



GCSurplus

**Sales Contract
Contrat de Vente**

Your offer is accepted to purchase from Canada the asset(s) listed herein, in accordance with the terms and conditions set out herein, referred to herein or attached hereto at the price or prices set out therefor.

Nous acceptons votre offre d'acheter du Canada les biens énumérés dans les présentes, aux conditions énoncées ou incluses par référence dans les présentes, au(x) prix indiqué(s).

Comments - Commentaires

**Purchaser Name and Address
Raison sociale et adresse de l'acheteur**

Telephone/Téléphone:

Fax/Télécopieur:

Title - Titre: Sale of Scrap Metal with Conditions to Demilitarize Controlled Goods		Date : 10 July 2023	
Sale Account No.: -N° de la vente : K2GCM01500		Sales Request No.: N° du rapport de surplus : K2GCM01500	
Consignee code - Code du Consignataire : W010B			
Location of Assets : Emplacement des biens : Canadian Forces Supply Depot (CFSD) 40 Atlantic Ave. Dartmouth, Nova Scotia.			
GST/HST/PST - TPS/TVH/TVP applicable		Duty - Droits n/a	
GCSurplus Sales Representative/ Représentant des ventes à GCSurplus Jean-Sebastien Blackburn Phone/Téléphone : (613) 408-6470 Email/Courriel : jean-sebastien.blackburn@tpsgc-pwgsc.gc.ca		Custodian Contact/ Personne ressource du gardien John Harvey Address: Repair and Disposal Section, CFB Halifax, Base Logistics, PO Box 99000, Stn Forces, Halifax, N.S. B3K 5X5 Tel.: 902-720-1626 Email: John.Harvey2@forces.gc.ca	
Price/ Prix : see herein			
For the Minister - Pour le Ministre			
For the Purchaser - Pour l'acheteur			



GCSurplus – Sales Contract Clauses (2013-04-25)

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- Annex A – Statement of Requirement
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- Annex C – Pick-up Authorization Form



SALES CONTRACT CLAUSES

1.0 SECURITY REQUIREMENT

This sale is subject to the Controlled Goods Program.

2.0 REQUIREMENT

- 2.1 To purchase "as-is-where-is" materiel that contain ferrous and/or non-ferrous metal in whole or in part and demilitarize or destroy the controlled assets at CFB Halifax and Shearwater in Nova Scotia, Canada on an "as and when requested basis", for the duration of the Sales Contract period, subject to conditions of sale in accordance with article 2.2.
- 2.2 Any resultant Sales Contract will be for actual quantity of controlled assets that Canada requests the Purchaser to purchase during the period of contract and will not constitute an agreement by Canada to sell any or all of the said Controlled Asset and the quantity of Controlled Asset sold under the Sales Contract may be more or less than the Estimated Quantity of Asset and the Estimated Extended Price specified herein.
- 2.3 The description of the material is based on the best information available to the Minister. However, unless specifically provided in the offer, the Minister makes no warranty, express or implied, as to the quantity, kind, character, quality, weight, size, or description of any of the materiel, or its condition or fitness for any use or purpose.
- 2.4 As part of the purchase, the Purchaser is required to demilitarize or destroy assets on site as specified in Annex A, Statement of Requirement.
- 2.5 As part of the purchase, the Purchaser may be required to provide the required number of containers of appropriate size and to remove weight and purchase the collected surplus Assets in accordance with the terms, conditions and obligations contained herein in this Sales Contract.
- 2.6 Transportation costs, loading and removal of the Assets are the sole responsibility of the Purchaser and at the Purchaser's own expense.
- 2.7 The Purchaser agrees to remove filled containers during the business hours, stipulated by the DND Project Authority within forty-eight (48) hours of notification by the DND Project Authority.
- 2.8 The Purchaser agrees to remove filled containers during the business hours of 730 – 1600 hrs as stipulated by the DND Project Authority within forty-eight (48) hours of notification by the DND Project Authority.



