ISR). When soliciting bids:
- i) Canada shall make all reasonable attempts to award contracts to qualified Inuvialuit Businesses according to the measures outlined in this Section.
  - ii) Canada shall take all reasonable measures to determine if there are Inuvialuit Businesses, particularly Inuvialuit businesses located in Paulatuk, qualified to perform the contracts. This determination will usually be made by reference to the list of Inuvialuit Businesses provided by the Inuvialuit Regional Corporation (IRC) and the Paulatuk Community Corporation (PCC).
  - iii) Where it is determined that a single Inuvialuit Business within the ISR is qualified to perform a particular contract, Canada shall first solicit that business to submit a bid for that contract. In accordance with the conditions set out in s. 14.1, Canada shall make best efforts to award that contract to that Inuvialuit Business upon the negotiation of acceptable terms and conditions.
  - iv) Where Canada intends to solicit bids from more than one qualified business within the ISR, Canada shall take all reasonable measures to determine if there are Inuvialuit Businesses qualified to perform the contract, and shall solicit bids from those Inuvialuit Businesses. This determination will usually be made by reference to the list of Inuvialuit Businesses provided by the IRC and the PCC. The contract, if awards, shall take in account the bid evaluation criteria contained in this Section, and

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- v) Where a contract is awarded in accordance with the provisions of ss. (iii) and (v) above, Canada shall ensure that the contract document contains appropriate terms and conditions to ensure that sub-contractors are also subject to the intent and the specific provisions of the contract.

Where, after considering known available suppliers including those on the list of Inuvialuit Businesses, it is determined that there are no qualified suppliers or where Bid Solicitation is inconsistent with the IFA and laws of general application, Canada may proceed directly to Bid Invitation as set out in s. 14.7.

- 14.7 Canada may invite bids, firstly from within the community of Paulatuk and secondly from within the ISR. When inviting bids for Government Contracts related to the Park:
- i) Canada shall take all reasonable measures to inform Inuvialuit Businesses of such Bid Invitations and to provide Inuvialuit Businesses with a fair and reasonable opportunity to submit bids, notwithstanding that one or more such businesses may have submitted bids as part of the solicitation process. These measures shall include the measures referred to in s. 14.3 above.
  - ii) Where Canada intends to invite bids for Government Contracts related to the Park, the Bid Invitation process shall take into account the bid evaluation criteria contained in s. 14.5 and
  - iii) Where a contract has been awarded in accordance with the provision of (ii) above, Canada shall ensure that the contract document contains appropriate terms and conditions to ensure that sub-contractors are also subject to the intent and specific provisions of the contract.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0151T (15/06/98) NWS - Notification**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

- 4.2 For the purposes of this subsection, Inuvialuit are defined as per subsection 16.1 of the IFA.
- (a) It is agreed that DND and the Inuvialuit Regional Corporation (IRC) shall use their best efforts to identify, and advise the Inuvialuit of, actual and potential business opportunities arising out of O&M activities in the Inuvialuit Settlement Region (ISR), and to facilitate Inuvialuit involvement in such activities in the ISR, and to facilitate Inuvialuit involvement in such activities by following the procedures set out in this subsection.
  - (c) Where a substantial portion (i.e. more than 50 percent) of the work in a Contract is within the ISR NWS O&M Contractors and Subcontractors will first solicit bids from qualified businesses on the list of Inuvialuit firms provided by the IRC

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pursuant to paragraph 4.2b. This process shall not limit other qualified Inuvialuit firms from bidding as well. At the same time, solicitation documents shall also be provided to the IRC. DND, DSS, and its O&M Contractors shall be held blameless if qualified Inuvialuit businesses were not solicited because their name did not appear on the list provided by the IRC. Based on demonstrated performance, Inuvialuit businesses may be added or deleted from the list.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0152T (15/06/98) NWS - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

- 4.0 In accordance with existing laws, regulations, and federal government procurement policies, the following reasonable measures to encourage Inuvialuit participation, with respect to contracts awarded for Work within the Inuvialuit Settlement Region (ISR), will be taken.
  - 4.1 The reasonable measures set out in this clause shall include the inclusion of appropriate contract clauses in future O&M contracts for work in the ISR binding Contractors to also take reasonable measures to encourage Inuvialuit participation.
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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0153T (15/06/98) NWS - Air Transport (Fixed Wing)**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

- 4.3 The following specific business opportunities for the provision of services associated with Work within the Inuvialuit Settlement Region (ISR) shall be provided through the NWS O&M Contractor or Subcontractors:
  - 4.3.1 Aklak Air will have the first opportunity to bid on all contracts for personnel and freight transportation services by fixed wing aircraft for flights originating and terminating in the ISR;

Except in cases of emergency or when the operation of NWS site(s) could be interrupted, these companies shall be provided with not less than ten days for a bid response from the date of issue of the solicitation documents. Contracts shall be issued



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if the bids are technically compliant and based on the lower of published tariffs or most favoured customer rates. As existing contracts expire, renewals or new contracts shall be concluded in accordance with this subsection.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0154T (15/06/98) NWS - Marine Transport**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

4.3 The following specific business opportunities for the provision of services associated with Work within the Inuvialuit Settlement Region (ISR) shall be provided through the NWS O&M Contractor or Subcontractors:

4.3.2. NTCL shall have the first opportunity to bid on all contracts for marine transportation and barging services of equipment, materials and supplies.

Except in cases of emergency or when the operation of NWS site(s) could be interrupted, these companies shall be provided with not less than ten days for a bid response from the date of issue of the solicitation documents. Contracts shall be issued if the bids are technically compliant and based on the lower of published tariffs or most favoured customer rates. As existing contracts expire, renewals or new contracts shall be concluded in accordance with this subsection.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation document, before any annexes or appendices.

### **W0155T (15/06/98) NWS - Gravel**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

4.3 The following specific business opportunities for the provision of services associated with Work within the Inuvialuit Settlement Region (ISR) shall be provided through the NWS O&M Contractor or Subcontractors:

4.3.3. Pursuant to the IFA, the NWS O&M Contractor shall obtain gravel from the Inuvialuit for all sites on Inuvialuit Lands (i.e. Cape Parry, Nicholson Peninsula, Horton River, Liverpool Bay, and Keats Point). The specific gravel requirements shall be determined by the NWS O&M Contractor or Subcontractor. The Inuvialuit shall provide the required granular material from the nearest

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appropriate location or locations consistent with satisfying environmental and cost minimisation criteria. All other gravel contracts shall be tendered pursuant to section 4.2 of his agreement.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0156T (15/06/98) NWS - Groceries and Catering**

The benefits that apply to this procurement are contained in: Section 9, Co-operation Agreement between the Inuvialuit Regional Corporation and the Department of National Defence Concerning the Operation and Maintenance of the North Warning System (NWS), clauses:

- 4.3 The following specific business opportunities for the provision of services associated with Work within the Inuvialuit Settlement Region (ISR) shall be provided through the NWS O&M Contractor or Subcontractors:
- 4.3.4. Beginning in April 1985, or earlier if the opportunity arises, Stanton Distributing shall have the first opportunity to bid on all contracts for services relating to the supply of groceries, foodstuff, and catering with respect to temporary or permanent camp facilities in the ISR. Contracts will be issued provided that Stanton Distributing meets the requirements identified in the solicitation documents and its bid is competitive. Except in cases of emergency or when the operation of NWS site(s) could be interrupted, Stanton Distributing shall be provided with no less than ten days for a bid response from the date of issue of the solicitation documents.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0161T (15/06/98) DEW - Notification**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clauses:

- 6.1 DND and the IRC will identify and advise the Inuvialuit of actual and potential business opportunities arising from the Work, and facilitate Inuvialuit involvement in such activities by following the procedures set out in this paragraph.
- (b) DND shall include as a term in all contracts between DND and a Contractor for Work that, where the Contractor intends to subcontract or procure goods for Work, the Contractor will first solicit bids from qualified businesses on the list of Inuvialuit Businesses referred to in paragraph 5.2. This process shall not limit

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other qualified Inuvialuit businesses from bidding as well. At the same time, solicitation documents shall also be provided to the IRC. DND and its Contractors shall be held blameless if qualified Inuvialuit Businesses were not solicited because their name did not appear on the list provided by the IRC.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0162T (15/06/98) DEW - Evaluation Criteria**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clauses:

- 4.1 (a) The Government of Canada Contracting Agency will include a term in all contracts for work, that the Contractor will comply with this Agreement and a term that the Contractor will ensure that any Subcontractors will also be bound by similar provisions, wherever applicable.
- 5.1 DND shall require in all project proposals and tenders an Inuvialuit Participation Plan which will include the type, level and value of Inuvialuit supplied goods and services, training and employment what will be solicited pursuant to the provisions outlined in clauses 6 and 7 of this Agreement and the location of offices and other facilities of the firms inside and outside of the region.
- 5.2 DND and the Inuvialuit will establish minimum levels of Inuvialuit Participation which must be achieved in all Contractor Inuvialuit Participation Plans. In order for a contractor's tender or proposal for Work to be considered compliant, the Contractor's Inuvialuit Participation Plan must meet the agreed upon minimum levels of Inuvialuit participation.
- 6.1 DND and the IRC will identify and advise the Inuvialuit of actual and potential business opportunities arising from the Work, and facilitate Inuvialuit involvement in such activities by following the procedures set out in this paragraph.
  - (c) DND shall include as a term in all contracts between DND and a Contractor for Work that where, following a solicitation for bids, a qualified Inuvialuit Business(es) offer(s) a compliant and competitive bid within the time specified in the solicitation documents, and the Contractor decides to execute a contract for that work, the contract will be offered to an Inuvialuit Business. The length of time provided to Inuvialuit businesses to prepare a bid will take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) business days shall be provided for a bid response from the date the solicitation documents are delivered. The Contractor shall determine whether a bid is compliant and competitive and this decision is not subject to the arbitration procedures specified in this Agreement. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunities to clarify the scope of work and revise its bid accordingly (if required). However, if a Contractor repeatedly

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determines that Inuvialuit bids are non-compliant in a conscious effort to subvert the objective of this Agreement, the IRC shall have recourse to the Review Committee and if necessary paragraph 4(7) of this Agreement.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0163T (15/06/98) DEW - Air Transporter (Fixed Wing)**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).
- (a) Aklak Air will have the first opportunity to bid on all contracts for the transportation of personnel and freight by fixed wing aircraft for flights originating and terminating within the IRC or Inuvik;

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**Text:**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

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- 6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).
- (b) The Inuvialuit Projects Inc./Canadian Helicopters Ltd. Joint Venture will have the first opportunity to bid on all contracts for the transportation of personnel and freight by rotary wing aircraft for flights originating and terminating within the IRC or Inuvik.

### **W0164T (15/06/98) DEW - Air Transport (Rotary Wing)**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).
- (b) The Inuvialuit Projects Inc./Canadian Helicopters Ltd. Joint Venture will have the first opportunity to bid on all contracts for the transportation of personnel and freight by rotary wing aircraft for flights originating and terminating within the IRC or Inuvik.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0165T (15/06/98) DEW - Marine Transport**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).
- (c) NTCL will have the first opportunity to bid on all contracts for marine transportation and barging of equipment and supplies;

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0166T (15/06/98) DEW - Camp Facilities**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant,

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competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).

- (d) Inuvialuit Project Inc. will have the first opportunity to bid on all contracts for camp facilities which are required in addition to any DND owned camp facilities presently located at DEW sites.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0167T (15/06/98) DEW - Groceries and Foodstuff**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

6.2 DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).

- (e) Stanton Distributing will have the first opportunity to bid on all contracts for groceries and foodstuffs required in association with any camp facilities provided for the Work; and

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0168T (15/06/98) DEW - Gravel**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.3 (a) Contractors and Subcontractors shall obtain gravel from the Inuvialuit for all sites on Inuvialuit lands. The specific gravel requirements will be determined by the Contractors and Subcontractors. The gravel required in excess of gravel which has been already quarried and used for other purposes (eg. Runways) at the time of the signing of this Agreement shall be provided by the Inuvialuit Development Corporation (IDC) in accordance with Schedule 3. All other granular material will be procured in accordance with the procedures outlined in Clause 6.1.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0169T (15/06/98) DEW - Soils**

The benefits that apply to this procurement are contained in: Section 10, Co-operation Agreement between the Inuvialuit Regional Corporation (IRC) and the Department of National Defence (DND) concerning the restoration and clean-up of DEW sites within the Inuvialuit Settlement Region, clause:

- 6.4 (a) Subject to 6.4b, DND will dispose of Tier II soils from DEW Line sites at a disposal site outside the Inuvialuit Settlement Region (ISR). NTCL will provide the marine transportation and barging of the soils from Nicholson Peninsula, Cape Parry and Shingle Point to Hay River in accordance with the prices set out in Schedule 4. Transportation rates for soils from the remaining DEW Line sites in the ISR will be established six months prior to soil transportation from these sites and will reflect a similar discount over published tariffs as is the case for Nicholson Peninsula and Cape Parry.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.



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### **W0171T (12/05/00) THFA - Designated Heritage Site**

The benefits that apply to this procurement are contained in: Section 5.7, Tr'ondëk Hwëch'in Final Agreement (THFA), clauses:

- 13.12.1.1 Government shall provide written notice to the Tr'ondëk Hwëch'in of any public tender for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of Tr'ondëk Hwëch'in within the Traditional Territory of the Tr'ondëk Hwëch'in.
- 13.12.1.2 Government shall include the Tr'ondëk Hwëch'in in any invitational tender for contracts associated with the management of a Designated Heritage Site directly related to the history or culture of the Tr'ondëk Hwëch'in within the Traditional Territory of the Tr'ondëk Hwëch'in.
- 13.12.1.3 The Tr'ondëk Hwëch'in shall have the first opportunity to accept any contract offered by Government other than by public or invitational tender associated with the management of a Designated Heritage Site directly related to the history or culture of Tr'ondëk Hwëch'in within the Traditional Territory of the Tr'ondëk Hwëch'in upon the same terms and conditions as would be offered to others.
- 13.12.1.7 Government shall include in any contract opportunities associated with a Designated Heritage Site directly related to the history or culture of Tr'ondëk Hwëch'in within the Traditional Territory of the Tr'ondëk Hwëch'in:
- (a) a criterion for the employment of Tr'ondëk Hwëch'in or engagement of Tr'ondëk Hwëch'in Firms; and
  - (b) a criterion for special knowledge or experience of Tr'ondëk Hwëch'in related to the Designated Heritage Site.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

### **W0172T (12/05/00) THFA - Survey**

The benefits that apply to this procurement are contained in: Section 5.7, Tr'ondëk Hwëch'in Final Agreement (THFA), clauses:

- 15.7.1.1 In evaluating any competitive proposal, bid or tender for the survey of Tr'ondëk Hwëch'in Settlement Land, Government shall include among the factors for consideration, employment of Tr'ondëk Hwëch'in, or for Tr'ondëk Hwëch'in and Tr'ondëk Hwëch'in ownership or equity investment in the firm submitting the proposal, bid or tender, and in any subcontractor to that firm.
- 15.7.1.2 The Tr'ondëk Hwëch'in and Government shall ensure that qualifications and experience requirements for employment of Tr'ondëk Hwëch'in in the surveying of Tr'ondëk Hwëch'in Settlement Land shall be established at levels appropriate

to the nature of the tasks being performed in that employment, and shall take into account the local knowledge of Tr'ondëk Hwëch'in.

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**Remarks:** Refer to the chart "Summary of Benefits from Treasury Board of Canada Secretariat Contracting Policy Notice 1997-8" to determine when to use this clause. It is to appear in full text at the end of the bid solicitation, before any annexes or appendices.

**W0173T (12/05/00) THFA - Silviculture**

The benefits that apply to this procurement are contained in: Section 5.7, Tr'ondëk Hwëch'in Final Agreement (THFA), clauses:

- 17.14.2.2 Government shall provide written notice to the Tr'ondëk Hwëch'in of any public tender for contracts associated with Forest Resources Management within the Traditional Territory of the Tr'ondëk Hwëch'in .
  - 17.14.2.3 Government shall include the Tr'ondëk Hwëch'in in any invitational tender for contracts associated with Forest Resources Management within the Traditional Territory of the Tr'ondëk Hwëch'in.
  - 17.14.2.4 The Tr'ondëk Hwëch'in shall have the first opportunity to accept any contract offered by Government, other than by public or invitational tender, associated with silviculture within the Traditional Territory of the Tr'ondëk Hwëch'in upon the same terms and conditions as would be offered to others.
  - 17.14.2.8 Government shall include a criterion for employment of Tr'ondëk Hwëch'in or engagement of Tr'ondëk Hwëch'in Firms in any contract opportunities associated with silviculture in the Traditional Territory of the Tr'ondëk Hwëch'in.
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## **Section 5**

### **Y - CIDA GRANT AID PROGRAM**

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## Y - CIDA GRANT AID PROGRAM

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**Remarks:** Include in all bid solicitations and contracts placed on behalf of CIDA with commercial suppliers when DSS is solely responsible for transportation arrangements. Consumer Products and Traffic Management Branch will obtain export permit (not applicable to foodstuff purchases).

**Y0001D (12/05/00) Export Permit - PWGSC**

The Department of Public Works and Government Services shall obtain any required export permits. Enquiries must be referred to the:

Traffic Management Directorate  
Department of Public Works and Government Services  
Place du Portage, Phase III  
Hull, Quebec K1A 0S5

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**Y0001D (15/09/97) Export Permit - DSS**

Effective 12/05/00, this clause is superseded by Y0001D.

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**Remarks:** Include in all bid solicitations and contracts placed on behalf of CIDA with commercial suppliers, when the supplier is responsible for transportation arrangements.

**Y0002D (01/06/91) Export Permit - Supplier**

The commercial supplier shall obtain any required export permits.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when delivery is made direct to ultimate consignee.

