

**APPENDIX 4G**

**OPERATING PERIOD REVIEW PROCEDURES**

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## 1. OPERATING PERIOD SUBMITTAL SCHEDULE

- (a) Project Co will prepare and submit to the Province not less than 90 days prior to the Target Service Commencement Date, a proposed Operating Period Submittal Schedule for the first year of the Operating Period.
- (b) Not less than 90 days in advance of each anniversary of the Service Commencement Date, Project Co will prepare and submit to the Province a proposed Operating Period Submittal Schedule for the ensuing year.
- (c) Project Co will submit each proposed Operating Period Submittal Schedule to the Province in accordance with this Appendix 4G [Operating Period Review Procedures], and once marked "REVIEWED", in accordance with Section 3 (Operating Period Plan Review Procedures) of this Appendix, the proposed Operating Period Submittal Schedule will be the "**Operating Period Submittal Schedule**".
- (d) The Operating Period Submittal Schedule may be amended by agreement of the parties in accordance with the terms of this Appendix 4G [Operating Period Review Procedures]. The Operating Period Submittal Schedule and any amendment to the Operating Period Submittal Schedule will provide for a progressive and orderly flow of Operating Period Submittals from Project Co to the Province as appropriate to allow sufficient time for review of each Operating Period Submittal by the Province, taking into account both the resources necessary to be available to the Province to conduct such review (as anticipated by or inferred from the then current Operating Period Submittal Schedule).
- (e) If the Operating Period Submittal Schedule indicates that a large number of Operating Period Submittals will be made at one time, the Province, acting reasonably, may request a longer period for review or a staggering of the Operating Period Submittals, and Project Co will revise the Operating Period Submittal Schedule accordingly, taking into account both the availability of resources required by the Province, acting reasonably, to conduct such review and whether delay in the review of the subject matter of the Operating Period Submittal will have a material impact on Project Co's ability to progress future anticipated Operating Period Submittals and the Services in accordance with this Agreement.
- (f) All amended Operating Period Submittal Schedules will be submitted in accordance with, and required to meet, all the requirements of this Appendix 4G [Operating Period Review Procedures].
- (g) Project Co will submit all Operating Period Submittals to the Province in accordance with the then current Operating Period Submittal Schedule.
- (h) Project Co will bear the risk of delays and additional costs caused as a result of the late submission of Operating Period Submittals to the Province, by Operating Period Submittals which are rejected or required to be corrected and re-submitted in accordance with the terms of this Appendix 4G [Operating Period Review Procedures], or by changes in the anticipated performance of the Services, required as a result of comments made pursuant to this Appendix 4G [Operating Period Review Procedures].

## 2. GENERAL REQUIREMENTS FOR OPERATING PERIOD SUBMITTALS

- (a) Except as expressly set out otherwise in this Agreement, the provisions of this Appendix 4G [Operating Period Review Procedures] will apply to any and all items, documents, plans, reports and anything else required or specified by this Agreement, in respect of the

Services, to be developed, submitted to, reviewed, accepted or otherwise processed by, the Province, whether prior to Service Commencement or after Service Commencement, including any and all subsequent revisions, amendments and changes thereto (collectively and individually, “**Operating Period Submittal**” or “**Operating Period Submittals**” as applicable).

