
Section 5

H - Terms of Payment

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H0001D (15/06/98) Interest on Overdue Accounts

This clause is cancelled effective 01/12/00.

H0001D (30/10/96) Interest on Overdue Accounts

Effective 15/06/98, this clause is superseded by H0001D.

H0002D (01/08/92) Interest on Overdue Accounts

Effective 30/10/96, this clause is superseded by H0001D.

H0003D (01/08/92) Interest on Overdue Accounts

Effective 01/12/92, this clause is superseded by M9025D.

Remarks: Use the following clause in contracts, standing offers, purchase orders or bid solicitations (except construction and utility contracts) that provide for payment upon completion.

H1000D (10/06/05) Method of Payment

1. Payment by Canada to the Contractor for the Work shall be made within:
 - (a) thirty (30) days following the date on which all of the Work has been delivered at the delivery point specified in the Contract, not the ultimate destination, and all other Work required to be performed by the Contractor under the terms of the Contract has been completed; or
 - (b) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract;whichever date is the later.
2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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H1000D (10/12/04) Method of Payment

Effective 10/06/05, this clause is superseded by H1000D.

Remarks: Use the following clause in contracts, standing offers, purchase orders, bid solicitations (except construction and utility contracts) applicable to the multiple unit/multiple shipment category, with payment on completion of each shipment.

H1001D (10/12/04) Method of Payment - Multiple Deliveries

1. Payment by Canada to the Contractor for each delivery shall be made within:
 - (a) thirty (30) days following the date on which completed units have been delivered at the delivery point specified in the Contract, not the ultimate destination, and all other Work required to be performed by the Contractor with respect to these units under the terms of the Contract has been completed; or
 - (b) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract;whichever date is the later.
 2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.
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H1001D (12/12/03) Method of Payment - Multiple Deliveries

Effective 10/12/04, this clause is superseded by H1001D.

Remarks: Use the following clause in contracts when one lump sum payment is to be made to the contractor after all deliverables have been received and accepted.

H1002C (16/12/05) Method of Payment - One Lump Sum

1. One payment shall be made following delivery and acceptance of all deliverables.
2. The Contractor shall prepare and certify an original and two (2) copies of its claim on form PWGSC-TPSGC 1111, Claim for Progress Payment

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(<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>). The claim will be forwarded to the Contracting Authority who will certify the claim and forward it to the Technical Authority for certification and payment.

H1002C (12/12/03) Method of Payment - One Lump Sum

Effective 16/12/05, this clause is superseded by H1002C.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in bid solicitations and contracts when it is intended that progress payments will be made.

If holdback will be applied at different rates for different line items, then it should be reflected in this clause. The following is an option clause relative to a holdback position on any given contract and relates to paragraphs 1. (c) and 2. (b) of this clause. If the same rate of payment/holdback is not applicable to all commodities or phases of the contract, add the following phrase to the foregoing:

"applicable to ____ (Name the commodity or phase of the contract appropriate to the payment/holdback rate stated) and payment/holdback equal to ____ percent of such expenditures applicable to ____ (Name the commodity or phase of the contract appropriate to the payment/holdback rate stated)."

H1003D (16/12/05) Method of Payment - Progress Payments

1. Progress payments shall be made not more frequently than once a month, upon the following terms and conditions:
 - (a) progress claims shall be completed in full, on form PWGSC-TPSGC 1111, Claim for Progress Payment (<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>) and submitted to Canada in accordance with the invoicing instructions specified herein;
 - (b) all the certificates appearing on the said form are to be signed by the respective persons indicated thereon or their delegate, and
 - (c) payments shall be made up to ____ percent of the claimed amounts approved by Canada but in no event will cumulative payments exceed ____ percent of the total to be paid by Canada under the Contract.
2. Each claim must show the following:
 - (a) expenditures plus pro-rated profit or fee if applicable or, alternatively, the value of milestones during the claim period by line item as detailed in the payment terms of the Contract;
 - (b) less holdback at ____ percent, calculated on the amount in 2. (a);
 - (c) total of all previous claims against the Contract;
 - (d) Goods and Services Tax or Harmonized Sales Tax, as applicable, calculated on the amount in 2. (a) above.
3. The balance of the amount payable will be paid upon satisfactory completion of the Contract or in the case of unit price contracts upon the delivery and acceptance of each unit, provided that a final claim for such payment is submitted. (Refer to the invoicing instructions in the Contract.)

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4. If specified herein, the form PWGSC-TPSGC 1111 shall be accompanied by the required copies of monthly progress reports.
5. The Contractor shall prepare the original and two (2) copies of its claim on form PWGSC-TPSGC 1111, and they shall be routed as follows:
 - (a) _____ Authority;
 - (b) _____ Authority;
 - (c) _____ Payment Office.
6. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be refunded promptly to Canada.
7. Payment by Canada to the Contractor for the Work shall be made:
 - (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed form PWGSC-TPSGC 1111;
 - (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed final form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is completed, whichever date is the later.
8. If Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim that contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 7 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

H1003D (10/12/04) Method of Payment - Progress

Effective 16/12/05, this clause is superseded by H1003D.

