



GOVERNMENT OF NUNAVUT
COMMUNITY AND GOVERNMENT SERVICES

REQUEST FOR PROPOSALS
RFP # 2005 - 4

ARCTIC RESUPPLY OF DRY CARGO
Baffin, Kivalliq and Kitikmeot Regions including Kugaaruk, Nunavut

ISSUE DATE December 13, 2005

CLOSING DATE January 31, 2006

INTRODUCTION

The Government of Nunavut (GN) Department of Community and Government Services is requesting proposals from qualified proponents for the provision of the Arctic Resupply of Dry Cargo services outlined in this Request for Proposals.

The Eastern Arctic Resupply of Dry Cargo services includes receiving, loading, transportation by water and delivery of cargo to 'above high water mark' at communities in the Baffin, Kivalliq and Kitikmeot regions [including Kugaaruk) of Nunavut.

The term of any resulting contracts may be for the following potential options:

3 years with two options to renew for one year each.

5 years with two options to renew for one year each

Thus, total potential contract, 5 years or 7 years. Proponents are encouraged to offer pricing based on both terms. .

In this document:

- a) "Proponent" means an individual, sole proprietor, partnership and/or a company or corporate body that holds this request document, intends to submit a proposal in response to this request, or has submitted a proposal in response to this request;
- b) "Contractor" means a successful Proponent who enters into a written Agreement with the GN for these services; and
- c) "Arctic Resupply User" includes the Government of Nunavut and its departments and agencies, the Legislative Assembly, municipalities, communities and hamlets, schools, hospitals, Nunavut Liquor Commission, Nunavut Power Corporation, Nunavut Housing Corporation, Arctic College, all bodies performing a function under the Nunavut Land Claims Agreement, any person or entity providing public services in Nunavut, non-profit, charitable and religious organizations, persons carrying on a business, trade or occupation, and private individuals who are shippers of cargoes covered by the Arctic Resupply Program or who have a property interest in cargoes carried under the Arctic Resupply Program.

Through this RFP process it is intended that a preferred carrier will be chosen for the territory of Nunavut. This may not result in an exclusive contract. The contract may be awarded to multiple contractors depending on the availability of service as required.

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Section 1 - Instructions to Proponents

1. Proposals must be received before **January 31, 2006** at 1:00pm, Local time **Iqaluit** at:

Department of: Community and Government
Services
Government of Nunavut
Attention: *Mark McCulloch, Purchasing, Logistics &
Contract Support*
P.O. Box 1000, Station 700
Iqaluit NU **X0A 0H0**
Deliver to W. G. Brown Building, 3rd. Floor
Telephone: (867) 975-5427 Fax: (867) 975-5450

2. Proposals received after the exact time and date noted above will be rejected.
3. One signed original and five **(5)** copies are to be submitted, quoting “**RFP 2005-4, Arctic Resupply Program, Arctic Resupply of Dry Cargo**”, closing date and Proponent’s name on the outside of the envelope.
4. After the closing, only the identity and addresses of the proponents will be posted.
5. The GN will not be responsible for any proposal that:
 - a) does not indicate the Request for Proposals Title, closing date, proponents name on the outside of the envelope
 - b) is delivered to any address other than that provided above.
 - c) does not meet all Mandatory requirements set out in this RFP, and all required forms and Schedules are submitted and that the proposal is signed as required.
6. Facsimile transmitted proposals will be accepted under the following conditions:
 - a) the proposal is received before the submission deadline at the facsimile number stated;
 - b) the GN will not accept liability for any claim, demand or other actions for any reason should a facsimile transmission be interrupted, not received in its

- entirety, received after stated closing time and date, received by any other facsimile unit other than that stated herein, or for any other reasons;
- c) the GN cannot guarantee the complete confidentiality of information contained in the proposal received by facsimile;
 - d) the proponent shall submit one signed original proposal and five (5) copies to the address stated herein immediately following the transmission of the facsimile by the most expedient means.
 - e) in addition to the facsimile proposal, waybill information for 'prepaid' air cargo or courier delivery of the hard copy proposal submission is also received by facsimile on or before the submission deadline, and
 - f) in addition to the facsimile proposal and waybill information received on or before the RFP closing deadline, the GN receives the original proposal and four (4) copies at the address stated in the preceding clause 1 by prepaid air cargo or courier delivery following the RFP closing;
 - g) To ensure the proposal is received before the closing, it is recommended that if sending proposals by facsimile to send well in advance of the tender closing date and time, and to confirm receipt by a telephone enquiry. (The facsimile line may be very busy prior to a proposal closing and is also used for other government business.)
7. All questions or enquiries concerning this Request for Proposals must be in writing and be submitted to the address provided above no later than five (5) calendar days prior to the proposal deadline. Verbal responses to any enquiry cannot be relied upon and are not binding on either party. To ensure consistency and quality of information provided to proponents, any information with respect to issues and questions received, which the GN considers significant, will be documented in a RFP amendment without indicating the source.
8. This is **not** a Request for Tenders or otherwise an offer. The GN is not bound to accept the Proposal that provides for the lowest cost or price to the GN nor any proposal of those submitted.
9. If a contract is to be awarded as a result of this request for proposals, it shall be awarded to the proponent who is responsible and whose proposal provides the best potential value to the GN. Responsible means the capability in all respects to perform fully the contract requirements and the integrity and reliability to assure performance of the contract obligations.

10. Proposals may be accepted in whole or in part, and the GN may enter into contract with or without negotiation. Proposals will remain open for acceptance for a period of one hundred and twenty (120) days from the closing date. If a written contract cannot be negotiated within 30 days of notification to the proponent, the GN may, at its sole discretion at any time thereafter, terminate negotiations with that proponent and either negotiate a contract with the next proponent, or choose to terminate the RFP process and not enter into a contract as a result.
11. Notice in writing to a proponent and the subsequent execution of a written agreement shall constitute the making of a contract. No proponent shall acquire any legal or equitable rights or privileges whatever until the contract is signed.
12. The contract will contain the relevant provisions of this Request for Proposals, the accepted proposal as well as such other terms as may be mutually agreed upon, whether arising from the accepted proposal or as a result of any negotiations prior or subsequent thereto. The GN reserves the right to negotiate modifications with any proponent who has submitted a proposal.
13. In the event of any inconsistency between this Request for Proposal, and the ensuing contract, the contract shall govern.
14. The GN has the right to cancel this Request for Proposals at any time and to reissue it for any reason whatsoever, without incurring any liability and no proponent will have any claim against the GN as a consequence.
15. Any amendments made by the GN to the Request for Proposals will be issued in writing and sent to all who have requested RFP documents.
16. The GN is not liable for any costs of preparation or presentation of proposals.
17. An evaluation committee will review each proposal. The GN reserves the exclusive right to determine the qualitative aspects of all proposals relative to the evaluation criteria.
18. **This RFP contains certain 'Mandatory' requirements. If Mandatory requirements are not met in substantially unaltered form, the proposal may be rejected without further consideration. Mandatory requirements in this RFP documents are identifiable by use of the words 'must', 'mandatory', 'shall' or 'required'.**
19. Proponents may amend their proposal up to the closing date and time by facsimile. But after the closing date and time a proposal may not be amended, but may be withdrawn by the proponent at any time prior to acceptance.

20. The *Access to Information and Protection of Privacy Act* will define the Contract Authority's responsibilities with respect to any information received by it pursuant to the RFP process.
21. One of the priorities of the GN is to ensure Inuit, Local, and Nunavut businesses supply materials, equipment, and services, and that Inuit, Local and Nunavut labour is used to the fullest extent practical on any GN contract. Therefore, the Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy) applies to this Request for Proposals. To receive the benefits of this Policy, proponents are required to identify cost components for Inuit, Nunavut and Local content including the names of any subcontractors, suppliers, and the residency of project team members or other labour proposed to carry out the work. Consideration will also be given for the proponent's Inuit firm and/or Nunavut Business status.
- Proponents can obtain information about the NNI Policy from the NNI Policy Secretariat at tel. (867) 975-7837, fax. (867) 975-7870. A registry of approved Nunavut Businesses can be accessed at the website www.kirk.ca/nubip. A listing of approved Inuit owned firms can be obtained from Nunavut Tunngavik Inc. (NTI) at tel. (867) 975-4900 or at their website www.tunngavik.com.
22. Proposals may be short listed. Proponents who are short listed may be requested to make a formal presentation. Such presentations shall be made at the cost of the proponent.
23. The proposal and accompanying documentation submitted by the proponents are the property of the GN and will not be returned.
24. The GN will be holding a Proponent information session after the release of this RFP for all interested parties, in Iqaluit, Nunavut. This meeting is tentatively Scheduled for the week of January 17th 2006 in Montreal. Please contact the Contracts Advisor at (867) 975 – 5368 to confirm attendance and obtain details as to the exact location, date and time. Oral questions will be allowed at this meeting; however, questions of a complex nature, or questions where the Proponent requires anonymity, should be forwarded in writing, prior to the meeting, to the person designated in the preceding clause 6. Information arising from this meeting that the GN considers significant will be distributed to all Proponents.

Section 2 - Terms of Reference

Purpose

- 2.1 The purpose of this RFP is to secure competitive rates and levels of service for marine transport of dry cargo for the GN to all communities in the Baffin,

Kivalliq and Kitikmeot Regions (including Kugaaruk), and to ensure these rates and service levels are accessible to other levels of government and to the public for the term of the Agreement(s).

- 2.1.2 Sea transportation has played an essential role in the economic, social and cultural heritage of Nunavummiut. Nunavut's requirements for sea transportation are unique and critical to the health, unity and self-reliance of our many small, widely scattered communities, located in Canada's harshest environment.
- 2.1.3 The following excerpts are taken from the "Technical Document, Transportation Strategy 2001". They will provide a basis for the background and goals of the overall transportation strategy of the Government of Nunavut. The primary documents that define the objectives of the existing transportation strategy are the Bathurst Mandate (Pinasuqtavut) <http://intranet/phase1/documents/pinasuqtavuteng.pdf>) and the Northwest Territories transportation Strategy with its 1994 update. The updated Bathurst Mandate (Pinasuqtavut) details the Government's vision of Nunavut in the year 2020, focusing on an improved quality of life for all Nunavut residents. The Government of the Northwest Territories (GNWT) Transportation Strategy detailed existing strategy for the NWT which formerly included Nunavut.

BACKGROUND

2.2.1 Need for New Arctic Resupply Contract(s)

- 2.2.2 On March 31, 2006, the current Arctic Resupply Agreement between the GN and (NEAS and NSSI) current service providers will expire. This Agreement included an option to extend until March 31, 2008, however, Cabinet elected not to exercise the option to extend the agreement and directed the department of Community and Government Services to issue a tender or proposal call and put (a) new Arctic Resupply agreement(s) in place.
- 2.2.3 The Department of Community Government and Transportation of the Government of Nunavut had developed a vision and strategic transportation plan through consultation with individuals, communities and many stakeholder organizations across the Territory. The origins of this strategy are in the Bathurst Mandate presented to the Government of Nunavut in 1999 as its vision of Nunavut for the next 20 years.

OUR VISION

"We see a Nunavut where the vastness of the land is our blessing, not a barrier. It is a place where Nunavummiut have convenient access to opportunities and to each other."

OUR MISSION

“We want to build a transportation system that solves problems”.

OUR STRATEGY

We will take a more active interest in the operation of the transportation companies that serve Nunavut, to promote better, more efficient services using more modern aircraft and ships, increased training and employment at all levels of Nunavummiut, and lower or fairer prices.

We will cooperate with other Government of Nunavut departments and Inuit organizations to ensure we receive the best transportation value and services for Nunavummiut and that we work together towards the goals of the Bathurst Mandate.

2.2.4 Transportation Strategy Objectives

- To reduce transportation costs so as to reduce the cost of living and cost of doing business in Nunavut thus providing additional incentives for economic development.
- To enhance the safety and reliability of the existing and future transportation systems. To improve the transportation system in and to Nunavut with the purpose of promoting and serving economic development.
- To provide opportunities for Inuit training, employment and business development, which would be useful in the mining and other sectors of the economy.

2.2.5 Communities / Stakeholders

The following is a list of the communities and other stakeholders serviced by Arctic Resupply Operations:

BAFFIN	KIVALLIQ	KITIKMEOT
Clyde River	Baker Lake	Cambridge Bay
Grise Fjord	Chesterfield Inlet	Gjoa Haven
Nanisivik	Rankin Inlet	Kugluktuk
Kugaaruk*	Whale Cove	Kugaaruk
Pond Inlet	Arviat	Taloyoak
Resolute Bay	Coral Harbour	Bathurst Inlet
Igloolik	Repulse Bay	Umingmaktok

Hall Beach		
Arctic Bay		
Iqaluit		
Cape Dorset		
Kimmirut		
Pangnirtung		
Sanikiluaq		
Qikqtarjuaq		

* At present, Kugaaruk is serviced out of the Eastern Arctic with transshipment at Nanisivik.

Other stakeholders include:

- Schools
- Hospitals
- Government Departments
- Hamlets
- Contractors and Construction Projects
- Current service providers of Arctic Resupply Requirements
- Nunavut Liquor Commission
- Nunavut Power Corporation
- Housing Corporations
- Nunavut Arctic College
- Private Individuals
- Other.

2.3.0 Role of the GN

2.3.1 Community and Government Services (CGS) enters into Agreements for marine transportation services on behalf of all GN Departments. The CGS Traffic Officer is the contact person for the Contractor regarding Arctic Resupply services and coordinates GN cargo declarations, approves Arctic Resupply cargo delivery Schedules, and generally administers the Agreements. CGS may also have one agent located at the Montreal Port of Exit to assist the Traffic Officer. Although CGS generally administers Arctic Resupply services, individual GN departments have their own budgets for Arctic Resupply services and therefore must be invoiced separately.

2.3.2 The GN:

- a) provides the Contractor with a final GN Department's tonnage listing no later than the "Declaration Date", in each of the years of the contract term,

- b) directs its cargo to be delivered to the Contractor's Facilities,
- c) provides the Contractor with information related to anticipated requirements,
- d) requires its suppliers to deliver cargo in a timely manner that meets the Contractor's cut-off Schedule,
- e) requires its suppliers or contracted packaging company to ensure that packaging and markings conform to acceptable standards,
- f) requires its suppliers to provide necessary documentation including Dangerous Goods documentation,
- g) ensures that all mobile equipment is in working condition,
- h) specifies and provides the Contractor with a representative at destination community authorized to receive GN cargo,
- i) accept properly presented invoices, and remit payment in timely manner, in accordance with the Agreement.

2.4.0 Kivalliq Region: Port of Exit – Churchill or Montreal

- 2.4.1 In the past in the Kivalliq Region, the dry cargo Arctic Resupply has been by tug and barge system from Churchill in conjunction with a bulk fuel Arctic Resupply. However, since the 2003 Arctic Resupply season, service has been out of Montreal.
- 2.4.2 The recently awarded GN fuel Arctic Resupply contracts have changed this system and will now see the Kivalliq region receive bulk fuel by tanker. In recognizing this may have an effect on the viability of dry cargo Arctic Resupply from Churchill, in this RFP, the GN is seeking rates for transport by water to Kivalliq communities from either Montreal or Churchill as a Port of Exit, for the Kivalliq Arctic Resupply. As a result, it is anticipated that there could be a GN Arctic Resupply contractor for the Kivalliq communities from both Ports.
- 2.4.3 Proponents should note that historical information for cargo through Churchill may not be reflective of future trends. The GN is reviewing its purchasing practices to ensure the GN receives the best value when purchasing of goods

for Nunavut. To ensure the best value, the **total cost** of goods including transportation and crating would be considered.

2.5.0 Conditions Related to GN Construction Contractors Shipping Requirements

- 2.5.1 The GN requires that Construction Contractors for GN major works projects use the designated Arctic Resupply carrier for the community. However, it is recognized that situations arise where sailings and contract schedules do not match. GN thus reserves the right to use an alternate carrier, or charter in additional capacity, if scheduled calls or vessel capacity, are not available. Under these circumstances, GN will work diligently with the designated carrier to resolve the problem, and will only use alternate resources if resolution cannot be achieved.
- 2.5.2 The 2006-07 Capital Estimates (include 5 year capital Plan roll-out), attached as Appendix 3 to this RFP, includes the GN's current plans for major construction projects.

2.6.0 Alternative Methodology for Kitikmeot (Kugaaruk) Arctic Resupply

- 2.6.1 Traditionally, Arctic Resupply for Kugaaruk (formerly known as Pelly Bay) for both dry cargo and POL has been via transshipment at Nanisivik. In the 2004 and 2005 seasons, PPD, working with Federal authorities and the contract carrier for oil Arctic Resupply, has been able to make direct deliveries into Kugaaruk. The ice classification of the tanker used is equivalent to the ice class of certain units in the Canadian dry cargo fleet that has been used for Arctic Resupply operations.
- 2.6.2 Proponents are urged to consider alternative Arctic Resupply options that might enable dry cargo to be moved in a similar manner. Proposals for Kugaaruk are therefore sought both into Nanisivik for transshipment, and direct to Kugaaruk.
- 2.6.3 For delivery via Nanisivik, the latest delivery date for effective handling via CCG icebreaker is 19th August. This date is critical, and is to be honored by the selected proponent. Penalties may be applied if delivery is more than 3 days later than the designated delivery date for Kugaaruk cargo.