**Y1000D (01/12/00) Duty Drawback**

All drawback submissions stemming from this Contract shall be subject to the criteria and procedures described in the document CR96-2, "*Goods Imported and Exported Refund and Drawback Regulations*" or D7-3-4, "*Canadian Manufactured Goods Exported Drawback Regulations*", from Canada Customs and Revenue Agency.

## Y - CIDA GRANT AID PROGRAM

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**Y1000D (01/06/91) Duty Drawback**

Effective 01/12/00, this clause is superseded by Y1000D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when delivery is made through a marshalling contractor.

**Y1001D (12/05/00) Duty Drawback - Marshalling Contractor**

All drawback submissions stemming from this Contract shall be subject to the criteria and procedures described in the document CR96-2 entitled "*Goods Imported and Exported Refund and Drawback Regulations*" or D7-3-4 entitled "*Canadian Manufactured Goods Exported Drawback Regulations* from Canada Customs and Revenue Agency." Canadian International Development Agency (CIDA) will issue a "Certificate" as proof of export. To obtain such a certificate, the supplier must submit a copy of the invoice(s) for which a certificate is required with a covering letter to:

Canadian International Development Agency  
Contract and Contribution Audit Unit  
Accounts Verification  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4

CIDA will verify that the invoice copy is consistent with the original invoice covering project goods destined for export, stamp and sign the invoice copy, and return it to the supplier.

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**Y1001D (01/06/91) Duty Drawback**

Effective 12/05/00, this clause is superseded by Y1001D.

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**Remarks:** For use in all bid solicitations and contracts placed on behalf of CIDA.

**Y2000D (01/06/91) Freight Charges**

Freight charges shall be prepaid and added to the invoice as a separate item, with receipt and documentation.

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**Remarks:** Use in all bid solicitations and contracts placed on behalf of CIDA when shipment is made by supplier directly to an export destination.

**Y3000D (01/06/91) Export Packaging and Labelling**

Export packaging and labelling are to be to the highest manufacturer's standard for the mode of transportation utilized, to ensure safe arrival at final destination.

Only identical items from one Contract are to be contained in any one interior package, except that sets of tools, parts, etc., are to be packed as individual sets, whenever possible. The contents of each interior package are to be clearly indicated by label or tag showing the item number, quantity and Contract number.

Only items from one Contract shall be packaged in one exterior container.

One copy of the detailed packing list shall be included with each package.

All containers are to be clearly marked with the following information:

1. consignee and address;
2. project number;
3. name of project;
4. consignee identification number, if applicable;
5. Contract number;
6. weight (metric), volume (metric);
7. number of pieces;
8. any special markings such as inclusion of CIDA/Canada decals.

The supplier is to apply to CIDA Procurement Division, Transportation Section, for decals which can be affixed to containers prior to shipment.

These packaging requirements must be strictly adhered to for ease of identification in completing export documentation.

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**Remarks:** Use in all bid solicitations and contracts placed on behalf of CIDA when shipment is FOB packaging/marshalling facility in Canada. The name of the appropriate packaging facility may be obtained from the Traffic Management Directorate.

**Y3001D (12/05/00) Packaging - Domestic**

Packaging shall be suitable for domestic shipment to consignment address. Only identical items are to be contained in any one interior package, except that sets of tools, parts, etc., are to be packed as individual sets, whenever possible. The contents of each interior package are to be

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clearly indicated by label or tag showing the item number, quantity, customer reference number, and contract number.

Only items from one contract shall be packaged in one exterior container.

One copy of the detailed packing list shall be included with the package.

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### **Y3001D (01/06/91) Packaging - Domestic**

Effective 12/05/00, this clause is superseded by Y3001D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when shipment is by sea (FAS Port or FOB Plant) or by air (FOB Airport or FOB Plant).

### **Y4000D (01/12/00) Shipping Instructions**

1. The Traffic Management Directorate is responsible for issuance of shipping instructions and transportation overseas.

Shipments shall not be effected until shipping instructions are received from the Traffic Management Directorate and these will not be issued to the Contractor until after documents 3(a) are received.

2. All documents are to reflect the financial code, Contract Number and Consignee Number. Invoices must reflect the Contract Item Number, Client Reference Number (CRN), description of the commodity and values. The packing list must detail the contents packed in each carton, box, etc., together with the individual dimensions, cubic displacement and gross weight per carton, box, etc.
3. Documents are to be submitted covering each shipment and are to state whether shipment is partial or complete.
4. A customs export entry form B-13, obtainable from the local Customs House or Post Office, is to be prepared for each shipment.
5. Inland bills of lading:
  - (a) For FAS Port or FOB Airport contracts, show the firm as the shipper.
  - (b) For FOB Plant contracts, prepay inland transportation charges and show them as a separate item on the invoice; show the Canadian International Development Agency (CIDA) as the shipper.

#### **DOCUMENTATION:**

#### **Dangerous Goods:**



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1. The nature, quantity and United Nations number of any dangerous good are to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement will render the supplier liable for any punitive action that may be taken by regulating authorities.
3. Documents are to be distributed as follows:
  - (a) Documents hereunder to accompany request for shipping instructions to:

Traffic Management Directorate  
Public Works and Government Services Canada  
Place du Portage, Phase III  
Hull, Quebec K1A 0S5

    - (1) seven (7) copies of the commercial invoice;
    - (2) seven (7) copies of the packing list;
    - (3) three (3) copies of the inspection report, if inspection is required by the Contract.

**NOTE:** The Contractor must give the location of the commodity(ies) to be shipped.

4.
  - (a) For sea shipments: one (1) copy of the inland bill of lading to the Traffic Management Directorate, AFTER SHIPMENT IS EFFECTED.
  - (b) For air shipments: two (2) invoices and packing lists to accompany shipment(s) to the airport in an envelope addressed to the consignee/clearing agent, and annotated: *"Airlines: Clearing documents for consignee/clearing agent; please attach to the air waybill."*
5. To CIDA, at the address to which invoices are to be forwarded:
  - (a) the original and four (4) copies of the commercial invoice;The Contractor shall include the following statement on all invoices:

"We certify that prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

  - (b) one (1) signed copy of the inspection report, if applicable;
  - (c) proof of delivery (wharf receipt, bill of lading or air waybill).
6. To the Contracting Authority of Public Works and Government Services Canada: one (1) copy of the commercial invoice.

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**Y4000D (12/05/00) Shipping Instructions**

Effective 01/12/00, this clause is superseded by Y4000D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when shipment is FOB Panalpina Inc.

**Y4001D (01/12/00) Documentation - FOB Panalpina Inc.**

**Dangerous Goods:**

1. The nature, quantity and United Nations number of any dangerous good are to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement will render the Supplier liable for any punitive action that may be taken by regulating authorities.
3. Documents are to be distributed as follows:

(a) To the :

Traffic Management Directorate  
Public Works and Government Services Canada  
Place du Portage, Phase III  
Hull, Quebec K1A 0S5

**NOT LATER THAN ONE DAY AFTER THE SHIPMENT LEAVES YOUR PLANT:**

- two (2) copies of the commercial invoice;
  - one (1) copy must indicate:
    - (1) shipping weight of goods named in the invoice;
    - (2) point of shipment;
    - (3) mode of transport;
  - (b) one (1) copy of the detailed packing list;
  - (c) three (3) copies of the inspection report, if inspection is required by terms of the Contract;
  - (d) one (1) copy of inland bill of lading or receipt from Panalpina Inc.
4. To: Panalpina Inc.  
11100 chemin Saint-François  
Ville Saint-Laurent, Quebec H4S 1N1

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### WHEN SHIPMENT LEAVES YOUR PLANT:

- two (2) copies of the commercial invoice;
  - two (2) copies of the detailed packing list.
1. To the Canadian International Development Agency, at the address to which invoices are to be forwarded:
    - (a) the original and four (4) copies of the commercial invoice;The Contractor shall include the following statement on all invoices:

"We certify that prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

    - (b) one (1) signed copy of the inspection report, if inspection is required by the Contract;
    - (c) one (1) copy of the receipt from the marshalling Contractor indicating acceptance by them.
  2. To the Contracting Authority of Public Works and Government Services Canada: one (1) copy of the commercial invoice.

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**Y4001D      (12/05/00)      Documentation - FOB Panalpina Inc.**

Effective 01/12/00, this clause is superseded by Y4001D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when shipment is on a C.I.F. or C. & F. air shipment basis. Insurance is not normally required on CIDA grant aid projects.

**Y4002D      (01/12/00)      Documentation**

### Dangerous Goods:

1. The nature, quantity and United Nations number of any dangerous good are to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement will render the supplier liable for any punitive action that may be taken by regulating authorities.

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3. Documents are to be distributed as follows:

- (a) To the Canadian International Development Agency (CIDA), at the address to which invoices are to be forwarded:
  - (1) one (1) signed copy plus one (1) unsigned copy of the air waybill;
  - (2) original and four (4) copies of the commercial invoice made out to CIDA;

The Contractor shall include the following statement on all invoices:

"We certify that prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

- (3) five (5) copies of the packing list;
  - (4) one (1) copy of the inspection report, if inspection is required by the Contract;
  - (5) two (2) copies of the insurance certificate (when on C.I.F. air shipment basis).
- (b) To the clearing agent (consignee if no clearing agent is stated in the Contract):
    - (1) one (1) signed copy plus one (1) unsigned copy of the air waybill;
    - (2) three (3) copies of the commercial invoice;
    - (3) three (3) copies of the packing list;
    - (4) two (2) copies of the insurance certificate (when on C.I.F. air shipment basis).
  - (c) To the Contracting Authority of Public Works and Government Services Canada:
    - one (1) copy of the commercial invoice.

**Payment:** Against commercial invoices and documentation as stated above by the Comptroller, CIDA.

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**Y4002D (15/09/97) Documentation**

Effective 01/12/00, this clause is superseded by Y4002D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when shipment is by C.I.F. or C. & F. sea shipment basis (not applicable to foodstuff purchase). Insurance is not normally required on CIDA grant aid projects. (Distribution of documentation is to be adjusted in accordance with project requirements.)

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Y4003D (01/12/00) Documentation

### Dangerous Goods:

1. The nature, quantity and United Nations number of any dangerous good are to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement by the supplier will render him liable for any punitive action that may be taken by regulating authorities.
3. Documents are to be distributed as follows:
  - (a) To Canadian International Development Agency (CIDA), at the address to which invoices are to be forwarded:
    - (1) one (1) negotiable bill of lading, plus three (3) non-negotiable copies;
    - (2) original and four (4) copies of the commercial invoice made out to the CIDA;

The Contractor shall include the following statement on all invoices:

"We certify that prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

- (3) five (5) copies of the packing list;
  - (4) one (1) copy of the inspection report, if inspection is required by the Contract;
  - (5) one (1) copy of negotiable marine insurance certificate (when on C.I.F. sea shipment basis).
- (b) To the clearing agent (consignee if no clearing agent is stated in the Contract):
- (1) two (2) copies of negotiable bills of lading;
  - (2) two (2) copies of non-negotiable bills of lading;
  - (3) two (2) copies of the commercial invoice;
  - (4) two (2) copies of the packing list;
  - (5) original and one (1) copy of the negotiable marine insurance certificate (when on C.I.F. sea shipment basis).

**Note:** The above two (2) sets of documentation to the clearing agent are to be airmailed under two (2) separate covers to ensure safe arrival of at least one (1) set at the destination.

- (c) To the Contracting Authority of Public Works and Government Services Canada: one (1) copy of the commercial invoice.

**Payment:** Against commercial invoices and documentation as stated above by CIDA.

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**Y4003D (15/09/97) Documentation**

Effective 01/12/00, this clause is superseded by Y4003D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when sea shipment is on an EX QUAY (Incoterms 1980) basis, for duty on buyer's account type of contracts. Insurance is not normally required on CIDA grant aid projects, and marine insurance until destination is definitely not the business of the Crown in EX QUAY projects. (Distribution of documentation is to be adjusted in accordance with project requirements.)

**Y4004D (01/12/00) Documentation - EX QUAY**

**Dangerous Goods:**

1. The nature, quantity and United Nations number of any dangerous goods is to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement by the supplier will render him liable for any punitive action that may be taken by regulating authorities.
3. Documents are to be distributed as follows:
  - (a) To the Canadian International Development Agency (CIDA), at the address to which invoices are to be forwarded:
    - (1) three (3) copies of non-negotiable bills of lading;
    - (2) original and four (4) copies of the commercial invoice made out to CIDA.

The Contractor shall include the following statement on all invoices:

"We certify that the prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

- (3) five (5) copies of the packing list;
  - (4) one (1) copy of the inspection report, if inspection is required by the Contract;
  - (5) delivery report at destination.
- (b) To the clearing agent (consignee if no clearing agent is stated in the Contract):

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- (1) two (2) original bills of lading (for custom purposes);
- (2) two (2) copies of non-negotiable bills of lading;
- (3) two (2) copies of the commercial invoice;
- (4) two (2) copies of the packing list.

**Note:** The above two (2) sets of documentation to the clearing agent are to be airmailed under two (2) separate covers to ensure safe arrival of at least one (1) set at destination.

- (c) To the Contracting Authority of Public Works and Government Services Canada: one (1) copy of the commercial invoice.

**Payment:** Against commercial invoices and documentation as stated above by CIDA. DELIVERY REPORT is the CRITICAL document for payment. It replaces the original bill of lading used for other terms, such as C. & F. or C.I.F.

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**Y4004D (15/09/97) Documentation - EX QUAY**

Effective 01/12/00, this clause is superseded by Y4004D.

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**Remarks:** Use this clause in all bid solicitations and contracts placed on behalf of CIDA when sea shipment is on an EX QUAY (Incoterms 1980) basis, for duty paid type of contracts. Insurance is not normally required on CIDA grant aid projects, and marine insurance until destination is definitely not the business of the Crown in EX QUAY projects. (Distribution of documentation is to be adjusted in accordance with project requirements.)

**Y4005D (01/12/00) Documentation - EX QUAY**

**Dangerous Goods:**

1. The nature, quantity and United Nations number of any dangerous goods is to be included with each dangerous good, in accordance with the International Maritime Dangerous Goods Code and the latest International Air Transport Association Regulations.
2. Non-compliance with this requirement by the supplier will render him liable for any punitive action that may be taken by regulating authorities.
3. Documents are to be distributed as follows:
  - (a) To the Canadian International Development Agency (CIDA), at the address to which invoices are to be forwarded:
    - (1) original and four (4) copies of the commercial invoice made out to CIDA;

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The Contractor shall include the following statement on all invoices:

"We certify that the prices on this invoice exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty and excise tax paid on goods or on parts and components incorporated in the goods."

- (2) five (5) copies of the packing list;
  - (3) one (1) copy of the inspection report, if inspection required by the Contract;
  - (4) delivery report.
- (b) To the destinee:
- (1) two (2) copies of non-negotiable bills of lading;
  - (2) two (2) copies of the commercial invoice;
  - (3) two (2) copies of the packing list.
- (c) To the Contracting Authority of Public Works and Government Services Canada:  
one (1) copy of the commercial invoice.

**Payment:** Against commercial invoices and documentation as stated above by CIDA. DELIVERY REPORT is the CRITICAL document for payment. It replaces the original bill of lading used for other terms, such C. & F. or C.I.F.

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**Y4005D (15/09/97) Documentation - EX QUAY**

Effective 01/12/00, this clause is superseded by Y4005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.**  
Include when one of the following clauses has been used: Y4000D, Y4001D, Y4002D, Y4003D, Y4004D or Y4005D.

**Y4006D (01/04/92) Documentation - Invoice Address**

Send all invoices for CIDA to the following address:

CIDA, Place du Centre  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4  
Attention: \_\_\_\_\_



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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Include in all bid solicitations and contracts, placed with commercial suppliers on behalf of CIDA, for goods purchased for export.

**Y5000D (15/09/97) Taxes and Customs Duty**

The Government of Canada certifies that the goods identified herein are for export. The invoiced price shall exclude the Goods and Services Tax, the Harmonized Sales Tax, sales tax, refundable customs duty, and excise tax paid on the goods or on parts and components incorporated in the goods. The goods are covered by Canadian International Development Agency project number \_\_\_\_\_.

**Y5000D (01/04/92) Taxes and Customs Duty**

Effective 15/09/97, this clause is superseded by Y5000D.

**Remarks:** Include in all in bid solicitations and contracts, placed on behalf of CIDA, for goods purchased for export, when shipment is made by a supplier either to the ultimate consignee or to a marshalling contractor in Canada.

**Y5001D (15/09/97) Transportation of Goods within Canada**

The Contractor shall provide the carriers with the following written declaration in order to ensure that their services are zero-rated for purposes of the Goods and Services (GST) or Harmonized Sales Tax (HST), as appropriate:

"The property is being shipped for export and the freight transportation service to be supplied by the carriers is part of a continuous outbound movement in respect of the property."

**Y5001D (01/04/92) Transportation of Goods within Canada**

Effective 15/09/97, this clause is superseded by Y5001D.



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## **Section 5**

**Z - CANADIAN COMMERCIAL CORPORATION**

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## Z - CANADIAN COMMERCIAL CORPORATION

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**Remarks:** Use the following clause in contracts when shipment is FOB Plant and U.S. Government Bills of lading are to be used.

**Z0001C (10/12/01) U.S. Government Bills of Lading**

1. Shipments under this Contract are to be made on U.S. Government bill of lading. The Contractor is to apply for U.S. Government bills of lading directly to:  
  
Transportation Office  
Defense Contract Management Americas (DCMA)(Canada)  
200 - 275 Bank Street  
Ottawa, Ontario K2P 2L6  
  
at least ten (10) working days in advance of its proposed shipping date, using form DD 1659, Application for U.S. Government Shipping Document/Instructions.
2. When distributing the signed copies of U.S. Government bills of lading, a copy of the relevant DD 250, Material Inspection and Receiving Report, DD 1149, Requisition and Invoice/Shipping Document or packing list must be attached to the memorandum copy of the U.S. Government bill of lading forwarded to the Transportation Office, DCMA (Canada), Ottawa.
3. Signed U.S. Government bills of lading are negotiable documents; if not used, they must be returned to the Transportation Office named above. Form DD 1659 can be obtained from DCMA (Canada), (telephone (613-992-9020)).