H1004D (01/08/92) Method of Payment

Effective 03/02/97, this clause is superseded by H1000D.

H1005D (01/08/92) Method of Payment

Effective 01/12/92, this clause is superseded by M9026D.

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H1006D (31/01/92) Proposed Basis of Payment

This clause is cancelled effective 31/03/95.

Remarks: Use the following clause in conjunction with H1003D.

H1007D (10/12/04) Quarterly Release of Holdbacks

1. The balance of the amount payable in any quarter will be paid quarterly, provided a claim for such payment is submitted. Each claim received at the end of a quarter is to include the claim for the release of the quarterly holdback.
 2. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be promptly refunded to Canada.
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H1007D (01/05/96) Quarterly Release of Holdbacks

Effective 10/12/04, this clause is superseded by H1007D.

H3000D (01/06/91) Progress Payments

Effective 15/09/97, this clause is superseded by H1003D.

H3001T (01/06/91) Progress or Advance Payments

This clause is cancelled effective 03/02/97.

H3002D (01/06/91) Progress Payments

Effective 15/09/97, this clause is superseded by H1003D.

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H3003D (01/06/91) Progress Payments

Effective 15/09/97, this clause is superseded by H1003D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in bid solicitations and contractual documents with progress payments, and which use one of the general conditions shown below.

Fill in the blanks with the appropriate section and general conditions number.

General conditions	Section
1026A	10
1026B	19
CCC-50	17.

Use of this clause is not required when general conditions 9601, General Conditions - Long Form, is used.

H3004D (12/12/03) Payment, Conditions Precedent to

Section ____ of general conditions ____ that forms part of this Contract is hereby deleted and the following is substituted:

- “1. No payment shall be made to the Contractor unless or until invoices, inspection notes, and all other documents prescribed by the Minister or by the inspector are submitted in accordance with either the terms of the Contract or the instructions of the Minister.
 2. In cases where costs have been paid by the Contractor and where payment is being made by the Minister, Canada shall make no payment to the Contractor unless or until the Contractor, if required to do so, establishes to the satisfaction of the Minister that the materials, parts, work in process, or finished work are free from all claims, liens, attachments, charges, or encumbrances.
 3. In cases where costs have accrued in the accounts of the Contractor as liabilities to be discharged in the normal course of business and where the Minister is making payment, no payment shall be made to the Contractor unless or until the Contractor, if required to do so, establishes to the satisfaction of the Minister that:
 - (a) the Contractor is not, in the ordinary course of business, delinquent in discharging any accrued liabilities that have arisen under this Contract,
 - (b) the Minister's payment shall be used only to discharge such liabilities, and
 - (c) upon such discharge, the materials, parts, work in process, and finished work shall be free from all claims, liens, charges, or encumbrances.
 4. In case of finished work, Canada shall make no payment to the Contractor unless or until such finished work has been inspected and accepted in accordance with the terms of this Contract.”
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H3004D (21/06/99) Payment, Conditions Precedent to

Effective 12/12/03, this clause is superseded by H3004D.

H3005C (01/06/91) Method of Payment

Effective 15/03/98, this clause is superseded by H3005D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when milestone payments are to be made in accordance with a predetermined Schedule of Milestones.

H3005D (16/12/05) Method of Payment - Milestone Payments

1. Milestone payments shall be made in accordance with the Schedule of Milestones attached as Annex "_____", upon the following terms and conditions:
 - (a) milestone claims shall be completed in full, on form PWGSC-TPSGC 1111, Claim for Progress Payment, (<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>) and submitted to Canada in accordance with the invoicing instructions specified herein;
 - (b) all the certificates appearing on the said form are to be signed by the respective persons indicated thereon or their delegate; and
 - (c) all deliverables required for the milestone claimed have been received and accepted by the _____ Authority.
2. Each claim must show the following:
 - (a) amount currently claimed;
 - (b) total of all previous claims against the Contract and the extension of the totals to date; and
 - (c) Contract Number, Financial Codes and Client Reference Number as shown on page 1 of the Contract.
3. The Contractor shall prepare and certify an original and _____ copies of its claim on form PWGSC-TPSGC 1111 and forward it to the _____ Authority.
4. The balance owing shall be paid to the Contractor, subject to:
 - (a) delivery and acceptance of all deliverables; and
 - (b) the certification of the final claim by the Contracting Authority and the _____ Authority.
5. Payment by Canada to the Contractor for the Work shall be made:
 - (a) in the case of a milestone payment other than the final payment, within thirty (30) days following the date of receipt of a duly completed form PWGSC-TPSGC 1111;

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- (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is completed, whichever date is the later.
6. If Canada has any objection to the form of the milestone claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim that contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 5 of the clause to apply for the sole purpose of calculating interest on overdue accounts.
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H3005D (10/12/04) Method of Payment - Milestone Payments

Effective 16/12/05, this clause is superseded by H3005D.

