

SCHEDULE 4

SERVICES PROTOCOLS AND SPECIFICATIONS

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SCHEDULE 4

SERVICES PROTOCOLS AND SPECIFICATIONS

1. DEFINITIONS AND INTERPRETATION

In this Schedule, in addition to the definitions set out in Schedule 1 of the Agreement:

“**Annual Service Plan**” has the meaning set out in Section 4.2 of this Schedule;

“**Authority Policies**” means the following subsections of the following policies of the Authority as at the Effective Date, copies of which have been provided to Project Co:

- (a) Plant Services Policy Manual:
 - (1) all subsections;
- (b) Authority Administrative Policy Manual:
 - (1) AV1500 Safety Footwear;
 - (2) AU0500 Theft;
 - (3) AU1000 Workplace Environment;
 - (4) AV0200 Persons Working Alone or in Isolation;
 - (5) AV0400 Workplace Hazardous Materials;
 - (6) AV1300 Staff Influenza Information;
 - (7) AV2000 Smoking;
 - (8) AV2500 Prevention and Management of Aggression and Violence to Others;
 - (9) Plant Services Asbestos Control Plan; and
 - (10) Ministry of Public Safety and Solicitor General Type A Criminal Record Check, or equivalent;
- (c) Emergency Preparedness Manual:
 - (1) General; and
 - (2) KGH specific; and
- (d) Infection Control:
 - (1) Section IX0900 (Construction and Renovation Guidelines)

including, subject to Section 3.3 of this Schedule, as applicable from time to time, any amendments of those policies and any additional policies;

“**BMS**” means the computerized building management system for the Facility;

“CMMS” means the computerized maintenance management system for the Facility;

“Demand Requisition” means any request for service, report of a Service Failure, report of an Unavailability Event or any other report or inquiry made by a Facility User or Project Co to the Help Desk or to Project Co;

“Energy Management Plan” has the meaning set out in Section 4.6 of this Schedule;

“Environmental Management Plan” has the meaning set out in Section 4.5 of this Schedule;

“Environmental and Sustainability Services” has the meaning set out in Section 5.6 of this Schedule;

“Facility Users” means the Authority, Authority Persons, physicians, patients, visitors, students and volunteers using or present at the Facility;

“Five Year Maintenance Plan” has the meaning set out in Section 4.3 of this Schedule;

“General Management Services” has the meaning set out in Section 5.5 of this Schedule;

“Handback Requirements” means the requirements set out in Appendix 4C;

“Help Desk” means the contact point to be established by Project Co in respect of the Help Desk Services for the notification of Demand Requisitions, the occurrence of Events and other matters arising in relation to the provision of Services;

“Help Desk Services” has the meaning set out in Section 5.3 of this Schedule;

“Interface Services” has the meaning set out in Section 5.2 of this Schedule;

“Life Cycle Plan” has the meaning set out in Section 4.4 of this Schedule;

“Life Cycle Report” has the meaning set out in Section 4.1 of this Schedule;

“Miscellaneous Occupant Request Services” has the meaning set out in Section 9.1 of this Schedule;

“Operating Period Joint Committee” means the committee established pursuant to Section 2.2(a) of this Schedule;

“Operating Period Representative” has the meaning set out in Section 2.1 of this Schedule;

“Performance Indicators” means the performance indicators described in Appendices 4D to 4I;

“Performance Monitoring Program” means the performance monitoring system, equipment and procedures in place for monitoring performance of the Services as more particularly described in Section 6.1 of this Schedule;

“Performance Monitoring Report” has the meaning set out in Section 6.2 of this Schedule;

“Plans” means the Service Commencement and Startup Plan, the Annual Service Plan, the Five Year Maintenance Plan, the Life Cycle Plan, the Environmental Management Plan and the Energy Management Plan;

“Plant Services” has the meaning set out in Section 5.1 of this Schedule;

“Proposal Extracts (Services)” means the proposal extracts attached as Appendix 4A;

“Reporting Error” has the meaning set out in Section 6.5 of this Schedule;

“Respond” and **“Response”** means the appropriate personnel attending the location of the Event, making the location and all affected locations safe, in accordance with Good Industry Practice and providing a plan acceptable to the Authority, acting reasonably, for the Rectification of the Event;

“Response Time” means the period of time following a Demand Requisition or other electronic report or recording by the BMS during which Project Co must Respond, each as indicated as a “Response Time” for the relevant Service in the Performance Indicators;

“Service Commencement and Startup Plan” means the plan described in Section 4.1 of this Schedule;

“Sub-Contractor Termination Notice” has the meaning set out in Section 6.8 of this Schedule;

“Utility Management Services” has the meaning set out in Section 5.4 of this Schedule.

2. ADMINISTRATION

2.1 Operating Period Representatives

- (a) Not less than one year before the Target Service Commencement Date, each of the parties will designate in writing a person (the **“Operating Period Representative”**) to be that party’s single point of contact with respect to the Operating Period and the Services.
- (b) A party’s Operating Period Representative will have full authority to act on behalf of and bind the party with respect to Services, except an Operating Period Representative will not have the authority to execute or to agree to any amendments or to give any waivers of this Agreement.
- (c) Project Co’s Operating Period Representative will be a Key Individual. A party’s Design and Construction Representative may also be the party’s Operating Period Representative.
- (d) Subject to Section 2.12 of this Agreement in respect of Key Individuals, a party may at any time and at its discretion by written notice to the other party change the person appointed as its Operating Period Representative. If at any time a party objects to the Operating Period Representative of the other party then the other party will give reasonable consideration to replacing the Operating Period Representative with a person reasonably acceptable to the objecting party.
- (e) Except as otherwise set out in this Agreement, all costs or expenses incurred by or with respect to a party’s Operating Period Representative will be for the account of that party.