2.9 Weight Scale Ticket

- 2.9.1 The surplus Controlled Asset(s) must be weighted at the point of loading. The Purchaser must use the DND scale located at CFB Halifax unless otherwise specified by the DND Project Authority. In the event that the DND scale is not operational the Purchaser will be required to weigh the assets at an authorized scale. The authorized scale must be either an independent public scale or any other suitably approved scale which must be certified annually for accuracy by an Industry Canada Inspector in accordance with the Canada Weights and Measures program. The Purchaser must pay for the cost of the weighing and/or the weight scale tickets.
- 2.9.2 Each load must be supported by a weight ticket for that load which records the date and time of the weighing as well as the gross vehicle weight for the load. The tare weight of each vehicle or combination vehicle that is used to transport the load or loads must be recorded on a weight scale ticket after unloading the Assets. When available the unit number of the vehicle or other identifying information must be recorded on all weight tickets in order to link the specific load with the vehicle for which the tare weight has been recorded.
- 2.9.3 The amount of metal content received from each load will be weighed and recorded with a weight scale ticket after the demilitarization has occurred. If more than one load occurs, then a sum of the weight from all of the metal content received can be submitted in order to avoid frequent production line stoppage. The weight scale ticket from this measurement must come from the same approved scale used at entry for the gross weighing and at exit for the tare weight out.
- 2.9.4 All weight scale tickets must be submitted in one of the following measurement formats : Pound (lbs), Kilogram (kg) or Metric Tonne (mt).
- 2.9.5 The Purchaser must remit the original weight scale ticket to the DND Project Authority within two (2) working days of the pick-up. The DND Project Authority or his/her representative must accompany the Purchaser to validate the Weight Scale ticket issuance at the time of weighing. The DND Project Authority will keep GCSurplus Sales Representative informed of removals as they occur.

2.10 Pick-up Process and Authorization

- 2.10.1 The Purchaser will pick-up Surplus Asset(s) in accordance with the Annex A, entitled "Statement of Requirement" (SOR) attached. The pick-up will occur on an "as and when requested basis";



- 2.10.2 An obligation for pick-up of Surplus Asset(s) will come into force only when the Pick-up Authorization Form available at Annex C is completed, signed and submitted by the DND Project Authority and sent to the Purchaser. The signed Pick-up Authorization Form, inclusive of any amendment, will be sent by email by the DND Project Authority or his/her Authorized Representative, to the Purchaser and the GCSurplus Contract Authority.
- 2.10.3 At the time of pick-up, the DND Project Authority may adjust the tare weight due to exceptional circumstances whereby, without the adjustment, the Purchaser would be procuring non-receivable or reinforced contaminated material. The weight adjustment must be justified by the DND Project Authority and pre-approved by GCSurplus prior to the Purchaser removing the assets from the DND site.

2.11 The Purchaser must provide, at the commencement of the contract period, fire suppression equipment, all appropriate personal protective equipment (gloves, masks, safety glasses, respirators, etc.), hazardous spill containment materials, and First Aid and Eye wash stations. The Purchaser must provide an emergency contact number as well as contact details for employees working on site in case of emergency.

2.12 The Purchaser must provide the list of employees that will or may perform or assist in the demilitarization or handle any Controlled Goods. All employees must have Workers Compensation Board coverage, ability to be bonded, forklift certification (minimum of one (1) employee), and certification for the use of cutting torches, chainsaws, and first aid certification.

3.0 CERTIFICATIONS

Compliance with the certifications provided by the Purchaser in its bid is a condition of the Contract and subject to verification by Canada during the term of the Contract. If the Purchaser does not comply with any certification or it is determined that any certification made by the Purchaser in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.



4.0 CONTROLLED GOODS PROGRAM

4.1 As the resulting contract will require access to controlled goods that are subject to the [Defence Production Act](#), R.S. 1985, c. D-1, bidders are advised that within Canada only persons who are registered, exempt or excluded under the Controlled Goods Program (CGP) are lawfully entitled to examine, possess or transfer controlled goods. Details on how to register under the CGP are available at <https://www.tpsgc-pwgsc.gc.ca/pmc-cgp/enregistrement-register/pmcsinscrire-cgprester-eng.html> and registration is carried out as follows:

- a. When the bid solicitation does not include controlled goods information or technology but the resulting contract requires the production of or access to controlled goods, the successful Bidder and any subcontractor who will be producing or accessing controlled goods must be registered, exempt or excluded under the CGP before examining, possessing or transferring controlled goods.
- b. When the successful Bidder and any subcontractor proposed to examine, possess or transfer controlled goods are not registered, exempt or excluded under the CGP at time of contract award, the successful Bidder and any subcontractor must, within seven (7) working days from receipt of written notification of contract award, ensure that the required application(s) for registration or exemption are submitted to the CGP. No examination, possession or transfer of controlled goods must be performed until the successful Bidder has provided proof, satisfactory to the GCSurplus Sales Representative that the successful Bidder and any subcontractor are registered, exempt, or excluded under the CGP.