Remarks: Use the following clause in contracts with universities when progress payments are to be made to the contractor.

H3006C (16/12/05) Method of Payment - Universities

1. Progress payments, monthly or less frequently, shall be made up to 100 percent of the costs and charges incurred or of the invoice that has been received and accrued in the accounts payable, and in accordance with the Basis of Payment, but not to exceed 90 percent of the value of the Contract, provided that:
- (a) the Contractor submits to the Contracting Authority a fully completed "Claim for Progress Payment", form PWGSC-TPSGC 1111 (<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>). The claim must show the following:
- (i) expenditures in accordance with the Basis of Payment for the Work performed during the period of the claim;
 - (ii) deductions for holdback, if applicable;
 - (iii) total of all previous claims against the Contract;
 - (iv) extension of the totals to date and the calculation of the amount due;
 - (v) Goods and Services Tax or Harmonized Sales Tax, as applicable;
 - (vi) Procurement Business Number; and
 - (vii) Contract Number, Financial Codes, and Client Reference Number as shown on page 1 of the Contract.
- (b) all the certificates appearing on the said form are signed by the respective persons indicated thereon or their delegate;
- (c) the claim is accompanied by the deliverables required for the period of the claim;
- (d) the deliverables are accepted by the Technical Authority;
- (e) the claim is certified by the Contracting Authority and the Technical Authority; and

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- (f) the following documentation, in two (2) copies, accompanies the claim:
 - (i) a listing of all expenses in support of the claim;
 - (ii) a copy of the invoice for each non-consumable item valued at \$1,000 or more; and
 - (iii) a statement regarding all travel and living expenses indicating who, where, when, duration and purpose of travel.
- 2. The Contractor shall prepare and certify an original and two (2) copies of its claim on form PWGSC-TPSGC 1111. The claim will be forwarded to the Contracting Authority who will certify the claim and forward it to the Technical Authority for certification and payment.
- 3. The balance owing shall be paid to the Contractor, subject to:
 - (a) completion and acceptance of the Work;
 - (b) the submission of all deliverables to the Technical Authority; and
 - (c) the certification of the final claim by the Technical Authority and the Contracting Authority.
- 4. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayment resulting from such progress payments or otherwise shall be refunded promptly to Canada.
- 5. Payment by Canada to the Contractor for the Work shall be made:
 - (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111;
 - (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which Work is completed, whichever date is the later.
- 6. If Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim that contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 5 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

H3006C (10/12/04) Method of Payment - Universities

Effective 16/12/05, this clause is superseded by H3006C.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in contracts when progress payments are to be made based on actual expenditures less a percentage for holdback.

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H3007C (16/12/05) Method of Payment - Progress Payments

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1. Progress payments, monthly or less frequently, shall be made up to ____ percent of the costs and charges incurred in accordance with the Basis of Payment, but not in excess of ____ percent of the value of the Contract, provided that:
 - (a) the Contractor submits to the Contracting Authority a fully completed "Claim for Progress Payment", form PWGSC-TPSGC 1111 (<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>). Each claim must show the following:
 - (i) expenditures in accordance with the Basis of Payment for the Work performed during the period of the claim;
 - (ii) holdback of ____ percent;
 - (iii) total of all previous claims against the Contract and the extension of the totals to date;
 - (iv) Goods and Services Tax or Harmonized Sales Tax, as applicable;
 - (v) Procurement Business Number; and
 - (vi) Contract Number, Financial Codes, and Client Reference Number as shown on page 1 of the Contract.
 - (b) all the certificates appearing on the said form are signed by the respective persons indicated thereon or their delegate;
 - (c) the claim is accompanied by the deliverables required for the period of the claim;
 - (d) the deliverables are accepted by the Technical Authority;
 - (e) the claim is certified by the Contracting Authority and the Technical Authority; and
 - (f) two (2) sets of backup documentation (receipts, vouchers, etc.) to support the claim are supplied to the Contracting Authority.
2. The Contractor shall prepare and certify an original and two (2) copies of its claim on form PWGSC-TPSGC 1111. The claim will be forwarded to the Contracting Authority who will certify the claim and forward it to the Technical Authority for certification and payment.
3. The balance owing shall be paid to the Contractor, subject to:
 - (a) completion and acceptance of the Work;
 - (b) the submission of all deliverables to the Technical Authority; and
 - (c) the certification of the final claim by the Contracting Authority and the Technical Authority.
4. Progress payments shall be regarded as interim payments only and Canada shall have the right to conduct interim cost/time verifications or audits and to make adjustments from time to time during the performance of the Work. Any overpayments resulting from such progress payments or otherwise shall be refunded promptly to Canada.
5. Payment by Canada to the Contractor for the Work shall be made:
 - (a) in the case of a progress payment other than the final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111;
 - (b) in the case of a final payment, within thirty (30) days following the date of receipt of the duly completed form PWGSC-TPSGC 1111, or within thirty (30) days following the date on which the Work is completed, whichever date is the later.
6. If Canada has any objection to the form of the progress claim, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the claim" means a claim that contains or is accompanied by such substantiating documentation as Canada

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requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 5 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

H3007C (10/12/04) Method of Payment

Effective 16/12/05, this clause is superseded by H3007C.