- (b) Unless a longer period is required by this Agreement or is otherwise reasonably required by the Province, the Province will have 20 Business Days for review of an Operating Period Submittal from the date the Province received the Operating Period Submittal. If the Submittal Schedule is inconsistent with the foregoing review period then it will be deemed to be amended to be consistent. If the Province receives an Operating Period Submittal after 12pm (Pacific time) on a Business Day, the 20 Business Day review period will commence on the next Business Day
- (c) Unless otherwise specified by the Province, Project Co will:
  - (1) deliver one electronic copy of each Operating Period Submittal in a format acceptable to the Province; and
  - (2) post an electronic copy of each Operating Period Submittal (in a format acceptable to the Province) on a secure internet based system that is established, implemented and maintained by Project Co for the Project and accessible to designated Province Persons.
- (d) All Operating Period Submittals will be in English.
- (e) All Operating Period Submittals required by this Agreement, applicable Law or Good Industry Practice to be signed or sealed by persons with professional designations will be so signed and, where applicable, sealed.
- (f) All Operating Period Submittals will refer to the relevant provisions of this Agreement, Design and Construction Specifications, and the Services Protocols and Specifications and to any matter that has previously been subject to review. All Operating Period Submittals (or covering documentation delivered with the Operating Period Submittals) will include a statement confirming that the Operating Period Submittals comply with, or identifying any elements of the Operating Period Submittal that for any reason vary from, the requirements of this Agreement, including the Service Protocols and Specifications.
- (g) Each Operating Period Submittal will be clearly identified as an Operating Period Submittal and will be delivered with appropriate covering documentation, which will include:
  - (1) a list of all attached Operating Period Submittal(s);
  - (2) a description of:
    - (A) the purpose of the Operating Period Submittal(s); and
    - (B) the element of the Services that is subject to review by the Province; and
  - (3) for each Operating Period Submittal:
    - (A) unique submittal tracking number;

- (B) revision numbers (if applicable);
  - (C) document title(s);
  - (D) name of entity that prepared the Operating Period Submittal;
  - (E) the Operating Period Submittal history showing date and delivery information and/or log number of all previous submissions of that Operating Period Submittal; and
  - (F) identification of any previous Operating Period Submittal superseded by the current Operating Period Submittal.
- (h) Project Co will compile and maintain a real-time register of the date, contents and status of the submission of all Operating Period Submittals, including the date of receipt and content of all returned Operating Period Submittals and comments thereon.

### **3. OPERATING PERIOD REVIEW PROCEDURES**

#### **3.1 General**

- (a) The Province will review all Operating Period Submittals and may, but will not be obliged to, provide comments to Project Co within 20 Business Days of receipt proposing changes to such Operating Period Submittals that the Province considers desirable or necessary. Project Co will have due regard for any comments which the Province may have in relation to any of such Operating Period Submittals and will attend such meetings as the Province or the Province's Operating Period Representative may reasonably require in order to discuss the Province's comments and proposals provided that:
- (1) 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
  - (2) no comments or lack of comments will impose any liability on the Province or in any way relieve Project Co of its obligations under this Agreement.
- (b) The following will apply to the changes to Operating Period Submittals proposed by the Province:
- (1) comments provided by the Province proposing changes to Plans submitted to it by Project Co, are not Changes and will be completed at Project Co's cost (except that 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 Province); and
  - (2) if and to the extent the Province requires an amendment to any of the Operating Period Submittals that it has previously reviewed and commented on (other than an amendment required to bring the Services into conformity with this Agreement) then such amendment will be a Change and the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals] will apply.
- (c) The Province will review Operating Period Submittals submitted by Project Co and assign one of the following comments:

- (1) "REVIEWED";
  - (2) "REVISE AND RESUBMIT"; or
  - (3) "NOT REVIEWED".
- (d) The comment "REVIEWED" will be assigned to those Operating Period Submittals that, in the opinion of the Province, acting reasonably, appear to conform to the requirements of this Agreement.
- (e) The comment "REVISE AND RESUBMIT" will be assigned to those Operating Period Submittals that, in the opinion of the Province, acting reasonably, appear to contain deficiencies. Project Co will, to the extent necessary, correct these Operating Period Submittals and resubmit such Operating Period Submittals to the Province in accordance with this Appendix 4G [Operating Period Review Procedures].
- (f) The comment "NOT REVIEWED" may be assigned to those Operating Period Submittals that have not been reviewed by the Province in detail because, in the opinion of the Province, acting reasonably, the Operating Period Submittals do not comply with the requirements of this Agreement, are incomplete or otherwise insufficient for the purposes of review, or are received by the Province before the date scheduled in the Operating Period Submittal Schedule. Project Co will correct and re-submit these Submittals within 15 Business Days, or if a later date is set out on the Operating Period Submittal Schedule, by such later date. Project Co will correct, revise and resubmit Operating Period Submittals as often as may be required to obtain a comment that permits Project Co to proceed. Project Co will not proceed with any Services to which such Operating Period Submittals receiving the comment "NOT REVIEWED" relate until Project Co obtains a comment that permits Project Co to proceed.
- (g) Where the Services are required to be performed in accordance with the requirements of a particular Operating Period Submittal, except with the written consent of the Province, Project Co will not proceed with performance of such Services until Project Co submits the relevant Operating Period Submittal and receives the comment "REVIEWED".
- (h) The Province may request additional time for the review of any Submittal, including where the Submittal is voluminous or requires extensive review by representatives (including consultants) of the Province, and Project Co will, in consultation with the Province, extend such time for any reasonable requests by the Province.
- (i) If the Province does not respond to an Operating Period Submittal within the applicable time period for that Operating Period Submittal, as determined in accordance with Section 2(b) of this Appendix, then the Operating Period Submittal will be deemed "REVIEWED" and, where the Services are required to be performed in accordance with the requirements of the particular Operating Period Submittal then, notwithstanding Section 3.1(g) of this Appendix 4G [Operating Period Review Procedures], Project Co may proceed with the Services on the basis set forth in the applicable Operating Period Submittal without any further action or documentation required.
- (j) Where the Province issues the comment "REVISE AND RESUBMIT" or "NOT REVIEWED", the Province will provide reasons for the comment, referencing particulars of the section(s) of this Agreement (including the Services Protocols and Specifications) that the Submittal fails to satisfy, and if requested by Project Co, the Province will meet with Project Co to discuss the reasons for the comment.

- (k) If at any time after assigning any comment to an Operating Period Submittal, or where Section 3.1(i) of this Appendix 4G [Operating Period Review Procedures] has applied, the Province or Project Co discovers deficiencies or any failure to conform to the requirements of this Agreement, the Province or Project Co, as the case may be, will promptly notify the other party of such deficiencies or non-conformance and the Province may revise the comment assigned to any Operating Period Submittal. If the parties agree or it is determined in accordance with the Dispute Resolution Procedure that the revised comment is correct, Project Co will make all such corrections to the Operating Period Submittals and the where practicable, the Services.
- (l) For the purpose of facilitating and expediting the review and correction of Operating Period Submittals, the Province and Project Co's Operating Period Representative will meet as may be mutually agreed to discuss and review any outstanding Operating Period Submittals and any comments thereon.
- (m) Where an individual Operating Period Submittal item is voluminous the Province's Operating Period Representative, at its discretion, may elect to stamp only the cover page or first sheet of the Operating Period Submittal with the appropriate comment, if any, and return to Project Co the cover page or first page together with individual pages or sheets on which comments are made, together with an explanation of the status of all pages not returned to Project Co. Any pages not returned without such an explanation as to their status will be deemed to be "REVIEWED" by the Province.
- (n) In lieu of returning an Operating Period Submittal, the Province may by letter notify Project Co of the comment assigned to the Operating Period Submittal and if such comment is "REVISE AND RESUBMIT" or "NOT REVIEWED" the letter will contain comments in sufficient detail, including referencing applicable section(s) of the Agreement, for Project Co to identify the correction sought.

### **3.2 Disputes**

- (a) If Project Co disputes any comment issued by the Province in respect of an Operating Period Submittal made under Section 3 (Operating Period Plan Review Procedures), Project Co will promptly notify the Province of the details of such Dispute and will submit the reasons why Project Co believes a different comment should be assigned, together with appropriate supporting documentation. The Province will review the Operating Period Submittal, the reasons and supporting documentation and within seven Business Days after receipt thereof will either confirm the original comment or notify Project Co of a revised comment. Nothing in this Section will limit either party's right to refer a Dispute to the Dispute Resolution Procedure.

