

**APPENDIX 2D**

**EQUIPMENT AND FURNITURE**

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## APPENDIX 2D

### EQUIPMENT AND FURNITURE

#### 1. DEFINITIONS

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

**“Acceptance Protocol”** has the meaning given in Section 3.2(b)(3) of this Appendix;

**“Category A Equipment”** means the equipment described and listed as “Category A” in the Equipment List and Equipment Functional Specifications (or similar equipment) but does not include any equipment, systems or components for which Project Co is responsible for the Design and Construction pursuant to Schedule 3, notwithstanding the inclusion of such equipment, systems or components on the Equipment List;

**“Category B Equipment”** means the equipment described and listed as “Category B” in the Equipment List and Equipment Functional Specifications (or similar equipment);

**“Category C Equipment”** means the equipment described and listed as “Category C” in the Equipment List and Equipment Functional Specifications (or similar equipment);

**“Category D Equipment”** means the equipment described and listed as “Category D” in the Equipment List and Equipment Functional Specifications (or similar equipment);

**“Category E Equipment”** means the equipment described and listed as “Category E” in the Equipment List and Equipment Functional Specifications (or similar equipment);

**“Commission”, “Commissioning” and “Commissioned”** mean testing and commissioning the equipment or system in accordance with any commissioning requirements set out in this Agreement, all applicable standards and Good Industry Practice, including to ensure that the Equipment is operating in accordance with the manufacturer’s requirements and specifications;

**“Deliver”, “Delivered” or “Delivery”** means delivery to a Facility;

**“Equipment”** means collectively the Category A Equipment, the Category B Equipment, the Category C Equipment, the Category D Equipment and the Category E Equipment;

**“Equipment Cash Allowance”** means the monies to be deposited by the Authority into the Equipment Cash Allowance Accounts in the amounts and at the times required pursuant to this Appendix and paid from the Equipment Cash Allowance Accounts for the purchase of Category A Equipment, Category B Equipment and Category E Equipment pursuant to this Appendix;

**“Equipment Cash Allowance Accounts”** means the separate, interest-bearing bank accounts for all Category A Equipment, Category B Equipment and Category E Equipment related cash flows that are maintained by Project Co at the Authority’s direction as contemplated in this Appendix;

**“Equipment Committee”** means the committee established pursuant to Section 6.9 of this Appendix;

**“Equipment Consultant”** means the equipment consultant engaged by Project Co pursuant to Section 6.10 of this Appendix;

**“Equipment Functional Specifications”** means the functional specifications for items of Equipment on the Equipment List set out in Attachment 2 to this Appendix;

**“Equipment List”** means the list of Equipment set out in Attachment 1 to this Appendix;

**“Equipment Procurement Schedule”** means the Equipment procurement schedule attached as Attachment 3 to this Appendix, as updated in accordance with Section 6.6 of this Appendix;

**“HSSBC”** means Health Shared Services BC the provincial supply chain association responsible for procurement of goods and services for the BC health authorities.

**“Install”, “Installation” or “Installed”** means, as applicable, connection to necessary building services, including plumbing, heating, cooling, ventilation and electricity, connection to necessary communication or network interfaces or devices and affixing to building structure, including ceiling and walls;

**“Procurement”** means the management and completion of procurement processes for Project Co Procured Equipment pursuant to Section 3 of this Appendix;

**“Project Co Procured Equipment”** means Category A Equipment, Category B Equipment and Category E Equipment;

**“Request for Payment Approval”** has the meaning given in Section 3.14 of this Appendix;

**“Request for Reimbursement Approval”** has the meaning given in Section 3.16 of this Appendix;

**“Setup”** includes:

- (a) transportation and movement within the Facility from the delivery location to the final installation location;
- (b) placement in the final location within the Facility; and
- (c) any necessary unwrapping, unpacking, assembly and removal of packing materials.

**“Smart Hospitals Equipment”** has the meaning set out in Section 6.3;

**“Storage”** means the provision of secure space with appropriate environment to allow received Equipment to be set, placed, loaded, unloaded or otherwise warehoused without damage while awaiting Setup, and **“Store”, “Stored”** and **“Storing”** have corresponding meanings.

## **2. CATEGORY A, CATEGORY B AND CATEGORY E EQUIPMENT**

### **2.1 Category A Equipment**

Subject to Section 3.20, Project Co will be responsible for the:

- (a) Procurement, Delivery, Storage, Setup, Installation, Commissioning of all Category A Equipment; and
- (b) Maintenance of all Category A Equipment in accordance with Schedule 4 [Services Protocols and Specifications].

## **2.2 Category B Equipment**

Subject to Section 3.20, Project Co will be responsible for the:

- (a) Procurement, Delivery, Storage, Setup, Installation and Commissioning of all Category B Equipment; and
- (b) Maintenance of all Category B Equipment in accordance with Schedule 4 [Services Protocols and Specifications] provided that:
  - (1) Project Co will not be responsible for the replacement of any Category B Equipment; and
  - (2) the Authority will replace all Category B Equipment in accordance with Good Industry Practice.