H3008C (01/06/91) Conditions Precedent to Payment

This clause is cancelled effective 31/03/95.

H3012D (31/01/92) Method of Payment

Effective 15/09/97, this clause is superseded by H1003D.

H3013D (31/01/92) Method of Payment

Effective 15/09/97, this clause is superseded by H1003D.

H3014D (31/01/92) Method of Payment

Effective 15/09/97, this clause is superseded by H1003D.

H3016C (31/01/92) Method of Payment

Effective 03/02/97, this clause is superseded by H1000D.

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H3017D (31/01/92) Invoicing and Method of Payment

This clause is cancelled effective 03/02/97.

Remarks: Use this clause in solicitation and contract documents covering air charter services for the carriage of goods and people.

H3018D (15/09/97) Invoicing, Air Charter

1. Invoices are to be made out to the Charterer and sent to the address on Page 1.
 2. Each original invoice for flying shall be accompanied by charter tickets signed by the Charterer, after each flight, showing that the service covered by the invoice has been completed in accordance with the Contract.
 3. Each original invoice for items listed in the Basis of Payment shall clearly identify the nature of the charge and shall be supported by appropriate receipt vouchers. Goods and Services Tax or Harmonized Sales Tax, as appropriate, is to be shown as a separate item on each invoice.
 4. All invoices for services rendered or for other charges under this contract/call-up shall be submitted as above by the Carrier within three (3) months after such service was performed.
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H3018D (31/03/95) Invoicing, Air Charter

Effective 15/09/97, this clause is superseded by H3018D.

H3019T (13/12/02) Invoicing Instructions

1. Invoices must be submitted on the Contractor's own form and must be prepared to show:
 - (a) the date;
 - (b) name and address of the CONSIGNEE;
 - (c) Contract Number, Serial Number and Financial Code(s);
 - (d) device type, manufacturer, and serial number;
 - (e) Client Reference Number (CRN);
 - (f) Procurement Business Number (PBN).
 2. Mailing addresses for the invoices will be defined in the resulting contract.
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H3019T (12/05/00) Invoicing Instructions

Effective 13/12/02, this clause is superseded by H3019T.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in bid solicitations and contracts for maintenance services invoiced monthly.

H3020D (10/12/04) Invoicing Instructions - Maintenance Services

1. Payment will only be made on receipt of satisfactory invoices duly supported by specified release documents and other documents called for under any resulting contract.
 2. An invoice must be submitted monthly, on the Contractor's own form and must be prepared to show:
 - (a) company name and address;
 - (b) File Number, Contract Serial Number, and Financial Code;
 - (c) destination;
 - (d) hourly rate, number of hours, labour cost;
 - (e) cost of materials;
 - (f) Goods and Services Tax/Harmonized Sales Tax, as applicable;
 - (g) Client Reference Number;
 - (h) Procurement Business Number.
 3. The monthly invoice will be processed for payment only if:
 - (a) all the maintenance service call reports applicable for that month as described under Article "_____" of the Statement of Work (SOW) have been received by the Technical Authority; and
 - (b) the monthly maintenance reports as described in Articles "_____" and "_____" of the SOW are attached to the monthly invoice.
 4. The original and two (2) copies of the invoices, with the monthly reports, shall be sent to:
Attention: _____.
 5. One (1) copy of the invoice accompanied with a copy of the monthly reports shall be sent to:
Department of Public Works and Government Services
Attention: _____.
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H3020T (13/12/02) Invoicing Instructions

Effective 10/12/04, this clause is superseded by H3020D.

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Remarks: Use the following clause to provide invoicing instructions for requirements with a single payment on delivery and acceptance.

H3021D (13/12/02) Invoicing Instructions

1. Payment will only be made on receipt of a satisfactory invoice duly supported by specified release documents and other documents called for under the Contract.
 2. Invoices must be submitted on the Contractor's own invoice form and must be prepared to show:
 - (a) the date;
 - (b) name and address of the CONSIGNEE;
 - (c) item/reference number, deliverable and/or description of work;
 - (d) contract serial number and financial codes;
 - (e) the amount invoiced (exclusive of the Goods and Services Tax [GST] or Harmonized Sales Tax [HST] as appropriate) and the amount of GST or HST, as appropriate, shown separately;
 - (f) Client Reference Number (CRN)
 - (g) Procurement Business Number (PBN).
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H3021D (12/05/00) Invoicing Instructions

Effective 13/12/02, this clause is superseded by H3021D.