### **3.3 Changes**

- (a) If Project Co considers that compliance with any comment raised by the Province in respect of an Operating Period Submittal made under Section 3 (Operating Period Review Procedures) of this Appendix would lead to a Change, Project Co will, before taking into account such comment, notify the Province. If it is agreed by the Province that such comment would lead to a Change then the procedure set out in Schedule 6 [Changes, Minor Works and Innovation Proposals] will apply. If the parties are unable to reach agreement, then either party may refer the matter directly to the Referee in accordance with Schedule 13 [Dispute Resolution Procedure].
- (b) In all cases, the parties will cooperate to identify potential alternative solutions to any comments raised that would not lead to a Change.

### **3.4 Effect of Review**

- (a) Any review of and comment by the Province of any Operating Period Submittals are for general conformity to the obligations and requirements of this Agreement, and any such review and comment will not relieve Project Co of the risk and responsibility for the Services and for meeting all of its obligations and requirements of this Agreement, and will not create any new or additional obligations or liabilities for the Province. Without limiting the generality of the foregoing any and all errors or omissions in Operating Period Submittals or of any review and comment will not exclude or limit Project Co's obligations or liabilities in respect of the Services under this Agreement or exclude or limit the Province's rights in respect of the Services under this Agreement.

## **4. OPERATING PERIOD SUBMITTAL MEETINGS AND EXPLANATIONS**

At any time, the Province may, acting reasonably, require Project Co, including Project Co's consultants, Sub-Contractors, and any other relevant personnel, at no additional cost to the Province, to meet with representatives of the Province and its advisors to answer questions regarding Project Co's Operating Period Submittals or to explain to the Province and the Province's advisors the intent of Project Co's Operating Period Submittals, including details of its satisfaction of the requirements of this Agreement, (including the Services Protocols and Specifications). Project Co will, and will cause its consultants, Sub-Contractors, and any other relevant personnel to, attend all meetings requested by the Province and answer all questions asked by the Province in accordance with this Section as soon as practicable, and in any event no later than five Business Days from the date it received the Province's questions, or such longer period as agreed by the parties.

## **5. REVISIONS**

Project Co will ensure that:

- (a) all Operating Period Submittals keep the same, unique reference number throughout the review process, and that all subsequent revisions of the same Operating Period Submittal are identified by the same unique reference number, modified by a sequential revision number. Correspondence related to such Operating Period Submittal will reference the reference number and revision number;
- (b) any re-submittal of an Operating Period Submittal clearly shows all revisions from the previous Operating Period Submittal. Bound documents, including reports and manuals, will contain a preface that clearly states how revisions are marked and the previous revision number against which the revisions have been marked. A consistent format for mark-ups of documents will be used (e.g. deletions struck out and additions underscored). Revised portions of drawings will be clearly marked (with appropriate means to visually distinguish between the parts of the drawing that are revised and the parts that are not revised) and the revision number and description of the revision will be included on the drawing;
- (c) all revisions on print media will be initialled by hand by the individual responsible for the submittal and will identify the person who initialled the Operating Period Submittal. Electronic versions of an Operating Period Submittal will identify the persons who initialled the revisions to the printed version of the Operating Period Submittal; and
- (d) all "REVIEWED" Operating Period Submittals are kept current. If any "REVIEWED" Operating Period Submittals are revised, all other "REVIEWED" Operating Period Submittals relying on or based on that "REVIEWED" Operating Period Submittal will also

be revised accordingly. All such revised "REVIEWED" Operating Period Submittals will also be submitted with the Operating Period Submittal to which it relates.