## **2.3 Category E Equipment**

Subject to Section 3.20:

- (a) Project Co will:
  - (1) be responsible for the Procurement, Delivery, Storage, Setup, Installation and Commissioning of all Category E Equipment; and
  - (2) not be responsible for the Maintenance of any Category E Equipment; and
- (b) the Authority will maintain and replace all Category E Equipment in accordance with Good Industry Practice.

## **3. PROCUREMENT OF AND PAYMENT FOR CATEGORY A, B AND E EQUIPMENT**

### **3.1 Procurement Policy and Process**

Project Co will develop and submit to the Authority for its approval, within 120 days of the Effective Date:

- (a) a fair business policy that promotes fair, ethical, open, accessible and accountable business practices with all third party providers of goods and services, that Project Co will utilize for the procurement of Project Co Procured Equipment; and
- (b) an overview of guiding principles that Project Co intends to use for the procurement of Project Co Procured Equipment.

### 3.2 Solicitation of Proposals

For each item of Project Co Procured Equipment, Project Co will:

- (a) comply with the Authority-approved fair business policy and guiding principles described in Section 3.1;
- (b) in consultation with the Authority, draft competitive bidding documents, such documents to include:
  - (1) specifications based on functionality for the relevant Equipment;
  - (2) terms and conditions for the relevant equipment purchase contract or purchase order, including training for Authority staff;
  - (3) a protocol for testing the relevant Equipment to demonstrate that it has been installed in accordance with the manufacturer's requirements and is functioning in accordance with the specifications included in the relevant equipment purchase contract or purchase order (an "**Acceptance Protocol**"); and
  - (4) the scope of any Setup or Installation work that the Equipment vendor will perform;
- (c) in consultation with the Authority, identify and take advantage of standardization opportunities, including by:
  - (1) utilizing applicable existing Authority and HSSBC supply agreements; and
  - (2) co-ordinating bundled purchases of Equipment (including bundled purchases of Project Co Supplied Equipment with Equipment to be procured by the Authority).
- (d) issue competitive bidding documents to at least 2 different suppliers for prices (unless the item qualifies for procurement under an existing supply agreement referred to in Section 3.2(c)), such prices to be on comparable terms and conditions.
- (e) obtain and submit to the Authority prices obtained on a competitive basis from any supplier and for any make or model that will meet or exceed the functionality intended by the specifications of the referenced make and model, if any, for that item of the Equipment; and

Project Co assumes all risk of delays to the Project Schedule caused by late procurement or delivery of any Project Co Procured Equipment, unless such delay is caused or directly attributable to a delay by the Authority or any Authority Person in the approval process pursuant to Section 3.6 of this Appendix.

### 3.3 Compliance with Trade Agreements

Project Co will comply with the requirements of the Agreement on Internal Trade (including Chapter 5 and Annex 502.4 thereof) and the Trade, Investment and Labour Mobility Agreement and the New West

Partnership Trade Agreement to the same extent that such requirements are, by policy of the Province of British Columbia or the Authority, or by Law, applicable to the Authority.

### **3.4 Alternative Procurement**

During the consultation described in Section 3.2(b) of this Appendix, the Authority may, in its discretion, require Project Co to undertake or utilize alternative Procurement methods, including:

- (a) an unrestricted public procurement;
- (b) an Authority provided vendor short list;
- (c) an existing standing offer arrangement;
- (d) a direct award; or
- (e) any other procurement method that the Authority sees fit.

If the Authority requires Project Co to utilize an alternative procurement method, then the requirements in Section 3.2 of this Appendix will be modified as required to be suitable for such method.

### **3.5 Project Co Analysis and Recommendations**

Based on the proposals received under Section 3.2 of this Appendix, Project Co will provide a written analysis to the Authority for the procurement of each item of Project Co Procured Equipment, which will include the following:

- (a) item description, item number, and quantities;
- (b) the manufacturer, model number, supplier, specifications and options for the item;
- (c) an analysis, including consideration of compliance with the relevant required functionality in the Equipment List and the Equipment Functional Specifications and recommendation as to which make model and supplier of the item provides, in the Project Co's opinion, the overall best value to the Authority, and any other benefits of the recommended item;
- (d) an analysis of the effect the item will have on the overall design of a Facility and the relevant areas within that Facility;
- (e) details of the standard warranties, installation services, training, spare parts and start-up consumables included with the item by the relevant manufacturer or supplier;
- (f) details of any extended warranties available for purchase from the relevant manufacturer or supplier;
- (g) the date and time when the item will be delivered to the Site;
- (h) the cost of the item, including a breakdown of:

- (1) subject to Section 3.11(b) of this Appendix, any cost to the Authority for any Setup and Installation to be performed by the equipment vendor, and
  - (2) applicable Taxes;
  - (3) net of direct or indirect discounts, rebates, refunds, chargebacks, credits, price adjustments or any other allowances obtained across all categories of Equipment that effectively reduce the net selling price; and
  - (4) an assessment of the “total cost of ownership”, specifically addressing included warranties, service and maintenance costs.
- (i) based on the information in Section 3.5(h) of this Appendix, the total amounts and timing of the invoice payments for determination of cash flows required to implement the recommendation and the full details of the calculation of such amounts;
  - (j) additional value add options offered by the vendors, ie: whether the procurement is a purchase, or part of a managed equipment program, based on usage pricing or other arrangement, and the terms and timing of payments, thereof;
  - (k) if so requested by the Authority, a copy of each quote or proposal and all other relevant information in respect of the item and such other documentation as the Authority may reasonably require, all of which Project Co will provide on a fully transparent and open basis to the Authority;
  - (l) the latest date (not to be less than 30 Business Days after receipt by the Authority of the recommendation or such other period as the parties may agree each acting reasonably) by which a final procurement decision on the item is required from the Authority without causing delays to the Construction or Facility Completion or additional costs for that item; and
  - (m) if no proposals for items of Project Co Procured Equipment are available or have been received by Project Co, an alternate recommended course of action for procurement by Project Co including possible substitutes for such items.

The Authority may request additional information from Project Co regarding the analysis and recommendations of Project Co, which Project Co will provide to the Authority within 30 days of receipt of such request.

### **3.6 Authority Approval**

In response to the recommendations for items of Project Co Procured Equipment made by Project Co to the Authority under Section 3.5 of this Appendix, the Authority may, on or before the latest date for such decision as set out in the recommendation pursuant to Section 3.5(l) of this Appendix, do any of the following with respect to some or all of the items:

- (a) instruct Project Co to proceed with the procurement and assign a tracking number for each item of Project Co Procured Equipment;



- (b) withdraw the requirement for Project Co to proceed with the procurement;
- (c) subject to Section 6.5 of this Appendix, increase or decrease the quantities, require the procurement of other items in substitution for such items, or otherwise change the items to be procured;
- (d) acting reasonably, reject any supplier or item of Project Co Procured Equipment as unacceptable to the Authority;
- (e) elect to obtain certain items of Project Co Procured Equipment for the Project by obtaining, transferring or relocating existing equipment from the Authority or others; or
- (f) elect to procure directly certain items of Project Co Procured Equipment.

### **3.7 Project Co to Implement Authority Instructions**

Project Co will proceed diligently to implement the Authority's instructions given pursuant to Section 3.6 of this Appendix, including promptly making alternate recommendations for any item the proposed supplier of which has been rejected under Section 3.6(d) of this Appendix.

### **3.8 Management of Equipment Cash Allowance Accounts**

The Authority may direct Project Co to establish two Equipment Cash Allowance Accounts, one for Canadian currency and one for US currency. If the Authority directs Project Co to establish the Equipment Cash Allowance Accounts then Project Co will establish such accounts and Project Co will be responsible to manage all monies deposited in the Equipment Cash Allowance Accounts by the Authority pursuant to Section 3.9 in trust for the benefit of, and as directed by, the Authority as follows:

- (a) interest earned will accrue in the Equipment Cash Allowance Accounts and will be for the benefit of the Authority;
- (b) Project Co will grant to the Authority a first priority security interest in and to the Equipment Cash Allowance Accounts and the funds deposited therein and will execute all documents reasonably required by the Authority in connection with such security;
- (c) Project Co will withdraw monies from the Equipment Cash Allowance Accounts as and at the times directed by the Authority as required to pay for procurements approved by the Authority pursuant to Section 3.14 of this Appendix, net of all direct or indirect discounts, rebates, refunds, chargebacks, credits, price adjustments or any other allowances obtained across all categories of Equipment that effectively reduce the net selling price;
- (d) Project Co will provide a reconciliation of the Equipment Cash Allowance Accounts to the Authority on a monthly basis, which will include any tracking numbers assigned by the Authority under Section 3.6(a) and copies of vendor invoices paid by Project Co from the Equipment Cash Allowance Accounts during the month;
- (e) as procurements are completed, Project co will keep and update an overall budget for the Equipment Cash Allowance and will provide access to and copies of such budget to the Authority monthly and as otherwise required by the Authority;

- (f) if at Service Commencement there is a positive balance in either of the Equipment Cash Allowance Accounts, such balance will be the property of the Authority and will be paid by Project Co as directed by the Authority (less any amounts provisioned for settlement on certain equipment);
- (g) the parties will review the operation of the Equipment Cash Allowance Accounts on a regular basis and agree to any appropriate modifications to ensure its efficient operation; and
- (h) amounts payable from the Equipment Cash Allowance Accounts will include only those amounts described in Section 3.8(c) of this Appendix and will not include any amounts related to any of Project Co's Maintenance obligations set out in Schedule 4 in respect of any Maintained Elements all of which is included in, and will be paid by the Authority to Project Co as part of the Service Payments.

### **3.9 Deposits to Equipment Cash Allowance Accounts**

If the Authority directs Project Co to establish the Equipment Cash Allowance Accounts, the Authority will deposit funds into the Equipment Cash Allowance Accounts for equipment approved under Section 3.6(a) in accordance with the Equipment Procurement Schedule.