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

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

5.0 DEFENCE CONTRACT

The Contract is a defence contract within the meaning of the [Defence Production Act](#), R.S.C. 1985, c. D-1, and must be governed accordingly.

Title to the assets listed in article 2.0 of the SOR belongs to Canada free and clear of all claims, liens, attachments, charges or encumbrances. Canada is entitled, at any time, to remove, sell or dispose of the Work or any part of the Work in accordance with section 20 of the [Defence Production Act](#).



6.0 HAZARDOUS WASTE DISPOSAL

The Purchaser must dispose of any hazardous waste removed or uncovered in the performance of the Work in accordance with any applicable law. To the best of DND's knowledge, all Hazardous Materials (HAZMAT) has been removed from the subject assets, meets acceptable minimal level standards or will be identified on-site with removal instructions. In the event that unexpected HAZMAT materials may present during the destructions, mutilation and disposal process, the Purchaser is responsible to inform the National Defence onsite representative for direction on the specific disposal process required for the removal of such items;

7.0 STANDARD CLAUSES AND CONDITIONS

All clauses and conditions identified in the Sales Contract by number, date and title apply to and form part of the Sales Contract.

7.1 General Conditions

2011-06 GCSurplus General Terms and Conditions – Sales of Assets and/or Services (2013-04-25) apply to and form part of the Sales Contract.

8.0 SECURITY DEPOSIT

A security deposit in the form of a certified cheque or an irrevocable standby letter of credit made out to the Receiver General for Canada of an amount up to twenty percent (20 %) of the estimated extended price of the Sales Contract is a condition precedent to Sales Contract award. Should the Purchaser fail to respect fully his/her obligations under the Sales Contract, the deposit will be forfeited to GCSurplus. Such forfeiture must not limit or curtail any of GCSurplus rights as stipulated by law or in the Sales Contract.

9.0 TERM OF SALES CONTRACT

9.1 Period of the Sales Contract

The Sales Contract will be for a period of three (3) year(s) from the date of contract.

9.2 Option to Extend the Sales Contract

9.2.1 The Purchaser grants to Canada the option to extend the Sales Contract period by up to two (2) additional periods of one (1) year under the same terms and conditions upon mutual agreement of both parties. The Purchaser and Canada agree to renegotiate the price for each of the additional periods of one (1) year, ninety (90) days prior to the expiry dates of previous agreements.



9.2.2 The option may only be exercised by the GCSurplus Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

10.0 AUTHORITIES

10.1 GCSurplus Sales Representative

The GCSurplus Contracting Authority for the Sales Contract is:

Jean-Sebastien Blackburn
Public Works and Government Services Canada
GCSurplus
Address: 3020 Hawthorne 500 E, Ottawa, ON, K1A 0S5
Telephone: 613-408-6470
E-mail address: Jean-Sebastien.Blackburn@tpsgc-pwgsc.gc.ca

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

10.2 Purchaser's Project Manager

(To be inserted by PWGSC)

General enquiries
Name: _____ (or his/her authorized representative)
Address: _____
Telephone: _____
Facsimile: _____
E-mail address: _____

10.3 Department of National Defence Project Authority

Integrated Waste and Hazardous Materials Officer
CFB Halifax
Base Logistics
PO Box 99000, Stn Forces
Halifax, N.S.
B3K 5X5

The authorized DND Project Authority Representative for this contract is:
Repair and Disposal Section
CFB Halifax



Base Logistics
PO Box 99000, Stn Forces
Halifax, N.S.
B3K 5X5

10.4 Department of National Defence Technical Authority

Name: John Harvey
Address: Repair and Disposal Section, CFB Halifax
Telephone: 902-483-5210
E-mail address: John.Harvey2@forces.gc.ca

11.0 PAYMENT

11.1 Basis of payment

11.1.1 In consideration of the sale of all scrap generated from the demilitarization of scrap metal, the Purchaser will pay Canada a firm unit price(s) per metric tonne (MT) for the actual quantity of scrap, in Canadian dollars, Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra.