Remarks: Use the following clause to provide invoicing instructions when progress payments are made.

H3022D (16/12/05) Invoicing Instructions

1. Progress payments will only be made upon receipt of satisfactory form PWGSC-TPSGC 1111, Claim for Progress Payment (<http://www.pwgsc.gc.ca/acquisitions/text/forms/forms-e.html>), as specified in the Contract.
 2. Progress claims are to be forwarded to the Project/Inspection Authority for appropriate certification after inspection and acceptance of the Work takes place. Upon certification, the original and two (2) copies of the claim are then forwarded to the Contracting Authority for certification and onward submission to the Project Manager's Payment Office for all remaining certifications and payment action.
 3. Progress claims shall not be submitted by the Contractor until all Work identified in the claim has been completed.
 4. Goods and Services Tax or Harmonized Sales Tax (GST/HST), as appropriate, is to be calculated and paid on the total amount of the claim before the 10 percent holdback is applied. At the time that the holdback is released, there will be no GST/HST payable, as it was included in the previous payments.
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H3022D (15/09/97) Invoicing Instructions

Effective 16/12/05, this clause is superseded by H3022D.

Remarks: Use the following clause in procurements involving applicable service requirements (such as transportation and telecommunications; advertising services; professional and special services; and repair and maintenance services), as well as procurements involving a mix of goods and services, when the service component is \$500 or more in the calendar year, and whenever the client department wishes to receive the required information through the invoicing procedure. This includes contracts or standing offers with Canadians undertaking government work abroad.

H3023C (16/06/06) T1204 - Invoicing Instructions

1. Pursuant to paragraph 221(1)(d) of the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), payments made by departments and agencies to contractors under applicable services contracts (including contracts involving a mix of goods and services) must be reported on a T1204 Government Service Contract Payments slip.
 2. To enable departments and agencies to comply with this requirement, the Contractor must provide the following information with its first invoice:
 - (a) the legal name of the Contractor, i.e. the legal name associated with its business number or Social Insurance Number (SIN), as well as its address and postal code;
 - (b) the status of the Contractor, i.e. an individual, a sole proprietorship, a corporation, or a partnership;
 - (c) the business number of the Contractor if the Contractor is a corporation or a partnership and the SIN if the Contractor is an individual or a sole proprietorship. In the case of a partnership, if the partnership does not have a business number, the partner who has signed the Contract must provide its SIN;
 - (d) in the case of a joint venture, the business number of all parties to the joint venture who have a business number or their SIN if they do not have a business number.
 3. If the information includes a SIN, the information should be provided in a separate envelope marked "PROTECTED" and attached to the invoice.
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H3023D (10/12/04) T1204 - Invoicing Instructions

Effective 16/06/06, this clause is superseded by H3023C.

H3025D (01/06/91) Progress Payments

Effective 15/09/97, this clause is superseded by H1003D.

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H3026T (01/06/91) Progress or Advance Payments

This clause is cancelled effective 03/02/97.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when it is anticipated that client departments will pay invoices associated with the contract or call-ups under the standing offer by Government of Canada Acquisition Card (credit card), and the bidder has indicated in clause H3027T that payment of invoices by credit card will be accepted. (Refer to *Supply Manual*, procedure 7A.042).

H3027C (10/12/04) Payment of Invoices by Credit Card

1. Government of Canada Acquisition Cards (credit cards) will be accepted for payment of invoices up until the ____ day (as specified by the Bidder) of the payment period as set out in the Contract or Standing Offer. Payment of invoices made by credit card on or before this date will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in general conditions _____. Payment of invoices after this date will only be accepted by Government of Canada cheque, direct deposit, or electronic funds transfer, and will be subject to the above-mentioned general conditions provisions.
 2. The use of a credit card as the payment instrument will ____ / will not ____ (as specified by the Bidder) preclude early payment incentives.
 3. The following credit card(s) (as specified by the Bidder) are accepted:
 - (a) VISA _____
 - (b) MasterCard _____.
-
-

H3027C (13/12/02) Payment of Invoices by Credit Card

Effective 10/12/04, this clause is superseded by H3027C.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when it is anticipated that client departments will pay invoices associated with the contract or call-ups against the standing offer by Government of Canada Acquisition Card (credit card).

Use clause H3027C in the contract or standing offer where the bidder indicates that payment of invoices by credit card is acceptable. (Refer to the *Supply Manual*, procedure 7A.042).

H3027T (10/12/04) Payment of Invoices by Credit Card

1. Government of Canada Acquisition Cards (credit cards) may be offered for payment of invoices. Payment of invoices made by credit card will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in general conditions ____ of the Contract or Standing

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Offer. If discounts for early payment are not available when a credit card is used to pay the invoice, it must be clearly indicated below.