Subject to Section 3.12 of this Appendix, the Authority will make deposits into the Equipment Cash Allowance Accounts if the payment requirements, including applicable Taxes, for procurements approved by the Authority pursuant to section 3.14 of this Appendix exceed the then balance of the applicable Equipment Cash Allowance Accounts.

### **3.10 Taxes**

Project Co will pay the equipment vendor invoices, including all applicable Taxes, and will not claim any rebate on GST, PST or other Taxes for the benefit of Project Co. The Authority may claim all available rebates on such Taxes or self-asses Taxes in respect of Project Co Procured Equipment that Project Co procures from outside of Canada.

### **3.11 Minimizing Costs**

Project Co will:

- (a) use all reasonable efforts to minimize the cost to the Authority of Project Co Procured Equipment and to conduct its procurement so as to minimize any reasonably avoidable adverse effect on the cost to the Authority of Project Co Procured Equipment.
- (b) ensure that the cost to the Authority of Project Co Procured Equipment includes costs for Setup and Installation performed by the Equipment vendor only to the extent that such Setup or Installation is in the normal scope of the purchase and sale of equipment similar to the Project Co Procured Equipment for a project similar to the Project and is commonly performed by the Equipment vendor; and

- (c) cause all discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Project Co Procured Equipment to be attributed solely to and to benefit the pricing of Project Co Procured Equipment.

### **3.12 Mark-ups**

Project Co agrees that:

- (a) any amount paid from the Equipment Cash Allowance Accounts will not include any mark-up for overhead, Taxes or other costs and profit of Project Co and any other Project Co Person other than the suppliers of Project Co Procured Equipment, and
- (b) there will be no adjustment on account of profit, overhead, Taxes or other costs associated with Procurement, Delivery, Storage, Setup, Installation, and Commissioning or Maintenance of Project Co Procured Equipment by Project Co (or training related to such Equipment) and any other Project Co Persons other than the suppliers of Project Co Procured Equipment, all of which Project Co has already included in, and will be paid by the Authority, to Project Co as part of, the Service Payments.

### **3.13 Request for Payment Approval**

Project Co will provide monthly a request to the Authority for payment from the Equipment Cash Allowance Accounts (the “**Request for Payment Approval**”) for Project Co Procured Equipment that will include the following:

- (a) details of all supplier invoices, including details of any extended warranties, that are due to payment that month, together with relevant copies of vendor invoices and other supporting documentation;
- (b) confirmation of all items of Project Co Procured Equipment that have been delivered to either Facility, including a description of the item and its room location in such Facility;
- (c) reconciliation with the procurement proposal, as approved in section 3.6(a).
- (d) reconciliation with the Equipment List of the Project Co Procured Equipment for which payment approval is requested, including any tracking numbers assigned by the Authority under Section 3.6(a); and
- (e) any discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Project Co Procured Equipment.

### **3.14 Payment Approval**

The Authority will, acting reasonably and within 7 days of receipt of a Request for Payment Approval, advise Project Co in writing whether or not payment of the invoices set out in such Request for Payment Approval is approved. If the Authority does not approve payment of any invoice set out in a Request for Payment Approval, the Authority will provide full details as to the reason for not approving such payment.

### **3.15 Payment of Approved Invoices**

Project Co will, within 7 days of receipt of the Authority's approval of a Request for Payment Approval, as agent for the Authority only for purposes of payment from the Equipment Cash Allowance Accounts, make payment to the relevant suppliers as set out in the invoices in such Request for Payment Approval.

### **3.16 Alternative to Cash Allowance Accounts – Request for Reimbursement Approval**

If the Authority does not direct Project Co to establish an Equipment Cash Allowance Accounts then Project Co will provide a written request to the Authority for reimbursement approval (the "Request for Reimbursement Approval") on the first Business Day of each month, for Category A Equipment, Category B Equipment, and/or Category E Equipment that will include the following:

- (a) details of all vendor invoices, including details of any extended warranties, received by Project Co that are due for payment that month, together with relevant supporting documentation;
- (b) confirmation of all items of Project Co Procured Equipment that have been delivered to either Facility, including a description of the item and its room location in the Facility;
- (c) reconciliation with the Equipment List of the Category A Equipment, Category B Equipment, and/or Category E Equipment for which reimbursement approval is requested;
- (d) any discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Category A Equipment, Category B Equipment, and/or Category E Equipment; and
- (e) a summary document containing a brief description of the information in Sections 3.16(a) to 3.16(d) above.

### **3.17 Reimbursement Approval**

- (a) The Authority will, acting reasonably and within 7 Business Days of receipt of a Request for Reimbursement Approval, advise Project Co in writing whether or not reimbursement of the invoices set out in such Request for Reimbursement Approval is approved.
- (b) If the Authority rejects any invoice set out in a Request for Reimbursement Approval, the Authority will provide full details as to the reason for not approving such reimbursement. Project Co must resubmit a Request for Reimbursement Approval to the Authority containing the information in Section 3.16 of this Appendix within 7 days of receiving notice of such rejection.