SECTION 3 – SCOPE OF WORK AND SPECIAL REQUIREMENTS

3.1 Overview of Scope of Work and Special Requirements

- 3.1.2 Work under the Eastern Arctic Resupply of Dry Cargo contract includes but is not necessarily limited to the receiving, loading, transportation by water and delivery of dry cargo to 'above high water mark' at communities in the applicable Area(s) in the Baffin, Kivalliq and Kitikmeot regions of Nunavut, as further detailed in the attached Schedules and Pro-forma Agreement.
- 3.1.3 The general requirements of the work are outlined below. The specific work requirements and contractual terms and conditions under which the successful Proponent will be required to carry out the work are more specifically set out in the Pro-forma Agreement and Schedules attached with this RFP, therefore, Proponents are advised to become familiar with the Work Requirements and Terms and Conditions set out in the Agreement and Schedules.
- 3.1.4 The special requirements related to provision of the services include maintenance of a Arctic Resupply website, toll-free telephone and facsimile numbers and requirements to provide information and reports which are described with more detail below in section 3.3, and in Schedule "J" of the Agreement.
- 3.1.5 Proponents should note that all requirements in this section are mandatory and must be met in a substantially unaltered form. It is the responsibility of the Proponent to obtain clarifications if necessary prior to submitting a proposal.
- 3.1.6 Proponents should be aware that the use of Containers for GN Department's cargo currently is very limited. Ordering and packaging by Department and the lack of a central warehousing facilities in communities for de-stuffing, etc, are not well suited to the use of Containers. However, Proponents are welcome to provide information on their current levels of service and capability to provide an efficient and effective 'direct dock to door' container service to the GN and/or other users as part of their proposal.
- 3.1.7 The GN recognises the uncertainty of fuel costs in providing fixed forward prices. Proponents may offer a marine fuel adjustment factor that is calculated in a manner that can be readily confirmed by the GN and from data that is independently accessible to GN for monitoring purposes. The marine fuel adjustment factor should be reversible. Proponents may also offer marine fuel pricing formulas based on hedging or futures contracts offered by regulated futures markets.
- 3.1.8 The GN recognises carriage of certain HNS substances requires the carrier to take additional administrative and operational steps. Proponents may offer an HNS cargoes adjustment factor that is calculated to recover only those marginal

expenses above freight that are incident to requirements of carriage under the *Transportation of Dangerous Goods Act, 1992* or the IMDG Code.

- 3.1.9 The GN requests proposals for the use of retrograde cargo capacity to transport abandoned vehicles, scrap steel, obsolete electronic equipment and other waste from prestuffed containers at collection points above high water at Nunavut communities to ship's tackle at St. Lawrence terminals or Churchill. Proponents should be aware that logistics facilities at Nunavut communities are very limited and therefore contractors will require their own capacity for weighing such backhaul cargo on site, transferring containers, bins or flats from above high water mark to lighters and loading such containers onboard. Proponents may wish to consider consolidating breakbulk northbound package cargo onto half height containers, container flats or bins which are suitable for carrying retrograde waste cargoes

3.2 General Requirements

- 3.2.1 The Contractor shall provide all appropriate facilities for the receiving and storage of cargo from the GN and/or its suppliers prior to the loading of such materials for marine transportation to communities in the Area(s) set out in the Agreement. The Contractor's Facilities **must** be open to accept cargo commencing May 15th each year.
- 3.2.2 The Contractor shall provide a seaworthy ship, or ships, to transport and deliver cargo from the Contractor's Port of Exit to communities within the Area(s) set out in the Agreement, according to the Sailing Schedule that will be incorporated into Schedule E" of the Agreement. (For the Kivalliq Regions if shipping from Churchill, the Contractor may propose to use seaworthy tugs and barges rather than self-propelled ships.) The GN will consider proposals from Proponents who own or charter non-Canadian flagged ships. It is the Contractor's responsibility to obtain licenses under the *Coasting Trade Act* and to ensure that crew have immigration clearances to operate contracted for services, including cargo operations for delivery and for lateral and retrograde cargo.
- 3.2.3 The "Arctic Resupply Cargo Delivery Schedule" **must** provide at least one 'guaranteed sailing' to each community in the Area(s) (or more than one guaranteed sailing if this is set out in the Agreement), and guaranteed sailings **must not** be contingent upon cargo quantities (inducement).
- 3.2.4 For Area A - High Arctic, the **required** delivery date for cargo for Kugaaruk to be delivered to Nanisivik is to be determined each year by the GN Arctic Resupply

Traffic Officer, and the date determined is to be reflected in the “Arctic Resupply Cargo Delivery Schedule”. The target date is currently August 19th.

- 3.2.5 The Contractor shall provide an “Arctic Resupply Cargo Delivery Schedule”, listing all ports of delivery, departure date and estimated arrival date at each community. The proposed Schedule, and any changes, shall be subject to acceptance by the Arctic Resupply Traffic Officer.
- 3.2.6 The Contractor shall deliver cargo according to the “Arctic Resupply Cargo Delivery Schedule” to a designated point, above the high water mark, at each community and delivery must be evidenced by copies of receipts signed by the consignee or his representative. The “Arctic Resupply Cargo Delivery Schedule” shall be the schedule proposed by the Contractor, accepted by the GN and incorporated into the Agreement for each year of the term of the Agreement.
- 3.2.7 The Contractor shall guarantee to carry all GN Cargo, declared prior to the designated declaration date, and delivered prior to the carrier’s cut off date for the communities within the Area(s) set out in the Agreement.
- 3.2.8 The Contractor shall ensure the GN is provided with the opportunity to utilize any Space Available for any additional cargo up to the date of sailing.
- 3.2.9 Whenever the Contractor takes measurements of GN Cargo loaded, the Contractor shall record these measurements and report any variances to the GN for verification. Any such cargo shall be made accessible to a representative of the GN for such verification.
- 3.2.10 The Contractor shall issue a dock receipt to any Sealift User upon acceptance of Cargo, and shall stamp on each delivery bill the date and time of arrival at and departure from the Contractor’s Facilities, of each vehicle delivering goods to be shipped under the Agreement.
- 3.2.11 The Contractor shall immediately inform the GN or other shipper of any refusal to receive cargo at the Contractor’s Facilities.
- 3.2.12 The Contractor shall notify the GN or other shipper, in writing, of any loss or damage to cargo while in the Contractor’s possession.
- 3.2.13 The Contractor shall facilitate the procurement of optional “all risks” cargo insurance and cargo insurance coverage for cargoes which are subject to the Transportation of Dangerous Goods Act and the IMDG Code for purchase to the GN and Arctic Resupply Users (reference Schedule “G”, Part 2).

- 3.2.14 The Contractor shall receive, load and deliver Retrograde Cargo to the Contractor's Facilities from communities within the Area(s) set out in the Agreement (reference Schedule "C").
- 3.2.15 The Contractor shall receive, load and transport Lateral Cargo between communities as may be required by the GN (reference Schedule "D").
- 3.2.16 The successful Proponent **must** provide the required Contract Security and proof of necessary Insurances to the GN in accordance with Schedules "F" and "G" of the Agreement.
- 3.2.17 The Contractor shall allow the public access to Arctic Resupply service to the communities within the Areas(s) set out in the Agreement, and at the rates that will be incorporated into Schedule "I" of the Agreement.

3.3 Special Requirements

The following special requirements are also mandatory and must be accounted for in the proposal.

- 3.3.1 Inuit Labour and Training: The Contractor shall be required to provide the Inuit labour and training set out in their proposal and subsequently incorporated into Schedule "H" of the Agreement.
- 3.3.2 Website: The Contractor shall maintain a website publishing Arctic Resupply rates, cut-off dates and sailing schedule information, contact information, insurance information, general conditions of carriage and toll-free telephone and facsimile numbers (reference Schedules "G", "J" and "K").
- 3.3.3 Toll Free Telephone and Facsimile Number: The Contractor shall maintain a toll free telephone and facsimile number accessible from Nunavut communities (reference Schedule "J").
- 3.3.4 Information to GN: (reference Schedule "J")
- 3.3.5 The Contractor shall provide complete manifests for all Arctic Resupply cargo carried.
- 3.3.6 The Contractor shall provide by January 15th of the year, following each year of the Agreement, a report containing the following information for GN

Department's cargo: weight, volume and revenue tonnes delineated by Department, by community, and by voyage.

3.3.7 The Contractor shall provide by January 15th of each year of the Agreement, a report of Inuit Labour and Training provided.

3.4 Schedules “A” through “K”

The Schedules, attached with this RFP in Section 7 – Attachments, further set out the work requirements and will form part of any Agreement resulting from this RFP. Therefore, Proponents are advised to become familiar with the contents of these Schedules.

- SCHEDULE “A” – Contractor’s Care, Custody and Control of Arctic Resupply Cargo
- SCHEDULE “B” – Conditions of Sea Transportation and Delivery
- SCHEDULE “C” – Retrograde Cargo
- SCHEDULE “D” – Lateral Cargo
- SCHEDULE “E” – Arctic Resupply Cargo Delivery Schedule (Sailing Schedule)
- SCHEDULE “F” – Contract Security Requirements
- SCHEDULE “G” – Insurance Requirements
- SCHEDULE “H” – Inuit Labour and Training Requirements
- SCHEDULE “I” – Arctic Resupply Rates
- SCHEDULE “J” – Administrative Requirements
- SCHEDULE “K” – General Conditions of Carriage

SECTION 4 - PROPOSAL REQUIREMENTS AND RESPONSE GUIDELINES

4.1 Overview of the Proposal Requirements and Response Guidelines

- 4.1.1 This Section defines the proposal preparation requirements and guidelines to be followed by all Proponents. Proponents are cautioned to carefully read and follow the requirements, as any deviation may be cause for rejection. It is the responsibility of the Proponent to obtain clarifications, if necessary, prior to submitting a proposal.
- 4.1.2 The proposal **must** be signed by the person(s) authorized to sign on behalf of the Proponent and bind the Proponent to the statements made in response to this RFP. Proponents are also reminded that submission of a proposal in response to this RFP indicates an acceptance of all the terms and conditions of the RFP, and will be assumed to be incorporated in the proposal.
- 4.1.3 At the GN's discretion, all Proponent's facilities, equipment, ships and vessels are subject to inspection and acceptance by the GN or its authorized representatives.
- 4.1.4 Proponents may submit a proposal for one or for more than one Area, and for the Kivalliq Region, they may submit for one, or for more than one Port of Exit. A separate Proposal must be submitted for each Area, and for the Kivalliq Region, for each Port of Exit. For proposals that refer to Churchill as the Port of Exit, to receive proper consideration, Proponents must clearly indicate any differences to the services from those set out in the RFP and Agreement, including the type of vessels and methodology.
- 4.1.5 Proponents may submit alternate proposals with pricing, Schedules, etc., based on combined Areas, for example, South Baffin combined with Foxe Basin with pricing, Schedule, etc. based on the award of both zones, and may also submit separate proposals for South Baffin alone and/or Foxe Basin alone; however, Proponents are not permitted to alter the communities specified for each Area.
- 4.1.6 Information that is applicable to all proposals such as company experience, corporate profile, brochures, etc., may be referenced rather than submitted with each proposal. For information applicable only to an individual proposal, it will be necessary for the Proponent to submit the relevant Schedules or other information with the applicable proposal.
- 4.1.7 Alternative proposals will be assessed to ensure the GN's objectives will be met.

- 4.1.10 Proponents are hereby advised that where proposals do indicate that they are conditional upon the GN requiring Construction Contractors to use the GN Arctic Resupply, under any Agreement resulting from this RFP, the Agreement will set out that in circumstances where the GN Carrier's Arctic Resupply schedule is in conflict with the construction project schedule and the project would benefit significantly by using a private sailing for a portion of the cargo, then the GN may at their sole discretion and without penalty, permit the Construction Contractor to ship such cargo with another carrier.
- 4.1.11 For cargo to Kugaaruk beyond Nanisivik, Proponents must provide information about the methodology to carry out this service.

4.2 Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy)

- 4.2.1 To receive the benefits of the NNI Policy, Proponents are required to identify all the companies that will be involved in carrying out the services and at what level of involvement, including any Inuit Employment and Training opportunities that will be provided in conjunction with the services.
- 4.2.2 For the purposes of applying the NNI Policy in evaluating the proposals, it would be to the Proponent's benefit to provide a work breakdown structure, or similar schedule of values, indicating the percentages of involvement of companies carrying out the work including Inuit employment and training opportunities to be provided, should they be awarded a contract as a result of this RFP.
- 4.2.3 Bid Adjustments for 'Nunavut Business' and 'Inuit Firm' status will apply for all companies. However, bid adjustment for a company's 'Local' status is not applicable to this RFP since the work applies to many Nunavut communities, rather than one particular community. The bid adjustment will be applied to the rate, and will reflect the Proponent's status under the NNI Policy as well as the status of subcontracts and/or other companies that will carry out the work.
- 4.2.4 Proponents who choose to make a proposal based on use of ships registered outside of Canada are encouraged to consider the employment of ship's masters, officers and crew who are original peoples of circumpolar regions.

4.3 Proposal Format

- 4.3.1 To allow for a thorough yet timely evaluation, proposals should be presented in a clear and concise manner. Failure to present information in the manner

requested may be to the proponent's disadvantage. It is suggested that the following format and sequence be followed in order to provide consistency in proponent response and to ensure each proposal receives full consideration.

- a) Title page showing RFP number, Proponent's name and address, closing date and time, Proponent's telephone number, and a contact person;
- b) Proposal outline letter identifying the Proponent and outlining key features of the proposal, that **must** be signed by the person or persons authorized to sign on behalf of and bind the Proponent to statements made in the proposal;
- c) Proposal Form and required information to be submitted as Annexes A through K as follows:
 - Annex A – Contractor's Facilities,
 - Annex B – Vessel Particulars,
 - Annex C – Provision for Reefer Cargo,
 - Annex D – Equipment Particulars,
 - Annex E – Proposed Arctic Resupply Cargo Delivery Schedule (Sailing Schedule),
 - Annex F – Stevedores,
 - Annex G – Proponent's Experience,
 - Annex H – Identification of Legal Capacity,
 - Annex I – Proof of Ability to Obtain Contract Security,
 - Annex J – Proof of Insurability and Cargo Insurance for Shippers,
 - Annex K – Inuit Employment and Training;
- d) Brochures and/or any other information considered essential by the Proponent. However, the extent of this material should be kept to a minimum.
- e) Form of proposed website information in hard copy and on diskette or CD in html format, including all internal hyperlinks and forms which the Proponent proposes to publish

4.4.0 Proposal Content

4.4.1 Proposal Outline Letter

The Proposal outline letter should identify key features of the proposal. If the proposal is for Area "E" - Kivalliq, or for Area "F" - Kugaaruk beyond Nanisivik, the methodology must be outlined.

4.4.2 Proposal Form

The proponent shall propose fixed rates for the receiving, loading, transportation by sea and delivery of GN Arctic Resupply cargo to above high water mark at communities within the Area(s) in the Eastern Arctic, Nunavut, for the years (April 1 to March 31):

A. **2006, 2007, 2008**, and the optional extension years of **2009** and **2010**

B. **2006, 2007, 2008, 2009, 2010**, and the optional extension years of **2011** and **2012**

using the Proposal Form provided.

The GN will adjust rates according to the NNI Policy when evaluating proposals.

The rates quoted in the Proposal Form must be in Canadian dollars and exclusive of GST. The GN will pay the GST and the successful Proponent shall remit the appropriate amount of GST to Revenue Canada in accordance with the applicable legislation.

4.4.3 Proposal Annexes

Contractor's Facilities (Annex "A")

The Proponent shall submit as Annex "A" a description of the facilities the Proponent intends to use for the purposes of carrying out the work. This description should include, but not be limited to the following:

- the location of the facilities
- whether the Proponent has warehousing or other facilities for the receiving and storage of cargo
- the location and size of inside and outside storage area(s) and a general description
- details regarding whether this storage area is owned, or if leased or licensed, from whom
- dates of operation of the facilities for the Arctic Resupply season
- whether the inside and outside storage facilities are secure and accessible, on request, throughout the year

Vessel Particulars (Annex "B")

Proponents shall submit as Annex "B" a listing of the vessel(s), including self propelled ships and/or tugs and barges, and their current location, that they propose to use for carrying out this work.

The vessel particulars listing shall include but not be limited to

- name of the vessel (or tug and barge(s))
- the type of the vessel (or tug and barge);
- the carrying capacity of the vessel (or tug and barge);

and, all vessels (or tugs and barges) offered must:

- be accompanied by a written indication from all parties involved stating that, within **30** days of the award date, or, **15** days prior to the delivery of the vessel,

whichever is the earliest, the vessel will be owned or chartered (time, voyage or demise) by the Proponent;

- be registered in Canada or within **30** days of the award date, or, **15** days prior to the delivery of the vessel, whichever is the earliest, the vessel will have obtained a coasting trade license and have all of its inspection certificates valid and in force;
- be in conformity with all regulatory and operational requirements, including marine environmental legislation

For the Kivalliq Area, if proposing to use tugs and barges for Arctic Resupply from Churchill, then tugs and barges of the type that have been historically used for the Kivalliq Arctic Resupply from Churchill would be acceptable, provided that they are currently seaworthy and meet all regulatory and legislative requirements for the purpose proposed.