2.2 Operating Period Committee

- (a) Not less than one year before the Target Service Commencement Date, the Authority and Project Co will establish, and will maintain throughout the Operating Period, a joint liaison committee (the **“Operating Period Joint Committee”**) consisting of the Operating Period Representatives and such other members as the parties may agree from time to time.
- (b) The purpose of the Operating Period Joint Committee is to provide a formal forum for the parties to consult and cooperate in all matters relating to the Facility during the Operating Period and any member appointed to the Operating Period Joint Committee will not have

any duties or obligations arising out of such appointment independent of such member's duties or obligations to the party making such appointment.

- (c) The Operating Period Joint Committee:
- (1) will only have the authority as expressly delegated to it by the Authority and Project Co, and both parties will give reasonable consideration to delegating appropriate authority to permit efficient decision making with respect to the Facility and the Services;
 - (2) may strike, establish terms of reference for, delegate authority and appoint members having the necessary experience and qualifications to such sub-committees as the Operating Period Joint Committee may determine are necessary from time to time and all such sub-committees will report to the Operating Period Joint Committee;
 - (3) will establish protocols and procedures for undertaking the tasks and responsibilities delegated to it, including a co-operative and consultative process to review all Plans submitted to it pursuant to Section 4.8 of this Schedule;
 - (4) may make recommendations to the parties on all matters relating to the Facility and the Services, which the parties may accept or reject in their complete discretion; and
 - (5) will have no authority to agree to any amendments or to give any waivers of this Agreement.
- (d) Subject to the provisions of this Agreement, the members of the Operating Period Joint Committee may adopt such procedures and practices for the conduct of the activities of the Operating Period Joint Committee as they consider appropriate from time to time and may:
- (1) invite to any meeting of the Operating Period Joint Committee such other (non-voting) persons as a member may decide; and
 - (2) receive and review a report from any person agreed by the members of the Operating Period Joint Committee.
- (e) Recommendations of the Operating Period Joint Committee must be unanimous and any matters which cannot be resolved by the Operating Period Joint Committee may be referred to the Dispute Resolution Procedure by either the Authority or Project Co.
- (f) The Operating Period Joint Committee will meet (unless otherwise agreed by its members) in person at least once each month and from time to time as necessary at a location in Kelowna to be agreed between the parties. Any member of the Operating Period Joint Committee may convene a meeting of the Operating Period Joint Committee at any time. Meetings of the Operating Period Joint Committee will be convened on not less than 10 Business Days' notice (which will also identify the agenda items to be discussed at the meeting) provided that in an emergency a meeting may be called at any time on such notice as may be reasonable in the circumstances.
- (g) Minutes of all recommendations and meetings of the Operating Period Joint Committee will be kept by Project Co in accordance with Schedule 14 [Records and Reports] and copies circulated promptly to the parties within five Business Days of the making of the recommendation or the holding of the meeting.

2.3 Authority Not Responsible for the Services

The Authority's rights of review, acceptance, approval or confirmation of compliance with respect to any aspect of the Services will be for the Authority's benefit only, and no acceptance, approval or confirmation of compliance by the Authority's Operating Period Representative or other representative of the Authority will in any way relieve Project Co of its obligation for all aspects of the Services except as may be expressly set out in this Agreement.

3. PERFORMANCE OF SERVICES

3.1 Delivery of Services

Project Co will at all times during the Operating Period provide the Services in accordance with the:

- (a) specifications set out in this Schedule;
- (b) Proposal Extracts (Services); and
- (c) Plans then in effect.

3.2 Standards

Project Co will at all times during the Operating Period provide the Services:

- (a) in accordance with the standards set out in this Schedule;
- (b) in compliance with all applicable Laws;
- (c) in compliance with all applicable Authority Policies and all such Authority Policies will be interpreted to apply to Project Co and its Sub-Contractors and employees in the same manner as applicable to the employees and sub-contractors of the Authority;
- (d) to the standards required to maintain the Facility's full accreditation under the Canadian Council on Health Services Accreditation Program, to the extent the Services contribute to the maintenance of the accreditation;
- (e) in a manner based on sound technical and operational procedures in accordance with Good Industry Practice; and
- (f) to the same standards that an experienced, prudent, and knowledgeable long term owner of a comparable public health care facility in Canada would employ, taking into account the age and use of the comparable facility.

If one or more of the foregoing standards is applicable to any particular Service, then the highest of such standards will apply, provided that in all cases such standard or standards will be applied taking into account the age, use and reasonable wear and tear of the Facility.

3.3 Changes to Authority Policies

If the Authority changes any Authority Policies, including by any amendments or additional policies referenced in the definition of "Authority Policies", and such changes to Authority Policies are a Change or might reasonably be expected to result in a material increase in Project Co's costs of performing the Services, the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals] will apply.