### **3.18 Payment to Project Co**

- (a) Project Co will, upon receipt of approval by the Authority of a Request for Reimbursement Approval as described in Section 3.17 of this Appendix, submit an invoice to the Authority in an amount equal to the amount approved by the Authority. The Authority will, within 7

Business Days of receiving such an invoice from Project Co, reimburse Project Co in the amount of the invoice.

- (b) Upon receipt of reimbursement from the Authority, Project Co will immediately pay the vendors the amounts of the approved invoices.

### **3.19 Reimbursement**

Project Co agrees that:

- (a) any amount reimbursed to Project Co will not include any mark-up for overhead, other costs or profit of Project Co and any other Project Co Person other than the suppliers of Project Co Procured Equipment; and
- (b) there will be no adjustment on account of profit, overhead, or other costs associated with procurement, expediting, installation, delivery, unpacking, training, assembling and testing, commissioning or Maintenance of Project Co Procured Equipment by Project Co and any other Project Co Persons other than the suppliers of Project Co Procured Equipment, all of which Project Co has already included in, and will be paid by the Authority to Project Co as part of, the Service Payments.

### **3.20 Responsibility for Authority Obtained Category A, B or E Equipment**

If the Authority elects to obtain or procure certain items of Project Co Procured Equipment pursuant to Sections 3.6(e) or 3.6(f) of this Appendix:

- (a) as soon as is reasonably practicable after receiving notice of such election, Project Co will advise the Authority:
  - (1) if such Equipment of the Facility must be installed in a Facility for Project Co to achieve Facility Completion; and
  - (2) if applicable, the date by which such Equipment must be delivered so as not to delay the Design, the Construction, Facility Completion or the Authority's use and occupation of the applicable Facility;
- (b) Project Co will Install and Commission such items upon delivery to the applicable Site to the extent, such items are in substitution for, and not in addition to, the items of the Equipment identified in the Equipment List; and
- (c) Project Co will not be responsible for the condition of any previously used items of Equipment, including any failure of such Equipment to meet commissioning requirements as a result of such condition.

### **3.21 Project Co Procured Equipment Reports**

As of the 1st day of each month during the Construction Period and as at Service Commencement Date, Project Co will provide reports to the Authority that includes the following information:

- (a) itemized and aggregate amounts committed to date for all costs to the Authority of Project Co Procured Equipment, and at the request of the Authority Project Co will provide additional detailed reporting on such amounts as follows:
  - (1) itemized and aggregate amounts for each of the Category A Equipment, Category B Equipment and Category E Equipment;
  - (2) itemized and aggregate amounts of Project Co Procured Equipment with a cost to the Authority of less than \$5,000; and
  - (3) itemized and aggregate amounts of Project Co Procured Equipment with a cost to the Authority of \$5,000 or greater;
- (b) which Project Co Procured Equipment items have been procured, the itemized and aggregate costs to the Authority of such items, the payment dates and any tracking numbers assigned by the Authority under Section 3.6(a), providing a copy of the Project Co purchase order and the vendor invoices;
- (c) the projected procurement of remaining Project Co Procured Equipment;
- (d) the delivery dates for each item procured;
- (e) the warranty terms and duration for each item procured, pursuant to Section 3.22 of this Appendix;
- (f) any authorized or agreed changes in the Equipment List and Equipment Functional Specifications since the previous report, and the design and financial impact of such changes; and
- (g) any commentary on communication methods, the reporting method/approval process, frequency of communication and similar matters regarding Project Co Procured Equipment procurement and selection,

### **3.22 Warranties**

Project Co will ensure that all manufacturer's and supplier's warranties for all Project Co Procured Equipment:

- (a) commence no earlier than the applicable Facility Completion Date for the relevant item of Project Co Procured Equipment;
- (b) are in the Authority's name or are transferable to the Authority upon the transfer of title of the Project Co Procured Equipment from Project Co to the Authority; and
- (c) will seek to include 24 hour a day and 7 days a week coverage, parts, glassware, calibrations, routine preventative maintenance, and required biomedical inspections. Software upgrades are included.

Notwithstanding any other provision of this Agreement, if Project Co fails to comply with Section 3.22(b) Project Co will be responsible for the repair and replacement of all Project Co Procured Equipment covered by manufacturer and supplier warranties that remain in Project Co's name.

### **3.23 Standards for Equipment**

Project Co will cause all Project Co Procured Equipment, except Project Co Procured Equipment procured by the Authority pursuant to Section 3.6(e) or 3.6(f) of this Appendix, to be:

- (a) new;
- (b) of good quality and in a safe, serviceable and clean condition in accordance with Good Industry Practice;
- (c) in accordance with the Equipment List and the Equipment Functional Specifications;
- (d) CSA approved, and
- (e) in compliance with all Laws.

Project Co will, as soon as practicable after receiving a request from the Authority, supply to the Authority evidence to demonstrate its compliance with this Section 3.23.