2. Acceptance of credit cards for payment of invoices is optional, and at the discretion of the Bidder. Acceptance or non-acceptance of credit cards for the payment of invoices will not be considered in the evaluation of offers submitted in response to the bid solicitation.
3. The Bidder must indicate:
 - (a) Government of Canada Acquisition Cards (credit cards) will be accepted for payment of invoices up until the ____ day of the payment period as set out in the Contract or Standing Offer. Payments of invoices made by credit card on or before this date will not be subject to the Payment and Interest on Overdue Accounts provisions, as set out in general conditions ____ of the Contract or Standing Offer. Payment of invoices after this date will only be accepted by Government of Canada cheque, direct deposit, or electronic funds transfer, and will continue to be subject to the above-mentioned general conditions provisions.

The use of a credit card as the payment instrument will ____ / will not ____ preclude early payment incentives.

The following credit card(s) are accepted:

VISA ____
MasterCard ____

OR

- (b) Government of Canada Acquisition Cards (credit cards) will not be accepted for payment of invoices.

H3027T (13/12/02) Payment of Invoices by Credit Card

Effective 10/12/04, this clause is superseded by H3027T.

H3028D (10/12/04) Method of Payment/Advance Payment

1. Payment in advance by Canada to the Contractor for the Work shall be made within:
 - (a) thirty (30) days following the date on which an invoice and substantiating documentation are received according to the terms of the Contract; or
 - (b) thirty (30) days following the date specified herein for the making of such advance payment;whichever date is the later.
2. If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in subsection 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

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H3028D (01/12/00) Method of Payment/Advance Payment

Effective 10/12/04, this clause is superseded by H3028D.

H4000C (01/06/91) Progress Reports, etc.

Effective 15/09/97, this clause is superseded by H4002D.

H4001C (01/06/91) Reports

Effective 15/09/97, this clause is superseded by H4001D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when the schedule of reports to be delivered is not included in the Statement of Work. This clause should be used in conjunction with H4002D.

H4001D (15/09/97) Draft and Final Report

In addition to the ____ progress reports, the Contractor shall deliver a draft report in ____ copies, no later than ____ (date), and a final report in ____ copies, no later than ____ (date), to the Technical Authority.

H4002C (01/06/91) Progress Reports - Monthly

Effective 15/09/97, this clause is superseded by H4002D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when the schedule and content of the reports to be delivered are not detailed in the Statement of Work.

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H4002D (30/05/03) Progress Reports

1. The Contractor shall submit _____ (*Insert "monthly" or "bi-monthly" and delete this instruction*) progress reports in _____ copies to the Technical Authority and one copy to the Contracting Authority.
2. Each progress report shall be in three parts:
 - (a) **PART 1:** The following three questions **MUST** be answered:
 - (i) Is the project on schedule?
 - (ii) Is the project within budget?
 - (iii) Is the project free of any areas of concern in which the assistance or guidance of Canada may be required?

Each negative response must be supported with an explanation.
 - (b) **PART 2:** A narrative report, brief, yet sufficiently detailed to enable the Technical Authority to evaluate the progress of the Work, containing as a minimum:
 - (i) A description of the progress of each task and of the Work as a whole during the period of the report. Sufficient sketches, diagrams, photographs, etc., shall be included, if necessary, to describe the progress accomplished.
 - (ii) An explanation of any variation from the plan of Work.
 - (iii) A description of trips or conferences connected with the Contract during the period of the report.
 - (iv) A description of any major equipment purchased or constructed during the period of the report.
 - (c) **PART 3:** The "Contract Plan and Report Form", PWGSC-TPSGC 9143, (or an equivalent form which is acceptable to the Contracting Authority) showing the following:
 - (i) Actual and forecast expenditure on a monthly basis for the period being covered. (Expenditures are to be outlined by month and by task.)
 - (ii) Progress of the Work against the Contractor's original Contract Plan (instructions for showing the above on the Contract Plan are detailed in Annex "_____" attached). The "Contract Plan and Report Form" will provide the basis for planning and estimating the cost of work, and reporting actual progress and cost against the plan during contract performance.

H4002D (13/12/02) Progress Reports

Effective 30/05/03, this clause is superseded by H4002D.

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H4003C (15/06/98) Milestone Report

Effective 30/05/03, this clause is superseded by H3005D.

H4004C (01/06/91) Milestone/Phase Authorization

Effective 15/09/97, this clause is superseded by H4004D.

Remarks: Use the following clause when prior authority to proceed to the next milestone/phase of the work must be given to the contractor by the contracting officer.

H4004D (15/09/97) Milestone / Phase Authorization

Following completion of each milestone/phase, the Contractor shall be notified, in writing, by the Contracting Authority either that it is to proceed with the next milestone/phase or that Canada wishes to withdraw any further support from the project and terminate the Contract without further liability. In the event Canada wishes to withdraw its support, and subject to all other terms and conditions of the Contract, the Contractor will be paid the holdback owing to it in accordance with the holdback provision of the Method of Payment clause contained herein. In no event will the Contractor be paid for any costs incurred in work performed on any unauthorized milestone/phase.