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**Z0001C (01/04/92) U.S. Government Bills of Lading**

Effective 10/12/01, this clause is superseded by Z0001C.

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**Remarks:** The contracting officer shall insert in solicitations and contracts the clause at FAR 52.247-32, FOB Origin, Freight Prepaid, when the delivery term is FOB origin, freight prepaid.

**Z0002C (01/04/92) FOB Origin, Freight Prepaid**

(a) Explanation of delivery term: "FOB origin, freight prepaid" means:

1. Free of expense to the Government, delivered
  - (i) on board the indicated type of conveyance of the carrier (or of the Government, if specified) at a designated point in the city, county, and province

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or state from which the shipments will be made and from which line-haul transportation service (as distinguished from switching, local drayage, or other terminal service) will begin;

(ii) to, and placed on, the carrier's wharf (at shipside, within reach of the ship's loading tackle, when the shipping point is within a port area having water transportation service) or the carrier's freight station;

(iii) to a U.S./Canadian postal service facility; or

(iv) if stated in the solicitation, to any Government-designated point located within the same commercial zone as the FOB origin point specified in the Contract (commercial zones are prescribed by the U.S. Interstate Commerce Commission at 49 CFR 1048); and

2. The cost of transportation, ultimately the Government's obligation, is prepaid by the Contractor to the point specified in the Contract.

(b) Contractor responsibilities. The Contractor's responsibilities are the same as those listed in FAR 47.303-1 (b), except that the Contractor shall prepare Commercial Bills of Lading or other transportation receipts and shall prepay all freight charges to the extent specified in the Contract.

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**Z0003C            (01/04/92)            FOB Destination**

(a) The term "FOB destination," as used in this clause, means:

1. Free of expense to the U.S. Government, on board the carrier's conveyance, at a specified delivery point where the consignee's facility (plant, warehouse, store, lot, or other location to which shipment can be made) is located; and

2. Supplies shall be delivered to the destination consignee's wharf (if destination is a port city and supplies are for export), warehouse unloading platform, or receiving dock, at the expense of the Contractor. The U.S. Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charges involved before the actual delivery (or "constructive placement" as defined in carrier tariffs) of the supplies to the destination, unless such charges are caused by an act or order of the Government acting in its Contractual capacity. If rail carrier is used, supplies shall be delivered to the specified unloading platform of the consignee. If motor carrier (including "piggyback") is used, supplies shall be delivered to truck tailgate at the unloading platform of the consignee. If the Contractor uses rail carrier or freight forwarder for less than carload shipments, the Contractor shall assure that the carrier will furnish tailgate delivery if transfer to truck is required to complete delivery to consignee.

(b) The Contractor shall:

1. (i) pack and mark the shipment to comply with Contract specifications; or

(ii) in the absence of specifications, prepare the shipment in conformance with carrier requirements;

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2. prepare and distribute commercial Bills of Lading;
3. deliver the shipment in good order and conditions to the point of delivery specified in the Contract;
4. be responsible for any loss of and/or damage to the goods occurring before receipt of the shipment by the consignee at the delivery point specified in the Contract;
5. furnish a delivery schedule and designate the mode of delivering carrier; and
6. pay and bear all charges to the specified point of delivery.

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**Z0004C            (01/04/92)            FOB Origin Contrator's Facility**

(a) The term "FOB origin, Contractor's facility", as used in this clause, means free of expense to the U.S. Government, delivered on board the indicated type of conveyance of the carrier (or of the U.S. Government, if specified) at the designated facility, on the named street or highway, in the city, county, and province or state from which the shipment will be made.

(b) The Contractor shall:

1.        (i) pack and mark the shipment to comply with Contract specifications; or  
          (ii) in the absence of specifications, prepare the shipment in conformance with carrier requirements to protect the goods and to ensure assessment of the lowest applicable transportation charge;
2.        (i) order specified carrier equipment when requested by the            U.S. Government; or  
          (ii) if not specified, order appropriate carrier equipment not in excess of capacity to accommodate shipment;
3. deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the Contractor) on or in the carrier's conveyance as required by carrier rules and regulations;
4. be responsible for any loss of and/or damage to the goods
  - (i) occurring before delivery to the carrier;
  - (ii) resulting from improper packing and marking; or
  - (iii) resulting from improper loading, stowing, trimming, blocking, and/or bracing of the shipment, if loaded by the Contractor on or in the carrier's conveyance;
5. complete the U.S. Government Bill of Lading supplied by the ordering agency or, when a U.S. Government Bill of Lading is not supplied, prepare a commercial Bill of Lading or other transportation receipt.

The Bill of Lading shall show:

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(i) a description of the shipment in terms of the governing freight classification or tariff (or U.S. Government rate tender) under which lowest freight rates are applicable;

(ii) the seals affixed to the conveyance with their serial numbers or other identification;

(iii) lengths and capacities of cars or trucks ordered and furnished;

(iv) other pertinent information required to effect prompt delivery to the consignee, including name, delivery address, postal address and code or ZIP code of consignee, routing, etc;

(v) special instructions or annotations requested by the ordering agency for commercial Bills of Lading, e.g., (A) "to be converted to a U.S. Government Bill of Lading", or (B) "this shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, CCC"; and

(vi) the signature of the carrier's agent and the date the shipment is received by the carrier; and

6. distribute the copies of the Bill of Lading, or other transportation receipts, as directed by the ordering agency (Defence Contract Management Area Operations, DND, Ottawa).

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**Z0005C            (01/04/92)            FOB Origin**

(a) The term "FOB Origin," as used in this clause, means free of expense to the U.S. Government, delivered

1. on board the indicated type of conveyance of the carrier (or of the U.S. Government, if specified) at a designated point in the city from which the shipment will be made and from which line-haul transportation service (as distinguished from switching, local drayage, or other terminal service) will begin;

2. to, and placed by, the carrier's wharf (at shipside, within reach of the ship's loading tackle, when the shipping point is within a port area having water transportation service) or the carrier's freight station;

3. to a U.S./Canadian postal service facility; or

4. if stated in the solicitation, to any U.S. Government-designated point located within the same city or commercial zone as the FOB origin point specified in the Contract.

(b) The Contractor shall:

1. (i) pack and mark the shipment to comply with Contract specifications; or

(ii) in the absence of specifications, prepare the shipment in conformance with carrier requirements to protect the goods and to ensure assessment of the lowest applicable transportation charges; and



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2. (i) order specified carrier equipment when requested by the U.S. Government;  
or  
  
(ii) if not specified, order appropriate carrier equipment not in excess of capacity to accommodate shipment;
3. deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the Contractor) on or in the carrier's conveyance as required by carrier rules and regulations;
4. be responsible for any loss of and/or damage to the goods
  - (i) occurring before delivery to the carrier;
  - (ii) resulting from improper packing and marking; or
  - (iii) resulting from improper loading, stowing, trimming, blocking, and/or bracing of the shipment, if loaded by the Contractor on or in the carrier's conveyance;
5. complete the U.S. Government Bill of Lading which will be supplied by Defence Contract Management Area Operations, Ottawa or, when a U.S. Government Bill of Lading is not supplied, prepare a commercial Bill of Lading or other transportation receipt. The Bill of Lading shall show:
  - (i) a description of the shipment in terms of the governing freight classification or tariff under which lowest freight rates are applicable;
  - (ii) the seals affixed to the conveyance with their serial numbers or other identification;
  - (iii) lengths and capacities of cars or trucks ordered and furnished;
  - (iv) other pertinent information required to effect prompt delivery to the consignee, including name, delivery address, postal address and code or ZIP code of consignee, routing, etc.;
  - (v) special instructions or annotations requested by the ordering agency for commercial Bills of Lading, e.g., (A) "to be converted to a U.S. Government Bill of Lading", or (B) "this shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, CCC", and
  - (vi) the signature of the carrier's agent and the date the shipment is received by the carrier; and
6. distribute the copies of the Bill of Lading, or other transportation receipts, as directed by the ordering agency.

(c) These Contractor responsibilities are specified for performance at the plant or plants at which the supplies are to be finally inspected and accepted, unless the facilities for shipment by carrier's equipment are not available at the Contractor's plant, in which case the responsibilities shall be performed FOB the point or points in the same or nearest city where the specified carrier's facilities are available.

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**Z0006C**      **(01/04/92)**      **FOB Origin, Freight Allowed**

(a) The term "FOB origin, freight allowed," as used in this clause, means:

1. free of expense to the U.S. Government, delivered:

(i) on board the indicated type of conveyance of the carrier (or of the U.S. Government, if specified) at a designated point in the city, county, and province or state from which the shipment will be made and from which line-haul transportation service (as distinguished from switching, local drayage, or other terminal service) will begin;

(ii) to, and placed on, the carrier's wharf (at shipside within reach of the ship's loading tackle when the shipping point is within a port area having water transportation service) or the carrier's freight station;

(iii) to a U.S./Canadian postal service facility; or

(iv) if stated in the solicitation, to any Government-designated point located within the same city or commercial zone as the FOB origin point specified in the Contract (commercial zones are prescribed by the U.S. Interstate Commerce Commission at 49 CFR 1048); and

2. an allowance for freight based on applicable published tariff rates (or Government rate tenders) between the points specified in the Contract, is deducted from the Contract Price.

(b) The Contractor shall:

1. (i) pack and mark the shipment to comply with Contract specifications; or

(ii) in the absence of specifications, prepare the shipment in conformance with carrier requirements to protect the goods and to ensure assessment of the lowest applicable transportation charge;

2. (i) order specified carrier equipment when requested by the U.S. Government;  
or

(ii) if not specified, order appropriate carrier equipment not in excess of capacity to accommodate shipment;

3. deliver the shipment in good order and condition to the carrier, and load, stow, trim, block, and/or brace carload or truckload shipment (when loaded by the Contractor) on or in the carrier's conveyance as required by carrier rules and regulations;

4. be responsible for any loss of and/or damage to the goods

(i) occurring before delivery to the carrier;

(ii) resulting from improper packing and marking; or

(iii) resulting from improper loading, stowing, trimming, blocking, and/or bracing of the shipment if loaded by the Contractor on or in the carrier's conveyance;

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5. complete the U.S. Government Bill of Lading supplied by the ordering agency, or when a U.S. Government Bill of Lading is not supplied, prepare a commercial Bill of Lading or other transportation receipt. The Bill of Lading shall show:

- (i) a description of the shipment in terms of governing freight classification or tariff (or U.S. Government rate tender) under which lowest freight rates are applicable;
- (ii) the seals affixed to the conveyance with their serial numbers or other identification;
- (iii) lengths and capacities of cars or trucks ordered and furnished;
- (iv) other pertinent information required to effect prompt delivery to the consignee, including name, delivery address, postal address and code or ZIP code of consignee, routing, etc.;
- (v) special instructions or annotations requested by the ordering agency for commercial Bills of Lading, e.g. (A) "to be converted to a U.S. Government Bill of Lading", or (B) "this shipment is the property of, and the freight charges paid to the carrier(s) will be reimbursed by, CCC"; and
- (vi) the signature of the carrier's agent and the date the shipment is received by the carrier; and

6. distribute the copies of the Bill of Lading, or other transportation receipts, as directed by the ordering agency.

(c) These Contractor responsibilities are specified for performance at the plant or plants at which the supplies are to be finally inspected and accepted, unless the facilities for shipment by carrier's equipment are not available at the Contractor's plant, in which case the responsibilities shall be performed FOB the point or points in the same or nearest city where the specified carrier's facilities are available subject, however, to the following qualifications:

1. If the Contractor's shipping plant is located in the State of Alaska or Hawaii, the Contractor shall deliver the supplies listed for shipment outside Alaska or Hawaii to the port of loading in Alaska or Hawaii, respectively, as specified in the Contract, at Contractor's expense, and to that extent the Contract shall be "FOB destination."
2. Notwithstanding subparagraph (c) 1. of this clause, if the Contractor's shipping plant is located in the State of Hawaii, and the Contract requires delivery to be made by container service, the Contractor shall deliver the supplies, at Contractor's expense, to the container yard in the same or nearest city where seavan container service is available.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in all Canadian Commercial Corporation contracts.

**Z0200C (23/11/98) Administration of Contract**

The \_\_\_\_\_ (*Insert name of Department of Public Works and Government Services group or branch issuing the Contract*) is responsible for the management of this Contract and any changes to the Contract must be authorized by a written contract amendment issued by that

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office. The Contractor shall not perform work in excess of or outside the scope of this Contract based on verbal or written requests or instructions from any person, except for such a written contract amendment.

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**Z0200C (01/04/92) Administration of Contract**

Effective 23/11/98, this clause is superseded by Z0200C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts if called for in the U.S. contract. Enter form numbers as applicable.

**Z0400C (01/04/92) Preservation/Packaging/Packing/Marking**

Preservation, packaging, packing and marking shall be in accordance with forms \_\_\_\_\_.

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**Z0401C (01/04/92) Preservation/Packaging/Packing/Marking**

The Contractor shall preserve, package and mark the articles and supplies called for herein, the price for which is included in the unit, and total prices of said articles and supplies, in accordance with forms incorporated herein by reference.

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**Z0402C (01/04/92) Preservation/Packaging/Packing/Marking**

Preservation, packaging, packing and marking shall be in accordance with the Contractor's standard domestic commercial practice to ensure safe delivery at destination.

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**Z0403C (01/04/92) Preservation and Packaging**

Preservation and packaging shall be in accordance with and as specified in the MIL-STD-2073-2B Packaging Requirement Codes.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

**Z0404C (01/04/92) Pieces and Reels**

The minimum length of any piece of wire/cable shall be \_\_\_\_ feet. The total length of wire/cable on each reel shall be not less than \_\_\_\_ feet nor more than \_\_\_\_ feet.

Each reel shall be clearly marked with the number and length of pieces of wire/cable thereon. Each piece of wire/cable shall be clearly marked with the length thereof.

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**Z0600C (01/04/92) Inspection**

Effective 30/10/96, this clause is superseded by Z0608C.

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**Z0601C (01/04/92) Inspection**

Effective 30/10/96, this clause is superseded by Z0608C.

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**Z0602C (01/04/92) Inspection**

Effective 30/10/96, this clause is superseded by Z0608C.

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**Remarks:** Use the following clause in production contracts when data is to be provided.

**NOTE:** As the normal procedures do not apply, the PWGSC Contracting Officer must make necessary arrangements for inspection with the U.S. Contracting Officer named in the U.S. contract, or with the Department of National Defence Quality Assurance Representative if inspection of the data items is to be at source.

**Z0603C (10/12/01) Inspection for Data**

Prior to proceeding with preparation of drafts of handbooks, drawings, publications or other technical data to be supplied under this Contract, the Contractor shall contact the Canadian Commercial Corporation Contracting Authority in order that appropriate arrangements can be

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made with the cognizant U.S. agency for specification interpretation and for preliminary inspection of draft copies of such items.

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**Z0603C (01/04/92) Inspection for Data**

Effective 10/12/01, this clause is superseded by Z0603C.

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**Remarks:** Use the following clause in contracts when the U.S. contract specifies both inspection and acceptance are to be accomplished at destination.

**Z0604C (01/04/92) Inspection and Acceptance**

Inspection and acceptance will be accomplished at destination by consignee.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when the U.S. contract contains the Certificate of Conformance Clause (FAR 52.246-15).

**Z0605C (01/04/92) Certificate of Conformance**

- a) At the option of the cognizant DND Quality Assurance Representative, the Contractor may be required to deliver the supplies for which the Contract would otherwise require inspection with a Certification of Conformance. This certificate may be used by the U.S. Government as the basis for acceptance of such supplies without performing prior government quality assurance evaluations. The certificate shall be attached to, or included on, all copies of the applicable Material Inspection and Receiving Report, form DD 250. The certificate shall be prepared by the Contractor and shall read as follows:

"I certify that on (insert date) \_\_\_\_\_, the (insert Contractor's name) \_\_\_\_\_ furnished the supplies called for by Contract No. \_\_\_\_\_, via (insert name of Carrier) \_\_\_\_\_ - (insert Bill of Lading, or Shipping Document Identification) \_\_\_\_\_ in accordance with all applicable requirements.

I further certify that the supplies or services are of the quality specified and conform in all respects with the Contract requirements, including specifications, drawings, preservation, packaging, marking requirements, and physical item identification (part number), and in the quantity shown on this, or on the attached acceptance document.

Date of Execution \_\_\_\_\_  
Signature \_\_\_\_\_  
Title \_\_\_\_\_"

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- b) Notwithstanding prior U.S. Government acceptance under the provisions of (a) above, and notwithstanding the provisions of any other clause of the Contract, the U.S. Government shall have the right to inspect the supplies upon receipt by the consignee. If there are shortages in quantity or the supplies are not in conformity with the requirements of this Contract, the Contractor shall, at its expense, promptly correct or replace the shortage of or defective supplies, provided that instructions to do so are furnished by the U.S. Government within ninety (90) days from the date such supplies were accepted. However, if this Contract contains a Supply Warranty Clause, such warranty shall prevail in the event of any inconsistency or ambiguity between it and this paragraph b).
- c) One signed copy of form DD 250 and the Certificate of Conformance must be forwarded to Canadian Commercial Corporation together with the invoice.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the U.S. contract invokes DFARS 252.246-7000.

**Z0606C (10/12/01) Material Inspection and Receiving Report**

1. A Material Inspection and Receiving Report, DD Form 250, will be prepared and distributed for each shipment made under this Contract in accordance with the U.S. Defense Federal Acquisition Regulations supplement, Appendix F.