### **3.24 Training**

- (a) Clinical Training

Project Co will require the relevant equipment vendor to provide appropriate and timely training to Authority staff on the proper use of all Project Co Procured Equipment that Project Co installs in the Facilities (except for those items of Project Co Procured Equipment that the Authority elects to obtain or procure pursuant to Section 3.6(e) or 3.6(f) of this Appendix). The training provided will be in accordance with Good Industry Practice to enable the Authority and its staff to properly utilize such Project Co Procured Equipment. The Authority will, in consultation with Project Co, schedule all such training activities.

- (b) Service Training

Project Co will require the relevant equipment vendor to provide appropriate and timely training to Authority staff on the proper care, maintenance and repair procedures for all Category E Equipment (except for any items of Category E Equipment that the Authority elects to obtain or procure pursuant to Section 3.6(e) or 3.6(f) of this Appendix)]. The training provided will be in accordance with Good Industry Practice to enable the Authority and its staff to properly maintain and repair such [Project Co Procured Equipment]. The Authority will, in consultation with Project Co, schedule all such training activities.

### **3.25 Guidance Material and Manuals**

On or before the Facility Completion Date, Project Co will transfer and deliver to the Authority all guidance material and manuals relating to Project Co Procured Equipment items as produced and provided by the

manufacturer or the supplier of such items for the applicable Facility. This document turnover process will include:

- (a) user manual (print and electronic version);
- (b) purchase documentation;
- (c) inspection documentation;
- (d) acceptance documentation;
- (e) spare parts list; and
- (f) required disposables.

### **3.26 Insurance**

As part of the Procurement of Project Co Procured Equipment (except for those items of Project Co Procured Equipment that the Authority elects to obtain or procure pursuant to Section 3.6(e) or 3.6(f) of this Appendix), Project Co will require the supplier of each item of Project Co Procured Equipment to retain all risks related to such equipment (including replacement thereof in the event of damage or destruction) during the Delivery, Setup, Installation and Commissioning process and until such time as title to the Project Co Procured Equipment passes to the Authority in accordance with Section 6.11 of this Appendix.

### **3.27 No Limitation**

Without limiting Section 2 of this Appendix, Project Co Procured Equipment shown on the Equipment List and in the Equipment Functional Specifications:

- (a) is not intended to be exhaustive or to be relied upon by Project Co;
- (b) does not limit the requirements of the Design and Construction Specifications; and
- (c) provides only an indication of some of Project Co Procured Equipment that the Authority may require.

The Authority may add or delete Equipment from the Equipment List at any time, in its discretion, provided that any such addition or deletion of such Equipment which occurs after the completion of the procurement process in respect of such Equipment pursuant to Section 3.2 of this Appendix will be deemed a Change.

## **4. CATEGORY C EQUIPMENT**

Subject to Section 6.1 of this Appendix, the Authority will be responsible for the procurement, Delivery, Setup, Installation, Commissioning and maintenance of any Category C Equipment.

Refer to Schedule 3 [Design and Construction Specifications] for specifications applicable to furniture, millwork and casework.



## 5. CATEGORY D EQUIPMENT

Subject to Section 6.1 of this Appendix;

- (a) the Authority will be responsible for the procurement, Delivery and maintenance of any Category D Equipment; and
- (b) Project Co will be responsible for the Storage, Setup, Installation and Commissioning of any Category D Equipment.

## 6. GENERAL

### 6.1 Authority Not Obligated to Procure Equipment

The Authority intends to procure but, subject to Section 6.5 of this Appendix, the Authority is not obligated to procure the items of Category C Equipment and Category D Equipment shown on the Equipment List.

### 6.2 Integration of Equipment with Design of Facility

Project Co will ensure that all Equipment is integrated in accordance with Good Industry Practice with the overall design of the applicable Facility and will include such Equipment as part of the design development process described in Section 5.3 of Schedule 2 [Design and Construction Protocols].

### 6.3 Smart Hospital Requirements

Attachment 4A [Campbell River Smart Hospital Specifications] and Attachment 4B [Comox Valley Smart Hospital Specifications] set out the minimum data, electrical and other requirements related to certain Equipment (the “**Smart Hospitals Equipment**”) that the Authority considers part of its ‘smart hospitals’ initiative. As part of Project Co’s obligation to design and construct the Facilities to accommodate all of the Equipment, Project Co will include in the Facilities the data, electrical and other requirements set out in Schedule 3 [Design and Construction Specifications], including the data and electrical requirements set out in Sections 7.8.1.1(12) and 7.7.1.2(10) therein.

For greater certainty, Attachment 4A and Attachment 4B set out minimum requirements for the Smart Hospitals Equipment only and do not limit Project Co’s obligation to provide sufficient data and electrical outlets as required by this Agreement.

### 6.4 Acceptance Testing of Project Co Procured Equipment

Without limiting Project Co’s obligation to Commission Project Co Procured Equipment, Project Co will, to the Authority’s reasonable satisfaction, complete all of the aspects of the Acceptance Protocol for each item of Project Co Procured Equipment.