H4005C (01/06/91) Draft Final Report

Effective 15/09/97, this clause is superseded by H4005D.

Remarks: **THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause when a draft final report is required and details of the report content have not been included in the Statement of Work. Use this clause in conjunction with H4006D.

H4005D (15/09/97) Draft Final Report

A draft of the final report shall be submitted by the Contractor to the Technical Authority for approval on or before _____. It must be a comprehensive report on all facets of the Work and must include sufficient drawings, sketches, photographs and a discussion of problems and successes associated with the Work to facilitate a full and accurate evaluation of the Work by the Technical Authority. The report will be prepared in accordance with good engineering/ professional practices and will include, as a minimum, the following: a title page, a table of contents, an executive summary, an introduction, a technical discussion with conclusions and include, as applicable, supporting graphs, tables and figures.

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H4006C (01/06/91) Final Report

Effective 15/09/97, this clause is superseded by H4006D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in conjunction with H4005D when the customer department has requested a draft final report.

H4006D (15/09/97) Final Report

After approval of the draft final report, the final report in _____ copies shall be submitted by the Contractor to the Technical Authority on or before _____. The final report shall contain an executive summary, prepared in both of Canada's official languages.

A copy of the covering letter accompanying the final report shall be forwarded to the Contracting Authority.

H4007C (01/06/91) Final Report

Effective 15/09/97, this clause is superseded by H4007D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause when a draft final report is not required, and when the form and content of the final report has not been detailed in the Statement of Work.

H4007D (15/09/97) Final Report

1. A final report in _____ copies shall be submitted by the Contractor to the Technical Authority on or before _____. It must be a comprehensive report on all facets of the Work and must include sufficient drawings, sketches, photographs and a discussion of problems and successes associated with the Work to facilitate a full and accurate evaluation of the Work by the Technical Authority. The report will be prepared in accordance with good engineering/professional practices and will include, as a minimum, the following: a title page, a table of contents, an executive summary, an introduction, a technical discussion with conclusions and include, as applicable, supporting graphs, tables and figures.
 2. The final report shall be prepared in both of Canada's official languages. A sample title page is attached as Annex "_____" to this Contract. One copy of the title page of the final report shall be submitted to the Contracting Authority.
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H - Terms of Payment

Remarks: Use the following clause in "Limitation of Expenditure" and "Ceiling Price" contracts.

H4008C (13/12/02) Contract Plan and Report Form

1. The Contractor shall use the Contract Plan and Report Form, PWGSC-TPSGC 9143 (or an equivalent form which is acceptable to the Contracting Authority) to report the progress of the work and the costs to date against the original workplan.
 2. An updated copy of the form must accompany each claim for payment.
 3. Receipt and acceptance of the form by the Contracting Authority will be a condition of payment for such claims.
-

H4008C (31/03/95) Contract Plan and Report Form

Effective 13/12/02, this clause is superseded by H4008C.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in multi-fiscal year "Limitation of Expenditure" and "Ceiling Price" contracts valued at \$100,000 or less.

H4009C (15/06/98) Cash Flow

Each claim submitted for payment shall be accompanied by a cash flow statement showing actual and forecast expenditure on a monthly basis for the period the Work is being performed under the Contract. The statement shall be in the format attached hereto as Annex "____".

H4009C (01/06/91) Cash Flow

Effective 15/06/98, this clause is superseded by H4009C.

H4010D (03/02/97) Progress Report

Effective 15/09/97, this clause is superseded by H4002D.

H - Terms of Payment

Remarks: Use the following clause in services contracts when invoices for expenses are required.

H4011D (15/09/97) Method of Payment - Services

1. Payment will be made for services rendered, provided that:
 - (a) invoices are submitted in accordance with the invoicing instructions contained herein;
 - (b) all direct expenses, travel and living expenses, etc. are supported by invoices, receipts, vouchers;
 - (c) time sheets are provided to support the time being claimed.
-
-

H4011D (01/08/92) Method of Payment

Effective 15/09/97, this clause is superseded by H4011D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

H4012D (01/12/00) Method of Payment

1. Milestone payments will be made in accordance with the following schedule:

Description	Amount	Due Date
_____	_____	_____

provided that:

- (a) invoices are submitted in accordance with the invoicing instructions contained herein;
 - (b) the Project Authority has certified that all work/deliverables required under the milestone has/have been accepted.
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H4012D (01/08/92) Method of Payment

Effective 01/12/00, this clause is superseded by H4012D.

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H4013D (31/01/92) Progress Reports

Effective 15/09/97, this clause is superseded by H4002D.

Remarks: Use this clause when establishing cash flow information applicable to long term major procurement programs.