**Questions regarding preparation and distribution of this form may be addressed to the Quality Assurance Representative assigned to the Contractor's plant.**

2. As proof of shipment, one (1) completed copy of this inspection document must be supplied to:

\_\_\_\_\_ (*Name of Public Works and Government Services Canada Contracting Authority*)  
Defense Contract Management Americas (Canada)  
200 - 275 Bank Street  
Ottawa, Ontario K2P 2L6

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**Z0606C (03/02/97) Material Inspection and Receiving Report**

Effective 10/12/01, this clause is superseded by Z0606C.

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### Z0607C (01/04/92) Inspection of Supplies - Fixed Price

(a) Definition. "Supplies" as used in this clause, includes but is not limited to raw materials, requirements, intermediate assemblies and end products.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Canadian Commercial Corporation (CCC) covering supplies under this Contract and shall tender for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with Contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to CCC during Contract performance and for as long afterwards as the Contract requires. CCC may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the Contract Work. The right of review, whether exercised or not, does not relieve the Contractor of its obligations under the Contract.

(c) CCC has the right to inspect and test all supplies called for by the Contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. CCC shall perform inspections and tests in a manner that will not unduly delay the Work. CCC assumes no contractual obligation to perform any inspection or test for the benefit of the Contractor, unless specifically set forth elsewhere in this Contract.

(d) If CCC performs an inspection or a test on the premises of the Contractor or a subContractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the Contract, CCC shall bear the expense of CCC inspections or tests made at other than the Contractor's or subcontractor's premises; provided, that in a case of rejection, CCC shall not be liable for any reduction in the value of inspection or test samples.

- (e)
1. When supplies are not ready at the time specified by the Contractor for inspection or test, CCC may charge to the Contractor the additional cost of inspection or test.
  2. CCC may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) CCC has the right either to reject or to require correction of non-conforming supplies. Supplies are non-conforming when they are defective in material or workmanship or are otherwise not in conformity with Contract requirements. CCC may reject non-conforming supplies with or without disposition instructions.

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the U.S. Government may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, CCC may either (1) by Contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor, or (2) terminate the Contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, CCC may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.



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- (i) 1. If this Contract provides for the performance of the Canadian Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time
- (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the Contract; and
  - (ii) when the supplies will be ready for Government inspection.
2. The Government request shall specify the period and method of the advance notification and the Government representative to whom it shall be furnished. Requests shall not require more than two (2) workdays of advance notification if the Government representative is in residence in the Contractor's plant; no more than seven (7) workdays in other instances.

(j) The U.S. Government shall accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the Contract. U.S. Government failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility nor impose liability on the U.S. Government, for non-conforming supplies.

(k) Inspections and tests by the U.S. Government do not relieve the Contractor of responsibility for the defects or other failures to meet Contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the Contract.

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, CCC, in addition to any other rights and remedies provided by law, or under other provisions of the Contract, shall have the right to require the Contractor (1) at no increase in Contract Price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at CCC's election, and in accordance within a reasonable delivery schedule as may be agreed upon between the Contractor and CCC; provided that CCC may require a reduction in Contract Price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or non-conformance, to repay such portion of the Contract as is equitable under the circumstances if CCC elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of ten (10) days (or such longer period as CCC may authorize in writing) after receipt of notice from CCC specifying such failure, CCC shall have the right by Contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned CCC thereby.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when the incoming Foreign (US) Requisition/Contract specifies government inspection at plant (identified as FAR 52.246, MIL-I-45208, MIL-Q-9859, AQAP 110, AQAP 120, AQAP 130, AQAP 131, AQAP 150, ISO 9001, ISO 9002, and/or ISO 9003.

Insert the appropriate quality standard as stated in the foreign (US) Requisition/Contract number into the CCC contract. Insert the name of the city and the National Defence Quality Assurance Region telephone number nearest to the contractor's address:

Atlantic – Halifax  
Quebec – Montreal

(902) 427-7224 or (902) 427-7150  
(514) 732-4410 or (514) 732-4477

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|                                  |                                  |
|----------------------------------|----------------------------------|
| Quebec – Quebec City             | (418) 694-5998                   |
| National Capital – Ottawa        | (819) 997-7251 or (819) 994-1879 |
| Ontario – Toronto                | (416) 952-2077 or (416) 952-2110 |
| Ontario – London                 | (519) 452-5757                   |
| Manitoba/Saskatchewan – Winnipeg | (204) 833-2500, ext. 6574        |
| Alberta – Calgary                | (403) 410-2320, ext. 3830        |
| Alberta – Edmonton               | (780) 890-6348                   |
| Vancouver                        | (604) 666-4136                   |
| Victoria                         | (250) 363-5409                   |

### **Z0608C (13/12/02) Quality and Inspection Systems**

1. All work shall be subject to Government Quality Assurance (GQA) at the Contractor's facility or that of the subcontractor (s) by the Department of National Defence (DND), Director General - Equipment Program Services designated Quality Assurance Representative (QAR). Within forty-eight (48) hours of receipt of this Contract, the Contractor shall make arrangements with the DND Quality Assurance Representative who normally services its plant. The name, location and telephone number of the QAR may be obtained from the Canadian Forces Quality Assurance Region, \_\_\_\_\_ (*Insert name of city*); at \_\_\_\_\_, (*Insert telephone number*).
2. The Contractor shall comply with the requirements of quality standard: \_\_\_\_\_.

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### **Z0608C (24/05/02) Quality and Inspection Systems**

Effective 13/12/02, this clause is superseded by Z0608C.

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### **Z0615T (13/12/99) Millenium Waranty Clause**

1. The Supplier warrants that all hardware, software and/or firmware products delivered or developed:
  - (a) individually, or
  - (b) in combination as an integrated systemunder the Contract or Prime Contract shall meet or operate in accordance with the contractual requirement (as evidenced during acceptance tests, as applicable) so as to accurately and automatically process any and all date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into and between the twentieth and twenty-first centuries, including leap year calculations when used in accordance with the documentation provided by the Supplier.
2. To the extent that services are to be provided or products delivered under the Contract or Prime Contract,

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- (a) all deliverables and
- (b) any hardware, software and firmware products which may be utilize by the Supplier to perform the services or manufacture the products

shall perform in such a manner as to comply with the contractual delivery schedule(s) and/or meet the contractual requirement (as evidenced during acceptance tests, as applicable) of accurately and automatically processing any and all date and date-related data including, but not limited to calculating, comparing, and sequencing of such data from, into and between the twentieth and twenty-first centuries, including leap year calculations when used in accordance with the documentation provided by the Supplier, provided that all hardware, software and firmware products used with the deliverables and not provided by the Supplier or its subcontractor(s) properly exchange accurate date and date-related data with them.

- 3. To that end, the Supplier also warrants that date-related processing will not, in any way, prevent hardware, software or firmware
  - (a) utilized by the Supplier to perform the services or manufacture the products from operating in any manner so as to prevent the Supplier from complying with the contractual delivery schedule(s) of the Contract or Prime Contract and/or
  - (b) from conforming to the requirements of the Contract or Prime Contract prior to, during, or after the year 2000.

Canadian Commercial Corporation may, at no additional cost, require the Supplier, at time of acceptance under the Contract or Prime Contract, to demonstrate compliance and/or compliance techniques and test procedures it intends to follow in order to comply with all of the obligations contained herein.

- 4. The obligations contained herein apply to the products or services delivered or provided by the Supplier and its subcontractor(s) involved in the performance of the Contract and the Prime Contract.
- 5. The warranties contained herein are separate and discrete from any other warranties specified in the Contract and the Prime Contract, and are not subject to any disclaimer of warranty which may be specified in the Contract or Prime Contract, their appendices, schedules, annexes or any document incorporated in the Contract or the Prime Contract by reference. The warranties contained herein are subject to the limitations set out in Section 7 hereof.
- 6. The warranties contained herein shall not apply where a modification has been made to a deliverable provided under the Contract or Prime Contract by a party other than the Supplier or a subcontractor or a party approved in writing by either of them.
- 7. The warranties contained herein shall have a term extending either:
  - (a) to June 30, 2000,
  - (b) for a period of six months following acceptance of the hardware, software and/or firmware, or
  - (c) for a period equal to the term of the Contract or Prime Contract,whichever is the later date.

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**Remarks:** Use the following clause in fixed price contracts (other than contracts for experimental development, or research work with educational or non-profit institutions where no profit is contemplated).

NOTE: To be used in conjunction with clause Z0802C (formerly U.S. 5A, Alternate I) or clause Z0803C (formerly U.S. 5A, Alternate II), as applicable.

## **Z0801C            (01/04/92)            Government Property**

### (a) Government-furnished property.

1. The U.S. Government shall deliver to the Contractor, for use in connection with and under the terms of this Contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").
2. The delivery or performance dates for this Contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the Contract's delivery or performance dates.
3. If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at U.S. Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.
4. If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

### (b) Changes in Government-furnished property.

1. The Contracting Officer may, by written notice,
  - (i) decrease the Government-furnished property provided or to be provided under this Contract; or
  - (ii) substitute other Government-furnished property for the property to be provided by the U.S. Government, or to be acquired by the Contractor for the U.S. Government, under this Contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.
2. Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the Contract in accordance with paragraph (h) of this clause, if the U.S. Government has agreed in the Schedule to make Government-furnished property available for performing this Contract and there is any

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(i) decrease or substitution of this property pursuant to subparagraph (b)1. above; or

(ii) withdrawal of authority to use this property, if provided under any other Contract or lease.

(c) Title to Government property. (If clause Z0803C is referenced in the procurement document, this paragraph (c) does not apply.)

1. The U.S. Government shall retain title to all Government-furnished property.

2. All Government-furnished property and all property acquired by the Contractor, title to which vests in the U.S. Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. However, special tooling accountable to this Contract is subject to the provisions of the Special Tooling clause and is not subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the U.S. Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

3. Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this Contract shall pass to and vest in the U.S. Government when its use in performing this Contract commences or when the U.S. Government has paid for it, whichever is earlier, whether or not title previously vested in the U.S. Government.

4. If this Contract contains a provision directing the Contractor to purchase material for which the U.S. Government will reimburse the Contractor as a direct item of cost under this Contract:

(i) title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) title to all other material shall pass to and vest in the U.S. Government upon

(A) issuance of the material for use in Contract performance;

(B) commencement of processing of the material or its use in Contract performance; or

(C) reimbursement of the cost of the material by the U.S. Government,

whichever occurs first.

(d) Use of Government property. The Government property shall be used only for performing this Contract, unless otherwise provided in this Contract or approved by the Contracting Officer.

(e) Property administration.

1. The Contractor shall be responsible and accountable for all Government property provided under this Contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this Contract.

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2. The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

3. If damage occurs to Government property, the risk of which has been assumed by the U.S. Government under this Contract, the U.S. Government shall replace the items or the Contractor shall make such repairs as the U.S. Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the U.S. Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

4. The Contractor represents that the Contract Price does not include any amount for repairs or replacement for which the U.S. Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(f) Access. The U.S. Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) Risk of loss. (If clause Z0802C or Z0803C is referenced in the procurement document, this paragraph (g) does not apply.) Unless otherwise provided in this Contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the U.S. Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this Contract.

(h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected Contract provision in accordance with the procedures of the Changes clause, if any, or any other clause that establishes the procedures for amendment of the Contract. When appropriate, the Contracting Officer may initiate an equitable adjustment in favour of CCC or the U.S. Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. Neither CCC nor the U.S. Government shall be liable to suit for breach of Contract for

1. any delay in delivery of Government-furnished property;
2. delivery of Government-furnished property in a condition not suitable for its intended use;
3. a decrease in or substitution of Government-furnished property; or
4. failure to repair or replace Government property for which the U.S. Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this Contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this Contract or delivered to the U.S. Government. The Contractor shall prepare for shipment, deliver FOB origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the Contract Price or shall be paid to CCC or the U.S. Government as the Contracting Officer directs.

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(j) Abandonment and restoration of Contractor's premises. Unless otherwise provided herein, the U.S. Government

1. may abandon any Government property in place, at which time all obligations of the U.S. Government regarding such abandoned property shall cease; and

2. has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon Contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) Communications. All communications under this clause shall be in writing.

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**Remarks:** As prescribed in FAR 45.106(b)(2), substitute the following paragraph (g) for paragraph (g) of clause Z0801C, under the following conditions:

i) if the contract is a negotiated fixed-price contract for which prices are not based on adequate price competition, established catalogue or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, or;

ii) if the contract is a fixed-price service contract which is performed primarily on a Government installation, provided the contracting officer determines it to be in the best interest of the Government.

NOTE: This clause may only be used in conjunction with clause Z0801C.

### **Z0802C (01/04/92) Government Property - Alternate I**

The following replaces paragraph (g) of clause Z0801C.

(g) Limited risk of loss.

1. The term "Contractor's managerial personnel," as used in this paragraph (g), means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of

(i) all or substantially all of the Contractor's business;

(ii) all or substantially all of the Contractor's operation at any one plant or separate location at which the Contract is being performed; or

(iii) a separate and complete major industrial operation connected with performing this Contract.

2. The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this Contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in subparagraphs 3. and 4. below.

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3. The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this Contract (including expenses incidental to such loss, destruction, or damage):

(i) that results from a risk expressly required to be insured under this Contract, but only to the extent of the insurance required to be purchased and maintained, or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) that results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) for which the Contractor is otherwise responsible under the express terms of this Contract;

(iv) that results from wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) that results from a failure on the part of the Contractor, due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of clause Z0801C.

4. (i) If the Contractor fails to act as provided in subdivision (g)3.(v) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of CCC's or the U.S. Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure, unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage

(A) did not result from the Contractor's failure to maintain an approved program or system; or

(B) occurred while an approved program or system was maintained by the Contractor.

5. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime Contract.

6. Upon loss or destruction of, or damage to, Government property provided under this Contract, the Contractor shall so notify the Contracting Officer and shall communicate



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with the loss and salvage organization, if any, designated by the Contracting Officer. With the assistance of any such organization, the Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of

- (i) the lost, destroyed or damaged Government property;
- (ii) the time and origin of the loss, destruction, or damage;
- (iii) all known interests in commingled property of which the Government property is a part; and
- (iv) the insurance, if any, covering any part of or interest in such commingled property.

7. The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of the Government. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the Contract Price for the expenditure made in performing the obligations under this subparagraph (g) 7. in accordance with paragraph (h) of clause Z0801C. However, the Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making such equitable adjustment.

8. The Contractor represents that it is not including in the price, and agrees it will not hereafter include in any price to CCC, any charge or reserve for insurance (including any self-insurance fund or reserve) covering loss or destruction of, or damage to, Government property, except to the extent that CCC may have expressly required the Contractor to carry such insurance under another provision of this Contract.

9. In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government property, or shall otherwise credit the proceeds to equitably reimburse CCC, as directed by the Contracting Officer.

10. The Contractor shall do nothing to prejudice CCC or the U.S. Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at the expense of CCC or the U.S. Government, furnish to that party all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favour of that party) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of CCC or the U.S. Government the liability of the subcontractor for such loss, destruction, or damage.

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**Remarks:** As prescribed in FAR 45.106(b)(3), substitute the following paragraphs (c) and (g) for paragraphs (c) and (g) of clause Z0801C if the contract is for the conduct of basic applied research at non profit institutions of higher education or at nonprofit organizations whose primary purpose is the conduct of scientific research.

NOTE: This clause may only be used in conjunction with clause Z0801C.

### **Z0803C (01/04/92) Government Property - Alternate II**

The following replaces paragraphs (c) and (g) of clause Z0801C.

(c) Title to Government property.

1. The U.S. Government shall retain title to all Government- furnished property.
2. All Government-furnished property and all property acquired by the Contractor, title to which vests in the U.S. Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.
3. Title to each item of facilities, special test equipment, and special tooling (other than that subject to a special tooling clause) acquired by the Contractor for the U.S. Government under this Contract shall pass to and vest in the U.S. Government when its use in performing this Contract commences, or when the U.S. Government has paid for it, whichever is earlier, whether or not title previously vested in the U.S. Government.
4. Title to equipment (and other tangible personal property) purchased with funds available for research and having an acquisition cost of less than \$5,000 shall vest in the Contractor upon acquisition or as soon thereafter as feasible, provided that the Contractor obtained the Contracting Officer's approval before each acquisition. Title to equipment purchased with funds available for research and having an acquisition cost of \$5,000 or more shall vest as set forth in the Contract. If title to equipment vests in the Contractor under this subparagraph (c)4., the Contractor agrees that no charge will be made to CCC or the U.S. Government for any depreciation, amortization, or use under any existing or future Contract or subcontract thereunder. The Contractor shall furnish the Contracting Officer a list of all equipment to which title is vested in the Contractor under this subparagraph (c)4. within ten (10) days following the end of the calendar quarter during which it was received.
5. Vesting title under this paragraph (c) is subject to civil rights legislation, 42 U.S.C. 2000d. Before title is vested and by signing this Contract, the Contractor accepts and agrees that:

"No person in the United States shall, on the ground of race, colour, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this contemplated financial assistance (title to equipment)."

(g) Limited risk of loss.

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1. The term "Contractor's managerial personnel", as used in this paragraph (g), means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of:

- (i) all or substantially all of the Contractor's business;
- (ii) all or substantially all of the Contractor's operation at any one plant, laboratory, or separate location at which the Contract is being performed; or
- (iii) a separate and complete major industrial operation connected with performing this Contract.

2. The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this Contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in subparagraphs 3. and 4. below.

3. The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this Contract (including expenses incidental to such loss, destruction, or damage):

- (i) that results from a risk expressly required to be insured under this Contract, but only to the extent of the insurance required to be purchased and maintained, or to the extent of insurance actually purchased and maintained, whichever is greater;
- (ii) that results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;
- (iii) for which the Contractor is otherwise responsible under the express terms of this Contract;
- (iv) that results from wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or
- (v) that results from a failure on the part of the Contractor, due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of clause Z0801C.

4. (i) If the Contractor fails to act as provided in subdivision (g)3.(v) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of CCC's or the U.S. Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) Furthermore, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure, unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage:

- (A) did not result from the Contractor's failure to maintain an approved program or system; or

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(B) occurred while an approved program or system was maintained by the Contractor.

5. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime Contract.

6. Upon loss or destruction of, or damage to, Government property provided under this Contract, the Contractor shall so notify the Contracting Officer and shall communicate with the loss and salvage organization, if any, designated by the Contracting Officer. With the assistance of any such organization, the Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of:

- (i) the lost, destroyed, or damaged Government property;
- (ii) the time and origin of the loss, destruction, or damage;
- (iii) all known interests in commingled property of which the Government property is a part; and
- (iv) the insurance, if any, covering any part of or interest in such commingled property.

7. The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of the Government. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the Contract Price for the expenditures made in performing the obligations under this subparagraph (g)7. in accordance with paragraph (h) of clause Z0801C. However, the Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making any such equitable adjustment.

8. The Contractor represents that it is not including in the price, and agrees it will not hereafter include in any price to CCC, any charge or reserve for insurance (including any self-insurance fund or reserve) covering loss or destruction of, or damage to, Government property, except to the extent that CCC may have expressly required the Contractor to carry such insurance under another provision of this Contract.

9. In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, the Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government

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property or shall otherwise credit the proceeds to or equitably reimburse CCC or the Government, as directed by the Contracting Officer.

10. The Contractor shall do nothing to prejudice CCC's or the U.S. Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at the expense of CCC or the U.S. Government, furnish to that party all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favour of that party) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of the Government the liability of the subcontractor for such loss, destruction, or damage.

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**Remarks:** As prescribed in FAR 45.106(c), insert the following clause, in addition to clause Z0801C, Government Property, in solicitations and contracts when a fixed-price construction Contract is contemplated under which the Government is to furnish Government property FOB railway cars at a specified destination or FOB truck at the project site. The Contract Schedule shall specify the point of delivery and may include special terms and conditions covering installation, preparation for operation, or equipment testing by the Government or by another contractor.

**Z0804D (01/04/92) Identification/Gov't-furnished Property**

(a) The U.S. Government will furnish to the Contractor the property identified in the Schedule to be incorporated or installed into the Work or used in performing the Contract. The listed property will be furnished FOB railway cars at the place specified in the Contract Schedule or FOB truck at the project site. The Contractor is required to accept delivery, pay any demurrage or detention charges, and unload and transport the property to the job site at its own expense. When the property is delivered, the Contractor shall verify its quantity and condition and acknowledge receipt in writing to the Contracting Officer. The Contractor shall also report in writing to the Contracting Officer within twenty-four (24) hours of delivery any damage to or shortage of the property as received. All such property shall be installed or incorporated into the Work at the expense of the Contractor, unless otherwise indicated in this Contract.

(b) Each item of property to be furnished under this clause shall be identified in the Schedule by quantity, item, and description.

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**Remarks:** As prescribed in FAR 45.106(d), insert the following clause in solicitations and contracts when a fixed-price, time-and-material, or labour-hour contract is contemplated and that the acquisition cost of all Government-furnished property to be involved in the contract is \$50,000 or less; unless a contract with an educational or nonprofit organization is contemplated.

**Z0805D (01/04/92) Government-furnished Property**

(a) The U.S. Government shall deliver to the Contractor, at the time and locations stated in this Contract, the Government-furnished property described in the Schedule or specifications. If that property, suitable for its intended use, is not delivered to the Contractor, the Contracting Officer

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shall equitably adjust affected provisions of this Contract in accordance with the Changes clause, if applicable, or the clause that establishes procedures for amending the Contract, when:

1. the Contractor submits a timely written request for an equitable adjustment; and
2. the facts warrant an equitable adjustment.

(b) Title to Government-furnished property shall remain in the U.S. Government. The Contractor shall use the Government-furnished property only in connection with this Contract. The Contractor shall maintain adequate property control records in accordance with sound industrial practice and will make such records available for CCC or U.S. Government inspection at all reasonable times, unless the clause at Federal Acquisition Regulation 52.245-1, Property Records, is included in this Contract.

(c) Upon delivery of Government-furnished property to the Contractor, the Contractor assumes the risk and responsibility for its loss or damage, except:

1. for reasonable wear and tear;
2. to the extent property is consumed in performing this Contract; or
3. as otherwise provided for by the provisions of this Contract.

(d) Upon completing this Contract, the Contractor shall follow the instructions of the Contracting Officer regarding the disposition of all Government-furnished property not consumed in performing this Contract or previously delivered to CCC or the U.S. Government. The Contractor shall prepare for shipment, deliver FOB origin, or dispose of the Government property, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the Contract Price or shall be paid to CCC or the U.S. Government as directed by the Contracting Officer.

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**Remarks:** Use the following clause in cost-reimbursement contracts for supplies and services (except contracts for experimental developmental, or research work with educational or non-profit institutions, where no profit to the contractor is contemplated) under which a department is to furnish to a contractor, or a contractor is to acquire U.S. Government property.

NOTE: This clause must be used in conjunction with clause Z0807C and may be used in conjunction with clause Z0808C (formerly U.S. 5B, Alternate I), as applicable.

**Z0806C            (01/04/92)            Government Property**

(a) Government-furnished property.

1. The Government shall deliver to the Contractor, for use in connection with and under the terms of this Contract, the Government-furnished property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may be reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

2. The delivery or performance dates for this Contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at

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the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the Contract's delivery or performance dates.

3. If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at U.S. Government expense, either effect repairs or modifications or return or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of clause Z0807C.

4. If Government-furnished property is not delivered to the Contractor by the required time or times, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of clause Z0807C.

(b) Changes in Government-furnished property.

1. The Contracting Officer may, by written notice,

(i) decrease the Government-furnished property provided or to be provided under this Contract; or

(ii) substitute other Government-furnished property for the property to be provided by the U.S. Government or to be acquired by the Contractor for the U.S. Government under this Contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by this notice.

2. Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the Contract in accordance with paragraph (h) of clause Z0807C, if the U.S. Government has agreed in the Schedule to make such property available for performing this Contract and there is any:

(i) decrease or substitution of this property pursuant to subparagraph (b)1. above; or

(ii) withdrawal of authority to use property, if provided under any other Contract or lease.

(c) Title. (If clause Z0808C is referenced in the procurement document, this paragraph (c) does not apply.)

1. The U.S. Government shall retain title to all Government- furnished property.

2. Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract shall pass to and vest in the U.S. Government upon the vendor's delivery of such property.

3. Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the U.S. Government upon:

(i) issuance of the property for use in Contract performance;

(ii) commencement of processing of the property or use in Contract performance; or

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(iii) reimbursement of the cost of the property by CCC or the U.S. Government, whichever occurs first.

4. All Government-furnished property and all property acquired by the Contractor, title to which vests in the U.S. Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to U.S. Government property shall not be affected by its incorporation into or attachment to any property not owned by the U.S. Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(d) Use of Government property. The Government property shall be used only for performing this Contract, unless otherwise provided in this Contract or approved by the Contracting Officer.

(e) Property administration.

1. The Contractor shall be responsible and accountable for all Government property provided under the Contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this Contract.

2. The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound business practice and the applicable provisions of FAR Subpart 45.5.

3. If damage occurs to Government property, the risk of which has been assumed by the U.S. Government under this Contract, the U.S. Government shall replace the items or the Contractor shall make such repairs as CCC or the U.S. Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the U.S. Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of clause Z0807C.

(f) Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

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**Remarks:** This clause must be used in conjunction with clause Z0806C.

**Z0807C**      **(01/04/92)**      **Government Property**

(g) Limited risk of loss.

1. The term "Contractor's managerial personnel," as used in this clause, means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of:

(i) all or substantially all of the Contractor's business;

(ii) all or substantially all of the Contractor's operation at any one plant or separate location at which the Contract is being performed; or



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(iii) a separate and complete major industrial operation connected with performing this Contract.

2. The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this Contract or for expenses incidental to such loss, destruction, or damage, except as provided in subparagraphs 3. and 4. below.

3. The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this Contract (including expenses incidental to such loss, destruction, or damage):

(i) that results from a risk expressly required to be insured under this Contract, but only to the extent of the insurance required to be purchased and maintained or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) that results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) for which the Contractor is otherwise responsible under the express terms of this Contract;

(iv) that results from wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) that results from a failure on the part of the Contractor, due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of clause Z0806C.

4. (i) If the Contractor fails to act as provided by subdivision (g)3.(v) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of CCC's or the U.S. Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to wilful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure, unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage:

(A) did not result from the Contractor's failure to maintain an approved program or system; or

(B) occurred while an approved program or system was maintained by the Contractor.

5. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such

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approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime Contract.

6. Upon loss or destruction of, or damage to, Government property provided under this Contract, the Contractor shall so notify the Contracting Officer and shall communicate with the loss and salvage organization, if any, designated by the Contracting Officer. With the assistance of any such organization, the Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of:

- (i) the lost, destroyed, or damaged Government property;
- (ii) the time and origin of the loss, destruction, or damage;
- (iii) all known interests in commingled property of which the Government property is a part; and
- (iv) the insurance, if any, covering any part of or interest in such commingled property.

7. The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of CCC or the U.S. Government. Such sales may be made in order to minimize the loss to the U.S. Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the Contract Price for the expenditures made in performing the obligations under this subparagraph (g)7. in accordance with paragraph (h) of this clause. However, the U.S. Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making any such equitable adjustment.

8. The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance or of any reserve covering risk of loss or destruction of, or damage to, Government property, except to the extent that CCC may have expressly required the Contractor to carry such insurance under another provision of this Contract.

9. In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government property or shall otherwise credit the proceeds to, or equitably reimburse, CCC or the U.S. Government, as directed by the Contracting Officer.

10. The Contractor shall do nothing to prejudice CCC's or the U.S. Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at CCC's or the U.S. Government's expense, furnish to that party all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favour of that party) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce, for the benefit of CCC or

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the U.S. Government, the liability of the subcontractor for such loss, destruction, or damage.

(h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected Contract provision in accordance with the procedures of the Changes clause, if applicable, or the clause that establishes procedures for amending the Contract. When appropriate, the Contracting Officer may initiate an equitable adjustment in favour of CCC or the U.S. Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. Neither CCC nor the U.S. Government shall be liable to suit for breach of Contract for:

1. any delay in delivery of Government-furnished property;
2. delivery of Government-furnished property in a condition not suitable for its intended use;
3. a decrease in or substitution of Government-furnished property; or
4. failure to repair or replace Government property for which the U.S. Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this Contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property not consumed in performing this Contract or delivered to the U.S. Government. The Contractor shall prepare for shipment, deliver FOB origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the cost of the Work covered by this Contract or paid to CCC or the U.S. Government as directed by the Contracting Officer. The foregoing provisions shall apply to scrap from Government property; provided, however, that the Contracting Officer may authorize or direct the Contractor to omit from such inventory schedules any scrap consisting of faulty castings or forgings or of cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with the Contractor's normal practice and account for it as a part of general overhead or other reimbursable costs in accordance with the Contractor's established accounting procedures.

(j) Abandonment and restoration of Contractor premises. Unless otherwise provided herein, the Government:

1. may abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and
2. has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or Contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) Communications. All communications under this clause shall be in writing.

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**Remarks:** As prescribed in 45.106(f)(2), substitute the following paragraph (c) for paragraph (c) of clause Z0801C in solicitations and contracts when a cost-reimbursement, time-and-material, or labour-hour contract is contemplated, except as provided in clause Z0803C.

NOTE: This clause may only be used in conjunction with clauses Z0806C and Z0807C.

**Z0808C (01/04/92) Alternate I**

The following replaces paragraph (c) of clause Z0806C.

(c) Title.

1. The U.S. Government shall retain title to all Government- furnished property.
2. All Government-furnished property and all property acquired by the Contractor, title to which vests in the U.S. Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.
3. Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract and that, under the provisions of this Contract is to vest in the U.S. Government, shall pass to and vest in the U.S. Government upon the vendor's delivery of such property. Title to all other property, the cost of which is to be reimbursed to the Contractor under this Contract and that under the provisions of this Contract is to vest in the U.S. Government, shall pass to and vest in the U.S. Government upon:
  - (i) issuance of the property for use in Contract performance;
  - (ii) commencement of processing of the property or its use in Contract performance; or
  - (iii) reimbursement of the cost of the property by the U.S. Government,whichever occurs first.
4. Title to equipment (and other tangible personal property) purchased with funds available for research and having an acquisition cost of less than \$5,000 shall vest in the Contractor upon acquisition or as soon thereafter as feasible; provided that the Contractor obtained the Contracting Officer's approval before each acquisition. Title to equipment purchased with funds available for research and having an acquisition cost of \$5,000 or more shall vest as set forth in the Contract. If title to equipment vests in the Contractor under this subparagraph (c)(4), the Contractor agrees that no charge will be made to CCC or the U.S. Government for any depreciation, amortization, or use under any existing or future Contract or subcontract thereunder. The Contractor shall furnish the Contracting Officer a list of all equipment to which title is vested in the Contractor under this subparagraph (c)(4) within ten (10) days following the end of the calendar quarter during which it was received.
5. Vesting title under this paragraph (c) is subject to civil rights legislation, 42 U.S.C. 2000d. Before title is vested and by signing this contract, the Contractor accepts and agrees that:

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"No person in the United States shall, on the ground of race, colour, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this contemplated financial assistance (title to equipment)."

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**Remarks:** Use the following clause in contracts when surplus United States government property is to be disposed of in Canada. Surplus property to be returned to the U.S. will be handled in accordance with instructions provided by the Defense Contract Management Area Operations, Ottawa.

### Z0809C (12/05/00) Disposal of Surplus Government Property

- VII. United States (U.S.) government property in excess of the Contractor's requirement under this Contract, which is not being returned to the U.S., may be disposed of in Canada by the Canadian Commercial Corporation (CCC) by sale to the Government of Canada, or sold or disposed of through the Crown Assets Distribution Centre (CADC) of the Department of Public Works and Government Services or, in special cases directed to a buyer.
2. Disposal of surplus goods or equipment will be accomplished in the following manner:
- (a) Upon completion of this Contract, or at such earlier date as may be fixed by CCC, the Contractor shall prepare and submit to the Contracting Officer ten (10) copies of an inventory schedule of all surplus U.S. government property at its plant, classified as new serviceable, used serviceable or repairable, used unserviceable or scrap, and the estimated cost of acquisition.
  - (b) Copies of the inventory schedule will be submitted to CCC for screening by the U.S. government and subsequent disposal instructions. Items to be returned to the U.S. will be packaged and packed for shipment in accordance with instructions issued by CCC.
  - (c) After the property has been accepted for sale by Surplus Crown Assets and subject to the provisions of subsection (b) above, the reports of excess shall not be modified, cancelled subsection or withdrawn except by mutual consent of Surplus Crown Assets or CCC.

#### DISPOSAL OF SCRAP:

1. Surplus property certified as scrap by the inspector will be disposed of in accordance with the following procedure:
- (a) Six (6) copies of the certified list will be forwarded to the Contracting Authority of CCC for screening by Canada Customs and Revenue Agency (CCRA), who may conduct a physical check in order that a customs appraisal can be made and entry accepted from the purchaser in accordance with the appropriate tariff item. (Steel scrap is free of duty but subject to sales tax and when sold to a licensed manufacturer or wholesaler the entry may be accepted free of tax by the purchaser quoting thereon his license number).
  - (b) After appraisal by CCRA, a copy of the list will be forwarded to the Contractor by the Contracting Authority and the Contractor shall obtain at least three (3) bids (if applicable). The highest bid will be accepted.

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- (c) The Contractor will issue a cheque for the proceeds of the sale, made payable to CCC and forward it to the Comptroller, CCC. The transmittal letter should include adequate information to assist CCC in identifying the disposal.

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**Z0809C (03/02/97) Disposal of Surplus Government Property**

Effective 12/05/00, this clause is superseded by Z0809C.

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**Remarks:** Use the following clause in contracts which are negotiated fixed-price type supply contracts for standard or commercial items, under which the U.S. Government is to furnish to the contractor U.S. Government property having an acquisition cost of \$50,000 or less.

**Z0810C (01/04/92) U.S. Government-furnished Property**

The U.S. Government will deliver to the Contractor, for use in connection with this Contract, the property described elsewhere in this Contract or the specifications (hereinafter described as "U.S. Government-furnished Property") at the times and locations stated in this Contract. If the U.S. Government-furnished property, suitable for its intended use, is not so delivered, CCC shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this Contract.

Title to U.S. Government-furnished property shall remain in the U.S. Government. The Contractor shall maintain adequate property control records of U.S. Government-furnished property in accordance with sound industrial practice.

Unless otherwise provided in this Contract, the Contractor assumes the risk of, and shall be responsible for, any loss of or damage to U.S. Government-furnished property provided under this Contract upon its delivery to the Contractor, except for reasonable wear and tear, and except to the extent that such property is consumed in the performance of this Contract.

The Contractor shall, upon completion of this Contract, prepare for shipment, deliver FOB origin, or dispose of all U.S. Government-furnished property not consumed in the performance of this Contract or not theretofore delivered to the U.S. Government, as may be directed or authorized by CCC. The net proceeds of any such disposal shall be credited to the Contract Price or paid in such manner as CCC may direct.

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**Remarks:** Use the following clause in contracts when United States Government property is being provided.

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### Z0811C (16/02/98) Responsibility for U.S. Gov't Property

1. In addition to specific responsibilities delineated in appendices "B", "C", and "H" of the United States (U.S.) Federal Acquisition Regulations, as applicable, the Contractor shall be responsible for and accountable for all U.S. Government property, title to which vests in the U.S. Government, delivered to or acquired by the Contractor under the terms of this Contract, including property in the possession of a subcontractor.
  2. Approval of the Contractor's property control system shall be made by the Production Assets Management Services, Aerospace, Marine and Electronics Systems Sector, Department of Public Works and Government Services, Ottawa, Ontario, to whom all questions concerning requisitioning, customs clearance, maintenance, etc., are to be referred.
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### Z0811C (01/04/92) Responsibility for U.S. Gov't Property

Effective 16/02/98, this clause is superseded by Z0811C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following instructions when applicable in all CCC fixed price contracts for stores.