Any substitution of vessel(s) or tugs and barges shall be subject to the prior approval of the Traffic Officer

Provision for Reefer Cargo (Annex "C")

The GN does not anticipate having freezer or chill cargo, however, the Contractor may chose to offer carriage of freezer or chill cargo for other Sealift Users, for the communities set out in the Agreement.

Proponents shall submit as Annex "C" a description of their arrangements for transport of freezer and chill cargo, including either the number and capacity (weight and volume) of their reefer containers and the Proponent's capability of loading and transporting reefer cargo, or a description of alternate arrangements available to the public for transporting their freezer or chill cargo.

Equipment Particulars (Annex "D")

Proponents shall submit as Annex "D" a list of equipment to be used for each Area inclusive, inter alia, of cranes, forklifts, carry lifts, barges and any other equipment the Proponent deems necessary for the purposes of providing the services. Proponents should also provide a brief description of the method of discharge for the communities in each Area proposed.

The list of equipment shall include, but not necessarily be limited to:

- a description of the equipment,
- an indication of whether it is owned, leased or rented and from whom,
- the current location of equipment,
- the minimum lifting capacity of equipment,
- evidence that the equipment listed is duly and properly registered with the authorities having jurisdiction and that all personnel charged with operating said equipment have obtained, or will obtain before operating, all permits and licenses required for the safe and lawful operation of the equipment listed.

Proposed Arctic Resupply Cargo Delivery Schedule (Annex "E")

Proponents shall submit as Annex "E" a proposed "Arctic Resupply Cargo Delivery Schedule" (Sailing Schedule) for each vessel described in Annex "B", including the dates vessels are to leave the point of departure and the estimated dates vessels will arrive at each community, and cut-off dates for delivery of cargo to the carrier.

Proponents must guarantee that there will be at least one sailing into each community in the proposed Area, regardless of cargo quantities and may choose to propose more than one 'guaranteed sailing' into some communities, and/or additional sailings that are not guaranteed but are subject to cargo quantities (inducement). Proponents **must** identify whether additional sailings are guaranteed or are subject to inducement. The GN would view proposals that offer additional 'guaranteed sailings' most favourably.

Where more than one guaranteed sailing is proposed, the GN generally prefers a sailing early in the season and the second sailing later in the season, rather than two closely spaced sailings. The availability of vessels to handle cargo quantities will also be considered in evaluating proposals.

In addition, Proponents must warrant that a similar proposed Arctic Resupply Cargo Delivery Schedule for each of the subsequent years of the Agreement will be provided to the Traffic Officer within seven (7) days after the Declaration Day.

The proposed schedule shall be subject to acceptance by the Traffic Officer, and shall form part of any Agreement between the parties. Any alternate arrangements shall be subject to the written approval of the Traffic Officer. Should a request for an amendment be denied, the Contractor shall not deviate from the agreed Schedule. Any deviations by the Contractor from the agreed schedule or approved amendment shall constitute default by the Contractor.

Proposed Schedules should take into consideration dates set by ice regimes, vessel deployment plans for Coast Guard Ice-breakers, and ice class of proposed vessels.

This Annex should also include the Proponent's contingency plan details, including but not limited to shared demurrage costs, alternate delivery routes or carrier, or any other methodology conducive to mitigating losses on the part of both the Contractor and the GN, in the event that ice conditions or any other events, be they unforeseen or not, that may interfere with timely delivery of Arctic Resupply cargo in accordance with the Schedule.

Proponents are advised that delivery of the Kugaaruk Cargo at Nanisivik must be coordinated with CCG Schedules. Coordination of this schedule is primarily between

the Contractor and the GN Traffic Officer. The current target date is August 19th and this date is subject to approval by the GN Traffic Officer each Arctic Resupply season.

Stevedores (Annex "F")

This Annex shall include the name of the stevedoring firm contracted for loading/discharging government cargo at the Contractor's Facilities and/or the Contractor's Port of Loading.

Proponent's Experience (Annex "G")

Proponents shall submit as Annex "G" a description of the Proponent's experience that demonstrates proven capability to organize and deliver the services.

This Annex shall include but not be limited to the following:

- Particulars for at least three situations where the Proponent successfully provided, or currently provides, Arctic Resupply transportation services to communities in an Arctic environment, particularly, north of the 60th parallel
- Summary of the methodology used
- Description of relationships with any other company involved in carrying out the work including the Proponent's leadership or management role
- Identification of the types and quantities of cargo carried
- Identification of the parties the service was provided for and provide contact names and telephone numbers
- Information about the Proponent's personnel including identity and experience of the of the Proponent's operational Team; including key personnel, with particular detail given for the persons responsible for making major decisions on behalf of the Proponent, resumes and an organizational chart
- Identification of the companies that will be involved in carrying out the work, describe the business relationship with the company, provide the identity and resumes for key personnel and a description of the roles these persons will play
- Information about the staff of each vessel and a brief description of the role of these persons in the delivery of Arctic Resupply operations, and the experience and/or qualifications of key personnel.
- Ownership of the proponent carrier company.

The GN reserves the right to contact parties for references to confirm experience.

Identification of Legal Capacity (Annex “H”)

Proponents shall submit as Annex “H” a copy of the Articles of Incorporation, or registration of business name if a sole proprietorship, or the trade name if a partnership, in order to identify the legal capacity under which a Proponent proposes to enter into a contract, in accordance with clause 9 of the Instructions to Proponents.

Proponents which are extra - territorial corporations shall submit proof of registration in Nunavut pursuant to the *Business Corporations Act* (Nunavut)

Proof of Ability to Obtain Contract Security (Annex "I")

Proponents must submit with their proposal as Annex "I", evidence from a reputable Security or Guaranty, Bank or other Financial Institution, certifying that in the event of contract award, Contract Security will be provided in accordance with Schedule "F" Contract Security Requirements.

Proof of Insurability and Cargo Insurance for Shippers (Annex "J")

Proponents shall submit as Annex "J" proof of insurability from a reputable insurance company, mutual insurer or a member of the International Group of protection and indemnity clubs acceptable to GN for the insurances specified in Schedule "G" Insurance Requirements, as well as the insurances they feel necessary for their own protection when carrying out services under this Agreement.

This annex must also include an outline of the cargo insurances the carrier will offer for purchase to the shipper, and the rates for the types of insurance offered.

Proposed Inuit Employment and Training (Annex "K")

Proponents shall submit as Annex "K" a description of the Inuit Employment and Training initiatives that will be made available to Inuit employees throughout the term of the Agreement. Proponents are encouraged to maximize as much as possible, the level of Inuit Training and Employment created in all areas of the GN Arctic Resupply Operations. Proposals should be reflective of Inuit involvement in all aspects of Arctic Resupply operations and be conducive to establishing firm contractual requirements for the resulting Agreements.

In accordance with the NNI Policy in relation to the GN's RFP process, the GN is required to include Inuit Content as one of the rating criteria in RFPs. For this RFP, rating of Inuit Content is assessed as follows: Inuit Labour 10%, Inuit Firms 5% and Training of Inuit 5%, for a total of 20% assigned weight for the Inuit Content criteria.

SECTION 5 – PROPOSAL FORM

Arctic Resupply OF DRY CARGO

BAFFIN, KIVALLIQ & KITIKMEOT REGIONS, NUNAVUT

FOR THE RECEIVING, LOADING,
TRANSPORTATION BY WATER AND DELIVERY OF CARGO
TO ABOVE HIGH WATER MARK AT:

SITES IN AREA: _____

FROM PORT OF EXIT: _____

5.1 PROPOSAL SUBMITTED BY: _____

(Please print complete business or corporate name and address; telephone number and facsimile number. Where mailing address is a post office box number, provide a street address as well.)

5.2 The Proponents offer to perform the work in accordance with the full intent of the RFP and, more particularly, the Agreement and Schedules set out in Section 7.

5.3 The Proponents hereby offer to enter into an Agreement with the Government of Nunavut (GN) as represented by the Minister of Public Works and Services in the manner and form set out in Section 7 of the RFP, to furnish all necessary materials, equipment, labour, and all things and services necessary to expeditiously perform and complete in a satisfactory and workmanlike manner, all work necessary for the receiving, loading, transportation by water and delivery of cargo to above high water mark at all sites in this Area throughout the term of the Agreement.

5.4 The Proponent warrants that the prices offered herein apply to all GN Arctic Resupply Cargo carried, including but not limited to, all Declared Cargo including dry cargo, dangerous goods or explosives, freeze and chill cargo, and also any GN Cargo carried on a space available basis and, are inclusive of all the services described in their proposal and all the documents together forming this Request for Proposals package

5.5 The Proponent warrants that pricing in the proposal includes **all costs** to provide the services including among other things: the Marine Services Fee that is charged by Canada Coast Guard, wharfage fees, all port and pilotage dues and charges, costs of facilities and stevedores, vessels, administration, and any other costs or fees payable by the Contractor. Accordingly, any subsequent handling of goods at or from the Contractor's Facilities to the Contractor's Port of Loading will be at the cost of the Contractor, who will also assume all required liability and insurance coverage.

Where the Proponent proposes a Marine Fuel Adjustment Factor, the Proponent warrants that such Marine Fuel Adjustment Factor is calculated in a manner that can be readily confirmed by the GN and from data that is independently accessible to GN for monitoring purposes.

Where the Proponent proposes an HNS Cargoes Adjustment Factor, the Proponent warrants that the HNS Cargoes Adjustment Factor is calculated in conformity with the classification of types and quantities of substances listed or classified pursuant to the *Transportation of Dangerous Goods Act, 1992* (Canada) and the IMDG Code, and represents only the additional expenses of the Contractor marginal to the pricing for carriage of non-HNS goods.

5.6 The services at the rates quoted herein shall be made available to the GN and all Arctic Resupply Users for the duration of the Agreement with the GN.

5.7 RATES/PRICES

Northbound for Area _____, Port of Exit _____

- a) Northbound Price per tonne (t) of 1,000 kilograms (kg) or 2.5 cubic metres (m³) based on weight or measurement whichever produces the greater revenue:

Year	2006	and/or	2006
	2007		2007
	2008		2008
	2009		2009
	2010		2010
			2011
			2012

\$ per tonne

- b) **Northbound Price per Container 20 foot, ISO Certified container:**

Year	2006	and/or	2006
	2007		2007
	2008		2008
	2009		2009
	2010		2010
			2011
			2012

\$ per tonne

Max Weight /Container in Kg

5.8 RECYCLABLES- BACKHAUL

The price to transport recyclable cargo, from sites within the designated Area to the Contractor's Facilities in accordance with Schedule "C" of the attached Agreement, shall not exceed **65%** of the applicable Northbound rate(s) accepted by the Minister. This percentage may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties. Special consideration may be given for not-for-profit organizations, at the sole discretion of the Contractor.

5.9 RETROGRADE

The prices to transport retrograde cargo from sites within the designated Area to the Contractor's Facilities in accordance with Schedule "C" of the Agreement, shall not exceed **65%** of the applicable Northbound rate(s) listed in paragraph 5.7 a) above. This percentage may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties.

5.10 SOLID WASTE

The prices to transport solid waste cargo from sites within the designated Area to the Contractor's Facilities in accordance with Schedule "C" of the Agreement, shall not exceed **65%** of the applicable Northbound rate(s) listed in paragraph 5.7 a) above. This percentage may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties.

5.11 EMPTY DRUMS AND CYLINDERS

For Empty **204** litre (L) POL drums and propane gas, oxygen and acetylene cylinders whether loose, palletized or crated, please propose a price for each such drum or cylinder transported from sites within the designated Area to the Contractor's Facilities. This price may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties.

5.12 EMPTY CONTAINERS

Please propose a lump sum price to transport each empty metal I.S.O. standard type container, measuring up to **6.71m (20 feet)**, from certain sites in the designated Area to the Contractor's Facilities. This lump sum price may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties.

5.13 VEHICLES: CARS, PICK-UP TRUCKS AND PASSENGER VANS

The rate for vehicles transported from certain sites within the designated Area to the Contractor's facilities shall be a maximum of **\$1,500.00** each. This rate may be amended from time to time, during the term of the Agreement, as mutually agreed between the parties.

5.14 LATERAL

The Contractor shall be paid the following price per tonne (t) of **1,000** kilograms (kg) or **2.5** cubic meters, based on weight or measurement whichever produces the greater revenue for all lateral cargo, transported in accordance with Schedule "D" of the attached Agreement:

Year

2006 and/or	2006
2007	2007
2008	2008
2009	2009
2010	2010
	2011
	2012

\$ per tonne

Particulars of Marine Fuel Adjustment Factor

Particulars of HNS Cargoes Adjustment Factor

5.15 GOODS AND SERVICES TAX

The rates quoted are in Canadian dollars and exclusive of GST. The GN will pay the GST and the Contractor agrees to remit the appropriate amount of GST to Revenue Canada in accordance with the applicable legislation.

5.16 CHECKLIST

The Proposal Form and the following Schedules, as specified in Section 4, clause 4.4.3, are to be attached and will form part of this Proposal, and Proposals which do not contain the following Schedules will be considered incomplete and may be rejected:

1. Proposal Form
2. Annex "A" - Contractor's Facilities
3. Annex "B" - Vessel Particulars
4. Annex "C" - Provision for Reefer Cargo
5. Annex "D" - Equipment Particulars
6. Annex "E" - Proposed Arctic Resupply Cargo Delivery Schedule (Sailing Schedule)
7. Annex "F" - Stevedores
8. Annex "G" - Proponent's Experience
9. Annex "H" – Identification of Legal Capacity
10. Annex "I" - Proof of Ability to Secure Contract Security
11. Annex "J" - Proof of Insurability
12. Annex "K" - Inuit Employment and Training

SECTION 6 - PROPOSAL EVALUATION

6.1 Selection Methods

- 6.1.1 An evaluation committee will review each proposal and proposals will be assessed in light of the evaluation criteria. The GN reserves the exclusive right to determine the qualitative aspects (point ratings) of all proposals relative to the rating criteria. Rating of Proposals will follow the process of multiplying the 'Unit Points' by the 'Assigned Weight' as indicated on the 'Proposal Rating Schedule' form. Evaluations will be confidential and details will not be released to any of the proponents or to the public.
- 6.1.2 This RFP contains certain 'Mandatory' requirements. If Mandatory requirements are not met in substantially unaltered form, the proposal will be rejected without further consideration. Mandatory requirements in this RFP document are identifiable by use of the words 'must', 'mandatory', 'shall' or 'required'.
- 6.1.3 When an alternative is proposed regarding any specific requirement, it will be evaluated to ensure that the desired results will be achieved.
- 6.1.4 The Evaluation Committee reserves the right, but is not obligated to perform any of the following:
- a) seek clarification or verify any or all information provided by the Proponent,
 - b) contact any or all references supplied,
 - c) short-list proponents using the evaluation criteria to do so,
 - d) verify the capability including financial capacity, to ensure the Proponent is able to carry out the services proposed.
- 6.1.4 Proponents who are short-listed may be requested to make a formal presentation or to provide written clarification to their proposal; however, there will be no obligation for the GN to receive further information whether written or oral, from any Proponent. A formal presentation requested by the GN shall be made at the cost of the Proponent.

6.2 Rating Criteria

- 6.2.1 Each proposal will be evaluated using the following criteria and assigned weights:

40% - Rates/Price

Primarily northbound tonnage rate (reference 5.7a of Section 5, Proposal Form); other pricing may be considered

20% - Methodology and Schedule

Including, but not limited to:

- Sailing Schedule, particularly 'guaranteed sailings'
- Cargo insurances offered to shippers
- Contingency Plan
- Approach to handling cargo for Kugaaruk

20% - Capabilities and Experience

Including, but not limited to:

- Level of experience for similar services of the Proponent and other companies carrying out the work
- Experience and qualifications of the operational team
- Proponent's Vessels, Facilities, Equipment, Stevedores, Vessels

20% - Inuit Content

- Including, but not limited to:
- Inuit Employment and Training 10%,
- Participation of Inuit Firms 5%,
- Training of Inuit 5%

PROPOSAL RATING SCHEDULE

Item	Rating Criteria	Unit Points Awarded (A)	Assigned Weight (B)	Weighted Points (A) x (B) = C
1	Rates/Price (adjusted for Inuit and Nunavut content)		40	
2	Methodology and Schedule		20	
3	Capabilities and Experience		20	
4	Inuit Content Inuit Labour Inuit Firms Training of Inuit		10 5 5	
PROPONENT:			TOTAL WEIGHT: 100	Total possible points: 1,000

Comments: _____

Committee Member: _____ Date: _____

<p>LEGEND:</p> <p>A – Unit Points Awarded B – Assigned Weight C – Weighted Points (A times B)</p>	<p>RATING POINTS:</p> <p>Poor 1 - 3 points Fair 4 - 6 points Good 7 - 8 points Excellent 9 - 10 points</p>
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Appendix 1: CARGO RESUPPLY AREAS

Proponents may submit a proposal for one or for more than one Area, and for the Kivalliq Region, they may submit for one, or for more than one Port of Exit. A separate Proposal must be submitted for each Area, and for the Kivalliq Region, for each Port of Exit.

Proponents may submit alternate proposals with pricing, Schedules, etc., based on combined Areas, for example, South Baffin combined with Foxe Basin with pricing, Schedule, etc. based on the award of both zones, and may also submit separate proposals for South Baffin alone and/or Foxe Basin alone; however, Proponents are not permitted to alter the communities specified for each Area.