If:

- (a) prior to the Facility Completion Date, Project Co fails to complete any aspect of an Acceptance Protocol for any item of Project Co Procured Equipment for the applicable Facility; and

- (b) the Authority waives the requirement for Project Co to complete the relevant Acceptance Protocol prior to the Facility Completion Date,

then each such failure will be a Deficiency and Section 14.5 of Schedule 2 [Design and Construction Protocols] will apply.

## **6.5 Changes to the Equipment List**

The parties acknowledge that:

- (a) as at the Effective Date, the Equipment List and the Equipment Functional Specifications have not been finalized and, during the Construction Period, changes to the Equipment List and/or the Equipment Functional Specifications may be requested by the Authority or may occur as part of the design development process described in Section 5.3 of Schedule 2 [Design and Construction Protocols];
- (b) updates to the Equipment List and/or the Equipment Functional Specifications may be required from time to time because of functionality, manufacturers' or suppliers' changes, including changes to equipment availability, specifications and models, and changes in the clinical practice;
- (c) multiple Equipment Functional Specifications may be provided for certain items of Equipment, and the Authority retains the right to select equipment based on any of the Equipment Functional Specifications or equipment that deviates from the Equipment Functional Specifications;
- (d) the Authority may specify an existing item of equipment to be relocated from another facility in substitution for any item of Equipment on the Equipment List; and
- (e) increases or decreases in the quantities of Equipment, substitution of items on the Equipment List or other changes to the Equipment List and the effects that such changes to the Equipment List or the Equipment Functional Specifications may have on the Design or the Construction may result in a net decrease, net increase or no net change in the cost to Project Co to complete the Design and the Construction.

Accordingly, the parties will:

- (a) cooperate to identify no net cost solutions to any proposed changes to the Equipment List or the Equipment Functional Specifications;
- (b) endeavour to agree to an expedited Change process to deal with Equipment changes; and
- (c) cooperate to amend the Equipment List or the Equipment Functional Specifications so that they are accurate and complete as required for Project Co to proceed with the Design and Construction without delay.

## 6.6 Equipment Procurement Schedule

The Equipment Procurement Schedule attached as Attachment 3 to this Appendix is preliminary and the parties will, each acting reasonably and within 40 Business Days after the Effective Date, finalize the Equipment Procurement Schedule in accordance with the following principles:

- (a) in order to take advantage of the most recent technological advances for Project Co Procured Equipment, final decisions on the selection of the Project Co Procured Equipment, together with any training or service requirements, will not be made by the Authority until as late as possible into the Construction Period.
- (b) Project Co will require adequate time to issue competitive bidding documents, receive proposals, clarify aspects of proposals, and prepare written analyses and recommendations for the Authority as contemplated by this Appendix;
- (c) the Authority will require adequate time to evaluate Project Co's analyses and recommendations as contemplated by this Appendix;
- (d) the Authority will require the ability to take advantage of bulk or other purchase opportunities advantageous to it; Project Co will coordinate its procurement activities with those of the Authority to identify standards and prime vendor opportunities;
- (e) Project Co will require the Equipment Procurement Schedule to allow adequate time to achieve the matters contemplated by this Appendix without any adverse effect on Design and Construction (including Design and Construction to accommodate the Project Co Procured Equipment) and without any adverse effect on Project Co's ability to achieve Facility Completion for a Facility by the applicable Target Facility Completion Date; and
- (f) Project Co will, if possible, structure and carry out procurements to optimize the benefits of any purchasing leverage available to the parties.

Project Co will, as required from time to time until Service Commencement, but no less than once per calendar month by the 15th day of each month, in consultation with the Authority, update the Equipment Procurement Schedule so that it is at all times an accurate, reasonable and realistic representation of Project Co's plans for the procurement of the Project Co Procured Equipment in accordance with the requirements of this Agreement.

The Equipment Procurement Schedule must be part of an integrated install and commissioning schedule that sequences IMIT systems and infrastructure required for the medical equipment to be installed. Detailed out within this schedule should be pre-install equipment items, fixed furniture, and relocated equipment (if applicable).

## 6.7 Delivery and Installation Timing

Project Co will:

- (a) as early as practicable in accordance with Good Industry Practice and without limiting any of Project Co's other obligations under this Section 6.7, identify to the Authority:

- (1) each item of Category C Equipment and Category D Equipment, if any, that must be Installed in a Facility for Project Co to achieve Facility Completion of that Facility;
  - (2) for each item of Category C or Category D Equipment, the earliest date when the applicable Facility will be available to the Authority to deliver and install such item; and
  - (3) for each item of Category C Equipment and Category D Equipment, identified by Project Co under Section 6.7(a)(1) above, if any, the date by which such item must be delivered and installed so as not to delay the Design, the Construction, Facility Completion or the Authority's use and occupation of the applicable Facility;
- (b) as required from time to time until Facility Completion of each Facility, but no less than once per calendar month, update the information in Section 6.7(a) above so that at all times it is an accurate and reasonable representation of Project Co's plans for the completion of the Design and Construction of the applicable Facility and the availability of the Facility for the Installation of Category C Equipment and Category D Equipment.