GCSurplus Sale Request Item No.	Description	Unit of Issue	Estimated Quantity	Price per MT in CAD <i>(Four (4) decimal points required).</i>
Item 001 – Initial contract period, Year 1, 2 and 3. Three (3) firm years	Contaminated Scrap Metal (ferrous & non- ferrous).	Metric Ton	75 MT	\$____./ton
Item 002 - Option Year 1 (if exercised)	Contaminated Scrap Metal (ferrous & non- ferrous).	No pricing is required for option one (1). Price will be renegotiated with Purchaser ninety (90) days prior to Initial Sales Contract expiry date. Estimated quantity 25 MT.		
Item 003 - Option Year 2 (if exercised)	Contaminated Scrap Metal (ferrous & non-ferrous).	No pricing is required for option two (2). Price will be renegotiated with Purchaser ninety (90) days prior to the Option year one (1) expiry date. Estimated quantity 25 MT.		



11.2 Terms of Payment

11.2.1 Payments for the Assets must be made by credit card, wire transfer or certified cheque made out to the Receiver General for Canada and submitted to the GCSurplus Sales Representative.

11.2.2 The payment must be made within thirty (30) calendar days from the date of the invoice. A payment is considered overdue on the 31st day following the date of the invoice and interest will be charged automatically.

11.2.3 If the content of the invoice are not in accordance with the Sales Contract, the Purchaser will notify Canada within five (5) calendar days of date of invoice. The thirty (30) calendar days payment period begins upon receipt of the revised invoice. Failure by the Purchaser to notify Canada within five (5) calendar days will only result in the date specified in article 11.2.2 to apply for the sole purpose of calculating interest on overdue accounts.

11.3 Invoicing Instructions

11.3.1 The GCSurplus Contracting Authority will submit an invoice to the Purchaser once a month for the weight scale tickets provided by the DND Project Authority during that period in accordance with item 001 of the Basis of Payment. The invoice will include the amount owed for the metal scrap (ferrous & non-ferrous materials) sold to the Purchaser.

11.3.2 The original weight scale ticket must be signed and certified by the Purchaser's or his authorized representative. The Purchaser certifies that the weight scale ticket is consistent with the scrap metal sold and is in accordance with the Sales Contract.

11.3.3 The following must be provided by the DND Project Authority to GCSurplus as substantiation documentation for each invoice:

- Pick-up Authorization form duly completed;
- weight scale ticket(s);
- Demilitarization certificate(s) of the assets that were destroyed.

11.3.4 Copies of the weight scale tickets must be distributed as follows:

- (a) One (1) copy must be forwarded to the GCSurplus Sales Representative by email at Jean-Sebastien.Blackburn@tpsgc-pwgsc.gc.ca
- (b) One (1) copy must be provided to the Purchaser Representative identified under the section entitled "Authorities" of the Sales Contract.

The original weight scale ticket must be sufficiently detailed and the following information must be included for easy invoicing reference:

- Pick-up Authorization document number
- Date of pick-up



- Total net weight
- Description of assets

11.4 Estimated Quantity and Estimated Extended Price

The Purchaser acknowledges that the Estimated Quantity of Asset and its demilitarization requirements are given in good faith and the Purchaser will have no claim against the GCSurplus for shortages. Amounts in excess of this Estimated Quantity or Estimated Extended Price will be paid in accordance with the Basis of Payment specified herein.

11.5 Price Yearly Adjustment

The firm unit price for item 001 for each subsequent year of contract including any/all option years will be calculated by applying to the current price a percentage calculated based on the percentage change in the average "Industrial Product Price Index" for Waste and Scrap of Iron and Steel as published on Statistics Canada's key socioeconomic database, DATA. Vector V1230998208, Waste and Scrap of Iron and Steel, can be found on the following website:

<https://www150.statcan.gc.ca/n1/en/type/data?MM=1>

This yearly price adjustment will occur before the beginning of each new year of the contract (including any option period).

11.5.1 Price Yearly Adjustment Calculation Method

For the new contract year and each subsequent year of the contract including options, the price for the next year shall be determined by adjusting the unit price in effect at the end of the current contract year by the average of the percentage change between the most recent 12 month average Industry Price Index for Waste and Scrap of Iron and Steel (V1230998208) **Day, month, year (to be inserted by PWGSC)** and the previous 12 month average Industry Price Index for Waste and Scrap of Iron and Steel (V1230998208).