Area A - High Arctic (incl. North Baffin)

1. Arctic Bay
2. Qikiqtarjuaq (formerly Broughton Is.)
3. Clyde River
4. Grise Fiord
5. Nanisivik
6. Kugaaruk (as far as Nanisivik)
7. Pond Inlet
8. Resolute Bay

Area B - Foxe Basin

1. Igloolik
2. Hall Beach
3. Repulse Bay

Area C - Iqaluit

1. Iqaluit

Area D - South Baffin

1. Cape Dorset
2. Kimmirut (formerly Lake Harbour)
3. Pangnirtung

Area E - Kivalliq

1. Baker Lake
2. Chesterfield Inlet
3. Rankin Inlet

4. Whale Cove
5. Arviat
6. Coral Harbour
7. Sanikiluaq

Area F - Kitikmeot Region

1. Kugaaruk beyond Nanisivik

Area G - Kitikmeot Region Other

1. Cambridge Bay
2. Gjoa Haven
3. Kugluktuk
 4. Toloyoak
 5. Bathurst Inlet
 6. Umingmaktok

Appendix 2: HISTORICAL CARGO INFORMATION

The historical cargo information provided herein is prepared from information available to Community and Government Services and its advisor at the time of RFP. Subject to Clause 27 of the Instructions to Proponents, this information is provided to Proponents for information purposes only and the GN gives no warranty or representation whatsoever as to the accuracy or reliability of this information whether it is used for purposes of submitting a proposal or whether it is used for carrying out the work.

RESUPPLY CARGO INFORMATION	CARGO CUBE ESTIMATES 2002	GN CARGO ONLY. MONTREAL 2005
AREA A – HIGH ARCTIC INCLUDING NORTH BAFFIN		
1. Arctic Bay		132.7
2. Qikiqtarjuaq (formerly Broughton Island)		128.6
3. Clyde River		40.5
4. Grise Fjord		102.2
5. Nanisivik		276.6
6. Kugaaruk (as far as Nanisivik)		- na -
7. Pond Inlet		179.5
8. Resolute Bay		18.9
TOTAL	17,000m ³	878.9m ³
AREA B – FOXE BASIN		
1. Igloodik		132.0
2. Hall Beach		2.5
3. Repulse Bay		56.2
TOTAL	12,000m ³	190.7m ³
AREA C – Iqaluit		
1. Iqaluit		1,233.4
TOTAL	30,000m ³	1,233.4m ³
AREA D – SOUTH BAFFIN		
1. Cape Dorset		197.2
2. Kimmirut		33.6
3. Pangnirtung		227.9
TOTAL	10,000m ³	458.7 m ³
AREA E – KIVALLIQ		
1. Baker Lake		22.4
2. Chesterfield Inlet		15.2
3. Rankin Inlet		328.0

4. Whale Cove		163.0
5. Arviat		44.3
6. Coral Harbour		357.9
7. Sanikiluaq		32.1
TOTAL	25,000m ³	962.9m ³
AREA F – KUGAARUK, BEYOND NANISIVIK		
1. Kugaaruk		1,800
TOTAL	3,000m ³	1,800m ³

Estimated Annual Volumes from other Arctic Resupply users.

2005 ESTIMATES

Nunavut Power Corporation

• Kivalliq (ex Churchill)	1,010.5m ³
• Baffin (ex Montreal)	2,556.0m ³
• Kitikmeot (ex Hay River)	<u>258.3m³</u>
Total	3,824.8m ³

Nunavut Arctic College	14.4m ³
Nunavut Housing Corporation	13,500.0m ³
Health & Social Services	213.0m ³
Nunavut Liquor Commission	1,000.0m ³

Total named other users 18,552.2m³

Appendix 3: 2006-2007 Capital Estimates (five year roll-out)

Attached

**The following Schedules are in conjunction with the
“Scope of Work and Special Requirements” set out Section 3 of RFP
2005-4. Arctic Resupply of Dry Cargo, Baffin, Kivalliq and Kitikmeot
Region**

Schedules “A” through “K”:

- Schedule “A” – Contractor’s Care, Custody and Control of Arctic Resupply Cargo
- Schedule “B” – Conditions of Sea Transportation and Delivery
- Schedule “C” – Retrograde Cargo
- Schedule “D” – Lateral Cargo
- Schedule “E” – Arctic Resupply Cargo Delivery Schedule (Sailing Schedule)
- Schedule “F” – Contract Security Requirements
- Schedule “G” – Insurance Requirements
- Schedule “H” – Inuit Labour and Training Requirements
- Schedule “I” – Arctic Resupply Rates
- Schedule “J” – Administrative Requirements
- Schedule “K” -General Conditions of Carriage

SCHEDULE "A"

CONTRACTOR'S CARE, CUSTODY AND CONTROL OF ARCTIC RESUPPLY CARGO

1. CARGO RESERVATIONS

1.1 In each year of the term of this Agreement, the GN will declare the tonnages of GN Cargo for transportation by sea, from the Contractor's Port of Loading to the communities set out in this Agreement by the Declaration Date. The Declaration Date is an agreed date between GN and the Contractor, and is not to be confused with cut off dates established by the carrier for cargo delivery to the dock or to the Marshalling and Packaging centre.

1.2 Should space not be available on any sailing, the GN or other shipper shall be advised of all potential shut-out cargo.

1.3 The Contractor shall guarantee to carry all GN Cargo, declared prior to the designated declaration date, and delivered prior to the carrier's cut off date for the communities within the Area(s) set out in the Agreement.

1.4 The Contractor shall ensure the GN is provided with the opportunity to utilize any Space Available for any additional cargo up to the date of sailing.

2. ACCEPTANCE, CUSTODY AND DELIVERY OF CARGO

The following requirements shall apply to the acceptance, custody and delivery of cargo carried from the Contractor's Port of Exit to the high water mark at the communities in this Agreement.

2.1 In each year of the term of this Agreement, the Contractor shall start accepting delivery of Arctic Resupply cargo at the Contractor's Facilities located at the following physical address: _____
_____ commencing May 15th, or such earlier or later date as may be mutually agreed upon.

Deliveries outside of the normal Arctic Resupply Season need to be available given 48 hours advance notice.

2.2 The receiving, temporary storage, loading, stowage, and delivery of dangerous goods or explosives shall be carried out in accordance with the IMDG Code and Transport Canada regulations, and with the highest standards of safe industry practice.

2.3 The Carrier shall not be obliged to accept cargo that is not packaged according to standards generally recognized as appropriate for carriage by sea, i.e. not properly packaged wooden crates or open frame crates, or mobile equipment that is not in running order, or to accept cargo that is not clearly identified with the consignee's name and destination community on each cargo unit. In such circumstances, the GN or other shipper shall be notified immediately so that the situation may be resolved.

2.4 The Contractor shall issue a Dock Receipt upon acceptance of the cargo, and the Contractor shall stamp on each delivery bill the date and time of arrival of each vehicle delivering cargo that is to be carried under this Agreement to the Contractor's Facilities.

2.5 In the event that Cargo is lost or damaged prior to loading aboard a Vessel, the Carrier, together with the GN representative or other shipper if available will file an OS&D report, and if GN Cargo, will advise the Traffic Officer.

2.6 The Contractor shall provide a competent checker to take measurements of GN Cargo loaded, record the measurements and report any variances to the GN for verification. Any such cargo shall be made accessible to a representative of the GN for such verification.

2.7 Immediately, upon departure of the Vessel, the Vessel's manifest indicating all cargo shipped shall be forwarded to the GN Traffic Officer or designate. (Schedule "J", Clause 2, sets out requirements for content and distribution of the manifest).

2.8 The Contractor shall provide a competent cargo supervisor to:

- Ensure that all Arctic Resupply cargo destined to the communities is discharged at above the high water mark, at the community indicated on the vessel's manifest.
- Provide consignees with a copy of their respective manifest, and obtain signatures of receipt from consignees.

- Annotate the manifest to indicate any discrepancies or damage to Arctic Resupply cargo, and, if applicable, ensure OS&D reports are completed, and provide copy of same to the GN or other shipper.

2.9 For cargo carried from the Churchill Port of Exit to communities in the Kivalliq, the standards that ordinarily pertain to this service shall be maintained and the methodology proposed and accepted by the GN shall be attached or otherwise set out in the Agreement.

2.10 The Vessel(s) shall be at the contractor's Port of Loading, ready to accept cargo according to the Arctic Resupply Cargo Delivery Schedule accepted by the GN Traffic Officer and included as Schedule "E" for each year of the Agreement.

2.11 Within four working days of the date of sailing of the Vessel, the Contractor shall provide documentation to the GN as set out in Schedule "J", Clause 2.

2.12 The latest delivery date to communities in the applicable Area is the date for the final sailing, as set out in the Arctic Resupply Cargo Delivery Schedule, Schedule "E" of the Agreement.

2.13 The Contractor shall load Arctic Resupply Cargo onto Vessels at the Contractor's Port of Loading for transportation by water to communities in the Area(s) set out in the Agreement, and shall deliver such cargo in accordance with the "Arctic Resupply Cargo Delivery Schedule" set out in Schedule "E" of this agreement.

2.14 The Contractor shall transport by water and deliver Arctic Resupply Cargo from the Port of Loading to the communities in the Area(s) set out in the Agreement.

2.15 The latest delivery date to communities for the applicable Area is the date for the final sailing, as set out in the Arctic Resupply Cargo Delivery Schedule, Schedule "E" of this Agreement.

3.0 **GOODS OF PERISHABLE NATURE**

3.1 It is understood that the Contractor is not obligated to accept bookings for freezer or chill cargo, unless this service by means of carriage by water is not otherwise available to the public, although they may choose to do so. The GN does not anticipate having freezer or chill cargo, however, the Contractor shall ensure that transport of freezer or chill cargo is available for the public, for the communities set out in the Agreement.

3.2 The Contractor is not obligated to accept bookings for perishable cargo, if in the contractor's opinion, risk of damage due to lack of ventilation or low temperatures is present. If accepted for carriage, the Contractor shall exercise all reasonable care and diligence to avoid any deterioration during the delivery of goods of perishable nature from the Vessel(s) to above high water mark at ports of discharge.

3.3 If such goods of perishable nature are received into the Contractor's care, custody and control, the Contractor shall be responsible for having and maintaining suitable space for the storage and preservation of perishable food products at the Contractors Facilities, the Contractor's Port of Loading, and during the voyage. The temperature in the space should be maintained at -17.5°C and in any event not in excess of -15.0°C for the freezer space and at 1.50°C and in any event not in excess of 4.0°C for the chill space.

3.5 The Contractor will notify the shipper in writing at least three working days in advance of the date and the hour that the frozen or chill cargo will be required to be received at the Contractor's Facilities. It is understood that such cargo will be delivered directly to the Contractor's Facilities.

3.6 If any goods or articles of a perishable nature, shall at any stage become decayed, injurious or offensive, or be condemned or discharged by health or other authorities, the same may be disposed of or discharged without notice in an approved manner, either before or after arrival.

3.7 The Contractor shall exercise all reasonable care and diligence to avoid any deterioration during the delivery of goods of perishable nature from the Vessel(s) to above high water mark at ports of discharge. Provided notice is given to the Shipper or person delegated by the Shipper to receive perishable cargo, the Contractor may discharge goods or articles that are of a perishable nature immediately when the Vessel is ready for discharge, notwithstanding danger to such goods or articles from freezing, heating or other weather conditions, and all such goods or articles are received subject to the risk of such discharge above high water mark at the port of discharge.

4. LIABILITY FOR FINES, DUES, DUTY, ETC.

4.1 The owner of the goods or cargo shall be liable for any fines, dues, duty tax, impost, loss, damage or detention sustained or incurred by or levied upon the Contractor or the vessel in connection with the goods caused by any action or requirement of any Government or Governmental authority or person purporting to act under the authority thereof, seizure under legal process or attempted seizure, incorrect or insufficient marking, numbering or addressing of packages or description of the

contents, failure to procure Agriculture Canada, Canadian Food Inspection Agency or other certificate to accompany the goods, failure to comply with laws or regulations of any kind imposed with respect to the goods by the authorities at any port or place, or any act or omission of the GN unless said fines, dues, duty tax, impost, loss, damage or detention were caused or occurred as a result of any act or omission of the Contractor in contravention of its obligation set out in this Agreement.

SCHEDULE “B”

CONDITIONS OF SEA TRANSPORTATION AND DELIVERY

1. A minimum of one free berth and meals shall be supplied on each vessel for an employee of the Government of Nunavut (or otherwise appointed by the GN), or agency associated with the Arctic Resupply operation, who may occasionally accompany the vessel to, from and between sites, solely for the purpose of liaison with field officers and to examine any cargo which may be damaged in the process.
2. If required by the GN, the Contractor shall, at no extra cost, provide clean, suitable office accommodation for a representative of the Department of Community and Government Services. This office accommodation is to be located at the Carriers facilities with a locking door and 24-hour access 7 days per week, telephone line with call waiting feature, a business class plain paper facsimile machine, a telephone answering service or machine, and photocopy privileges. The accommodations will be available to the Department commencing June 1 in each of the years of the Agreement.
3. The Contractor shall give the Traffic Officer, consignees, and the Hamlet/Municipality at the next port of call at least 48 hours advance notice of arrival. Upon arrival, the Vessel may immediately commence discharging Arctic Resupply cargo designated for such port above high water mark or designated areas. The Contractor may discharge the Arctic Resupply cargo continuously, Sundays and holidays included, at all hours by day or by night as the Contractor may determine.
4. Discharge at above high water mark, notation of any damage, and obtaining the consignee's signature to verify receipt shall constitute delivery of the cargo. However in the event that the Contractor has made best efforts to obtain the consignee's signature, but is not able to do so, the Contractor shall obtain the signature of a credible witness to the effect that the applicable consignee's cargo was delivered.
5. For conditions related to perishable goods, refer to Schedule “A”, clause 3.
6. **Ships (Or for the Kivalliq Region, Tugs and Barges from Churchill)**
- 6.1 The Contractor shall provide Vessels (or for the Kivalliq Region, tugs and barges

for Arctic Resupply from Churchill) of sufficient capacity and seaworthiness satisfaction to Transport under the *Canada Shipping Act*, to the extent that it continues in force, and *Canada Shipping Act 2001* as it comes into force, and amendments thereto, and any subsequent Federal regulations governing the seaworthiness of ships under that or any other federal legislation during the term of this contract, and the Vessels used for this Agreement must:

- 6.1.1 be owned or chartered (time, voyage or demise) by the Contractor prior to acceptance for loading;
- 6.1.2 be registered in Canada or hold a coasting trade license for Arctic Resupply Program voyage or voyages issued pursuant to the *Coasting Trade Act (Canada)* or analogous successor legislation. All expenses of application for a coasting trade license and duties payable on the ship or vessel for its temporary import into Canada are for the account of the Contractor without recovery from the GN or any Arctic Resupply User whose cargo is carried under the Arctic Resupply Program
- 6.1.3 If a ship or lighter holding a coasting trade license is tendered, its master, officers and crew must, before the ship is tendered to load or the lighter is used, have obtained full customs and immigration clearances to enter Canada, to come ashore at places of loading and discharge and other places in Canada for all ship's business under this Agreement, including operation of lighters and shore cargo operations necessary for performance of this Agreement, and for loading, transport and discharge of Lateral or Retrograde Cargo.. All consular and immigration fees and expenses are for the account of the Contractor without recovery from the GN or any Arctic Resupply Users whose cargo is carried under the Arctic Resupply Program. The master, officers and a substantial proportion of such non-Canadian flag ship's or lighter's crew shall have experience in Arctic or Antarctic navigation;
- 6.1.4 The Contractor and all ships, vessels and lighters shall adhere to the *Arctic Waters Pollution Prevention Act*, and other marine operational and environmental legislation, including, but not limited to, the *Canadian Environmental Protection Act* and the *Migratory Birds Act* and all orders and regulations made under such legislation.
- 6.2 All ships or vessels must have Canadian Cargo Ship Safety Certificates or international safety certificates recognized by Transport Canada or otherwise be approved by Transport Canada for the intended voyages or trades. All inspection and certification fees are for the account of the Contractor without recovery from the GN or any other Arctic Resupply Users whose cargo is carried

under the Arctic Resupply Program.

- 6.3 For the Kivalliq Area, if tugs and barges will be used for Arctic Resupply from Churchill, in addition to 6.1 and 6.2 above, tugs and barges of the type that have been historically used for the Kivalliq Arctic Resupply from Churchill are acceptable, provided that they are currently seaworthy and meet all regulatory and legislative requirements for the purpose proposed.
- 6.3.1 Cargo so carried that is of a type that is susceptible to water damage shall be loaded into Containers or trailers supplied by the Contractor, at the Contractor's cost and expense.
- 6.4.1 As set out in Schedule "E", Vessels are to be indicated on the approved Arctic Resupply Cargo Delivery Schedule, and any substitution of vessel(s) or tugs and barges shall be subject to the prior approval of the Traffic Officer, as it relates to GN cargo.