### Z1000C (10/12/01) Invoicing and Documentation Instructions

#### PROGRESS PAYMENTS

Claims are to be submitted on the Claim for Progress Payment form, PWGSC-TPSGC 1111.

#### 1. Distribution:

- (a) One (1) original and three (3) copies, duly executed, are to be forwarded (preferably by courier) to the following Contracting Authority (***Insert Name and Address***) \_\_\_\_\_.
- (b) One (1) copy, for information purposes, is to be forwarded to:

#### By mail:

Canadian Commercial Corporation - Operations  
1100 - 50 O'Connor Street  
Ottawa, Ontario K1A 0S6

Telephone: (613) 996-0034

**Or preferably** by fax: (613) 995-2121

#### 2. Terms of Payment:

- (a) Thirty (30) days following the date on which a valid claim for progress payment and substantiating documentation are received and approved by Public Works

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and Government Services Canada/Canadian Commercial Corporation  
(PWGSC/CCC) Contracting Authority according to the terms of the Contract.

- (b) If the Corporation has any objection to the contents of the claim for progress payment or the substantiating documentation, within five (5) working days of its receipt, the PWGSC/CCC Contracting Authority shall notify the Contractor of the nature of the objection.

### DELIVERIES: COMMODITY

Prior to shipment, the Contractor shall complete U.S. DD Form 250, Material Inspection and Receiving Report.

#### 1. Distribution:

- (a) Upon shipment, the Contractor shall distribute it as follows:

- four (4) copies to accompany shipment;
- two (2) copies via mail to Consignee;
- one (1) copy to:

Defence Contract Management Americas (Canada)  
200 - 275 Bank Street  
Ottawa, Ontario K2P 2L6

- one (1) copy to the following Contracting Authority (*Insert Name and Address*) \_\_\_\_\_.
- one (1) copy to be used as a commercial invoice by CCC.

#### Mail to:

Canadian Commercial Corporation - Operations  
1100 -50 O'Connor Street  
Ottawa, Ontario K1A 0S6

Telephone: (613) 996-0034  
**Or preferably** by fax: (613) 995-2121

- (b) As long as it is fully completed (including Block 6 with the Contractor's invoice number and issue date), the DD Form 250 can be considered as the formal Commercial Invoice. However, a copy of the Contractor's actual Commercial Invoice is recommended when the billing includes special terms such as discounts, freight or liquidation of progress payments when not reflected on the DD Form 250.

#### 2. Accompanying Documents:

As per the terms of the Contract, such an invoice must be accompanied by documents as applicable below:

#### Based on Shipping Terms:

FOB ORIGIN

- (a) If shipment is made by U.S. Government bill of lading, no other shipping documents are required.



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- N.B.** Specific authority must be granted by the U.S. Defence Contract Management Americas (DCMA) (Canada)/Procurement Agency to ship by commercial carriers, prepay and add the freight charges as a separate item on the invoice.
- (b) In all cases, invoices reflecting freight prepaid to destination must be supported by an evidence of shipment (copy of the commercial bill of lading) and should the charges be prepaid and then added to the invoice in the same currency of the contract and exceed \$100 US, a receipted waybill must also be furnished to substantiate the charge.
- (c) Furthermore, if not specifically authorized in the contract, a call to DCMA (Canada) Transportation Division prior to commercial shipping is mandatory (613-992-9020). This step will allow DCMA (Canada) to advise the Contractor of the commercial carrier to use to ensure proper government rates for the shipment involved. This is done through their preparation of a U.S. DSA Form 359, Instructions to Contractors for Conus-Export Shipments. They will issue this form for the Contractor's use. A copy of this form must accompany the usual invoicing documents required.

### FOB DESTINATION

All invoices must be supported by an evidence of shipment (commercial bill of lading.)

### Based on Inspection and Acceptance Points:

#### INSPECTION AND ACCEPTANCE AT ORIGIN (Source)

Ensure that Block 21A of DD Form 250 is completed before submitting it as your commercial invoice.

#### ACCEPTANCE AT DESTINATION

In the event that acceptance of the supplies is to be accomplished at destination, the invoices will not be paid pending receipt by CCC of evidence of such acceptance, through the receipt of a DD Form 250 signed at Destination Point (Block 21b.) or through the receipt of payment from the customer.

- (a) Acceptance at destination - INSPECTION AT ORIGIN (Source)
- (1) Ensure that Block 21a.of DD Form 250 is authorized for inspection only.
- (2) Ensure that 1 of the 4 copies of the DD Form 250 that accompany the shipment is annotated "PAYMENT COPY" - forward copy to Block 12 address once signed to support payment in Block 23. (*Refer to Defense Federal Acquisition Regulation Supplement, Appendix F-301 (12) : Block 12: "PAYMENT WILL BE MADE BY" / CODE. Enter the code and address of the payment office stated in the Contract.*)
- (3) Request proof of delivery from the carrier and immediately upon receipt forward same to CCC, Operations, referencing U.S. Contract Number and applicable shipment number as reflected in Block 2 of DD Form 250.
- (b) Acceptance at destination - INSPECTION AT DESTINATION
- (1) Ensure that DD Form 250 accompanies the shipment.

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- (2) Ensure that the copies of DD Form 250 that accompany your shipment and are mailed to the consignee are submitted under covering letter clearly stating that acceptance of these goods has yet to be accomplished and that prompt acceptance (by completing Block 21b on the DD Form 250 and returning to the Contractor's company) is requested.
- (3) Request proof of delivery (acknowledgement on the shipping documents by receiving person) from the carrier and immediately upon receipt forward same to CCC, Operations, referencing U.S. Contract Number and applicable shipment number as reflected in Block 2 of form DD Form 250.
- (4) The Contractor will submit all required documents (although the DD Form 250 "ACCEPTANCE" block may remain unsigned) to the above-mentioned address of the Canadian Commercial Corporation. If unsigned, it will be considered by CCC as an advance billing for control purposes.

**Note:** Questions regarding the preparation and distribution of the DD Form 250 may be addressed to the Quality Assurance Representative assigned to the Contractor's plant.

### 3. Terms of Payment:

- (a) Acceptance at Origin (Source) Type Contracts:
  - (1) Thirty (30) days following the date on which an invoice and substantiating documentation are received by CCC according to the terms of the Contract.
  - (2) If CCC has any objection as to the content of the paperwork submitted, within fifteen (15) days of its receipt, CCC shall notify the Contractor of the nature of the objection.
- (b) Acceptance at Destination Type Contracts:
  - (1) Thirty (30) days from date of receipt of a DD Form 250 signed at the Acceptance Point but with no advance billing.
  - (2) Within fifteen (15) calendar days from date of receipt of evidence of acceptance (executed DD Form 250, TWX letter, etc., from consignee) with advance billing.
  - (3) Within five (5) working days from date of receipt of payment from customer agency.

If evidence of acceptance required by (b)(2) is not provided within sixty (60) days from date of shipment, CCC shall make every effort to obtain acceptance from the receiving/buying activity with the Contractor's assistance.

The discount terms, if quoted in the Contract, will be calculated from the date of receipt of evidence of acceptance or payment as cited above.

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**Z1000C (03/02/97) Invoicing and Documentation Instructions**

Effective 10/12/01, this clause is superseded by Z1000C.

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**Z1200C (15/09/97) Zero-rated Supply to CCC**

The supply to Canadian Commercial Corporation (CCC) by the Contractor under this Contract would constitute a "Zero-rated Supply" as this expression is defined for purposes of the Goods and Services Tax or the Harmonized Sales Tax, as appropriate. Accordingly, the rate of tax in respect thereto would be zero percent (0 percent) of the value of the consideration for the supply to CCC hereunder.

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**Z1200C (01/04/92) Zero-rated Supply to CCC**

Effective 15/09/97, this clause is superseded by Z1200C.

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**Z1201C (15/09/97) Exempt Supply to CCC**

The supply to Canadian Commercial Corporation by the Contractor under this Contract would constitute an "Exempt Supply" as this expression is defined for purposes of the Goods and Services Tax (GST) or the Harmonized Sales Tax (HST), as appropriate and accordingly would not constitute a "Taxable Supply" as this expression is defined for purposes of the GST or HST.

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**Z1201C (01/04/92) Exempt Supply to CCC**

Effective 15/09/97, this clause is superseded by Z1201C.

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**Z1202C (15/09/97) Taxable Supply to CCC**

The supply to Canadian Commercial Corporation (CCC) by the Contractor under this Contract would constitute a "Taxable Supply" as this expression is defined for purposes of the Goods and Services Tax (GST) or the Harmonized Sales Tax (HST), as appropriate. Accordingly, the rate of tax in respect thereto would be at the rate imposed for such supply based on the value of the consideration for the supply to CCC hereunder. The Contractor is required to reflect its GST/HST Registration Number and the appropriate GST or HST amount as a separate line item on each invoice to CCC hereunder.

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**Z1202C (01/04/92) Taxable Supply to CCC**

Effective 15/09/97, this clause is superseded by Z1202C.

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**Remarks:** Use the following clause in contracts when the U.S. contract is on a fixed price basis.

**Z1400C (01/04/92) Changes - Fixed Price**

CCC may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this Contract, in any one or more of the following:

- (i) drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the U.S. Government in accordance therewith;
- (ii) method of shipment or packing; and
- (iii) place of delivery.

If any such change causes an increase or decrease in the costs of, or the time required for, the performance of any part of the Work under this Contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within twenty (20) days from the date of receipt by the Contractor of the notification of change, provided, however, that CCC, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, CCC shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled "Disputes". However, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.

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**Remarks:** Use the following clause in contracts when the U.S. contract is cost reimbursement.

### Z1401C (01/04/92) Changes - Cost Reimbursement

The Canadian Commercial Corporation may at any time, by a written order, make changes, within the general scope of this Contract, in any one or more of the following:

- (i) drawings, designs or specifications, where the supplies to be furnished are to be specially manufactured for the U.S. Government in accordance therewith;
- (ii) method of shipment or packing;
- (iii) place of delivery; and
- (iv) the amount of U.S. Government-furnished property.

If any such change causes an increase or decrease in the estimated cost of, or the time required for the performance of any part of the Work under this Contract, whether changed or not changed by any such order, or otherwise affects any provision of this Contract, an equitable adjustment shall be made

- (i) in the estimated cost or delivery schedule, or both, and
- (ii) in such other provisions of the Contract as may be so affected, and the Contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within twenty (20) days from the date of the receipt by it of the notification of change, provided, however, that CCC, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled "Disputes". However, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.

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**Remarks:** Use the following clause in contracts when the U.S. contract contains a "Disputes" clause.

### Z1600C (03/02/97) Disputes

1. The Disputes clause incorporated by reference in the U.S Contract \_\_\_\_\_ (**insert the contract number and date and delete this instruction**) are hereby incorporated by reference into and form part of this Contract, between the Canadian Commercial Corporation (CCC) and the United States (U.S.) government covering the supplies set out in this Contract.
2. For the purposes of the Disputes clause herein incorporated, the word "Contractor" wherever it appears in the said Disputes clause, refers to CCC and reference to the word "Contracting Officer" in this Disputes clause shall be deemed to mean the U.S. Contracting Officer. CCC will keep the Canadian Contractor informed of any and all such disputes and, in the event of a decision being made by the Contracting Officer or the Secretary (as defined in the said CCC-U.S. Contract) which is binding on CCC in

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accordance with the said Disputes clause, the Canadian Contractor shall, if and to the extent required in writing by CCC, abide by such decision.

3. If the Canadian Contractor wishes to dispute a decision made by the Contracting Officer, the Canadian Contractor shall notify and submit a claim to the CCC Contracting Authority in sufficient time to permit CCC to process a claim on the U.S. government within the time limit stipulated in the Disputes clause.
4. Any claim submitted by the Canadian Contractor to CCC under this Disputes clause, must carry the certification detailed in paragraph (d) of the Disputes clause.
5. Any interest paid to CCC by the U.S. government as a result of such claim, pursuant to paragraph (h) of the Disputes clause, will be for the Contractor's account.
6. CCC shall not be liable to the Canadian Contractor except to the extent that it is established that the U.S. government is liable to CCC under the Disputes clause.

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**Z1600C            (01/04/92)            Disputes**

Effective 03/02/97, this clause is superseded by Z1600C.

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**Remarks:** Use the following clause in all contracts when the contract from U.S. is cost type.

**Z1601C            (01/04/92)            Notice of Labour Disputes**

Whenever the Contractor or any subcontractor hereunder has knowledge that any actual or potential labour dispute is delaying or threatens to delay the timely performance of this Contract, the Contractor or the subcontractor through the Contractor shall immediately give notice thereof, including all relevant information with respect thereto, to CCC.

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**Remarks:** Use the following clause in fixed price production contracts.

**Z1800C            (01/04/92)            Default**

(a) CCC may, subject to the provisions of paragraph c) below, by written notice of default to the Contractor, terminate the whole or any part of this Contract in any one of the following circumstances:

- (i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

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(ii) if the Contractor fails to perform any of the other provisions of this Contract or so fails to make progress as to endanger performance of this Contract in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of ten (10) days (or such longer period as CCC may authorize in writing) after receipt of notice from CCC specifying such failure.

(b) In the event CCC terminates this Contract in whole or in part as provided in paragraph (a) of this clause, it may procure, upon such terms and in such manner as it may deem appropriate, supplies or services similar to those so terminated and the Contractor shall be liable to CCC for any excess costs for such similar supplies or services, provided that the Contractor shall continue the performance of the Contract to the extent not terminated under the provisions of this clause.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from causes beyond the Contractor's control and without the Contractor's fault or negligence. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the U.S. Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the Contractor's control and without the Contractor's fault or negligence. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and its subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(d) If this Contract is terminated as provided in paragraph (a) of this clause, CCC, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the U.S. Government, in the manner and to the extent directed by CCC:

(i) any completed supplies; and

(ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and Contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated; and the Contractor shall, upon direction of CCC, protect and preserve property in its possession in which CCC has an interest. Payment for completed supplies delivered to and accepted by the U.S. Government shall be at the Contract Price. Payment for manufacturing materials delivered to and accepted by the U.S. Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and CCC; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled "Disputes". CCC may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as CCC determines to be necessary to protect CCC against loss because of outstanding liens or claims of former lien holders.

(e) If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the Contract contains a clause providing for termination for convenience of CCC, be the same as if the notice of termination had been issued pursuant to such clause. If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, and if this Contract does not contain a clause providing for termination for convenience of the Government, the Contract shall be equitably adjusted to compensate for such termination and the Contract modified accordingly; failure to agree to any such adjustment shall be a dispute

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concerning a question of fact within the meaning of the clause of this Contract entitled "Disputes".

(f) The rights and remedies of CCC provided in this clause shall not be exclusive and are in addition to any other rights and remedies under this Contract provided by law.

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**Remarks:** Use the following clause in contracts when the U.S. contract is on a cost reimbursement basis.

### Z1801C (01/04/92) Excusable Delays

The Contractor shall not be in default by reason of any failure in performance of this Contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the Work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor; such causes include, but are not restricted to: acts of God or of the public enemy; acts of the government; fires, floods; epidemics; quarantine restrictions; strikes; freight embargoes; unusually severe weather; and failure of subcontractors to perform or make progress due to such causes, unless CCC shall have determined that the supplies or services to be furnished under the subcontract were obtainable from other sources and shall have ordered the Contractor in writing to procure such services or supplies from such other sources, and the Contractor shall have failed reasonably to comply with such order. Upon the Contractor's request, CCC shall ascertain the facts and extent of such failure and, if it shall determine that such failure was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of CCC under the clause hereof entitled "Termination".

Any dispute that may arise under the provisions of this clause shall be determined as provided in the clause hereof entitled "Disputes".

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**Remarks:** Use the following clause in contracts when the U.S. contract is on a cost reimbursement basis.

### Z1802C (01/04/92) Delay in Delivery of Data

(a) It is understood that the efficient use by the U.S. Government of the supplies called for hereunder requires that the data called for hereunder be delivered not later than the time or respective times herein specified. If such data is not delivered at said time or times, Canadian Commercial Corporation may at its election, so long as such data remains undelivered, unless the delay in delivery thereof arises out of causes beyond the Contractor's control and without the Contractor's fault or negligence within the meaning of the clause hereof entitled "Excusable Delays", withhold payment to the Contractor for any of the amounts then due, refuse approval of the Contractor's vouchers and refuse to accept further deliveries hereunder from the Contractor or take any other action authorized by law or regulation now or hereafter in effect including termination of all or part of the Contract for default, and may take any and all actions separately or in combination.



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(b) The provisions of this clause shall only be applicable to technical data, such as handbooks, service manuals, or other information necessary for the proper maintenance or servicing of the end items called for herein.

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**Remarks:** Use the following clause in contracts when called for in the U.S. contract.

### **Z2000C (01/04/92) Patent Indemnity (Predetermined)**

The Contractor shall indemnify CCC and the U.S. Government and their officers, agents, and employees against liability including costs, for infringement of any United States letters patent (except letters patent issued upon an application which is now or may hereafter be kept secret or otherwise withheld from issue by order of the U.S. Government) or Canadian patent arising out of the manufacture or delivery of supplies under this Contract, or out of the use or disposal by or for the account of the U.S. Government of such supplies. The foregoing indemnity shall not apply unless the Contractor shall have been informed as soon as practicable by CCC or the U.S. Government of the suit or action alleging such infringement, and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defence thereof; and further, such indemnity shall not apply if:

- (i) the infringement results from compliance with specific written instructions of CCC directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the Contract not normally used by the Contractor;
  - (ii) the infringement results from the addition to, or change in, the supplies furnished or construction work performed, which addition or change was made subsequent to delivery or performance by the Contractor; or
  - (iii) the claimed infringement is settled without the Contractor's consent, unless required by final decree of a court of competent jurisdiction.
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**Remarks:** Use the following clause in contracts when called for in the U.S. contract (if the amount of the contract exceeds \$10,000).