This information can be found as follows:

- 1) Go to: <https://www150.statcan.gc.ca/n1/en/type/data?MM=1>
- 2) Click on "Search by vector" on the top right of the screen
- 3) Enter V1230998208 in "vector number" field on top left of the screen
- 4) Then, select "Date range of reference periods"
- 5) Change the dates to reflect: from 2021-01-01 / To 2022-12-31
- 6) Click on the "Search" icon

The method would be applied as follows:



Price Adjustment (Pa) for additional years

Additional Year Price =

Np = New Price

Ep = Existing Price

$Np = Ep \times (1+Pa)$

Pa = Price Adjustment to be applied to existing price for the next year of the contract.

Where Pa= percentage change in the average monthly Industry Price Index for Waste and Scrap of Iron and Steel (V1230998208) for the 12 months ended **Day, month, year (to be inserted by PWGSC)**, as published on DATA the Statistics Canada key socioeconomic database, Table 18-10-0268-01 and the previous 12 month average for the same index for the period ended **Day, month, year (to be inserted by PWGSC)**

The same method will be applied based on individual timeframes for all subsequent option years.

11.5.2 Example of Rate Adjustment

For a weight scale ticket dated January 14, 2023, the price will be adjusted by the annual monthly average percentage change in the Waste and Scrap of Iron and Steel (V1230998208). The existing contracted price which was established for the previous year at \$200.00/metric ton, would be adjusted to reflect the percentage change in the annual monthly average Waste and Scrap of Iron and Steel index for the year completed December 31, 2021 and the previous annual monthly average for year ended December 31, 2022.

The completed yearly contracted price would therefore be increased by +17.05% based on the following: Waste and Scrap of Iron and Steel - December 2021 twelve (12) month average (164.8), December 2022 twelve (12) month average (192.9), percentage change $(192.9-164.8) / 164.8 = +17.05\%$ details as per the below calculation:

Pa= Percentage Average Change in Waste and Scrap of Iron and Steel

	Waste and Scrap of Iron and Steel (V1230998208)	Waste and Scrap of Iron and Steel (V1230998208)
	<u>2021</u>	<u>2022</u>
January	138.3	191.9
February	141.0	203.7
March	149.2	227.6
April	152.5	223.3
May	158.2	225.7



June	160.6	204.2
July	164.4	191.4
August	168.1	175.9
September	179.8	172.5
October	185.5	170.3
November	190.9	164.3
December	<u>189.1</u>	<u>164.3</u>
Annual Average:	164.8	192.9

Pa = +17.05%

The new price would be :

$$Np = Ep \times (1 + Pa)$$

12.0 APPLICABLE LAWS

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

13.0 PRIORITY OF DOCUMENTS

The following documents constitute the entire Agreement between the Purchaser and PWGSC. If there is a discrepancy between the wording of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list as follows:

- (a) the Sales Contract;
- (b) the Annex A - Statement of Requirement;
- (c) the Annex B - Certificate of Demilitarization/Destruction;
- (d) the Annex C - Pick-up Authorization Form;
- (f) 2011-06 GCSurplus General Terms and Conditions – Sales of Assets and/or Services (2013-04-25);
- (g) the Purchaser's Bid dated ([to be inserted by PWGSC](#)).

14.0 QUALITY ASSURANCE CLAUSES WITH CHRIS FOR CLARIFICATION

14.1 ISO 9001:2008 Quality Management Systems - Requirements (Quality Assurance Code Q)

In the performance of the Work described in the Contract, the Purchaser must comply with the requirements of:

ISO 9001:2008 - Quality management systems - Requirements, published by the International Organization for Standardization (ISO), current edition at date of submission of Purchaser's bid.



It is not intended that the Purchaser be registered to ISO 9001; however, the Purchaser's quality management system must address all requirements appropriate to the scope of the Work. Only exclusions in accordance with clause 1.2 of ISO 9001 are acceptable.