7.0 Cargo Stowage

- 7.1 Cargo that has been accepted for carriage shall be loaded and stowed in accordance with DFAIT guide for safe stowage and the highest standard of industry practice.
- 7.2 Cargo may be stowed on or under deck. Cargo carried on deck shall contribute to a general average.
- 8. Subject to any particular rights accorded only to the Government of Nunavut under this contract generally, carriage under the Arctic Resupply Program for Arctic Resupply Users, including Lateral and Retrograde Cargo, is subject to the General Conditions of Carriage included as Schedule 'K'.
- 9. If the liability for any collision in which the Vessel is involved while performing the services, fails to be determined in accordance with the laws of Canada or Nunavut as they apply, the following clause shall apply:
 - 9.1 If the vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the master, mariner, pilot or the servants of the Contractor's Carrier in the navigation or in the management of the vessel, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non carrying vessel or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of goods, paid or payable by the other or non carrying vessel, or her owners as part of their claim against the

carrying vessel or carrier

- 9.2 The foregoing provisions shall also apply where the owners, operators, or those in charge of any vessel(s), or objects other than, or in addition to, the colliding vessel or objects are at fault in respect to a collision or contact.

10. **Equipment**

- 10.1 All motorised vehicles and trailers, including amphibious vehicles used by the Contractor in Nunavut and their operators must be operated and licensed in conformity with the *Motor Vehicles Act* (Nunavut) and the regulations thereunder.

11. **Inland Transportation**

- 11.1 Where a Contractor undertakes to carry any Arctic Resupply Cargoes inland from above the high water mark or inland from a shore warehouse or terminal, the Contractor shall comply with the *Transportation of Dangerous Goods Act, 1990* (Nunavut) and any other laws of Nunavut applicable to such carriage.

12. **Waste Cargo Transportation**

12.1 The GN or other shippers designated by GN shall be responsible for the operation and maintenance of waste cargo collection and transportation to points above high water marks and for the stuffing or consolidation of waste cargo into containers. The Contractor shall provide facilities or and be responsible for weighing containers of waste cargo and transporting them from above high water areas to below ship's tackle at the Contractor's marine terminal or other discharge sites within Canada.

12.2 Containers used for waste cargo all shall bear identifying serial numbers, be suitable for the types of waste stuffed and be stuffed in conformity with applicable environmental regulatory standards and prudent industry practice.

12.3 The GN or other shippers designated by the GN shall provide appropriate information on the content of containers stuffed with waste cargo to the Contractor before the Contractor receives such containers for transport.

12.4 The Contractor shall give the GN or other designated shippers 72 and 24 hours notice of the estimated commencement of and the location of discharge of waste cargo.

12.5 The GN or other designated shippers shall be responsible to arrange and pay for motor vehicles, railcars or discharge port storage facilities to receive waste cargo from carrying ship's tackle in conformity with discharge facility practices.

12.6 Containers used for waste cargo transport under this Agreement shall either be cleaned after each such transport, so they are safe for use in consolidating packaged Northbound Cargoes, or safe for pre-positioning for further use. "

SCHEDULE "C"

RETROGRADE CARGO

Subject to the Vessel's Schedule and the conformity of the cargo with Shipper's responsibilities, the Contractor shall approve for acceptance and receive Retrograde Cargo at above the high water mark.

1. The Contractor shall take delivery of such Retrograde Cargo at above high water mark at each site, load onboard vessel(s), transport it to the Contractor's Facilities and discharge into sheds or other appropriate area at the Contractor's Facilities.
2. In the event identification becomes illegible in transit, the Contractor shall notify the Traffic Officer.
3. The Contractor shall prepare clear and concise manifests for the Retrograde Cargo loaded.
4. The Contractor may refuse empty drums that are not bung-tight.
5. "Empty" gas cylinders are required to have a 0.34475 bar to 1.6548 bar (524 psi) pressure level and a destination tag attached over stamped with the symbol "MT" to signify that the cylinder is empty but serviceable.
6. The Contractor must refuse drums or cylinders which are not properly documented, labeled or described in accordance with the *Transportation of Dangerous Goods Act* and Regulations.
7. Recyclable Materials will consist of clean glass bottles, aluminum pop and beer cans, pre-washed food tins and recyclable plastics, and paper (e.g., bond and newsprint), plastic containers and bags to be delivered in palletized open crate or metal Containers.

SCHEDULE "D"

LATERAL CARGO

Subject to the Vessel's schedule and the conformity of the cargo with shipper's responsibilities, the Carrier shall approve for acceptance and receive Lateral Cargo at above the high water mark.

1. The Contractor shall take delivery of such Lateral Cargo at above high water mark at each community indicated, load onboard vessel(s), transport it to and discharge same at above high water mark at the applicable community.
2. In the event identification becomes illegible in transit, the Contractor shall notify the Traffic Officer.
3. The Contractor shall prepare clear and concise manifests for the Lateral Cargo loaded.

SCHEDULE "E"

Arctic Resupply Cargo Delivery Schedule (Sailing Schedule)

1. For each year of the Agreement, the vessel(s) belonging to the Contractor shall be at the Contractor's Port of Loading, ready to accept cargo for the communities set out in the Agreement, as per the proposed Arctic Resupply Cargo Delivery Schedule (Sailing Schedule) which shall be subject to acceptance by the Traffic Officer.
2. Vessels submitted to the GN in the proposal Annex "B" and approved by the GN, are to be indicated on the Arctic Resupply Cargo Delivery Schedule, and any substitution or replacement of vessel(s) or tugs and barges shall be subject to the prior approval of the Traffic Officer.
3. The latest delivery date to communities in the applicable Area is the date for the final sailing, as set out in the Arctic Resupply Cargo Delivery Schedule in this Schedule.
4. For the initial year of the Agreement, this Sailing schedule shall be the schedule that was proposed and approved by the GN. The Contractor shall provide a similar Sailing Schedule for each of the subsequent years of the Agreement, which will be provided to the Traffic Officer within seven (7) days after the Declaration Day.
5. The following Sailing Schedule will apply for the insert year Arctic Resupply Operations season:

(The Sailing Schedule proposed and approved by the GN will be attached or otherwise set out in the Agreement as Schedule "E".)

6. For each year of this Agreement, the Vessel(s) belonging to the Contractor shall be at the Contractor's Port of Loading, ready to accept cargo for the communities set out in this Agreement, as per the proposed Arctic Resupply Cargo Delivery Schedule (Sailing Schedule) which shall be subject to acceptance by the Traffic Officer (Load Ready Dates).
7. For the initial year of this Agreement, the Arctic Resupply Cargo Delivery Schedule (Sailing Schedule) shall be the schedule that was proposed and accepted by the GN (Accepted Schedule), and is incorporated herein as Schedule "E". The Contractor shall provide a similar Sailing Schedule for each

of the subsequent years of this Agreement which must be substantially the same as the Accepted Schedule (accepted by the GN for the first year of this Agreement) and more specifically must have the same number of guaranteed sailings as the Accepted Schedule, and which will be provided to the Traffic Officer within seven (7) days after the Declaration Day and which shall be subject to acceptance by the GN. Any proposed changes to the Accepted Sailing Schedule port rotation, cut off dates, or number of sailings, should be communicated to the Traffic Officer in the form of an anticipated schedule by mid-March, for operational reasons.

8. Any alternate arrangement subsequent to the acceptance by the GN of the Sailing Schedule shall be subject to the written acceptance of the Traffic Officer, and, such acceptance shall not be unreasonably withheld. Should a request for a change to the accepted schedule be denied, the Contractor shall not deviate significantly from the Accepted Schedule.
9. The latest delivery date to communities in the applicable Area is the date for the final sailing, as set out in the Arctic Resupply Cargo Delivery Schedule.

SCHEDULE “F”

CONTRACT SECURITY REQUIREMENTS

1. OBLIGATION TO PROVIDE CONTRACT SECURITY

1.1 Within 14 days of notification of award of the contract, the Contractor shall, at his own expense, provide one or more of the forms of contract security prescribed in paragraph 2 below.

2. PRESCRIBED TYPES AND AMOUNT OF CONTRACT SECURITY

2.1 The Contractor shall deliver to the Minister pursuant to paragraph 1:

a) a performance bond and a labour and material payment bond each in an amount that is equal to not less than **50%** of the total estimated contract is required for the first year of the Agreement, and in subsequent years of the Agreement, **50%** of the previous year amount of the contract is required, or

b) a contract security deposit equal to **10%** of the total estimated contract value for the first year of the Agreement, and in subsequent years of the Agreement, **10%** of the previous year amount of the contract.

2.2 A performance bond and a labour material payment bond referred to in 2.1 a) above shall be in the Federal form and be issued by a bonding company or surety company whose bonds are acceptable to the GN. The performance bond and labour and material payment bond must be payable to the GN and must be in place for the duration of the Agreement.

2.3 A contract security deposit referred to in paragraph 2.1b) above shall be in the form of a certified cheque, Bank Draft, a bank Irrevocable Letter of Guarantee in a form acceptable to the GN, or such other contract security as the GN considers acceptable. The contract security must be payable to the GN.

2.4 For the purposes of this Schedule, the contract amount will be based on GN Department's Cargo, and if applicable, GN Contractors Cargo.

3. CONTRACT SECURITY DEPOSIT

3.1 The contract security deposit will be retained by the GN until such time as the GN determines that the Contractor's obligations under the contract have been fulfilled, or until the contract otherwise comes to an end, whichever comes first.

3.2 The contract security deposit shall be returned to the Contractor except that, if the Contractor fails to perform its obligation under the contract, the GN may apply the contract security deposit or any part thereof to any damages incurred by the GN.

3.3 The application of the contract security deposit by the GN shall not constitute a waiver, nor in any way defeat or affect the rights and remedies which the GN has by law.

3.4 The GN will not pay interest upon contract security deposits.

SCHEDULE "G"

PART 1 – CONTRACTOR'S INSURANCES

1. Contractor shall, without limiting any obligations or liabilities hereunder, obtain, maintain and pay for, during the term of this Agreement, the following insurance with limits not less than those shown:
 - a) Workers' Compensation insurance covering all employees engaged in the work in accordance with the statutory requirements of the Territory or Province or state of nationality, domicile or employment, having jurisdiction over such employees. If the Contractor is assessed any additional levy, extra assessment or super-assessment by a Workers' Compensation Board, as a result of an accident causing injury or death to an employee of the Contractor or Subcontractor, or due to unsafe working conditions, then such levy or assessment shall be paid by the Contractor at its sole cost, and the Contractor will not be reimbursed by the GN.
 - b) Employer's liability insurance with limits not less than five hundred thousand dollars (\$500,000) for each accidental injury to or death of the Contractor's employee engaged in the work. If Workers' Compensation insurance exists, then in such event, the aforementioned Employer's Liability insurance shall not be required, but the Comprehensive General Liability insurance policy referred to in item d) herein shall contain an endorsement providing for Contingent Employers Liability insurance.
 - c) Motor Vehicle Liability insurance covering all vehicles owned or non-owned, operated and/or licensed by the Contractor and used by the Contractor in the performance of this Agreement, in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, death and damage to property.
 - d) Comprehensive General Liability insurance with limits of not less than two million dollars (\$2,000,000) inclusive per occurrence for bodily injury, death and damage to or loss of use of property. Such insurance shall include but not be limited to the following terms and conditions:

Contractor's Protective Liability*;
Broad Form Property Damage;
Personal Injury Liability;
Cross Liability;
Medical Payments; and
Non-owned Automobile Liability*
Contingent Employers Liability*

** Where Applicable*

- e) Protection and Indemnity insurance including Cargo Legal Liability.
- f) If not covered under the terms of the policy or applicable P&I club rules, insurance for cargo legal liability during the entire period that cargo carried under this Agreement is under the responsibility of the Contractor and the Carrier.
2. The policies shall name the GN and all subcontractors as additional insureds only with respect to the terms of this Agreement (except on Workers' Compensation insurance) and shall extend to cover the employees of the insureds thereunder.
3. Contractor shall be responsible for deductibles, exclusions and/or insufficiencies of coverage relating to such policies or P&I Club entries.
4. All required insurance shall be endorsed or insurers or P&I clubs at interest will provide a letter of undertaking to provide the GN with 30 days advance written notice of material change, cancellation or termination. Such notices shall be addressed to:

Insurance and Risk Management
Department of Finance
Government of Nunavut
Building 917B
P. O. Box 2260
Iqaluit, Nunavut X0A 0H0
Attention: Mario Fournier
Facsimile:(867) 975-5893

and

Traffic Officer

Department of Community and Government Services
Government of Nunavut
3rd Floor W.G. Brown Bldg.
Bag 1000, Stn. 700
Iqaluit, Nunavut X0A 0H0

Attention: John Fast

Facsimile: (867) 975-5450

5. It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements set out above, is necessary for its own protection or to fulfill its obligations under this Agreement. Any such additional insurance shall be provided and maintained by the Contractor at its own expense.
6. To meet the insurance requirements of this Agreement, and upon the GN's request, the Contractor shall forward to the GN, prior to commencing the Work, either a certified true copies of the insurance policies, P&I club rules or a certificates of insurance or P&I club entry issued and executed by, or on behalf of a P&I club, an insurance company or companies. Such certificates will provide reasonable details of the insurance coverage, exclusions, deductibles and conditions applying to policies set out in this section, and confirming that the insurance is in force to meet these requirements and that:
7. These policies apply to all operations of the Contractor, including use or ownership of motor vehicles owned or leased by Contractor; and these policies will not be cancelled or allowed to be cancelled by the Insurer or Insurers, nor will the scope or the amounts of coverage be lessened, nor the policy be allowed to lapse, unless identical coverage continues without interruption under a replacement policy issued by the same Insurer, unless a 30-day prior written notice is given to those persons set out in paragraph 11.1 I) above, by double registered mail or its equivalent.
8. Upon GN's request, the Contractor will provide the GN within 30 days with a certificate of insurance issued and executed by the appropriate Workers Compensation Board to verify coverage for death or bodily injury of Contractor's employees during the performance of this Agreement.
9. In the event Contractor is proven in default with insurance provisions set out above, the GN may withhold payment for any of the Services provided hereunder,

without penalty, until such time as Contractor complies.

PART 2 – CARGO INSURANCE OFFERED FOR PURCHASE

10. The Contractor shall facilitate the procurement of optional “all risks” cargo insurance under Institute Cargo Clauses ‘A’ or substantially equivalent terms and for cargo insurance for cargoes which are subject to the Transportation of Dangerous Goods Act or the IMDG Code. The Contractor’s website shall include a notice to the Shipper that cargo insurance in addition to “all risks” cargo insurance is required if the Shipper wishes to insure cargoes which are subject to the *Transportation of Dangerous Goods Act* or the IMDG Code. This shall be available to the GN or other shipper or customer at the time of booking, or up to the time of acceptance of the cargo by Contractor.

(The rates and conditions for optional cargo insurances proposed in the Schedule “G” and accepted by the GN will be attached or otherwise set out in the Agreement as part of this Schedule ‘G’).

SCHEDULE“H”

INUIT LABOUR AND TRAINING REQUIREMENTS

1. The Contractor shall meet the following requirements for Inuit Labour and Training Plans for each year of the Agreement. The Contractor is also required to submit an annual report of Inuit Labour and Training as set out in Annex “J”.

(The Contractor’s Inuit Labour and Training plans proposed in the Proposal Schedule and accepted by the GN shall be attached or otherwise set out in the Agreement as Schedule “H”).

SCHEDULE "I"

ARCTIC RESUPPLY RATES

1. The amounts payable to the Contractor that are set out in this Agreement include all costs involved in the movement of Arctic Resupply Cargo, i.e., receiving, storage and preparation of Arctic Resupply Cargo for loading, any subsequent handling of Arctic Resupply Cargo at or from the Contractor's Facilities to the Contractor's Port of Loading and loading onboard Vessels at the Contractor's Port of Loading discharge above high water mark at destination, loading Retrograde Cargo and discharge at the Contractor's Facilities. Wharfage at loading and discharging ports; all port and pilotage dues and charges; issuance of dock receipts; discharge of trucks or other conveyances at the terminal; any and all costs incurred by the Contractor as a result of the loading or discharging of dangerous goods or explosives.
2. The GN and Arctic Resupply Users agree to pay Freight adjusted by a Marine Fuel Adjustment Factor, as described and set out in this Schedule.
3. Where the GN or Arctic Resupply Users tender Cargo for transport which is covered by the *Transportation of Dangerous Goods Act* or the IMDG Code, the Contractor may, in addition to Freight, charge an HNS Carriage Adjustment Factor, as described and set out in this Schedule.

Note 1:

This Schedule will set out particulars of any Marine Fuel Adjustment Factor, including:

- a) base price
- b) period of notice for application of adjustments
- c) method of calculation
- d) source of data for calculation
- e) right of GN monitoring and audit

Note 2:

This Schedule will set out particulars for any HNS Carriage Adjustment Factor for carrying goods covered by the *Transportation of Dangerous Goods Act* or the IMDG Code.

Note 3:

The Arctic Resupply Rates for each year and rate application statements set out in the Proposal and agreed by the Contractor and the GN, will be attached or otherwise set out in this Schedule).

SCHEDULE “J”

ADMINISTRATIVE REQUIREMENTS

1. Administrative procedures are to be read in conjunction with Schedule “A” Care Custody and Control of Cargo, Schedule “B” Conditions of Sea Transportation and Delivery and Schedule ‘K’ General Conditions of Carriage, and further set out administrative requirements for the Arctic Resupply Agreement.

(Any administrative procedures outlined in the Proposal that are negotiated with or agreed to by the GN shall also be incorporated into this Schedule).