### **Z2001C (01/04/92) Patent and Copyright Infringement**

(a) The Contractor shall report to CCC promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Contract of which the Contractor has knowledge;

(b) In the event of any claim or suit against CCC and/or the U.S. Government, on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to CCC, upon request, all evidence and information in the Contractor's possession pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of CCC except where the Contractor has agreed to indemnify CCC and/or the U.S. Government.

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**Remarks:** Use the following clause in contracts when called for in the U.S. contract.

**Z2002C (01/04/92) Authorization and Consent**

The U.S. Government hereby gives its authorization and consent (without prejudice to its rights of indemnification) for all use and manufacture, in the performance of this Contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract), of any patented invention described in and covered by a patent of the United States

(i) embodied in the structure or composition of any article the delivery of such is accepted by the U.S. Government under this Contract; or

(ii) utilized in the machinery, tools, or methods, the use of which necessarily results from compliance by the Contractor or the using subcontractor with (i) specifications or written provisions now or hereafter forming a part of this Contract, or (ii) specific written instructions given by the U.S. Contracting Officer directing the manner of performance. The Contractor's entire liability to the U.S. Government for patent infringement shall be determined solely by the provisions of the indemnity clauses, if any, included in the Contract and the U.S. Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.

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**Remarks:** Use the following clause in contracts when called for in the U.S. contract.

**Z2003C (01/04/92) Reporting of Royalties**

The Contractor shall report in writing to CCC during the performance of this Contract the amount of royalties paid or to be paid by the Contractor directly to others in the performance of this Contract. The Contractor shall also furnish in writing any additional information relating to such royalties as may be requested by CCC.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when the U.S. contract provides for duty-free entry. U.S. Government prime contract number must be inserted in subparagraphs a) and b).

**Z2200C (01/04/92) Duty-free Entry**

The goods covered by this Contract are entitled to duty-free entry into the United States. To facilitate execution of duty-free entry certificates by the U.S. Government, the following notation is to appear on all shipping documents, e.g., packing lists, DD 250's or Pro-Forma invoices:

(a) U.S. Military addresses:

U.S. Government Prime Contract Number: \_\_\_\_\_

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"United States Government, Department of Defence - Duty-free entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30, Harmonized Tariff Schedule of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs is requested to release shipment under 19 CFR 142 and notify Commander, Defense Logistics Agency, DCMAO New York, ATTN: DCMDN-GNNC, Customs Branch, Room 955, 201 Varick St., New York, N.Y. 10014-4811, for execution of Customs forms 7501, 7501A, or 7506 and any required duty-free entry certificates."

(b) Other (Non-U.S. Military addresses):

U.S. Government Prime Contract Number: \_\_\_\_\_

United States Government, Department of Defense - Duty-free entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VII, Item No. 9808.00.30, Harmonized Tariff Schedule of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs is requested to release shipment under 19 CFR 142 and notify Commander, Defense Logistics Agency, DCMAO New York, ATTN: DCMDN-GNNC, Customs Branch, Room 955, 201 Varick St., New York, N.Y. 10014-4811, for execution of Customs forms 7501, 7501A, and 7506 and any required duty-free entry certificates."

(c) All shipping documents submitted to Customs for which duty-free entry certificates are to be issued shall:

1. consign the shipments to the appropriate

(i) military department in care of the particular Contractor, including the Contractor's delivery address, or

(ii) the appropriate military installation;

2. bear the following information:

(i) prime Contract number plus delivery order, if applicable;

(ii) number of the subcontract/purchase order for foreign supplies, if applicable;

(iii) identification of carrier;

(iv) the notation: (identified above);

(v) gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight);

(vi) estimated value in U.S. dollars; and

(vii) Activity Address Number of the Contract Administration Office (CAO) actually administering the prime Contract, e.g., for DCMAO Ottawa, DLA8NC.

The Contractor shall prepare a sufficient number of copies of the Bill of Lading (or other shipping document) so that at least two (2) of the copies accompanying the shipment will be available for use by the Collector of U.S. Customs at the port of entry. The Contractor shall also forward, at the time of shipment, a memorandum copy of the Bill of Lading (or other shipping document) to the U.S. Government representative designated in (a) and (b) above.

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**Remarks:** Use the following clause in all contracts when stores are being exported.

### Z2201C (01/04/92) Customs Clearance

Form B13 (Customs Export Entry Form) must accompany shipments under the following circumstances for all goods:

- (a) exported in transit from Canada through the United States (FMS contracts):
- (b) exported to a country other than the United States; or
- (c) that fall within the following Canadian tariff classification:
  - (i) Airplanes (8802.30.00; 8802.40.00)
  - (ii) Satellites & Telecommunication equipment (8802.50.10; 8802.50.90)
  - (iii) Simulators (8805.20.00)
  - (iv) Ships & Boats (8901.10.00; 8901.20.00; 8901.30.00; 8901.90.10; 8901.90.90; 8902.00.10; 8902.00.20)
  - (v) Uranium (2612.10.00; 2844.10.00)
  - (vi) Gold (2616.90.00; 7108.11.00; 7108.12.00; 7108.13.10; 7108.13.20; 7108.20.00; 7109.00.00; 7112.10.00; 7115.90.90; 7118.90.00).

In completing form B13:

- (a) Canadian Commercial Corporation, Ottawa, Canada, must be shown as the exporter;
- (b) CCC exporter No. MAQ616025 is to appear in "Block No." just above CCC's name;
- (c) Forms are to be signed by the Contractor as authorized agent of Canadian Commercial Corporation and show the name of the Contractor in full.

N.B. ALL OTHER SHIPMENTS OF GOODS, NOT INCLUDED IN THE ABOVE DO NOT REQUIRE COMPLETION OF FORM B13.

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**Remarks:** Use the following clause in contracts when contractors or their vendors are importing articles or material from the U.S. for the use in defence production or development sharing contracts.

### Z2202C (12/05/00) Remission of Customs Duties & Taxes

1. Goods purchased in or imported into Canada for use solely and exclusively in the performance of this Contract, which will not be altered so as to lose their identity and are or will become the property of the United States Government, will, provided the

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Contractor receives specific authorization from Commercial Canadian Corporation, be entitled to:

- (a) remission of customs duties, and exemption from payment of sales and excise taxes, ordinarily payable on importation of the goods into Canada; and
  - (b) exemption from payment of the sales and excise taxes ordinarily payable on purchase of the goods in Canada.
2. The details and procedures are set out in the Canada Customs and Revenue Agency Memorandum D8-9-1, Defence Production and Development Sharing, as authorized by Order-in-Council PC 1970-1913, which is available from local Customs and Excise offices.

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**Z2202C (01/04/92) Remission of Customs Duties & Taxes**

Effective 12/05/00, this clause is superseded by Z2202C.

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**Remarks:** Use the following clause in contracts when the end item being produced will remain in Canada as property of the U.S. Government.

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**Z2203C (12/05/00) Remission of Customs Duties & Taxes**

1. Goods purchased in or imported into Canada for use solely and exclusively in the performance of this Contract, which will not be altered so as to lose their identity and are or will become the property of the United States Government, will, provided the Contractor receives specific authorization from the Commercial Canadian Corporation, be entitled to:
  - (a) remission of customs duties, and exemption from payment of sales and excise taxes, ordinarily payable on importation of the goods into Canada; and
  - (b) exemption from payment of the sales and excise taxes ordinarily payable on purchase of the goods in Canada.
2. The details and procedures are set out in Canada Customs and Revenue Agency Memorandum D7-3-11, Joint Canada - United States Projects Drawback Regulations, which is available from local Customs and Excise offices.

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**Z2203C**      (01/04/92)      Remission of Customs Duties & Taxes

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in contracts if called for in the U.S. contract.

**Z2400C**      (01/04/92)      Variation in Quantity

No variation in the quantity of the item called for herein will be accepted, unless such variation has been caused by conditions of loading, shipping or packing or allowances in manufacturing processes and then only to the extent of (insert percentage as specified in U.S. Contract) \_\_\_\_\_

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in contracts if called for in the U.S. contract.

**Z2401C**      (01/04/92)      Variation in Quantity

The quantity stated herein is MINIMUM and must be delivered. An overshipment not in excess of (insert amount as specified in U.S. Contract) \_\_\_\_\_ will be accepted and payment will be adjusted accordingly.

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**Remarks:** THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in contracts when the U.S. contract contains the "increase option" clause.

**Z2402C**      (01/04/92)      Option to Increase Quantity

CCC reserves the right to increase the Contract quantity by an amount not to exceed \_\_\_\_\_ percent. Exercise of this option shall be by written notice from CCC within \_\_\_\_\_ days from \_\_\_\_\_, the date of award of this Contract. Unless otherwise agreed between CCC and the Contractor, it is understood that the quantities which may be added by exercise of this option will be supplied after delivery of the initial Contract quantity, at the same price and same delivery rate.

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**Remarks:** Use the following clause in fixed price contracts when advance or progress payments are provided.

**Z2600C (01/04/92) Risk of Loss**

Notwithstanding any other provision contained in this Contract, the risk of loss, theft or destruction of or damage to all materials, work in process and finished goods prior to delivery and acceptance thereof, shall be with the Contractor whether or not title shall be vested in Canadian Commercial Corporation by virtue of any payments having been made by CCC to the Contractor; and in the event of loss, theft or destruction thereof or damage thereto, the Contractor hereby agrees to repay to CCC the amount of any unliquidated progress or other payments received by the Contractor in respect thereof. The Contractor also agrees to insure and keep insured the same against fire and supplemental perils in the joint names of the Contractor and Canadian Commercial Corporation, with loss payable as their respective interests may appear, and to confirm in writing to the Canadian Commercial Corporation Contracting Officer that such insurance is in effect.

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**Remarks:** Use the following clause in fixed price contracts when called for in the U.S. contract. To be used in conjunction with clause Z1600C.

**Z2601C (01/04/92) U.S. Government Delay of Work**

(a) If the performance of all or any part of the Work is delayed or interrupted by an act of the Contracting Officer in the administration of this Contract, which act is not expressly or impliedly authorized by this Contract, or by the Contracting Officer's failure to act within the time specified in this Contract (or within a reasonable time if no time is specified), an adjustment (excluding profit) shall be made for any increase in the cost of performance of this Contract caused by such delay or interruption and the Contract modified in writing accordingly. Adjustment shall be made also in the delivery or performance dates and any other contractual provision affected by such delay or interruption. However, no adjustment shall be made under this clause for any delay or interruption

(i) to the extent that performance would have been delayed or interrupted by any other clause, including the fault or negligence of the Contractor; or

(ii) for which an adjustment is provided or excluded under any other provision of this Contract.

(b) No claim under this clause shall be allowed

(i) for any costs incurred more than twenty (20) days before the Contractor shall have notified the Contracting Officer in writing of the act or failure to act involved; and

(ii) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such delay or interruption, but not later than the date of final payment under the Contract.

(c) For the purpose of this clause the term "Contracting Officer" shall be deemed to mean the U.S. Contracting Officer responsible for administration of the Contract between the U.S. Government and Canadian Commercial Corporation.

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**Remarks:** Use the following clause in conjunction with clause Z1800C in all contracts which provide for progress payments.

**Z2602C (21/06/99) Liens Under Section 427 of the Bank Act**

1. If any lien under section 427 of the *Bank Act* exists in respect of any materials, parts, work-in-process or finished work for which the Contractor claims or intends to claim payment, the Contractor hereby agrees to inform Canadian Commercial Corporation (CCC) without delay, and the Contractor further agrees, unless otherwise instructed by CCC, either:
  - (a) to cause the bank to remove such lien forthwith and to furnish CCC with written confirmation thereof from the bank; or
  - (b) to furnish or cause to be furnished forthwith to CCC an undertaking from the bank to CCC that the bank will not make any claim under section 427 of the *Bank Act* upon materials, parts, work-in-process or finished work in respect of which payment is made to the Contractor under this Contract.
2. Failure by the Contractor to inform CCC of any such lien or failure by the Contractor to implement paragraphs (a) or (b) above shall constitute default under the clause entitled "Default by Contractor" in the General Conditions of the Contract, entitling CCC to terminate the Contract.

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**Z2602C (01/12/92) Liens Under Section 427 of the Bank Act**

Effective 21/06/99, this clause is superseded by Z2602C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when progress payments are provided for on a fixed price contract.

**Z2603C (15/09/97) Progress Payments**

1. Progress payments will be made not more frequently than once a month upon the following terms and conditions:
  - (a) Progress Claims shall be completed in full, including a brief report of the progress of the Work to the date of the claim, and submitted to Canadian Commercial Corporation (CCC) on form PWGSC-TPSGC 1111, Claim for Progress Payment.



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- (b) All the certificates appearing on the said form are to be signed by or for the respective persons indicated thereon.
- (c) Payments will be made up to \_\_\_\_ percent of the claimed amounts approved by CCC, but in no event will cumulative payments exceed \_\_\_\_ percent of the Contract value.
- (d) Each claim will show:
  - (1) expenditures during the claim period detailed in accordance with the basis and/or method of payment terms of the Contract;  
**NOTE:** Pro-rated profit not allowed.
  - (2) sales taxes (where applicable);
  - (3) Goods and Services Tax or Harmonized Sales Tax (where applicable);
  - (4) holdback at \_\_\_\_ percent.\*  
**\*NOTE:** Percentage factor to be shown on form CCC 747A.

### Conditions Precedent to Payment

- 1. No payment shall be made to the Contractor, unless and until:
  - (a) invoices, inspection notes and other documents prescribed by CCC are submitted in accordance with the terms of the Contract or instructions of CCC;
  - (b) with respect to all materials, parts, work in process or finished work, the cost of which has been paid by the Contractor and in respect of which payment is being made by CCC, the Contractor, if required to do so, establishes to the satisfaction of CCC that the materials, parts, work in process or finished work are free from all claims, liens, attachments, charges or encumbrances;
  - (c) with respect to all materials, parts, work in process or finished work, the costs of which have accrued in the accounts of the Contractor as a liability to be discharged in the normal course of business and in respect of which materials, parts, work in process or finished work payment is being made by CCC, the Contractor, if required to do so, establishes to the satisfaction of CCC that the payment to be made by CCC shall be used only for the purpose of discharging such liability and that upon such discharge the materials, parts, work in process or finished work shall be free from all claims, liens, charges or encumbrances; and
  - (d) in the case of payment in respect of finished work, such finished work has been inspected and accepted in accordance with the terms of this Contract.

### Method of Payment

- 1. Payment by CCC to the Contractor for the Work shall be made:
  - (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed progress claim, form PWGSC-TPSGC 1111;

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- (b) in the case of a final payment, within thirty (30) days following the date of receipt of a duly completed final progress claim, form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is accepted, whichever date is the later;
- (c) in the case of a final payment against a 'fixed-price Contract', within thirty (30) days following the date of receipt of a final invoice together with supporting documentation.

If CCC has any objection to the form of an invoice, within fifteen (15) days of its receipt, CCC shall notify the Contractor of the nature of the objection and payment shall be delayed until thirty (30) days after the objection is resolved to the satisfaction of CCC.

### Liquidation

Except as provided in the Termination for Convenience clause, all progress payments shall be liquidated by deducting from any payment under this Contract, other than advance or progress payments, the unliquidated progress payments, or \_\_\_\_ percent of the amount invoiced, whichever is less. The Contractor shall repay to CCC any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly.

### Title

1. Title to the property described in this clause shall vest in CCC. Vestiture shall be immediately upon the date of this Contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allowable or properly chargeable to this Contract.
2. "Property" as used in this clause, includes all of the items listed in subsections (a) through (d) below by the Contractor that are or should be allowable or properly chargeable to this Contract under sound and generally accepted accounting principles and practices:
  - (a) parts, materials, inventories, and work in process;
  - (b) special tooling and special test equipment to which the U.S. government is to acquire title under any other clause of this Contract;
  - (c) nondurable (i.e. non-capital) tools, jigs, dies, fixtures, mods, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subsection (b) above; and
  - (d) drawings and technical data, to the extent that the Contractor or its subcontractors are required to deliver them to CCC by other clauses of this Contract.
3. The Contractor may sell any scrap resulting from production under this Contract without CCC's approval, but the proceeds shall be credited against the Contract Price.
4. To acquire for its own use or to dispose of property to which title is vested in CCC under this clause, the Contractor must obtain CCC's advance approval of the action and the terms. The Contractor shall
  - (a) exclude the allowable costs of the property from the costs of Contract performance; and

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- (b) repay to CCC any amount of unliquidated progress payments allowable to the property. Repayment may be by cash or credit memorandum.
5. When the Contractor completes all of the obligations under this Contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not:
- (a) delivered to, and accepted by, CCC under this Contract; or
  - (b) incorporated in supplies delivered to, and accepted by, the U.S. government under this Contract and to which title is vested in the U.S. government under this Contract.
6. The terms of this Contract concerning liability for Government-furnished property ceases to apply to property to which the Contractor has acquired title solely under this clause.

### Risk of Loss

Before delivery to and acceptance by CCC, the Contractor shall bear the risk of loss of or damage to property, the title to which vests in CCC under this Contract, except to the extent otherwise provided in the Contract. The Contractor shall repay CCC an amount equal to the unliquidated progress payments that are based on costs allowable to property that is damaged, lost, stolen, or destroyed.

### Control of Costs and Property

The Contractor shall maintain an accounting system and controls adequate for the proper administration of property.

### Reports and Access to Records

The Contractor shall promptly furnish to CCC reports, certificates, financial statements, and other pertinent information reasonably requested by CCC for the administration of this clause. CCC shall have the right at any reasonable time to examine the Contractor's records and accounts in regard to property.

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**Z2603C**      (01/04/92)      **Progress Payments**

Effective 15/09/97, this clause is superseded by Z2603C.