## 6. LIFE CYCLE SCHEDULE AND START-UP AND TRANSITION PLAN

- (a) Each of the Life Cycle Schedule and Start-up and Transition Plan must be reasonable having regard to the requirements of this Agreement and will be developed and finalized as follows:
- (1) the Province 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 Schedule and the Start-up and Transition Plan;
  - (2) Project Co will deliver preliminary drafts of the Start-up and Transition Plan and the Life Cycle Schedule to the Province not less than 180 days before the Target Service Commencement Date, failing which the Province will be entitled to make a Deduction of:
    - (A) \$2,500 for each week, or part thereof after, from the date falling 179 days before the Target Service Commencement Date until Project Co has delivered to the Province a preliminary draft of the Life Cycle Schedule; and
    - (B) \$2,500 for each week, or part thereof, from the date falling 179 days before the Target Service Commencement Date until Project Co has delivered to the Province a preliminary draft of the Start-up and Transition Plan,
    - (C) provided that if Project Co has not delivered to the Province a preliminary draft of the Life Cycle Schedule or the Start-up and Transition Plan, as the case may be, by the date falling 150 days before the Target Service Commencement Date, the Deduction applicable under this Section will increase to \$5000 per week;
  - (3) Project Co will deliver revised drafts of each of the Life Cycle Schedule and the Start-up and Transition Plan to the Province no more than 60 days after receiving the Province's comments on the preliminary drafts of such Plans, failing which, the Province will be entitled to make a Deduction of:
    - (A) \$5,000 for each week, or part thereof, after the date falling 60 days after the Province delivered its comments on the preliminary draft of the Life Cycle Schedule; and
    - (B) \$5,000 for each week, or part thereof, after the date falling 60 days after the Province delivered its comments on the preliminary draft of the Start-up and Transition Plan;
  - (4) if the Province has not returned marked "REVIEWED" one or both of the Life Cycle Schedule and Start-up and Transition Plan by the date that is 90 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 Schedule or Start-up and Transition Plan, as the case may be, meets prescribed requirements;



- (5) Project Co will deliver a revised draft of the Start-up and Transition plan not less than 60 days prior to the Services Commencement Date that identifies any operational readiness deficiencies and updates the key transition activities commencing 30 days prior to Service Commencement and for each 30 day, 60 day and 90 day period following Service Commencement including such measures as may be required to fully implement and comply with the requirements set out in Schedule 4, failing which, the Province will be entitled to make a Deduction of:
- (A) \$5,000 for each week, or part thereof, after the date falling 60 days prior to the Service Commencement date that Project Co has not delivered to the Province a revised Start-up and Transition Plan;
- (6) if the Province has not accepted one or both of the Life Cycle Schedule and and Start-up and Transition Plan by the Target Service Commencement Date, unless such plans have been determined to meet prescribed requirements under the Dispute Resolution Procedure, the Province will be entitled to make a Deduction of:
- (A) \$6,000 for each week, or part thereof, after the Service Commencement Date until the Life Cycle Schedule has been accepted by the Province or it is determined through the Dispute Resolution Procedure that Project Co's proposed Life Cycle Schedule is deemed to meet prescribed requirements; and
- (B) \$6,000 for each week, or part thereof, after the Service Commencement Date until the Start-up and Transition Plan has been accepted by the Province or it is determined through the Dispute Resolution Procedure that Project Co's proposed Start-up and Transition Plan is deemed to meet prescribed requirements;
- (7) any Deduction the Province is entitled to make pursuant to this Section may be made from a Construction Payment or the first Service Payment, or subsequent Service Payments with respect to Deductions arising from Section 6(a)(6) of this Appendix; and
- (8) Deductions made pursuant to this Section will not be counted for the purposes of Sections 11.1 [Province Step-in Rights] or 12.1(h) [Project Co Events of Default] of this Agreement or 11.8(a) [Increased Monitoring] or 11.9 [Replacement of Non-Performing Service Provider or Sub-Contractor] of Schedule 4.