2. Cargo reservation provisions are set out in Schedule “A”, Clause 1.
3. The Contractor shall issue a Dock Receipt upon acceptance of cargo, as set out in Schedule “A”, Clause 2.4.
4. The following apply to the preparation of and distribution of the Vessel’s manifest:
 - a) Immediately, upon departure of the Vessel, the Contractor shall forward the Vessel’s manifest indicating all cargo shipped on the sailing to the GN Manager or designate.
 - b) The Vessel’s manifest shall indicate on-deck stowage where applicable and shall include, but is not necessarily limited to the following:
 - Port of Discharge
 - Consignee’s name
 - Dock receipt number
 - Cargo unit number
 - Cargo description including dimensions if charged on a volume basis,
 - Weight and volume for each Cargo Unit
 - c) A copy of the manifest shall be made available on board the Vessel to the GN representative that may accompany the Vessel.
 - d) A copy of the manifest shall be provided to consignees upon delivery of their respective cargo, and if any discrepancies or damage to cargo, this shall be annotated on the manifest

- e) Each manifest for Arctic Resupply Cargo shall be annotated with the following “Government of Nunavut Eastern Arctic Resupply Agreement” or “GNEARA”.
5. Within four working days of the date of sailing of the Vessel, the Contractor shall provide documentation to the GN including, but not limited to:
 - a copy of the stowage plan
 - list of Ports of Discharge for the sailing, and the actual date and time of departure and estimates for the dates of arrival and departure for each port of discharge
 - recapitulation sheets
 - dock receipts for GN cargo (if not already provided to the GN Representative)
 - the ships manifest (if not already provided to the GN Representative)
 6. In the event that Cargo is lost or damaged, OS&D reports will be completed as set out in Schedule “A”, Clauses 2.6 and 2.9.3.
 7. The Contractor shall submit invoices for each GN Department to the GN, and shall submit invoices for all Arctic Resupply Users directly to those Shippers. GN invoices shall be submitted in accordance with the Terms of Payment set out in the Agreement.
 8. The Contractor shall provide office accommodations, if required by the GN, as set out in Schedule “B”, Clause 3.
 9. The Contractor shall maintain a website publishing Arctic Resupply rates, cut-off dates, sailing schedule information, contact information, the terms of the General Conditions of Carriage (Schedule ‘K’) information on availability of insurance and toll-free telephone and facsimile number. The terms of the General Conditions of Carriage shall be directly accessible by a clearly labeled hyperlink on the homepage of the Contractor or homepage of the Contractor’s website relating to the Arctic Resupply Program. This information shall be kept current throughout the Term of the Agreement.
 10. The Contractor shall maintain a toll-free telephone and facsimile numbers, accessible from Nunavut communities, throughout the Term of the Agreement.

11. The Contractor shall provide, by January 15th of each year of the Agreement, a report containing the following information for GN Department's cargo, delineated by community and by voyage:
 - weight
 - volume
 - revenue tonnes
12. The Contractor shall provide by January 15th of each year of the Agreement, a report of Inuit Labour and Training carried out in conjunction with the services provided for the Agreement.
13. The GN or its designate shall provide the Contractor, by May 10th of each year during the term of this Agreement, an estimate of the number and types of containers required at which communities for retrograde waste cargo. The Contractor shall endeavour to position such containers during the first scheduled voyage to a particular community for each season.
14. Unless the entire reach and burthen of the carrying ship for any particular voyage is dedicated to GN cargoes, the whole carrying capacity of a ship for any particular voyage may be booked for Northbound Cargoes without reservation of any space for pre-positioning of empty containers intended for retrograde carriage of waste cargoes. The carriage of Northbound Cargo shall take precedence over the pre-positioning of empty containers for waste cargoes.
15. The Contractor shall provide the GN, by May 15 of the first season, a copy of any waste cargo transportation plan or emergency response plan as may be required under the Transportation of Dangerous Goods Act, 1992 (Canada), the Canadian Environmental Protection Act and any other applicable regulatory regime for the transportation of waste cargoes as may be applicable during the term of this Agreement, and thereafter from time to time as such plan or plans may be amended or superseded.

SCHEDULE K

GENERAL CONDITIONS OF CARRIAGE

THIS CONTRACT GIVES YOU RIGHTS AND RESPONSIBILITIES. THIS CONTRACT LIMITS THE LEGAL RESPONSIBILITY OF THE CARRIER. PLEASE READ IT CAREFULLY.

The Hague-Visby Rules on the water carriage of goods do not apply to this contract.

This contract is not covered by any bill of lading.

The persons who are part of this contract

1. This contract applies to the person who is named as the shipper on the booking note, any person who owns the goods described on the booking note and any person who receives the cargo described on the booking note at the place of delivery. In this contract, all of these persons are called the Shipper.
2. This contract also applies to _____. In this contract, this is called the Carrier

What the Shipper needs to do before the goods are carried

3. The Shipper needs to contact the Carrier and reserve space for the cargo
4. The Shipper needs to give the Carrier the information requested on the booking note form.
5. After the Carrier tells the Shipper space for the cargo is reserved, the Shipper must pay the price that the Carrier charges for transporting the cargo before the Carrier will accept the cargo for transport. In this contract, this price is called the Freight. If the Shipper wants extra time to pay Freight, the Shipper must apply to the Carrier for credit. The Carrier will decide for itself if it wants to give the Shipper extra time to pay Freight and on what terms. The Carrier has agreed to

carry cargo shipped by the Government of Nunavut on Freight credit terms.

6. If the size or weight of the cargo when it arrives at the Carrier's marine terminal is different than the size or weight given by the Shipper on the booking note, the Carrier has the right to ask the Shipper to pay adjusted Freight. If the difference in size or weight is so much that the cargo cannot be loaded on board the planned ship safely or would shut out other booked cargo, the Carrier will choose for itself to transport the cargo on a later voyage or to return the cargo to the Shipper at the Carrier's marine terminal. The Shipper will pay any terminal storage charges before the cargo is returned to the Shipper.
7. The Shipper has to arrange and pay for getting the cargo to the Carrier's marine terminal before the cutoff date that the Carrier gives the Shipper. If the cargo is late getting to the Carrier's marine terminal and there is another voyage to the delivery port planned for the season, the Carrier will try to fit the cargo on a later voyage. If there is not enough capacity for the cargo on the ship's next voyage, the Carrier will tell the Shipper and the Shipper has to arrange and pay for taking the cargo away from the marine terminal or pay for its storage until the next available ship or next season. If the Shipper chooses to take the cargo away from the marine terminal, the Carrier will refund the freight, less any terminal storage charges.
8. The Shipper needs to package general cargo strongly so the cargo can be safely carried by sea and the packages can be palletized or stacked up to 2.4 metres (8 feet) feet high.
9. Unless the whole contents of one container are for delivery to one person, the Shipper must properly mark or label each package, crate, barrel or other unit of the cargo so the Carrier can know what it needs to unload at each destination port and the name of the person it needs to deliver the cargo to.
10. If the Shipper stuffs the cargo into shipping containers, the shipping containers must meet ISO standards for international shipping containers and the containers must allow the Carrier to use forklifts or other reasonable equipment to take the cargo out of the containers at delivery port. The Shipper is responsible to properly tie down and brace the cargo inside the shipping container so the container is safe to be transported by sea. Bracing and dunnage needs to be clean and free from fungus, insects and rodents. The Shipper must load the container so the cargo inside, the delivery port and names of persons taking

delivery of the cargo match the information which the Shipper gives to the Carrier in the booking note.

11. Before the Carrier agrees to accept frozen or refrigerated cargo for transport, the Shipper must tell the Carrier the range of temperatures to keep the cargo and confirm with the Carrier if the carrying ship has power sources suitable for any refrigerated containers which the Shipper plans to use. If the Carrier agrees to accept frozen or refrigerated cargo for transport, the Shipper must arrange to have the cargo arrive at the Carrier's marine terminal within required temperature limits.
12. If the cargo includes explosives, chemicals, or other things that are covered by the Transportation of Dangerous Goods Act or the International Maritime dangerous Goods Code. The Shipper must do everything required by the *Transportation of Dangerous Goods Act* and its regulations and the IMDG Code, which includes giving the Carrier full information about the type of cargo and properly packaging and labeling the cargo. The Carrier may charge additional Freight for transporting such cargoes. The Carrier has the right to refuse to accept any dangerous or hazardous cargo for transport if the Carrier believes reasonably the Shipper has not done everything that the Shipper is required to do before handing over that type of cargo for transport.
13. The Shipper is responsible to pay the Carrier and the Carrier's contractors and employees for any government seizure, fines, claims by other Arctic Resupply Users, legal expenses, delay, or any other damage or loss to the Carrier or its contractors or employees caused by Shipper's wrongful or negligent acts in allowing illegal substances such as drugs, diseased plant or animal material or waste products to be hidden or present in the Cargo, or in handing over contaminated Cargo unfit for transport.
14. Where the Cargo is construction equipment, prefabricated building sections, or other types of heavy or large size cargo, the Shipper must properly prepare the cargo for ocean transport, such as fitting weather tight coverings for sensitive equipment, marked lifting points or lugs and skids. When booking such cargo, the Shipper must warn the Carrier about unusual cargo features such as off center points of balance. The Carrier has the right to refuse goods that are too bulky or heavy for its ships' capacity.

15. The Carrier can consolidate non-containerized cargo with other Arctic Resupply Users' cargo. If the Carrier does this, it will separate packages and units for different Shippers at the discharge port.

The Carrier's responsibility

16. The Carrier agrees to take responsibility for the cargo from the time non - containerized cargo leaves railcars or truck tailgates at the Carrier's marine terminal or from the time Shipper stuffed containers arrive at the Carrier's marine terminal, until the time cargo is transported above high water mark at destination ports, and for Retrograde or Lateral Cargo, at all times when the Cargo is under the operational control of the Carrier.
17. The Carrier will take reasonable steps to keep, care for, load, transport, discharge and deliver the cargo under this contract during the whole time the Carrier takes responsibility for the Cargo
18. The responsibilities and defences of the Carrier apply to Cargo that is loaded on deck and under deck.
19. The Carrier agrees to receive, temporarily store, load, stow and deliver dangerous goods and explosives to meet the requirements of the Transportation of Dangerous Goods Act, the IMDG Code, and the highest standards of safe industry practice. If certain types of dangerous goods or explosives cannot by law be handled at the Carrier's regular marine terminal or port of loading, the loading will be done at places permitted by law. The Carrier will tell the Shipper at the time of booking the alternate places to receive such cargo for transport and tell the Shipper about any additional Freight for handling charges.
20. The Carrier does not provide heated or ventilated cargo space. The Carrier is not required to accept bookings for un-refrigerated perishable goods if the Carrier believes the goods could be damaged from lack of ventilation or low temperatures. The Carrier has the right at any time before loading or during the voyage to refuse to load or to remove and dispose of perishable Cargo that the Carrier reasonably believes has become spoiled or infested. The Carrier has the right, after giving notice to the person receiving the Cargo, to discharge perishable Cargo immediately after the ship arrives at discharge ports even if the Cargo could be damaged by weather conditions.

21. If the Carrier agrees to transport refrigerated containers, the Carrier must supply power to operate container refrigeration plant from the time the refrigerated containers arrive at the Carrier's marine terminal to the time of offloading at the discharge ports of the refrigerated containers, with sufficient reserves of power and fuel for reasonably foreseen delays during the voyage. The Carrier is not responsible for providing power to refrigerated containers during transfer between the carrying ship and above high water mark.
22. The Carrier agrees to:
 - a) use due diligence to make the carrying ship seaworthy;
 - b) to secure that the ship is properly manned, equipped and supplied; and
 - c) to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception and carriage.
23. The Carrier agrees to take reasonable steps to follow the scheduled order of ports. The Carrier has the right to transship the Cargo. The Carrier has the choice to change port rotations, discharge a part cargo and return to the same port to complete discharge or change the order of discharge of Cargo during any one voyage if reasonably necessary to avoid being trapped in ice, to use the whole cargo space efficiently or for the safety of the carrying ship.
24. To service intended discharge ports, the Carrier agrees to force ice within the ship's ice class capacity where prudent under arctic navigation. Where icebreaking assistance is arranged for voyages to certain discharge ports named by agreement between the Carrier and the Government of Nunavut, the Carrier agrees to follow icebreakers in conditions within the carrying ship's and icebreaker's permitted combined ice class capacity and where prudent under arctic navigation.
25. If the Carrier foresees that an intended discharge port will be icebound beyond the ship's ice class capacity or ice or weather conditions will prevent the safe completion of a voyage to any intended discharge port, the Carrier will give notice to the Government of Nunavut and to the chief municipal officer or administrative officer at the intended discharge port. The carrying ship may sail to a convenient open place to await the Shipper's instructions. These parties will consult with a view to agreeing on an alternate way to transport the Cargo by water to the intended discharge port or to an alternate discharge port. If this type

of agreement is made, delivery to an alternate discharge port of all Cargo undamaged is complete performance of the Carrier's responsibility to deliver for the originally intended discharge port on that voyage. The consultation is to avoid the Cargo being returned to the loading port or being shut out of the Arctic for the season. The Carrier will give notice to Shippers about the location of the alternate discharge port.

26. The Shipper understands the Carrier has to use lighters to transfer the cargo from ship to shore at discharge ports. The Carrier may use any reasonable floating vessel or amphibious vehicle as a lighter. The Carrier may use any reasonable method to shift cargo from lighters to above the high water mark.

Shipper's responsibility at delivery

27. The Shipper agrees to be ready itself or to give to the Carrier the name and address or telephone number of a responsible person to take delivery of the Cargo from the Carrier above high water mark at discharge ports.
28. The Carrier agrees to give two days prior notice to Shippers or Shippers' named persons to take delivery, of the estimated actual time of beginning of unloading of the carrying ship at discharge ports.
29. In discharge ports without a warehouse, the Shipper is responsible for taking delivery of Cargo from the Carrier as soon as the Carrier takes the Cargo out of shipping containers or as soon as the Cargo is landed above the high water mark.
30. Where the Shipper keeps a Carrier's shipping container after the Cargo is landed, the Shipper is responsible to deliver the shipping container back to the Carrier at the usual wharf or landing place above the high water mark. The Shipper agrees to pay the Carrier a fee for keeping back the shipping container until the time the Shipper returns the shipping container to the Carrier. This rate is shown in the Carrier's list of fees.

Defences and Limits of Liability of the Carrier

31. The Carrier is not responsible for loss of or damage to the cargo caused by reasons which are listed in article 4 of the Hague-Visby Rules. These reasons are listed as part of this contract. These reasons apply during the whole time the Carrier is responsible for the Cargo under this Contract.

32. The Carrier's contractors, agents and employees have the same defences and limits of liability that the Carrier has under this contract. The wording of article 4bis of the Hague-Visby Rules applies to the Carrier's contractors, agents and employees. The modified wording of this article is included as part of this contract.
33. The Carrier is not responsible for any loss or damage to the Cargo or loss to the Shipper caused by delay, unless the damage resulted from an act or omission of the Carrier done with intent to cause damage, or recklessly and with knowledge that damage would probably result.
34. Unless the Carrier intentionally or recklessly destroys or damages the Cargo as described in paragraph 33, the amount of money the Carrier has to pay is limited to the higher of each of the following two amounts:
666.67 SDRs per unit of Cargo lost or damaged; or
2 SDR per kilogram of Cargo lost or damaged.

In this contract SDR means the Special Drawing Right of the International Monetary Fund. The exchange rate between the Canadian dollar and the SDR changes. If the actual value of lost cargo or the loss in value of damaged cargo is less than the higher of these SDR amounts, the Carrier is only responsible to pay up to the actual value of the lost cargo or the loss in value of damaged cargo.
35. The Carrier has the right to abandon, destroy or damage cargo without responsibility to pay the Shipper if this is necessary to save the ship and the rest of the cargo.. The Carrier only has this right if the Carrier gives notice to the Shippers of General Average. General Average will be adjusted in Canada under the York-Antwerp Rules 1974 as amended 1994. The Carrier must agree to a non-separation agreement and a Bingham clause acceptable to the Government of Nunavut as part of any General Average it declares. The Carrier agrees it will not seize or lien any Cargo or begin any legal proceeding in rem against the Cargo as security for Shippers' contribution to General Average until the Government of Nunavut and the Carrier first agree on a system to fund security for Shippers' contribution to General Average. If the Carrier's failure to follow its responsibilities under this contract caused or contributed to the situation of danger leading to General Average, the Carrier must, after General Average is adjusted, refund all or part of the Shippers' contribution to General Average to the Shippers or the persons giving security on the Shippers' behalf.

Making claims under this contract

36. If damage to cargo is foreseen before the carrying ship reaches a discharge port, or cargo is seen to be damaged at the time of discharge, the Shipper and Carrier agree to co-operate to make a joint inspection and keep records of the damage.
37. If a Shipper believes cargo is damaged or lost by the Carrier, the Shipper must give notice of claim to the Carrier within 30 days of the discharge of the Cargo or within 30 days of the date lost cargo was scheduled to be discharged.
38. Any lawsuit or other legal proceeding for a claim by the Shipper against the Carrier or by the Carrier against the Shipper under this contract must be started within one year of the date of discharge of the Cargo related to the claim, or within one year of the date lost Cargo related to the claim was Scheduled to be discharged. This contract time limit does not apply to claims between the Shipper and the Carrier for contribution or indemnity under Part 2 of the *Marine Liability Act*.
39. All lawsuits or other legal proceedings for claims under this contract must only be started in the Superior Court of Nunavut or the Federal Court. If a claim is started in the Federal Court, the Shipper and the Carrier agree to both request the Federal Court that all pretrial hearings will be heard in Nunavut or by video or teleconference access to any Carrier or Shipper in Nunavut and to request that the trial of the action will be heard in Nunavut.
40. The Shipper and Carrier may agree to alternate dispute resolution in Nunavut of claims under this Contract.
41. This Contract is governed by Canadian Maritime Law.