4. OPERATING PERIOD PLANS

4.1 Life Cycle Report and Service Commencement and Startup Plan

Project Co will prepare in consultation with the Design-Builder and the Service Provider:

- (a) a report ("**Life Cycle Report**") that sets out the proposed parameters for the anticipated life of major elements in the Facility and the Life Cycle Requirements relating thereto, to be used as a basis for the Life Cycle Plan for the Facility;
- (b) a service commencement and startup plan (the "**Service Commencement and Startup Plan**") incorporating the following:
 - (1) a schedule identifying the tasks to be completed prior to the Service Commencement Date and the targeted completion dates of such tasks such that Project Co will be in a position to commence delivery of the Services on the Service Commencement Date;
 - (2) the Annual Service Plan for the first 12 months of the Operating Period;
 - (3) a preliminary Five Year Maintenance Plan;
 - (4) a preliminary Environmental Management Plan; and
 - (5) a detailed description of all elements of the Performance Monitoring Program and how such program will be implemented at Service Commencement,

and will implement the Service Commencement and Startup Plan prior to Service Commencement in respect of the matters set out in Section 4.1(b)(1) and on the Service Commencement Date in respect of the other matters.

Each of the Life Cycle Report and the Service Commencement and Startup Plan must be reasonable having regard to the requirements of this Agreement and will be developed and finalized as follows:

- (c) the Authority will, acting reasonably, make itself available to consult with Project Co, the Service Provider and the Design-Builder in connection with the development of the Life Cycle Report and the Service Commencement and Startup Plan;
- (d) Project Co will deliver preliminary drafts of each of the Life Cycle Report and the Service Commencement and Startup Plan to the Authority not less than 240 days before the Target Service Commencement Date, failing which the Authority will be entitled to make a Deduction of:
 - (1) \$2,500 for each week, or part thereof after, from the date falling 240 days before the Target Service Commencement Date until Project Co has delivered to the Authority a preliminary draft of the Life Cycle Report; and
 - (2) \$2,500 for each week, or part thereof, from the date falling 240 days before the Target Service Commencement Date until Project Co has delivered to the Authority a preliminary draft of the Service Commencement and Startup Plan,

provided that if Project Co has not delivered to the Authority a preliminary draft of the Life Cycle Report or the Service Commencement and Startup Plan, as the case may be, by the date falling 150 days before the Target Service Commencement Date, the Deduction applicable under this Section 4.1(d) will increase to \$5000;

- (e) the Authority will provide its comments, if any, on the preliminary drafts of such plans to Project Co within 20 Business Days of receipt of the preliminary drafts;
- (f) Project Co will deliver revised drafts of each of the Life Cycle Report and the Service Commencement and Startup Plan to the Authority not less than 60 days after receiving the Authority's comments on the preliminary drafts of such Plans, failing which, the Authority will be entitled to make a deduction of:
 - (1) \$5,000 for each week, or part thereof, after the date falling 60 days after the Authority delivered its comments on the preliminary draft of the Life Cycle Plan; and
 - (2) \$5,000 for each week, or part thereof, after the date falling 60 days after the Authority delivered its comments on the preliminary draft of the Service Commencement and Startup Plan;
- (g) the Authority will, within 15 Business Days of receipt of the revised drafts, advise Project Co whether the Authority accepts the Life Cycle Report and the Service Commencement and Startup Plan, and if the Authority does not accept one or both the Authority will provide its reasons for such non-acceptance in sufficient detail to allow Project Co to address them;
- (h) if the Authority does not accept one or both of the Life Cycle Report and the Service Commencement and Startup Plan, the parties will, acting reasonably, diligently work together with a view to revising the Life Cycle Report or the Service Commencement and Startup Plan, as the case may be, to address the Authority's reasons for non-acceptance;
- (i) if the Authority has not accepted one or both of the Life Cycle Report and Service Commencement and Startup Plan by the date that is 120 days before the Target Service Commencement Date, Project Co may refer the dispute to the Dispute Resolution Procedure to determine whether Project Co's proposed Life Cycle Report or Service Commencement and Startup Plan, as the case may be, is reasonable;
- (j) if the Authority has not accepted one or both of the Life Cycle Report and Service Commencement and Startup Plan by the Target Service Commencement Date, unless such plans have been determined to be reasonable under the Dispute Resolution Procedure, the Authority will be entitled to make a Deduction of:
 - (1) \$6,000 for each week, or part thereof, after the Service Commencement Date until the Life Cycle Report has been accepted by the Authority or it is determined through the Dispute Resolution Procedure that Project Co's proposed Life Cycle Report is reasonable; and
 - (2) \$6,000 for each week, or part thereof, after the Service Commencement Date until the Service Commencement and Startup Plan has been accepted by the Authority or it is determined through the Dispute Resolution Procedure that Project Co's proposed Service Commencement and Startup Plan is reasonable;
- (k) any Deduction the Authority is entitled to make pursuant to this Section 4.1 will be made from the first Periodic Payment, or subsequent Periodic Payments with respect to Deductions arising from Section 4.1(j), payable to Project Co; and
- (l) Deductions made pursuant to this Section 4.1 will not be counted for the purposes of Sections 11.1 or 12.1(h) of this Agreement or 6.7 or 6.8 of this Schedule.