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**Remarks:** Use the following clause in contracts if called for in the U.S. contract.

**Z2604C**      (01/04/92)      **Technical Data - Withholding of Payment**

(a) If Technical Data II (as defined in the clause of this Contract entitled "DATA"), or any part thereof, specified to be delivered under this Contract, is not delivered within the time specified by

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this Contract or is deficient upon delivery (including having restrictive markings not specifically authorized by this Contract), CCC may, until such data is accepted by the U.S. Government, withhold payment to the Contractor of ten (10) percent of the total Contract Price or amount, unless a lesser withholding is specified in this Contract. Payments shall not be withheld nor any other action taken pursuant to this paragraph when the Contractor's failure to make timely delivery or to deliver such data without deficiencies arises out of causes beyond the control and without the fault or negligence of the Contractor.

(b) After payments totalling ninety (90) percent of the total Contract Price or amount have been made to the Contractor and if all technical data specified to be delivered under this Contract has not been accepted, CCC may withhold from further payment such sum as it considers appropriate, not exceeding ten (10) percent of the total Contract Price or amount, unless a lesser withholding limit is specified in this Contract.

(c) The withholding of any amount or subsequent payment to the Contractor shall not be construed as a waiver of any rights of CCC under this Contract.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when called for in the U.S. contract.

**Z2605C            (01/04/92)            Value Engineering Incentive**

As provided for in U.S. Contract no. \_\_\_\_ which includes the following:

This clause applies to cost reduction proposals initiated and developed by the Contractor for changing the drawings, designs, specifications, or other requirements of this Contract. This clause does not, however, apply to any such proposal unless it is identified by the Contractor, at the time of its submission to the U.S. Contracting Officer, as a proposal submitted pursuant to this clause. The cost reduction proposals contemplated are those that:

(a) would require, in order to be applied to this Contract, a change to this Contract; and

(b) would result in savings to the U.S. Government by providing

1. a decrease in the cost of performance of this Contract, without impairing any of the items' essential functions and characteristics such as service life, reliability, economy of operation, ease of maintenance, and necessary standardized features; or

2. items, regardless of the acquisition cost, producing a net reduction in the cost of government-furnished property, operations, maintenances, or other areas which exceed any increased acquisition cost, without impairing any of the items' essential functions and characteristics.

Any Value Engineering Proposal must include the information outlined in sub clause 2) of the Value Engineering Incentive clause of the Contract between CCC and the U.S. Government and be submitted in accordance with instructions from the U.S. Contracting Officer.

In connection with the Value Engineering Incentive clause, the Contractor will receive a share percentage of all savings in the amount of \_\_\_\_ percent of the savings under this Contract plus \_\_\_\_ percent of the projected collateral savings and \_\_\_\_\_ percent of the savings payments for a period of two (2) years.

NOTE: See U.S. Contract for percentage factors.

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**Remarks:** Use the following clause in contracts which provide for payment in U.S. funds.

**Z2800C (01/04/92) Prices**

The prices to be paid for supplies or services delivered under this Contract are in U.S. funds and shall not be subject to adjustment for losses or gains resulting from fluctuation in exchange rates, the risk of which is for the Contractor's account.

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**Remarks:** Use the following clause in contracts when called for in the U.S. contract.

**Z2801C (01/04/92) Price Escalation**

(a) The Contractor warrants that the unit prices stated herein, excluding any part of the prices which reflects requirements for preservation, packaging and packing beyond standard commercial practice, are not in excess of the Contractor's applicable established prices in effect on the date set for opening the bids (or the Contract date, if this is a negotiated Contract rather than one entered into by means of formal advertising) for like quantities of the supplies covered by this Contract.

(b) The Contractor shall promptly notify the Contracting Officer specified herein as to the amount and effective date of each decrease in any established price, and each applicable unit price under this Contract shall be decreased by the amount of the decrease in the applicable established price. Any such decrease in a unit price shall apply to those supplies delivered on and after the effective date of the corresponding decrease in the Contractor's established price, and this Contract shall be amended accordingly. The Contractor shall certify on each invoice submitted under the Contract that each unit price stated therein reflects all decreases, if any, which the Contractor has made in the established price applicable thereto since the date set for opening of bids (or the Contract date, if this is a negotiated Contract rather than one entered into by formal advertising), or shall certify on the final invoice that all such decreases have been applied to supplies delivered on and after the effective date of each such decrease in the Contractor's established prices.

(c) The Contractor may, from time to time after the date of this Contract and during the performance hereof, by written notice to the CCC Contracting Officer, request an upward adjustment in any of the Contract unit prices to be effective as of a date to be specified by the Contractor. Such request shall be acted upon in accordance with the following provisions of this clause.

(d) An upward adjustment in a Contract unit price may be made under this clause only in accordance with the following conditions:

1. Such an upward adjustment shall be made only if the Contractor's applicable established price has increased subsequent to the date set for opening of bids (or the Contract date, if this is a negotiated Contract rather than one entered into by means of formal advertising).
2. No unit price shall be increased by an amount greater than the amount of the increase in the Contractor's applicable established price.

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3. The aggregate of the increases in any unit price made under this clause shall not exceed ten (10) percent of the original unit price under the Contract.

4. No adjusted unit price shall be effective earlier than the effective date of the increase in the applicable established price, but if the Contractor's request for adjustment is received by the Contracting Officer more than ten (10) days after the effective date of the increase in the Contractor's applicable rate, no adjusted unit price shall be effective earlier than the date of receipt by the Contracting Officer of such request.

5. No upward adjustment in unit prices hereunder shall apply to supplies which were required by the Contract delivery schedule to be delivered prior to the effective date of the related increase in the applicable established price, unless the Contractor's failure to deliver supplies in accordance with the delivery schedule results from causes beyond the control and without the fault or negligence of the Contractor within the meaning of paragraph c) of the clause of this Contract entitled "Default", in which case the Contract shall be amended to make an equitable extension of the delivery schedule.

(e) In the event the requested upward adjustment in a unit price under the Contract is acceptable to the CCC Contracting Officer, the Contractor shall be so notified by the Contracting Officer, and the Contract shall be amended accordingly. In the event the requested upward adjustment is not acceptable to the Contracting Officer, or if the Contracting Officer does not reach an agreement with the Contractor with respect to a price increase, the Contracting Officer may, within thirty (30) days after receipt of the Contractor's request, cancel, without liability to either party, the Contractor's right to proceed with performance of that portion of the Contract which is undelivered at the time of such cancellation, except that the Contractor may make delivery of all or any of the supplies which a duly authorized officer of the Contractor shall certify were completed or in the process of manufacture at the time of receipt of notice of such cancellation. In such event, CCC shall pay for all supplies so delivered at the applicable unit price contained in the Contractor's request, and the Contract shall be amended accordingly provided that such certification is made within ten (10) days after receipt of notice of such cancellation, and provided further that such requested increase satisfies all of the conditions and does not exceed the limitations of paragraph (d). In the event this Contract is for standard steel supplies, they shall be deemed to be in the process of manufacture when the steel therefor is in any state of processing after the beginning of the furnace melt.

(f) During the period after the Contractor has requested an upward adjustment, and prior to an agreement between the parties with respect to the request, or cancellation of the Contract pursuant to paragraph (e), the Contractor shall be paid for deliveries of the item in respect of which the adjustment was requested at the applicable increased unit prices as requested, provided that such requested increases satisfy all the conditions and do not exceed the limitations of paragraph (d), and provided further that if the parties agree on an increase less than that requested, payments previously made at the requested amount shall be adjusted accordingly. If the CCC Contracting Officer neither reaches an agreement with the Contractor on the requested adjustment, nor cancels the Contract, then the Contractor shall be paid therefor at the applicable increased unit prices as requested, provided that such requested increases satisfy all the conditions and do not exceed the limitations of paragraph (d).

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in the final amendment to all cost reimbursement type contracts.

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**Z2802C (01/04/92) Release and Reimbursements**

A. RELEASE - COST TYPE CONTRACT: Pursuant to the terms of this Contract and in consideration of the sum of \$\_\_\_\_\_, which has been or is to be paid to the Contractor or its assignees, if any, the Contractor, upon payment of the said sum by CCC, remises, releases, and discharges CCC, its officers, agents, and employees of and from all liabilities, obligations, claims and demands whatsoever under or arising from this Contract, except specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows:

1. claims, together with reasonable expenses incidental thereto, based upon the Contractor's liabilities to third parties arising out of the performance of this Contract, which are not known to the Contractor on the date of the execution of this release and of which the Contractor will give notice in writing to CCC within the period specified in this Contract;
2. claims for reimbursement of costs (other than the Contractor's expenses by reason of its indemnification of CCC against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this Contract relating to patents.

The Contractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of this Contract, including without limitation those provisions relating to notification to CCC and relating to the defense or prosecution of litigation.

B. CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES, CREDITS, AND OTHER AMOUNTS: Pursuant to the terms of this Contract and in consideration of the reimbursement of costs, as provided herein and any assignment hereunder, the Contractor hereby:

- a) assigns, transfers, sets over and releases to CCC all right, title and interest to all refunds, rebates, credits, and other amounts (including any interest thereon) arising out of the performance of this Contract, together with all the rights of action accrued or which may hereafter accrue hereunder;
- b) agrees to take whatever action may be necessary to effect prompt collection of all such refunds, rebates, credits, and other amounts (including any interest thereon) due or which may become due, and to promptly forward to the CCC Contracting Officer cheques (made payable to Canadian Commercial Corporation) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the CCC Contracting Officer as stated in this Contract and may be applied to reduce any amounts otherwise payable to CCC under the terms hereof;
- c) agrees to cooperate fully with CCC as to any claim or suit in connection with refunds, rebates, credits, or other amounts due (including any interest thereon); to execute any protest, pleading, application, power-of-attorney, or other papers in connection herewith; and to permit CCC to represent the Contractor at any hearing, trial or other proceeding, arising out of such claim or suit.

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**Remarks:** Use the following clause in all contracts when the Canadian contractor has engaged or may engage representatives.

**Z2803C (01/04/92) Representative's Remuneration**

The Contractor agrees that if sales agents or representatives are to be employed or sales fees or commissions are to be paid as part of the Contract Price:

- (i) the agreement made between the Contractor and the sales agents or representative shall be formally written and be in accordance with sound business practices;
  - (ii) any remuneration will be justifiable and reasonable in relation to the size and nature of the Contract; and
  - (iii) no action will be taken by the Contractor that would violate the laws of Canada or the laws of the United States of America.
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**Remarks:** Use the following clause in contracts when called for in the U.S. contract.

**Z2804C (10/12/01) Price Adjustment**

1. In conjunction with and pursuant to the provisions of clause J-74, the Contractor may, within 110 days after date of shipment of the supplies, inform the Canadian Commercial Corporation (CCC) project officer, in writing,
  - (a) that the Contract unit prices are subject to upward adjustment; or
  - (b) that the Contract unit prices are subject to downward adjustment; or
  - (c) certifying that there is no decrease in the Contract unit prices.
2. If the appropriate U.S. Bureau of Labor indexes are not available to meet the above time frame, the Contractor must apply to CCC for an extension of time.
3. The Contractor's request for an upward adjustment or downward adjustment must be supported with copies of the applicable U.S. Bureau of Labor indexes. An information copy of the claim is to be sent by the Contractor to:

Defense Logistics Agency (USA)  
Defense Contract Management Americas (Canada)  
200 - 275 Bank Street  
Ottawa, Ontario K2P 2L6

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**Z2804C**      (01/04/92)      Price Adjustment

Effective 10/12/01, this clause is superseded by Z2804C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts when the DPWGS Central Allocations and Defence Priorities Officer has authorized use of a priority rating.

**Z3000C**      (03/02/97)      Priorities - U.S. Purchases

1. This is an urgent United States (U.S.) government defense requirement and use of a U.S. Priority Rating is hereby authorized and assigned. This Priority Rating is valid only for the purchase of materials, sub-assemblies and components (excluding controlled materials) by the Contractor directly from U.S. suppliers up to a total of US\$ \_\_\_\_\_. Should the Contractor exceed this dollar limitation, the Contractor is authorized to proceed with the purchase order while providing the Central Allocations and Defence Priorities Officer, Department of Public Works and Government Services, Ottawa, Ontario K1A 0S5, with details of the additional amount required.
2. The assigned U.S. Priority Rating, required delivery date, signature of an individual authorized to sign rated orders, and the following certification must be placed on or attached to the Contractor's purchase orders to U.S. suppliers:

"This is a rated order certified for national defense use, and the Contractor is required to follow all the provisions of the Defense Priorities and Allocations Systems Regulation (15 CFR, Part 350)."
3. Assigned U.S. priority ratings may not be extended within Canada; in consequence, when further materials are imported through the Contractor's Canadian subcontractors or distributors, the following clause shall be placed on the Contractor's purchase orders:

"PRIORITY ASSISTANCE: This is an urgent defence requirement. If the Contractor is importing any material/service from the U.S.A. for the fulfilment of this Contract, contact the Central Allocations and Defence Priorities Officer, Department of Public Works and Government Services, Ottawa, Ontario K1A 0S5, to request a U.S. Priority Rating."
4. The Contractor shall keep for a period of three (3) years, and shall produce to the Minister of Public Works and Government Services, on request, a record of its authority to use the rating authorization and of all the uses made of it by the Contractor.
5. U.S. Controlled Materials or Special Priorities Assistance:
  - (a) If the Contractor is importing any U.S. controlled materials (such as steel, copper, aluminum, nickel, etc.), a separate application is required and shall be made to the Central Allocations and Defence Priorities Officer, Department of Public Works and Government Services, Ottawa, Ontario K1A 0S5.
  - (b) Should the Contractor need assistance in obtaining delivery under a delinquent Rated Order with a U.S. firm, a request should also be made to the Central Allocations and Defence Priorities Officer.

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**Z3000C (01/04/92) Priorities - U.S. Purchases**

Effective 03/02/97, this clause is superseded by Z3000C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts requiring the Production Progress Report, DD Form 375, when the U.S. contract is from an agency other than the Defense Industrial Supply Center (DISC). Enter "No. of copies" and "Name and Address" from the U.S. contract.

**Z3200C (10/12/01) Production Progress Report**

The Contractor shall prepare the DD Form 375, Production Progress Report, both on a monthly basis and exception to the Contract delivery schedule basis. DD Form 375 shall be submitted monthly and no later than the second work day of the subsequent month. DD Form 375 will be distributed as follows:

| <b>No. of copies</b> | <b>Name and Address</b> |
|----------------------|-------------------------|
|----------------------|-------------------------|

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| _____ | _____ |
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**Z3200C (01/04/92) Monthly Production Progress Report**

Effective 10/12/01, this clause is superseded by Z3200C.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in contracts requiring the Production Progress Report, DD Form 375, when the U.S. contract is from the Defense Industrial Supply Center (DISC). Check either 1.(a) or 1.(b) as appropriate. Enter "No. of copies" and "Name and Address" from the U.S. contract.

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### Z3201C (10/12/01) Production Progress Report

1. The Contractor shall prepare the Production Progress Report, DD Form 375,
  - (a) on a monthly basis;
  - (b) on an exception to the Contract delivery schedule basis. DD Form 375 shall be submitted monthly and no later than the second work day of the subsequent month. DD Form 375 will be distributed as follows:

| No. of copies | Name and Address |
|---------------|------------------|
| _____         | _____            |
| _____         | _____            |
| _____         | _____            |

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### Z3201C (01/04/92) Monthly Production Progress Report

Effective 10/12/01, this clause is superseded by Z3201C.

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**Remarks:** Use the following clause in all contracts requiring Progress Reports, form DD 375.

### Z3202C (01/04/92) Progress Report Instructions

Section 1 - Form DD 375:

(a) All entries on the Monthly Production Progress Report representing "actual" data will be as of the close of the "report month". The "report month" is that month immediately preceding the month in which the form is due from the Contractor. All entries representing "forecast" data will be as of the case of the period identified in the respective column heading. The terms "Contract Quantity" and "Contract Schedule" refer to the official Contract quantity or schedule as amended, and in effect at the close of the "report month".

(b) The term "delivery", when used to reflect "actual" data, shall mean "acceptance" in those instances when the military services take title to the item at the place of manufacture and shall mean "shipment" in those instances when the services take title to the item at a point other than at the place of manufacture.

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**Remarks:** Use the following clause in contracts for Miniature and Instrument Ball Bearings or in contracts for articles containing Miniature and Instrument Ball Bearings.

**Z3400C (01/04/92) Miniature and Instrument Ball Bearings**

The following clause shall be applicable to Miniature and Instrument Ball Bearings, as defined herein, to be supplied under the Contract and to articles containing Miniature and Instrument Ball Bearings, as defined herein, to be supplied under the Contract.

(a) For the purposes of this clause:

1. "Miniature and Instrument Ball Bearings" are all rolling contact ball bearings with a basic outside diameter (exclusive of flange diameters) of thirty (30) millimeters or less, irrespective of material, tolerance, performance of quality characteristics; and
2. "Domestic" means manufactured in the United States or Canada and, when ball bearing assembly is involved, all components of the bearing must also have been manufactured in the United States or Canada.

(b) The Contractor agrees that end items and components thereof delivered under this Contract shall contain Miniature and Instrument Ball Bearings that are of Domestic Manufacture only.

(c) The requirement in (b) above may be waived in whole or in part by CCC Contracting Officer when such waiver is determined to be in the interest of the U.S. Government. In the event a waiver is granted, the Contractor agrees to acquire, for non-government use, Domestic Miniature and Instrument Ball Bearings of a like quantity and type.

(d) The Contractor agrees to retain until the expiration of three (3) years from the date of final payment under this Contract and to make available during such period, upon request of CCC Contracting Officer, records showing compliance with this clause.

(e) The Contractor agrees to insert this clause, including this subparagraph (e), in every subcontract and purchase order issued in performance of this Contract, unless it knows that the item being purchased contains no Miniature or Instrument Ball Bearings.

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