H4014D (30/10/96) Cash Flow Prediction

As soon as reasonably practicable after the effective date of the Contract, the Contractor shall provide to the Contracting Authority a written annual fiscal year cash flow estimate based on scheduled deliveries. This estimated cash flow is required by Canada for planning purposes only and the estimate is not intended to be legally binding on the Contractor. The Contractor shall also amend the cash flow estimate in writing from time to time to effect any changes the Contractor may foresee.

Remarks: Use the following clause in domestic contracts for goods which contain provision for progress payments.

H4500C (15/09/97) Liens - Section 427 of the Bank Act

1. If any lien under section 427 of the *Bank Act* exists in respect to any materials, parts, work-in-process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Contracting Authority without delay and agrees, unless otherwise instructed by the Contracting Authority, either
 - (a) to cause the bank to remove such lien and to furnish the Contracting Authority, with written confirmation from the bank; or,
 - (b) to furnish or cause to be furnished to the Contracting Authority an undertaking from the bank to the Contracting Authority that the bank will not make any claim under section 427 of the *Bank Act* on materials, parts, work-in-process, or finished work in respect of which payment is made to the Contractor under this Contract.
 2. Failure to inform the Contracting Authority of such lien or failure to implement paragraph 1(a) or (b) above shall constitute default under the clause entitled "Default by Contractor" in the General Conditions of the Contract and shall entitle Canada to terminate the Contract.
-

H4500C (01/12/92) Liens Under Section 427 of the Bank Act

Effective 15/09/97, this clause is superseded by H4500C.

H - Terms of Payment

H4900D (15/09/97) Method of Payment

Effective 12/12/03, this clause is superseded by H1003D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

H5000C (16/02/98) Invoicing

1. The invoicing instructions detailed in the Standard Instructions and Conditions and those on page 1 of this document apply.
2. In addition, send one (1) copy of each invoice and one (1) copy of the Release Document, if applicable, to the Contract Delivery Follow-up (CDFU) office stated herein; AND

one (1) copy to:

National Defence Headquarters
Ottawa, Ontario
K1A 0K2

Attention: _____.

H5000C (01/05/96) Invoicing

Effective 16/02/98, this clause is superseded by H5000C.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.

H5001D (10/06/05) Invoicing Instructions

1. The Contractor shall submit invoices on its own form, and shall include the following information: the date, name and address of the consignee(s), item number, quantity, part number, reference number and description, contract file, serial numbers, Client Reference Number, and Procurement Business Number. Invoices will be distributed as follows:

- (a) The original and one copy to (**Choose one or the other**):
 - (i) Consignee () ;
 - (ii) Originator () .

- (b) One (1) copy to:

Department of Public Works and Government Services
(Division) _____
(Address) _____
(City/Prov.) _____
(Postal/Code) _____

Attention: _____

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- (c) One (1) copy to (**Choose one or the other**):
- (i) Consignee ();
 - (ii) Originator ().
2. Canada will only make payment upon receipt of a satisfactory invoice duly supported by specified release documents and any other documents called for under the Contract.
3. The Contractor shall not submit an invoice prior to either:
- (a) shipment of the items to which it relates, or
 - (b) submission of the shipping application to Canada.

H5001D (10/12/04) Invoicing Instructions

Effective 10/06/05, this clause is superseded by H5001D.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use this clause for Technical Investigation and Engineering Support (TIES) requirements.

H5002D (13/12/02) Invoices

1. The Contractor shall submit monthly invoices for tasks authorized under the Contract. Each invoice shall clearly show the following:
- (a) contract serial number;
 - (b) contract price;
 - (c) task authorization number;
 - (d) engineering or technical support classification.
 - (e) rate of payment;
 - (f) number of hours applicable to the task;
 - (g) cost of materials related to the task,
 - (h) travel expenses related to the task,
 - (i) Client Reference Number (CRN), and
 - (j) Procurement Business Number (PBN).
2. The original and two (2) copies of each invoice together with attachments, shall be forwarded to:
- National Defence Headquarters
MGen George R. Pearkes Building
101 Colonel By Drive
Ottawa, ON K1A 0K2
- Attention: _____.
3. One copy each invoice, together with attachments, shall be forwarded to the Contracting Authority.
-

H - Terms of Payment

H5002D (12/05/00) Invoices

Effective 13/12/02, this clause is superseded by H5002D.

H9000D (01/06/91) Payment and Appropriations

This clause is cancelled effective 01/12/92.

Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS. Use the following clause in contracts when the customer department requests that the contract cover more than one fiscal year or specifies maximum funding for each fiscal year.

H9001C (30/05/03) Funding by Fiscal Year

Notwithstanding the Total Estimated Cost (Limitation of Expenditure) specified in the Basis of Payment, and unless otherwise authorized in writing by the Contracting Authority, the maximum amount which may be paid in the period ending 31 March of the year specified is as follows:

20__	\$ _____
20__	\$ _____
20__	\$ _____ .

H9001C (01/06/91) Funding by Fiscal Year

Effective 30/05/03, this clause is superseded by H9001C.