4.2 Annual Service Plans

Project Co will establish and implement an annual service plan (the “**Annual Service Plan**”) for the delivery of the Services in accordance with the terms of this Agreement and Good Industry Practice which will include:

- (a) detailed operational policies, procedures and practices for the Facility and the Services including the methods by which Project Co will deliver the Services such that they:
 - (1) are consistent with the Appendices to this Schedule 4;
 - (2) will not interfere in any material respect with and will be complementary to the delivery of health care and other related services by the Authority and Authority Persons and use of the Facility by Facility Users; and
 - (3) have regard for the needs and interests of all Facility Users;
- (b) a detailed organizational and staffing plan for all employees of Project Co, the Service Provider and Sub-Contractors which includes:
 - (1) provision of:
 - (A) sufficient and appropriately qualified, licensed, trained, experienced and competent employees or Sub-Contractors with the skills necessary to perform the Services; and
 - (B) a designated site manager or responsible delegates who will be contactable by the Authority and one of whom will be available to be on Site within one hour’s notice from the Authority;
 - (2) policies and procedures with respect to:
 - (A) occupational health and workplace safety including:
 - (i) infection control policies (including routine precautions, isolation, hand washing, blood, body fluid protocols, Legionella precautions, etc.) consistent with those of the Authority in effect for the Facility;
 - (ii) the provision of immunization and infection testing programs consistent with those of the Authority in effect for the Facility, including those for influenza, Hepatitis B and Tuberculosis;
 - (iii) personal hygiene and hand washing;
 - (iv) the provision of appropriate dress and appropriate personal protective equipment (gowns, face shields, masks, etc.);
 - (v) the provision of identification systems reasonably required by the Authority;
 - (vi) appropriate rules of conduct for the Facility;
 - (vii) first aid training; and

- (viii) use of all applicable equipment;
 - (B) confidentiality and privacy policies consistent with those of the Authority in effect for the Facility;
 - (C) appropriate Facility orientation and job training;
 - (D) responding to codes and emergency alarms and procedures used by Project Co and the Authority (to the extent the Authority has notified Project Co of such codes, alarms and procedures) at the Facility;
- (3) procedures for reporting to the Authority any employee of Project Co, the Service Provider or any Sub-Contractor:
- (A) suffering from any illness which may compromise the health or safety of any Facility User; and
 - (B) instances of any employee of Project Co, the Service Provider or any Sub-Contractor having had contact with any person suffering from any illness which may compromise the health or safety of any Facility User;
- (4) procedures for ensuring all new employees of Project Co, the Service Provider or any Sub-Contractors (and their employees) do not commence work until the results of a recent criminal record check is received, reviewed and is satisfactory in accordance with the Authority Policies;
- (c) details of any proposed amendments to the Performance Monitoring Program and the methods by which Project Co will satisfy the reporting requirements described in Section 6 of this Schedule;
- (d) provision for the training and re-training of all Facility Users designated by the Authority acting reasonably, including the Authority's employees, contractors and sub-contractors, physicians, students and volunteers engaged at the Facility, as to the use and operation of the Help Desk, communication systems and all other electronic monitoring systems and equipment provided by Project Co;
- (e) an auditable quality assurance control plan based on Good Industry Practice for the Services and all aspects of the Facility for which Project Co is responsible under this Schedule 4;
- (f) details of all:
- (1) maintenance undertaken during the previous year, including a summary of all Service Failures and Unavailability Events incurred and corrective actions undertaken; and
 - (2) Preventive Maintenance plans for the ensuing year, including
 - (A) date and time when the work is scheduled to be performed;
 - (B) location of the work to be undertaken;
 - (C) identification of activities which may cause disruption to the Authority or other Facility Users and the methods by which Project Co will make appropriate accommodations to minimize such disruptions;

- (D) a risk assessment, including with respect to health and safety;
 - (E) a method statement in respect of any proposed work; and
 - (F) any changes to any of Project Co's access times that are proposed by either the Authority or by Project Co.
- (g) a comprehensive Preventive Maintenance program comprised of planned and scheduled cyclical maintenance of all building elements, components, systems and equipment that are planned, scheduled, controlled and monitored utilizing the CMMS and including:
- (1) hierarchical based component identification;
 - (2) description (make, model, serial #, capacity, etc);
 - (3) location;
 - (4) priority classification;
 - (5) unique identification code;
 - (6) maintenance job plan description including:
 - (A) detailed maintenance procedures;
 - (B) warranty requirements;
 - (C) parts and consumables;
 - (D) regulatory or statutory requirements; and
 - (E) special instructions;
 - (7) frequency;
 - (8) scheduled dates;
 - (9) maintenance history including planned and unplanned;
 - (10) service provider (staff or contractor);
 - (11) status; and
 - (12) notes including inspection observations, recommendations and comments.
- (h) provision for:
- (1) updating the cable infrastructure operational plan and communicating any such updates to the Authority as required by the Authority; and
 - (2) evaluating the maximum Facility demand for services and utilities, including the required steam consumption rate and pressure and the normal power and emergency power requirements, and communicating such information to the Authority;

- (i) provision for undertaking:
 - (1) routine inspection and testing and servicing, in accordance with the requirements of the insurers of the Project, recommended manufacturers' guidance and Good Industry Practice, of:
 - (A) Building Systems including: Heating, Ventilation and Air Conditioning (HVAC) systems, plumbing and water systems, boilers and related systems and components, elevators and conveying devices, mechanical systems, electrical distribution systems, calorifiers and sterilizers;
 - (B) life safety and emergency systems including but not limited to: standby generators and associated transfer switches, uninterrupt power supplies (UPS) standby domestic pumps, fire alarms, fire fighting equipment and suppression systems, security systems and devices, emergency lighting systems and exit signs, voice communication systems, medical gas systems, demineralized water system for heating plant etc.; and
 - (C) interior and exterior building finishes and fabric including but not limited to: floors, walls and ceiling coverings, paint, hardware, windows, doors, cladding, roofing systems, and other architectural and structural components;
 - (2) testing for legionella;
 - (3) testing, labeling and recording of all portable appliances, including:
 - (A) testing and certifying all portable test equipment, pressure gauges and recording equipment;
 - (B) testing and certifying all fixed instrumentation and will take the necessary action to repair, replace and adjust such devices as required; and
 - (C) ensuring that all test equipment is itself tested and carrying the necessary valid certification;
 - (4) commissioning and re-commissioning plans for all new plant operations, systems and equipment;
- (j) an analysis of historical operating performance trends and identification of potential service adjustments required for improved delivery of the Services to the Authority and Facility Users;
- (k) comprehensive fire, emergency, disaster preparedness, post-disaster operational and contingency response plans for the Facility which are in accordance with the British Columbia Emergency Response Management System and integrated with those of the Authority, which will include:
 - (1) plans and procedures for:
 - (A) fire drills on all work shifts in conjunction with the Authority and the relevant fire officials;
 - (B) evacuation of the Facility in the event of fire or other emergencies;