Assistance for Government Quality Assurance (GQA)

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

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

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

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

14.2 Quality Assurance Authority (Department of National Defence) - Canadian-based Purchaser

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

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

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

- Atlantic - Halifax 902-427-7224 or 902-427-7150
- Quebec - Montreal 514-732-4410 or 514-732-4477



- Quebec - Quebec City 418-694-5998, ext. 5996
- National Capital Region - Ottawa 613-996-1827
- Ontario - Toronto 416-635-4404, ext. 6081 or 2754
- Ontario - London 519-964-5757
- Manitoba/Saskatchewan - Winnipeg 204-833-2500, ext. 6574
- Alberta - Calgary 403-410-2320, ext. 3830
- Alberta - Edmonton 780-973-4011, ext. 2276
- British Columbia - Vancouver 604-225-2520, ext. 2460
- British Columbia - Victoria 250-363-5662

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

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

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

14.3 Release Documents (Department of National Defence) - Canadian-based Purchaser

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

Once the demilitarization is done to the satisfaction of the DND Project Authority or the Quality Assurance Authority, the Purchaser must sign the Demilitarization Certificate. Transfer of ownership is completed only after DND personnel have witnessed the completion of the demilitarization and signed the Demilitarization Certificate.

14.4 Release Documents - Distribution

The Purchaser must sign and prepare the Certificate of Demilitarization as the release document. The DND Project Authority is to distribute them as follows:

- a. One (1) copy to the GCSurplus Sales Representative;
- b. One (1) copy to the DND Functional Authority;



- c. One (1) copy to the DND Project Authority; and
- d. One (1) copy to the Purchaser.

15.0 LIABILITY

The Purchaser is liable for any damage caused by the Purchaser, its employees, sub-Purchasers, or agents to Canada or any third party. Canada is liable for any damage caused by Canada, its employees or agents to the Purchaser or any third party. The Parties agree that no limitation of liability or indemnity provision applies to the Sales Contract unless it is specifically incorporated in full text in the Articles of Agreement. Damage includes any injury to persons (including injury resulting in death) or loss of or damage to property (including real property) caused as a result of or during the performance of the Sales Contract.

16.0 INDEMNITY

- 16.1 Canada, the Ministers of Public Works and Government Services and their servants, agents and any of their respective sub-contractors or suppliers, must not in any way be liable or responsible for any and all losses, costs, damages, expenses, and liabilities suffered or incurred by the Purchaser which are in any way connected with the performance or non-performance of the Sales Contract.
- 16.2 The Purchaser must indemnify and save harmless Canada, the Ministers of Public Works and Government Services Canada and their servants, agents and any of their respective sub-contractors or suppliers, 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 Sales Contract or any part thereof, and/or
 - (b) or occasioned in any way by the use or operation by the Purchaser of the Assets and associated Assets subsequent to their removal by the Purchaser.
- 16.3 This Article, as well as any other provision of the agreement, will survive the completion, expiry or cancellation of the Sales Contract.



17.0 INSURANCE REQUIREMENTS

- 17.1 The Purchaser must comply with the insurance requirements specified herein. The Purchaser must maintain the required insurance coverage for the duration of the Contract. Compliance with the insurance requirements does not release the Purchaser from or reduce its liability under the Contract.
- 17.2 The Purchaser is responsible for deciding if additional insurance coverage is necessary to fulfill its obligation under the Contract and to ensure compliance with any applicable law. Any additional insurance coverage is at the Purchaser's expense, and for its own benefit and protection.
- 17.3 The Purchaser must provide a letter from an insurance broker or an insurance company licensed to operate in Canada to the GCSurplus Sales Representative within ten (10) calendar days after the date of award of the Sales Contract stating that the Purchaser is insured in accordance with the Insurance Requirements specified in Article 15.0 and 16.0 for the duration of the Contract period and that the Insurance Company will inform the GCSurplus Sales Representative of any cancellation to the policy.

18.0 COMMERCIAL GENERAL LIABILITY INSURANCE

- 18.1 The Purchaser must obtain Commercial General Liability Insurance, and maintain it in force throughout the duration of the Sales Contract, in an amount usual for a Sales Contract of this nature, but for not less than \$2,000,000 per accident or occurrence and in the annual aggregate.
- 18.2 The Commercial General Liability policies must include the following:
- (a) Additional Named Insured: Canada is added as an additional named insured, but only with respect to liability arising out of the performance of the Sales Contract.