The Authority will cause:

- (c) each item of Category C Equipment and Category D Equipment identified by Project Co under Section 6.7(a)(1) above to be installed by the date specified by Project Co under Section 6.7(a)(3).

## **6.8 Staging and Storage**

Project Co will, as early as practicable in accordance with Good Industry Practice and without limiting any of Project Co's other obligations under Section 6.7:

- (a) provide a secure, accessible, dry space to accommodate staging and storage of any Category C Equipment and Category D Equipment;
- (b) allow Authority representatives to access and work within the space;
- (c) ensure that the space is heated;
- (d) provide power to the space and will notify the Authority, in advance, of any power interruptions;
- (e) ensure that the space has a fire alarm and sprinkler system in place, a 24 hour video camera security system, plus trip alarm. The space must be fenced in and all doors are to be locked after business hours;
- (f) for Category D equipment, report on items received within 24 hours of delivery; and
- (g) require the necessary personnel to manage the flow of large quantities of medical equipment.

## **6.9 Equipment Committee**

The parties will establish an Equipment Committee composed of 2 (or any other number agreed between the parties) representative of each party and the Equipment Consultant. The Equipment Committee will meet regularly during the Construction Period (and not less than once per calendar quarter) to review the status of, and to provide advice to the parties with respect to, Equipment procurement, delivery and installation.

## **6.10 Equipment Consultant**

Project Co will engage an Equipment Consultant experienced with the equipment requirements of healthcare facilities similar to the Facilities and experienced with the specification, procurement, installation and commissioning of equipment similar to the Equipment. If, for any reason, the Equipment consultant resigns or is otherwise unavailable, then Project Co will use all reasonable efforts to retain a replacement with similar expertise and experience to the Equipment Consultant, satisfactory to the Authority acting reasonably. Project Co will not replace the Equipment Consultant without the Authority's consent, acting reasonably.

Project Co will cause the Equipment Consultant to:

- (a) participate in the design development processes described in Section 5.3 of Schedule 2 [Design and Construction Protocols], including to attend relevant consultations with the User Consultation Group and to identify and address issues related to Equipment;
- (b) attend Equipment Committee meetings;
- (c) consult regularly with the Authority throughout the procurement process described in Section 3.2 of this Appendix, including as reasonably requested by the Authority;
- (d) as part of the drafting process, review and provide input on any competitive bidding documents required pursuant to Section 3.5 of this Appendix; and
- (e) contribute to any review the analysis and recommendations included in each of Project Co's reports to the Authority pursuant to Section 3.5 of this Appendix.

## **6.11 Title**

Project Co will cause the procurement arrangements for Project Co Procured Equipment to provide for a transfer of title to such Equipment, and any related warranties, to the Authority immediately upon the later of:

- (a) the Facility Completion Date for the applicable Facility; and
- (b) the date that Project Co completes, in accordance with Section 6.3 of this Appendix, the Acceptance Protocol for the relevant item of Project Co Procured Equipment;

### **6.12 Minimizing Disruptions**

Project Co will ensure that its Procurement, Delivery, Setup, Installation, Commissioning, maintenance, repair, decommissioning, upgrading and replacement of Equipment as required under this Agreement will be effective and efficient so as to minimize to the greatest extent reasonably possible all disruptions of Authority Activities and any additional costs to the Authority.

### **6.13 Asset Tagging**

As required by Section 7.2 of Schedule 2 [Design and Construction Protocols], Project Co will, in consultation with the Authority, prior to Facility Completion, affix an Authority approved unique identifier asset identification tag to all Equipment.

### **6.14 RFID Tagging**

Project Co will, in consultation with the Authority, prior to Facility Completion, also affix an Authority approved unique identifier RFID tag to the following Equipment:

- (a) medical pumps, ie: infusion, feeding, pca/epidural, syringe;
- (b) mobile X-ray units;
- (c) beds;
- (d) stretchers;
- (e) wheelchairs;
- (f) commodes;
- (g) mobile lifts;
- (h) ceiling lift motors;
- (i) defibrillators;
- (j) ventilators;
- (k) rehab walkers;
- (l) rehab wheelchairs;
- (m) bladder scanners; and
- (n) any other Equipment designated by the Authority.

### **6.15 Asset Register**

Refer to Section 7.3 of Schedule 2 [Design and Construction Protocols].

**ATTACHMENT 1**  
**EQUIPMENT LIST**

**[NTD: See separate document]**

**ATTACHMENT 2**

**EQUIPMENT FUNCTIONAL SPECIFICATIONS**

**[NTD: See separate document]**



**ATTACHMENT 3**

**EQUIPMENT PROCUREMENT SCHEDULE**

**[NTD: Separate document to be developed based on the preliminary equipment procurement schedule included in Project Co's Proposal]**

**ATTACHMENT 4A**

**CAMPBELL RIVER FACILITY SMART HOSPITAL REQUIREMENTS**

**ATTACHMENT 4B**

**COMOX VALLEY FACILITY SMART HOSPITAL REQUIREMENTS**