- (C) evacuation of areas of the Facility or Project Co's role in a declared outbreak or pandemic;
 - (D) Project Co's role during and after a natural disaster such as flood or earthquake; and
 - (E) Project Co's business contingency and service resumption plans;
- (2) training of all Project Co staff with respect to fire safety;
 - (3) maintenance of access to the Facility by emergency vehicles by roadway and alternative fire paths and ensuring that all such routes are well marked by way of road signs and the use of hatched road markings;
 - (4) provision that all available Site-based Project Co staff will provide whatever assistance can safely be provided in response to an emergency including:
 - (A) responding to a fire or other emergency alarm;
 - (B) reporting blocked fire access routes to the Help Desk and to the Authority;
 - (C) assisting the Authority's security personnel limit unauthorized access to the scene of a fire or other emergency;
 - (D) assisting in the evacuation of the affected areas; and
 - (E) liaising with external agencies, including the Fire Department as part of its response in relation to an incident;
 - (5) confirmation whether:
 - (A) all emergency procedures and contingency plans including, fire compartmentalization design, provision of escape routes and provision of fire fighting equipment and systems are compliant with the requirements of this Agreement; and
 - (B) the fire alarm system is properly certified;
 - (l) plans detailing procedures for responding to Unavailability Events and Service Failures;
 - (m) protocols and procedures for cooperation with the Authority and other Facility Users in respect to the activities at the Facility, including repair and maintenance protocols for all infrastructure, utilities, systems and equipment integrated or connected with those of the Authority or other Facility Users;
 - (n) a procedure to ensure regular liaison and communication between Project Co's managers and supervisors and the Authority and Authority Persons to facilitate the delivery of the Services and to ensure Project Co is made aware of the day-to-day specific requirements of the Facility Users;
 - (o) details of any proposals for changes to the manner in which Project Co delivers the Services and the anticipated impact of those changes on the Authority and Facility Users;

- (p) a description of the arrangements and services to be provided by Project Co in respect of religious observances and other special cultural occasions which the Authority notifies Project Co are to be observed and recognized at the Facility provided any such arrangements and services will be consistent with those commonly recognized within the community; and
- (q) an update of the Five Year Maintenance Plan, the Life Cycle Plan, the Environmental Management Plan and the Energy Management Plan detailing the elements and schedule of each such plan to be implemented during the ensuing 12 month period.

4.3 Five Year Maintenance Plan

Project Co will establish and implement throughout the Operating Period a rolling five year maintenance plan (the “**Five Year Maintenance Plan**”) for all building elements, components, systems and equipment based on Good Industry Practice which will include details and scheduling of planned, preventative and replacement maintenance programs, including those set out in the Life Cycle Plan, to be undertaken during that period.

4.4 Life Cycle Plan

Project Co will establish and implement throughout the Operating Period in conjunction with the Five Year Maintenance Plan an asset life cycle and rehabilitation plan (the “**Life Cycle Plan**”) for all building elements, components, systems and equipment based on the Life Cycle Report and Good Industry Practice which will include:

- (a) the methods and practices by which Project Co will:
 - (1) ensure the long-term integrity and ongoing operational serviceability of the Facility;
 - (2) preserve the design criteria for all aspects of the Facility, taking into account technology and clinical practice at the time of replacement;
 - (3) ensure that on the Expiry Date all aspects of the Facility for which Project Co is responsible are functional to the standard specified in the Handback Requirements;
 - (4) minimize, to the extent reasonably possible, disruption to the Authority’s activities and programs at the Facility;
 - (5) initiate emergency procurement to enable timely replacement and response to the unexpected failure of elements of the Facility;
- (b) specific refurbishment and replacement plans, key assumptions and annual cost provisions for all aspects of the Facility for which Project Co is responsible, categorized by major elements; and
- (c) the development, management and operation of a comprehensive electronic inventory control system and asset register (based on the initial Asset Register established under Appendix 2E [Equipment and Furniture] and as updated) that provides up-to-date records for all aspects of the Facility for which Project Co is responsible including building architectural, mechanical and electrical elements and systems, provided that Project Co acknowledges that the foregoing does not limit the requirements under Sections 9.1 and 9.2 of Appendix 2E [Equipment and Furniture].

4.5 Environmental Management Plan

Project Co will establish and implement throughout the Operating Period an environmental management plan (the “**Environmental Management Plan**”) for the Facility based on Good Industry Practice which will include Project Co’s polices and procedures for:

- (a) adhering with all applicable Laws including those regarding the handling, storage and disposal of Hazardous Substances;
- (b) maintaining a safe environment through the use of processes, practices, materials and products that avoid or minimize the production or disposal of Hazardous Substances;
- (c) ensuring that the Services are performed in a careful and environmentally responsible fashion to minimize adverse effects on health and the environment;
- (d) providing monitoring, inspection, testing, handling, storage and clean up of all Hazardous Substances and that all such activities may be audited; and
- (e) adhering to, updating and maintaining as current the operational policies, procedures and practices for the performance of the Services.