PART OF ARTICLE IV WORDING AND MODIFIED ARTICLE IV bis WORDING OF HAGUE-VISBY RULES INCLUDED AS PART OF THIS CONTRACT

Rights and Immunities

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped

and supplied, and to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception, carriage and preservation.

Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this article.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from

- (a) act, neglect, or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship;
- (b) fire, unless caused by the actual fault or privity of the carrier;
- (c) perils, dangers and accidents of the sea or other navigable waters;
- (d) act of God;
- (e) act of war;
- (f) act of public enemies;
- (g) arrest or restraint of princes, rulers or people, or seizure under legal process;
- (h) quarantine restrictions;
- (i) act or omission of the shipper or owner of the goods, his agent or representative;
- (j) strikes or lock-outs or stoppage or restraint of labour from whatever cause, whether partial or general;
- (k) riots and civil commotions;
- (l) saving or attempting to save life or property at sea;
- (m) wastage in bulk or weight or any other loss or damage arising from inherent defect, quality or vice of the goods;
- (n) insufficiency of packing;
- (o) insufficiency or inadequacy of marks;
- (p) latent defects not discoverable by due diligence;

(q) any other cause arising without the actual fault and privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting there from.

5. (a) *Wording in first clause of Article 5(a) not included in this contract.*

Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with the goods in an amount exceeding 666.67 units of account per package or unit or 2 units of account per kilogram of gross weight of the goods lost or damaged, whichever is the higher.

(b) The total amount recoverable shall be calculated by reference to the value of such goods at the place and time at which the goods are discharged from the ship in accordance with the contract or should have been so discharged.

The value of the goods shall be fixed according to the commodity exchange price, or, if there be no such price, according to the current market price, or, if there be no commodity exchange price or current market price, by reference to the normal value of goods of the same kind and quality.

(c) Where a container, pallet or similar article of transport is used to consolidate goods, the number of packages or units enumerated in the bill of lading as packed in such article of transport shall be deemed the number of packages or units for the purpose of this paragraph as far as these packages or units are concerned. Except as aforesaid such article of transport shall be considered the package or unit.

(d) The unit of account mentioned in this Article is the Special Drawing Right as defined by the International Monetary Fund. The amounts mentioned in sub-paragraph (a) of this paragraph shall be converted into national currency on the basis of the value of that currency on the date to be determined by the law of the Court seized of the case. The

value of the national currency, in terms of the Special Drawing Right, of a State which is a member of the International Monetary Fund, shall be calculated in accordance with the method of valuation applied by the International Monetary Fund in effect at the date in question for its operations and transactions.

(e) Neither the carrier nor the ship shall be entitled to the benefit of the limitation of liability provided for in this paragraph if it is proved that the damage resulted from an act or omission of the carrier done with intent to cause damage, or recklessly and with knowledge that damage would probably result.

(f) *Not included as part of this contract*

(g) By agreement between the carrier, master or agent of the carrier and the shipper other maximum amounts than those mentioned in sub-paragraph (a) of this paragraph may be fixed, provided that no maximum amount so fixed shall be less than the appropriate maximum mentioned in that sub-paragraph.

(h) Neither the carrier nor the ship shall be responsible in any event for loss or damage to, or in connection with, goods if the nature or value thereof has been knowingly misstated by the shipper *Phrase not included as part of this contract*

6. Goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier has not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.

If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

ARTICLE IV BIS

Application of Defences and Limits of Liability *Added words in italics*

1. The defences and limits of liability provided for in these Rules shall apply in any action against the carrier in respect of loss or damage to goods covered by a contract of carriage whether the action be founded in contract or in tort.

2. If such an action is brought against a *contractor*, servant or agent of the carrier, such *contractor*, servant or agent shall be entitled to avail himself of the defences and limits of liability which the carrier is entitled to invoke under these Rules.

3. The aggregate of the amounts recoverable from the carrier, and such *contractors*, servants and agents, shall in no case exceed the limit provided for in these Rules.

4. Nevertheless, a *contractor*, servant or agent of the carrier shall not be entitled to avail himself of the provisions of this Article, if it is proved that the damage resulted from an act or omission of the *contractor*, servant or agent done with intent to cause damage or recklessly and with knowledge that damage would probably result.

Agreement

ARCTIC RESUPPLY OF DRY CARGO

**FOR THE RECEIVING LOADING, TRANSPORTATION
BY WATER AND DELIVERY OF CARGO
TO ABOVE HIGH WATER MARK AT:**

COMMUNITIES IN AREAS _____

As outlined In RFP 2005-4

FROM PORT OF EXIT _____

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THIS AGREEMENT dated this _____ day of _____, 2006, is made

BETWEEN:

THE GOVERNMENT OF NUNAVUT as represented by the Minister responsible for the Department of Community and Government Services (hereinafter referred to as the "GN")

AND

Supplier Name of the **City of**, **Province / Territory/ Country**, (hereinafter referred to as the "Contractor")

WHEREAS,

- A. The GN requires certain minimal levels of Arctic Resupply of dry cargo service by water at competitive rates to communities in the Baffin, Kivalliq and Kitikmeot Regions of Nunavut;
- B. The GN requires that the aforesaid Arctic Resupply of dry cargo rates and services are also made available to shippers other than the GN;
- C. The GN requested proposals for the Arctic Resupply of dry cargo services;
- D. The GN determined the Contractor's proposal to be "responsive" as defined in *GN Contract Regulations* made pursuant to the *Financial Administration Act*, (Nunavut), and to offer the best value to the GN.

NOW THEREFORE, in consideration of the foregoing, the mutual covenants and conditions and other good and valuable consideration herein contained the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **INTERPRETATION**

As used in this Agreement, unless their subject matter or context is inconsistent, the following terms shall have the following meanings:

- 1.1 "**Agreement**" means this written contract for Arctic Dry Cargo Arctic Resupply including the Schedules attached herein;
- 1.2 "**Area(s)**" means the geographical communities as set out in Appendix 1, Specified Areas.
- 1.3 "**Contractor's Facilities**" means the premises of the Contractor identified in Schedule "A" located at *Street number name city, province*, where the cargo will be received;
- 1.4 "**Containers**" means I.S.O. Standard type metal containers measuring up to 6.71 m (20 feet);
- 1.5 "**Traffic Officer**" means Traffic Officer, Community and Government Services, Government of Nunavut, acting either directly or through his/her duly authorized representative;
- 1.6 "**Cut-off Date**" means the date by which Cargo must be received at the Contractor's Facilities in order to be loaded on the Vessel, and is the date set out in the Arctic Resupply Cargo Delivery Schedule (Sailing Schedule);
- 1.7 "**Declared Cargo**" means all the GN Cargo, the tonnage of which is declared on or before Declaration Day, and for which the GN guarantees to the Contractor, the delivery of ninety percent (**90%**) of this tonnage prior to the Cut-off Date;
- 1.8 "**Declaration Day**" means the day on which the GN guarantees a tonnage of GN Cargo intended to be delivered to the communities in the Area(s) under this Agreement. Declaration Day is no later than the first day of the month which precedes the month in which the Vessel shall set sail each year of the Term of this Agreement;
- 1.9 "**Dollars**" or "**\$**" means in Canadian currency and all sums, prices, payments and amounts otherwise stated or contemplated are or shall be in Canadian currency;

- 1.10 "**Extension Term(s)**" has the meaning attributed to that term in Clause 6 of this Agreement;
- 1.11 "**GN**" means the Government of Nunavut;
- 1.12 "**GN Cargo**" means GN Department's Cargo and does **not** include the cargo of Arctic Resupply Users;
- 1.13 "**GN Construction Contractor**" means a contractor that has a "Major Works Construction Contract" with the GN, which requires the GN Construction Contractor to provide construction labour and materials;
- 1.14 "**GN Department**" means a Department of the Government of Nunavut, and does **not** include Nunavut Boards, Agencies or Crown Corporations such as, but not limited to, the Nunavut Housing Corporation, Housing Authorities or Housing Associations, the Nunavut Power Corporation, the Nunavut Arctic College, the Nunavut Liquor Board, cities, towns, municipalities, hamlets unless specifically included by written advice from the Traffic Officer;
- 1.15 "**Initial Term**" has the meaning attributed to that term in Clause 5.1 of this Agreement;
- 1.16 "**Inuit**" (singular "**Inuk**") means a person within the meaning of the Nunavut Land Claims Agreement (NLCA) or as defined in the NCLA.
- 1.17 "**Lateral Cargo**" means cargo, that is not Northbound Cargo or Retrograde Cargo, carried or to be carried from one community to another community within the same area, and during the same voyage, execution of which is depending on port rotation, as identified in the accepted Schedule.
- 1.18 "**Load Ready Date**" means the date in accordance with the Arctic Resupply Cargo Delivery Schedule set out in Schedule "E" when the Vessel must be at the Contractor's Port of Loading, ready to load cargo;
- 1.19 "**Major Works Construction Contract**" means the standard construction tender and contract agreement form used by the GN to contract for the construction of large value buildings or works, which requires the provision of the labour and materials required for construction of such buildings or works;
- 1.20 "**Montreal Area**" means the Greater Montreal area, including but not limited to Ste-Catherine and Valleyfield;

- 1.21 "**Northbound Cargo**" means cargo carried and or to be carried from the Contractor's Facilities to communities within the Area(s) set out in this Agreement;
- 1.22 "**Northbound Rate(s)**" means the Arctic Resupply rates set out in Schedule "I" for Northbound Cargo;
- 1.23 "**NNI Policy**" means the Nunavummi Nangminiqagtunik Ikajuuti (in the Inuktitut language) meaning "assistance for Nunavut businesses" when translated into the English language;
- 1.24 "**Parties**" means the GN and the Contractor collectively and "**Party**" means any one of them;
- 1.25 "**Port of Loading**" or "**Port of Exit**" means the Port located at *City Name, Province*, where the Contractor shall load Arctic Resupply Cargo onto Vessels;
- 1.26 "**Retrograde Cargo**" means cargo to be transported to the Port of Loading or other point agreed to, from communities set out in this Agreement;
- 1.27 "**Recyclable Materials**" means clean glass bottles, aluminum pop and beer cans, pre-washed food tins, plastic containers and recyclable paper to be returned in palletized open crates or metal Containers from communities set out in this Agreement;
- 1.28 "**Revenue Tonne**" means 1,000 kilograms (kg) or 2.5 cubic metres (m³) based on weight or measurement, whichever produces the greater revenue for the Contractor;
- 1.29 "**Arctic Resupply Cargo**" means cargo (regardless of ownership) that is carried and/or to be carried under the terms and rates set out in this Agreement and includes GN Cargo, and Arctic Resupply User's cargo;
- 1.30 "**Arctic Resupply Users**" means all shippers that are not the GN or a GN Department, including but not limited to the Legislative Assembly, municipalities, communities and hamlets, schools, hospitals, Nunavut Liquor Commission, Nunavut Power Corporation, Nunavut Housing Corporation, Nunavut Arctic College, all bodies performing a function under the Nunavut Land Claims Agreement, any person or entity providing public services in Nunavut, non-profit, religious and charitable

organizations, persons carrying on a profession, business, trade or occupation, and private individuals who are Shippers of cargoes covered by the Arctic Resupply Program or who have a property interest in cargoes carried under the Arctic Resupply Program.

- 1.31 “**Space Available**” means sufficient space to accept and carry fifteen percent (15%) over the Declared Cargo tonnage at Declaration Day;
- 1.32 “**Statute**” or “**Regulation**” means an applicable statute of a government of competent jurisdiction and includes the regulations made pursuant to it and any amendments that have the effect of supplementing, superseding or repealing such statute or regulation;
- 1.33 “**Term**” means the duration of this Agreement and includes Initial Term and, to the extent applicable, any Extension Term(s);
- 1.34 “**Vessel**” means self-propelled ships, (or for the Kivalliq Area can also mean tugs and barges used for the Arctic Resupply from Churchill to the Kivalliq communities) that have been accepted by the GN, for the purposes of carrying out the provisions of this Agreement;
- 1.35 “**Vehicles**” means cars, pick-up trucks, and passenger vans up to 24 cubic metres per unit to be brought back from communities set out in this Agreement.

2. SCHEDULES

2.1 The following Schedules are attached and are hereby incorporated into and are made a part of this Agreement as fully and effectively as if expressly set out herein:

SCHEDULE "A"	Contractor's Care, Custody and Control of Arctic Resupply Cargo
SCHEDULE "B"	Conditions of Sea Transportation and Delivery
SCHEDULE "C"	Retrograde Cargo
SCHEDULE "D"	Lateral Cargo
SCHEDULE "E"	Arctic Resupply Cargo Delivery Schedule (Sailing Schedule)
SCHEDULE "F"	Contract Security Requirements
SCHEDULE "G"	Insurance Requirements
SCHEDULE "H"	Inuit Labour and Training Requirements
SCHEDULE "I"	Arctic Resupply Rates
SCHEDULE "J"	Administrative Requirements
SCHEDULE "K"	General Conditions of Carriage

3. HEADINGS

3.1 The headings are for convenience only, and do not in any way limit or amplify the terms and conditions of this Agreement.

4. ACCESS TO SERVICES AND RATES

4.1 Arctic Resupply Users shall be entitled to the rates and services set out in this Agreement, save and except those services specifically required for the GN.

- 4.2 The Contractor shall not charge the GN or Arctic Resupply Users higher rates than those set out in Schedule "I", but a lower rate may be charged to Arctic Resupply Users.

5. **INITIAL TERM OF AGREEMENT**

- 5.1 This Agreement shall be in effect as of Month, Day, Year, and shall continue for an Initial Term ("**Initial Term**") commencing April 1, 2006, and terminating on March 31, *insert year*, subject to the termination and renewal provisions contained in this Agreement.
- 5.2 For greater certainty, but in no way detracting from the foregoing, nothing in this Agreement shall operate as to prevent the GN from seeking tenders or proposals and awarding a contract for all or part of the same or similar services prior to the expiration or termination of this Agreement, provided that such a contract shall not commence prior to expiry or termination of this Agreement.

6. **GN'S RIGHT TO EXTEND TERM**

- 6.1 In the event that this Agreement is not terminated during the Initial Term, the Contractor agrees that the GN shall have the right to extend the terms and conditions of this Agreement for **an** additional one year Extension Term, at the applicable rates set out in Schedule "I", commencing simultaneously with the expiration of the Initial Term. In the case of extension, the GN must give notice to the Contractor at least 30 days prior to the expiry of the Initial Term.
- 6.2 In the event that this Agreement is not terminated during the additional one year Extension Term, the Contractor agrees that the GN shall have the right to extend the terms and conditions of this Agreement for a second additional one year Extension Term, at the applicable rates set out in Schedule Schedule "I", commencing simultaneously with the expiration of the first one year Extension Term. In the case of extension, the GN must give notice to the Contractor at least 30 days prior to the expiry of the first extension year.

7. **CONTRACTOR'S OBLIGATIONS**

- 7.1 The Contractor shall offer and provide the services subject to the terms and conditions set forth in this Agreement, and is also obliged to:

- 7.1.1 adhere to all safety rules, regulations and labour codes in force in all jurisdictions where the services required by this Agreement are to be performed.
- 7.1.2 equip each Vessel employed in the execution of the services of this Agreement, with one Department of Transportation approved immersion suit for each berth.
- 7.1.3 obtain and maintain all permissions, permits, licenses and certificates of approval, which may be required for the services to be performed under any applicable federal, territorial, provincial or municipal legislation. The Contractor shall be responsible for any charges imposed by such legislation or regulations. Upon request, the Contractor shall provide a copy of any such permit, license or certificate to the GN.
- 7.1.4 keep proper records during the Term of the Agreement, and for a period of seven (7) years from the date of the expiration or termination of this Agreement, and shall make them available for copy, audit or inspection by any persons acting on behalf of the GN at any time during the Term of the Agreement, or up to seven (7) years after the expiration or termination of the Agreement.
- 7.1.5 provide the administrative functions described in Schedule "J" in conjunction with carrying out the services.
- 7.1.6 employ persons with appropriate levels of experience, skills and qualifications, in accordance with industry standards, necessary to carry out the obligations under the Agreement.
- 7.1.7 grant the GN or a designated representative of the GN, access during normal working hours to the Contractor's Facilities and offices at such locations, as well as any other site on land or aboard the Vessel, for the purpose of reviewing the Contractor's procedures and processes with respect to this Agreement.

8. PRICE

- 8.1 In consideration of the observance and performance on the part of the Contractor of all covenants, provisos and conditions contained in this Agreement, the GN shall pay, to the Contractor for services related to GN

Cargo, in accordance with the rates set out in Schedule "I" – Arctic Resupply Rates.