The interest of Canada as additional insured should read as follows:
Canada and Public Works and Government Services Canada.
 - (b) Bodily Injury and Property Damage to third parties arising out of the operations of the Purchaser.
 - (c) Products and Completed Operations: Coverage for bodily injury or property damage arising out of goods or products manufactured, sold, handled, or distributed by the Purchaser and/or arising out of operations that have been completed by the Purchaser.
 - (d) Personal Injury: While not limited to, the coverage must include Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.



- (e) Cross Liability/Separation of Insured: Without increasing the limit of liability, the policy must protect all insured parties to the full extent of coverage provided. Further, the policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
- (f) Blanket Contractual Liability: The policy must, on a blanket basis or by specific reference to the Sales Contract, extend to assumed liabilities with respect to contractual provisions.
- (g) Employees and, if applicable, Volunteers must be included as Additional Insured.
- (h) Employers' Liability (or confirmation that all employees are covered by Worker's compensation (WSIB) or similar program)
- (i) Broad Form Property Damage including Completed Operations: Expands the Property Damage coverage to include certain losses that would otherwise be excluded by the standard care, custody or control exclusion found in a standard policy.
- (j) Notice of Cancellation: The Insurer will endeavour to provide the Sales Representative thirty (30) days written notice of policy cancellation.
- (k) If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Sales Contract.
- (l) Owners' or Purchasers' Protective Liability: Covers the damages that the Purchaser becomes legally obligated to pay arising out of the operations of a sub-contractor.
- (m) Non-Owned Automobile Liability - Coverage for suits against the Purchaser resulting from the use of hired or non-owned vehicles.
- (n) Sudden and Accidental Pollution Liability (minimum 120 hours): To protect the Purchaser for liabilities arising from damages caused by accidental pollution incidents.
- (o) Litigation Rights: Pursuant to subsection 5(d) of the *Department of Justice Act*, S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.



For the province of Quebec, send to:

Director Business Law Directorate,
Quebec Regional Office (Ottawa),
Department of Justice,
284 Wellington Street, Room SAT-6042,
Ottawa, Ontario, K1A 0H8

For other provinces and territories, send to:

Senior General Counsel,
Civil Litigation Section,
Department of Justice
234 Wellington Street, East Tower
Ottawa, Ontario K1A 0H8

A copy of the letter must be sent to the GCSurplus Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Purchaser's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Purchaser's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

19.0 AUTOMOBILE LIABILITY INSURANCE (for vehicles used in the performance of the contract)

19.1 The Purchaser must obtain Automobile Liability Insurance, and maintain it in force throughout the duration of the Sales Contract, in an amount usual for a Sales Contract of this nature, but for not less than \$2,000,000 per accident or occurrence.

19.2 The policy must include the following:

- a) Third Party Liability - \$2,000,000 Minimum Limit per Accident or occurrence
- (b) Accident Benefits - all jurisdictional statutes
- (c) Uninsured Motorist Protection

Notice of Cancellation: The Insurer will endeavor to provide the GCSurplus Sales Representative written notice of cancellation.



20.0 ENVIRONMENTAL PROTECTION

- 20.1 The Purchaser acknowledges and agrees to respect all environmental laws and regulations including but not limited to:
- 20.1.1 Environment Act of Nova Scotia
 - 20.1.2 Canadian Environmental Protection Act, 1999 (CEPA)
- 20.2 The Purchaser understands and acknowledges that Canada is a Party to the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention)*, and hereby certifies that electrical and electronic equipment bought from Canada will:
- a) be managed in accordance with the most current *Basel Convention* and all applicable technical guidelines for environmentally sound management pursuant to the Convention;
 - b) be managed and shipped in accordance with all applicable Canadian laws, including requirements of the *Interprovincial Movement of Hazardous Waste Regulations* and the *Export and Import of Hazardous Waste and Hazardous Recyclable Material Regulations* made pursuant to the *Canadian Environmental Protection Act, 1999*.
 - c) undergo environmentally sound management at facilities located in Canada that undertake resource recovery, recycling reclamation, direct re-use or alternative uses, and/or disposal operations, pursuant to Article 4.2 of the Basel Convention.

21.0 ELECTRONIC WASTE

- 21.1 In the event DND identifies specific specialized controlled goods with embedded electronic waste that cannot be extracted. DND can request a review by the Purchaser to ensure the asset can be processed safely and in accordance with all applicable environmental regulations. If the Purchaser agrees an exception based e-waste task can be agreed upon.