4.6 Energy Management Plan

Project Co will establish and implement throughout the Operating Period an energy management plan (the “**Energy Management Plan**”) for the Facility based on Good Industry Practice which will include Project Co’s polices and procedures for:

- (a) ensuring full commitment to responsible energy management without comprising the working environment and safety of Authority Persons;
- (b) understanding the energy usage and identifying inefficient practices;
- (c) setting agreed objectives and targets to reduce energy consumption;
- (d) managing the energy usage and reducing the energy operating costs by implementing sound operating and maintenance practices; and
- (e) developing and promoting an energy awareness program for all staff in conjunction with the Authority.

The parties will monitor compliance with the Energy Management Plan at each meeting of the Operating Period Joint Committee. Where Project Co does not comply with the Energy Management Plan, then Section 4.3 of Appendix 8C [Energy] will apply to adjust the Annual Regulated Energy Target by an appropriate amount to reflect the effect of non-compliance.

4.7 Preparation of Plans

Project Co will work co-operatively with the Authority’s Operating Period Representative in the preparation of all Plans and will submit draft Plans for review and comment by the Operating Period Joint Committee prior to formal submission of such Plans to the Authority pursuant to Section 4.8 of this Schedule.

4.8 Submission of Plans to the Authority

- (a) Service Commencement and Startup Plan:

- (1) No later than 240 days prior to the Target Service Commencement Date, Project Co will submit to the Authority's Operating Period Representative the Service Commencement and Startup Plan;
- (b) Annual Service Plans:
 - (1) In accordance with Section 4.1, the first Annual Service Plan will be submitted with the first Service Commencement and Startup Plan.
 - (2) With respect to each Contract Year (commencing with the Contract Year that starts April 1 of the year following the calendar year in which the Service Commencement Date occurs), Project Co will no later than 30 days prior to the start of the Contract Year submit to the Authority's Operating Period Representative the Annual Service Plan for the relevant Contract Year.
- (c) Five Year Maintenance Plans, Life Cycle Plans and Environmental Management Plans:
 - (1) In accordance with Section 4.1, the Five Year Maintenance Plan, the Life Cycle Plan and the Environmental Management Plan will be submitted with the Service Commencement and Startup Plan.
 - (2) In accordance with Section 4.2(q) of this Schedule updates of the Five Year Maintenance Plan, the Life Cycle Plan and the Environmental Management Plan will be included with updates of the Annual Service Plans.

The Authority will review the Plans and may, but will not be obliged to, provide comments to Project Co proposing changes to such plans that the Authority considers desirable or necessary. Project Co will have due regard to any comments which the Authority may have in relation to any of such Plans and will attend such meetings as the Authority or the Authority's Operating Period Representative may reasonably require in order to discuss the Authority's comments and proposals provided that:

- (d) it will remain Project Co's responsibility to ensure that its obligations in relation to the Facility and the Services are carried out in accordance with this Agreement; and
- (e) no comments or lack of comments will impose any liability on the Authority or in any way relieve Project Co of its obligations under this Agreement.

4.9 Failure to Prepare Plans

Any failure of Project Co to prepare and submit to the Authority any Plan in accordance with this Section 4 will be deemed to be a High Service Failure on the first day each such Plan is due and not submitted and an additional High Service Failure each day thereafter until submitted.

4.10 Amendment of Plans

Project Co will follow the review procedure described in Section 4.8 prior to amending any Plan.

4.11 Authority Comments

The following will apply to the changes to Plans proposed by the Authority:

- (a) comments provided by the Authority proposing changes to Plans submitted to it by Project Co under the review described in Section 4.8 of this Schedule, are not Changes and will be completed at Project Co's cost (except to the extent that any such requested change would constitute a material change to this Agreement, the terms of Schedule 6

[Changes, Minor Works and Innovation Proposals] will apply and such change will not be implemented except under a Change Certificate issued by the Authority); and

- (b) if and to the extent the Authority requires an amendment to any of the Plans that it has previously reviewed and commented on (other than an amendment required to bring the Services into conformity with the Services Protocols and Specifications) then such amendment will be a Change and the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals] will apply.

5. SERVICES

5.1 Plant Services

Project Co will perform the services described in Appendix 4D (the “**Plant Services**”).

5.2 Interface Services

Project Co will perform the services described in Appendix 4E (the “**Interface Services**”).

5.3 Help Desk Services

Project Co will perform the services described in Appendix 4F (the “**Help Desk Services**”).

5.4 Utility Management Services

Project Co will perform the services described in Appendix 4G (the “**Utility Management Services**”).

5.5 General Management Services

Project Co will perform the services described in Appendix 4H (the “**General Management Services**”).

5.6 Environmental and Sustainability Services

Project Co will perform the services described in Appendix 4I (the “**Environmental and Sustainability Services**”).

5.7 Additional Services

Project Co agrees that in addition to the Services it will provide all other ancillary and additional services as may be reasonably required to achieve the standards and specifications set out in this Agreement.