9. TERMS OF PAYMENT

- 9.1 The GN shall pay the applicable Goods and Services Tax (GST) for invoiced services related to GN Cargo and the Contractor shall remit the appropriate amount of GST to the Canada Customs and Revenue Agency in accordance with the applicable legislation. Any amount to be levied against the GN in respect of the GST is to be shown separately on all invoices for goods supplied or services provided in accordance with this Agreement.
- 9.2 Each GN Department must be invoiced separately in accordance with the actual measured weights and/or volumes for the applicable GN Cargo.
- 9.3 Northbound – All Sailings for each GN Department: Upon completion of loading of the Vessels, the Contractor may invoice for one hundred percent (**100%**) of the price calculated on the basis of the rates set out in Schedule "I" – Arctic Resupply Rates; and the GN shall pay the Contractor for services related to GN Cargo within twenty (20) days for a Nunavut Business (as defined by the NNI Policy) or thirty (30) days for a Contractor that is not a Nunavut Business; after presentation to the GN of:
- a. one copy of the dock receipts and of the carrier's booking notes with the applicable supporting documentation;
 - b. one copy of the stowage plan and of the receipt (non-negotiable), signed by or on behalf of the Contractor;
 - c. two copies of the recapitulation sheet;
 - d. two copies of the ship's manifest for GN cargo; and
 - e. two copies of each GN Department's invoice(s) including consignees' signature of receipt;
- 9.4 After presentation of the billings and receipt of documentation signed by the consignee or their representative as evidence of delivery of GN cargo carried on **all sailings** and verification by the GN of all documentation submitted and determination of the Revenue Tonnes of GN Cargo carried all to the satisfaction of the Manager, and in the absence of any need for retention of monies pursuant to **Clause 9.5** below, the GN shall pay the Contractor for that part of the service related to GN Cargo within twenty

(20) days for a Nunavut Contractor or thirty (30) days for a Contractor that is not a Nunavut Business (as defined by the NNI Policy).

9.5 Monies may be retained from the invoiced amount(s) for:

- i) failure to acknowledge claims for loss resulting from lost, damaged or destroyed GN Cargo; and for
- ii) remedying damages resulting from the Contractor's default as set out in Clause 15.

9.6 For the services more particularly set forth in Schedule "C" Retrograde Cargo and Schedule "D" Lateral Cargo attached hereto, upon completion of delivery, the Contractor may invoice the GN for 100% of the price calculated on the basis of the rate set in Schedule "I" – Arctic Resupply Rates; and after presentation to the GN, of billings, receipts (non negotiable), shipping instructions, and documentation signed by the consignee or his/her representative as evidence of the delivery of GN Cargo, all to the satisfaction of the Manager, and in the absence of any need for retention of monies pursuant to **Clause 9.5**, the GN shall pay the Contractor within twenty (20) days for a Nunavut Business (as defined by the NNI Policy) or thirty (30) days for a Contractor that is not a Nunavut Business.

9.7 Interest is applicable to late payments by GN related to GN Cargo at the following rate: The Bank of Canada Prime Business Rate on April 1st, plus six percent (6%), per annum. This rate to be set each year, based on the Bank of Canada Prime Business Rate on April 1st of the applicable year.

9.7.1 An amount becomes "overdue" when it is unpaid on the first day following thirty (30) days after the day on which it is due and payable. "Date of Payment" means the date the cheque is issued by the GN, unless the Contractor provides proof that the cheque was mailed at a later date, and in this circumstance, date of mailing will be the Date of Payment.

9.7.2 If the GN is invoiced for interest on overdue payments, then the GN shall be liable to pay to the Contractor simple interest, compounded each year on December 31, at the interest rate defined in **Clause 9.7** above from the date such payment becomes overdue until the day prior to the Date of Payment, inclusive. Notwithstanding the foregoing, if the total amount of

interest payable to the Contractor by the GN is less than one hundred Dollars (\$100.00), then the GN will not be liable to pay.

- 9.7.3 Interest will not be paid on monies claimed by the Contractor where the claim results from invoices improperly prepared or addressed.
- 9.7.4 Interest charges, when applied, shall be reflected on a statement of account that will be issued and forwarded to the GN on a monthly basis, until such time as all monies owed are fully paid.
- 9.7.5 The Contractor agrees to repay the GN any overpayment received from the GN within thirty (30) days of the discovery of the overpayment. If such payment to the GN becomes overdue, the preceding interest provisions shall apply.

10. PRE AND POST-SEASON MEETINGS

- 10.1 In each year during the Term of this Agreement, the Parties shall schedule and participate in pre and post-season meetings in which the Parties will discuss operational, administrative, and other related matters.
- 10.2 The option to extend the Agreement Term shall be an agenda item for the post-season meeting in the final year of the Initial Term and, if applicable, for the post-season meeting in the first Extension Term.

11. GN CONSTRUCTION CONTRACTOR'S CARGO

- 11.1 In exceptional or extraordinary circumstances where the Contractor's Arctic Resupply Cargo Delivery Schedule is in substantial conflict with a GN construction project Schedule, the GN will in consultation with the Arctic Resupply Contractor review the circumstances, taking into account the adverse impact on the GN construction project, and may allow the relevant portion of the cargo to be shipped with a carrier other than the Arctic Resupply Contractor at its sole discretion and without penalty to the GN. In ordinary circumstances, GN Construction Contractors will be required by the GN to use the Contractor for marine shipment of materials to carry out the construction and works set out in their Major Works Construction Contract. It is however understood that the GN shall act at all times reasonably in the exercise of its discretion hereunder.

12. CARRIAGE OF GOODS BY WATER – RIGHTS AND IMMUNITIES OF THE CONTRACTOR

- 12.1 Subject to any particular rights accorded only to the Government of Nunavut under this Agreement as a whole, carriage under the Arctic Resupply Program for the GN and Arctic Resupply Users is subject to the General Conditions of Carriage included as Schedule “ K”
- 12.2 The Contractor shall not have a lien on any GN Cargoes for any freight, general average security or contribution or other charges due whether arising from statute or Canadian Maritime Law. The Contractor agrees not to make any claim in rem against GN cargoes or other GN property for claims which otherwise could be the subject of an action in rem.

13. ALTERNATE DISPUTE RESOLUTION

- 13.1 The Contractor and the GN shall negotiate with the objective of agreeing upon and implementing at the earliest practicable time during the term of this Agreement a system of alternate dispute resolution, particularly for the use of Arctic Resupply Users respecting claims arising from the performance of the General Conditions of Carriage. The Parties acknowledge the interests to be met with such system are to permit the timely and cost effective resolution in Nunavut of such claims in conformity with Inuit Qaujimajatuqangit and with the carrier's need for appropriate risk management.
- 13.2 The Contractor and the GN shall negotiate with the objective of agreeing upon and implementing at the earliest practicable time during the term of this Agreement a system or facility for funding Arctic Resupply Users' contribution to any General Average declared by the Contractor during the term of this Agreement. Until such system or facility is agreed to and implemented, the Contractor shall not seize or lien any Cargo or begin any legal proceedings in rem against any Arctic Resupply Cargo as security for any General Average contribution by any Arctic Resupply Users.

14. INDEMNITY

- 14.1 The Contractor shall indemnify and hold harmless the GN, its officers, employees, servants and agents from and against all claims, actions, causes of action, demands, costs, losses, damages, expenses, administrative penalties, suits or other proceedings by whomever made brought or prosecuted, in any

manner based upon or related to the negligence, gross negligence, wilful misconduct or breach of contract of the Contractor under this Agreement.

15 DEFAULT - TAKING THE WORK OUT OF THE CONTRACTORS HANDS

15.1 the GN, acting reasonably, may take all or any part of the work out of the Contractor's hands, and may employ such means as seems fit to have the work completed if the Contractor;

- i) has not, within six days after receiving notice given by the GN in accordance with clause 17, remedied any delay in the commencement or any default in the diligent performance of the work to the satisfaction of the Traffic Officer, or provide a remedial plan that is acceptable to the GN for such delay or default;
- ii) has defaulted in the completion of any substantial part of the work, including a significant deviation from the time fixed for Arctic Resupply delivery in accordance with Schedule "E", without the consent of the Traffic Officer.
- iii) has become insolvent in any jurisdiction of the Contractor's operation or of any carrying ship's flag ;
- iv) has committed an act of bankruptcy in any jurisdiction of the Contractor's operation or of any carrying ship's flag ;
- v) has suffered any carrying ship to be arrested or seized by a private creditor, or by government or other body acting under governmental authority during or after the time such carrying ship has been tendered to load Cargo under this Agreement, without obtaining the release of such carrying ship from arrest or seizure within 10 days of the date of arrest or seizure;
- vi) has abandoned of the work;
- vii) has made an assignment of this Agreement without the consent of the GN; or
- viii) has otherwise failed to observe or perform any substantial provisions of this Agreement and more specifically , but without restricting the generality of the foregoing has made a change to the Arctic Resupply Delivery Schedule without the consent of the Traffic Officer.

15.2 If all or any part of the work is taken out of the Contractor's hands under clause 15 .1 above :

- i) the Contractor's right to any further payment that is due or accruing under this agreement is extinguished, subject only to clause 15 .4; and
- ii) the Contractor is liable to pay the GN, upon demand, an amount of money that is equal to the amount of all provable actual loss and damage incurred or sustained by the GN in respect of the contractor's failure to complete the work.

15.3 If of the whole or any part of the work that is taken out of the contractor's hands pursuant to clause 15 .1 its completed by the GN, the GN shall determine the amount, if any, that had accrued and was due the Contractor prior to the date on which the work was taken out of the Contractor's hands and is not required for the purposes of having the work performed or of compensating the GN for any other provable actual loss or damage incurred or sustained by reason of the Contractor's default.

15.4 The GN may pay the Contractor the amounts determined not to be required pursuant to clause 15 .3.

15.5 The taking of the work or any part thereof out of the Contractor's hands pursuant to clause 15 .1 does not operate so as to relieve or discharge the Contractor from any obligation under this Agreement or imposed upon the Contractor by law except the obligation to complete the performance of that part of the work that was taken out of the Contractor's hands.

15.6 The GN shall, at all times, act reasonably when exercising its discretion or its rights under the provisions of this clause.

16 DISPUTE RESOLUTION

16.1 The parties agree that, both during and after the performance of the terms of this Agreement, each party shall make bona fide efforts to resolve by negotiation any dispute between them period the parties shall on a without prejudice basis provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate such negotiation.

17 NOTICE

17.1 Any notice under this Agreement shall be effectively given in writing or by facsimile transmission and addressed:

in the case of the contractor, to:

Contact Name: _____

Street Name & Number _____

City, Province, Post Code _____

Telephone _____ Facsimile _____

AND

in the case of the GN to:

Deputy Minister
Department of Community & Government Services
c/o Traffic Officer
Bag 1000, Station 700
Iqaluit, NU
X0A 0H0
Telephone (867) 975 5437
Facsimile (867) 975 5450

17.2 Any notice referred to in the above paragraph shall be deemed to be received by any party if it was delivered by courier, two days after the day that it was delivered, or if it was sent by mail, on the 10th day after it was mailed, or if it was transmitted by facsimile, 48 hours after it was transmitted.

18 PRIOR NEGOTIATIONS SUPERSEDED

18.1 This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter and supersedes all previous negotiations and documents in relation thereto. This Agreement sets forth all of the covenants expressed or implied forming part of or in any way affecting or relating to this Agreement. The Parties acknowledge that there is no representation either written or oral between the GN and Contractor other than those expressly set out in this Agreement. No implied terms or obligations of any kind by or on

behalf of either the GN or contractor shall arise from anything in this agreement herein. The terms contained herein are the only covenants and agreements upon which any right against the GN or the Contractor which shall be asserted.

19 CONFLICTS OF INTEREST

- 19.1 Should an interest be promised or acquired during that the life of this agreement that would cause a conflict of interests, the contractor shall declare it immediately to the Traffic Officer. No member of the Legislative Assembly shall be admitted to any share or a part of this Agreement or to any benefit to arise therefrom.

20 AMENDMENTS

- 20.1 The rights and obligations of either Party, with respect to this Agreement may not be amended, varied or altered in any respect without the prior written consent of both Parties.

21 GOVERNING LAW AND JURISDICTION

- 21.1 This Agreement shall be governed by, construed and enforced in accordance with the laws of Nunavut and the laws of Canada as applicable.
- 21.2 All actions or other legal proceedings for claims under this Agreement shall be commenced in the Nunavut Court of Justice or the Federal Court.
- 21.3 In the event of Default of the Contractor under this Agreement, the GN also shall have the right to commence or participate in legal proceedings, admiralty proceedings or insolvency proceedings in any jurisdiction where any ship or property of the Contractor or of a subcontractor engaged by the Contractor may be located from time to time. By this clause, the Contractor on its own behalf and as agent and trustee on behalf of any subcontractor, owner or operator of any ship engaged in the performance of this Agreement, attorn to the jurisdiction of the courts of Nunavut, the Federal Court and the courts of any jurisdiction where any such ship or property of the Contractor or such subcontractor engaged by the Contractor, may be located from time to time.
- 21.4 The Contractor and the GN may agree to alternative dispute resolution in Nunavut of claims under this Agreement.
- 21.5 The rights and obligations in this paragraph 21 shall survive the termination of this Agreement.

22 FINANCIAL ADMINISTRATION ACT REQUIREMENT

- 22.1 of the GN is required to include the following statement in all contracts, and the Contractor accepts and acknowledges that this Agreement is subject to section 46 of the *Financial Administration Act*, (Nunavut), which provides as follows :

It is a condition of every contract made by or on behalf of the government requiring an expenditure, that an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contracts.

23 ASSIGNMENT AND SET OFF

- 23.1 The Contractor shall not, without the written consent of the GN, make any assignment of this Agreement for the performance of the services hereby contracted for.
- 23.2 The GN may set off any payment due to the contractor against any monies owed by the Contractor to the GN.

24. OTHER CONDITIONS

- 24.1 The Contractor and the GN agree to ensure that their respective employees communicate and co-operate with each other while performing their obligations under the Agreement to ensure a safe, effective, timely and proper transportation and delivery of the services set out in the Agreement.
- 24.2 This Agreement and all related information shall be confidential and shall not be disclosed to any person except with the consent of both Parties and to the extent disclosure is required to fulfill the Parties obligations under this Agreement or at law pursuant to the *Access to Information and Protection of Privacy Act (Nunavut)* The Parties shall take all reasonable steps to ensure that confidential information is secure and this confidentiality covenant be fulfilled except as required by any court, regulatory or governmental authority, as is required for purposes of the enforcement of this Agreement or as is required for governmental approval of this Agreement. This covenant shall survive the termination of this Agreement. This confidentiality requirement does not extend to the General Conditions of Carriage in Schedule 'K' of this Agreement. During the performance of this Agreement, the Parties shall make the General Conditions of Carriage in Schedule 'K' readily accessible without charge to Arctic Resupply Users and the public.

- 24.3 The expiration or termination of this Agreement for any reason shall be without prejudice to the rights of the Parties hereto and shall not relieve the Parties hereto of any of their liabilities or obligations accrued hereunder at the time of such expiry or termination or from any liability or obligation continuing beyond or arising out of such expiry or termination of the Agreement.
- 24.4 Subcontracting, or a GN consent to subcontracting, shall not be construed to relieve the Contractor from obligations under the Agreement. The Contractor shall not change a subcontractor subsequent to the execution of this Agreement without the prior written consent of the GN and such consent will not be unreasonably withheld.
- 24.5 It shall be the sole responsibility of the Contractor to ensure that every subcontract entered into by the Contractor shall accept and be bound by the applicable terms and conditions of this Agreement. In the event that a subcontractor, for any reason, is unable to assume the obligations of the Contractor as set out in the Agreement, the Contractor shall promptly notify the GN and rectify the situation.
- 24.6 No waiver by either Party or any breach of any term, condition or covenant of the Agreement shall be effective unless the waiver is in writing and signed by both Parties. Any waiver with respect to a specific breach will not affect any right of the Parties relating to other or future breaches.
- 24.7 Each provision of this agreement is intended to be severable. If any provision herein is adjudged by a court of competent jurisdiction to be illegal or unenforceable, such unenforceability will not affect the remaining provisions of this Agreement.
- 24.8 There shall be no presumption that any ambiguity in this Agreement be resolved in favour of either Party. The *contra proferentum* rule shall not be applied in any interpretation of this Agreement.
- 24.9 the Contractor has all necessary authority and capacity to enter in the two this Agreement and to perform its obligations under this Agreement.
- 24.10 The Contractor shall take all necessary internal administrative steps and conduct itself in relation to governmental, fiscal, and regulatory authorities from time to time so as to remain in good standing during the term of this Agreement.
- 24.11 Each Partly agrees that it will execute all documents and do such acts and things as the other Party may reasonably require and may be desirable and

within its respective powers to do, to carry out or implement the provisions or intent of this Agreement

24.12 This Agreement may be signed in counterparts and each such counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

24.13 This Agreement shall be to the benefit of and be binding on the respective administrators, successors and permitted assigns of each of the Parties hereto.

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED IN ACCORDANCE WITH THEIR RESPECTIVE INTERNAL AUTHORITY AND REGULATIONS

SIGNED, SEALED AND DELIVERED in the presence of:

CONTRACTOR: *Contractor's Full Legal Business Name and Address:*

(Seal)

Facsimile No: _____

• Signature: _____

Name: _____ Date: _____

Title: _____

GOVERNMENT OF NUNAVUT:

Facsimile No: _____

• Signature: _____

Name: _____ Date: _____

Title: _____

• Witness, Signature: _____

_____ Date: _____
Witness Name & Title