6. PERFORMANCE MONITORING AND REPORTING

6.1 Project Co Performance Monitoring

Project Co will at all times during the Operating Period have in place a Performance Monitoring Program pursuant to which Project Co will monitor the delivery of the Services which will include:

- (a) all electronically recorded or written data, information or communications made in respect of the Services and all aspects of the Facility for which Project Co is responsible under this Schedule 4, including such data, information or communications made to or generated by the BMS, the computerized CMMS, the Help Desk and any other information system used by Project Co in connection with the Facility and the Services;
- (b) all other Project Co self-monitoring and reporting;

- (c) Project Co reporting all Demand Requisitions through the Help Desk, including those Demand Requisitions reported to or identified by Project Co separately from the Help Desk, with the intent that the Help Desk will produce a complete record of all Demand Requisitions; and
- (d) all reports in Project Co's possession or otherwise available to Project Co made by or to any Governmental Authority with respect to the Facility or the Services.

6.2 Periodic Reporting

Project Co will prepare and deliver to the Authority's Operating Period Representative within five Business Days of the end of each Payment Period during the Operating Period a performance monitoring report (the "**Performance Monitoring Report**") which will include the following information with respect to the relevant Payment Period:

- (a) all monitoring which has been performed pursuant to the Performance Monitoring Program and a summary of all findings;
- (b) a summary of each Demand Requisition received by the Help Desk including the applicable Response Time and Rectification Period, and Project Co's actual time of Response and Rectification;
- (c) a summary of all Unavailability Events and Service Failures including Project Co's Response Time and Rectification Period in respect of each;
- (d) a summary and calculations of all adjustments to the relevant Periodic Payment;
- (e) all statistical data required for any provincial or federal reports or returns reasonably required by the Authority;
- (f) a summary of all life safety actions, such as fire extinguisher inspections, generator testing and sprinkler testing conducted during the Payment Period;
- (g) a summary detailing the implementation of the Annual Service Plan then in effect including a summary of:
 - (1) the staffing plan including details of personnel changes, training and methods statements;
 - (2) all Preventive Maintenance, statutory testing and planned shutdowns implemented during the Payment Period and planned for the next Payment Period, including schedules and method statements;
 - (3) all Demand Maintenance performed during the Payment Period; and
 - (4) the delivery of all of all other Services; and
- (h) a summary of all Miscellaneous Occupant Request Services performed during the Payment Period; and
- (i) any report required by any Governmental Authority, including the Ministry of Health, in respect of the failure of any building elements, components, systems and equipment.

6.3 Authority Inspection and Audit

Project Co will on reasonable notice from the Authority:

- (a) permit the Authority to access, review and audit all records, information and reports maintained by Project Co including all Performance Monitoring Reports and other reports generated by the Performance Monitoring Program, including the methods and equipment used to calculate or determine the information therein;
- (b) ensure that the Performance Monitoring Program stores information and generates reports such that they are capable of, and readily available for, audit; and
- (c) facilitate and assist the Authority with any audit or inspection of the Facility, the Services or the Performance Monitoring Program undertaken by the Authority.

6.4 Reporting Failures

Any failure of Project Co to prepare and submit to the Authority a Performance Monitoring Report in accordance with this Schedule will be deemed to be a Medium Service Failure on the first day each Performance Monitoring Report is due and not submitted and an additional High Service Failure each day thereafter until submitted.

6.5 Reporting Errors

If any of the matters contained in a Performance Monitoring Report are incorrect or the Performance Monitoring Report fails to refer to any Unavailability Event or Service Failure that was not Rectified within the applicable Rectification Period (each of which is a **"Reporting Error"**):

- (a) Project Co will:
 - (1) if the Reporting Error occurred other than as a result of fraud, deliberate misrepresentation, gross negligence, incompetence or wilful misconduct, or if the Reporting Error is discovered by Project Co and reported to the Authority prior to its discovery by the Authority, immediately pay to the Authority an amount equal to the amount overpaid by the Authority as a result of the Reporting Error, with interest at the Default Rate from the date of payment by the Authority to the date of repayment to the Authority; or
 - (2) if the Reporting Error occurred as a result of fraud, deliberate misrepresentation, gross negligence, incompetence or wilful misconduct, immediately pay to the Authority an amount equal to twice the amount overpaid by the Authority as a result of the Reporting Error,

provided that in the first year after the Service Commencement Date, Section 6.5(a)(2) will only apply to Reporting Errors that result from wilful acts or omissions of Project Co; and

- (b) the Authority will immediately pay to Project Co an amount equal to the amount underpaid by the Authority as a result of the Reporting Error.

6.6 Parties to Advise of Reporting Errors

If at any time either the Authority or Project Co becomes aware of a Reporting Error, the party who discovers the error will immediately advise the other party of its nature and, if possible, its effect.

6.7 Increased Monitoring

If:

- (a) Project Co incurs Deductions of \$9,000 (Index Linked) or more in any month or \$90,000 (Index Linked) or more in any 12 consecutive month period in respect of any Service; or
- (b) a Reporting Error (whether related to the same type of Reporting Error or not) occurs on more than three occasions in any 12 consecutive month period,

the Authority may increase its monitoring of the performance by Project Co under this Agreement and carry out any inspections and audits which it reasonably requires for a period of up to 90 days. Project Co will reimburse the Authority for all reasonable costs and expenses incurred by the Authority in carrying out such additional monitoring, inspections and audits within five Business Days after the Authority delivers an invoice to Project Co for such amounts.

6.8 Replacement of Non-Performing Service Provider or Sub-Contractor

If Project Co has accrued Deductions of \$45,000 (Index Linked) or more in any month or \$150,000 (Index Linked) or more in any 12 consecutive month period, the Authority may, by notice to Project Co (a “**Sub-Contractor Termination Notice**”), require Project Co to cause:

- (a) the termination of the Sub-Contract of the Sub-Contractor or Sub-Contractors, if any, delivering the Service which gave rise to such Deductions; or
- (b) if the Service which gave rise to such Deductions is being provided directly by the Service Provider, the termination of the Service Provider’s engagement to provide such Service.

Within 90 days of receipt of the Sub-Contractor Termination Notice, Project Co will cause a replacement of such Sub-Contractor or Sub-Contractors or Service Provider (in respect of such Services) as the case may be, in accordance with Sections 4.5 to 4.9 of this Agreement.

6.9 Authority’s Right of Access

The Authority may at all times during the Operating Period, without notice, access, audit and inspect the Facility and Project Co’s delivery of the Services so as to confirm:

- (a) the performance by Project Co of its obligations under this Agreement; and
- (b) that the Facility is being maintained in accordance with the terms of this Agreement,

provided that:

- (c) the Authority does not unreasonably interfere with the performance by Project Co of its obligations under this Agreement; and
- (d) the Authority complies with Project Co’s safety and security policies, provided that Project Co has delivered copies of such policies to the Authority and such policies do not unreasonably impair or limit the Authority’s ability to access all aspects of the Facility.

7. HANDBACK

7.1 Handback Requirements

Project Co will carry out the Handback Requirements in accordance with Appendix 4C.

8. KGH CAMPUS INTEGRATION

8.1 Interfaces

Project Co will perform the services described in Appendix 4E (the “**Interface Services**”).

9. MISCELLANEOUS OCCUPANT REQUEST SERVICES

9.1 Performance of Miscellaneous Occupant Request Services

- (a) Project Co will provide miscellaneous occupant request project management and project services (collectively the “**Miscellaneous Occupant Request Services**”) as set out in this Section 9.
- (b) The subjects of the Miscellaneous Occupant Request Services are:
 - (1) alterations to existing space;
 - (2) space optimization;
 - (3) equipment and furniture installation;
 - (4) system furniture and office re-configuration;
 - (5) move coordination;
 - (6) any project that would otherwise be Demand Maintenance; and
 - (7) any other Authority-requested projects, including moves, additions and changes.
- (c) Project Co acknowledges and agrees that the Miscellaneous Occupant Request Services are included in the Services and will be done by Project Co at the Minor Works Rates calculated in accordance with Section 3 of Schedule 6 [Changes, Minor Works and Innovation Proposals] less 5%, unless otherwise agreed by the Authority, and that the Miscellaneous Occupant Request Services will not constitute a Change. Miscellaneous Occupant Request Services will not be performed by a Sub-Contractor without the Authority’s prior consent.

9.2 Miscellaneous Occupant Request Services

- (a) Unless authorized by the Authority, Project Co will not provide any Miscellaneous Occupant Request Services in the Facility until after the date that is three months after the Service Commencement Date.
- (b) Miscellaneous Occupant Request Services are for projects in the amount of \$500 (subject to the indexation described in this Section 9.2(b)) or less per project, including the cost of materials. The Authority will annually indicate to Project Co the applicable amount for projects to be Miscellaneous Occupant Request Services. The foregoing amount of \$500 will first be indexed from April 1, 2007 to the Base Date, applying the

same formula as “Index Linked” and assuming for such purpose that April 1, 2007 is the “Base Date”, and then will be Index Linked thereafter.

- (c) Miscellaneous Occupant Request Services may be requested by those Facility Users, or classes of Facility Users, authorized by the Authority to make such requests. The Authority shall notify Project Co in writing of the identity of the Facility Users authorized to make requests for Miscellaneous Occupant Request Services and Project Co shall not be required to carry out any Miscellaneous Occupant Request Services requested by a Facility User in respect of whom Project Co has not received such written notification.
- (d) Each of the requests for Miscellaneous Occupant Request Services will be completed within 30 days of being requested.
- (e) Miscellaneous Occupant Request Services will be requested, scheduled and tracked through the Help Desk.
- (f) The Authority may from time to time, including at the Operating Period Joint Committee, provide a prioritized list of Miscellaneous Occupant Request Services to Project Co, and may direct Project Co as to which Miscellaneous Occupant Request Services, or classification of Miscellaneous Occupant Request Services, are not to be performed.
- (g) The maximum amount of Miscellaneous Occupant Request Services to be performed in any Contract Year is as set out in the following table. The amount in the table is a maximum and is not a guarantee of the amount of Miscellaneous Occupant Request Services to be performed in any Contract Year.

Miscellaneous Occupant Request Funding	
Contract Year	\$
	\$100,000 pro-rated for the portion of the Contract Year from Service Commencement
2016/17	
2017/18 and subsequent Contract Years	\$100,000
*Note: values presented unindexed and to be Index Linked	

Project Co will report the amount of Miscellaneous Occupant Request Services for each Payment Period as referred to in Section 6.2. Upon reaching such maximum amount, Project Co will not perform any Miscellaneous Occupant Request Services without the prior written consent of the Authority.

10. AUTHORITY FM SERVICES

Project Co acknowledges that there is an interface between the Services and the Authority FM Services, and that for the Authority to establish Good Industry Practice for the Authority FM Services the Authority requires information from Project Co regarding the interface.

Project Co will from time to time provide written information to the Authority setting out reasonable measures Project Co considers are required for Good Industry Practice related to the interface between the Services and the Authority FM Services.

The Authority will, acting reasonably, consider the information provided by Project Co and provide comments to Project Co and seek to agree on the implementation of Good Industry Practice for the Authority FM Services.

The Authority reserves the right not to implement any measure identified by Project Co, provided however that such right will not limit Project Co's entitlement to claim for a Compensation Event as provided under this Agreement.