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EQUIPMENT AND FURNITURE
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APPENDIX 2E
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 6.5(a)(6) of this Appendix;

“Asset Register” has the meaning set out in Section 9.2 of this Appendix;

“Category 1 Equipment” means the equipment described and listed as “Category 1” in the Equipment List;

“Category 2 Equipment” means the equipment described and listed as “Category 2” in the Equipment List;

“Category 3 Equipment” means the equipment described and listed as “Category 3” in the Equipment List;

“Category 4 Equipment” means the equipment described and listed as “Category 4” in the Equipment List;

“Category 5 Equipment” means the equipment described and listed as “Category 5” in the Equipment List;

“Category 6 Equipment” means the equipment described and listed as “Category 6” in the Equipment List;

“Commission” means to test, calibrate, certify or otherwise verify the equipment or system in accordance with any commissioning requirements set out in this Agreement, all applicable standards and Good Industry Practice, and includes ensuring that the Equipment is operating in accordance with the manufacturer’s and end user’s requirements and specifications, and **“Commissioning”** and **“Commissioned”** have corresponding meanings;

“Coordinate” means project management to coordinate, schedule, manage, contact and solicit input or arrange services required to ensure the Receiving, Setup, Installation and Commissioning of Equipment and any required documentation is completed, and **“Coordination”** and **“Coordinating”** have corresponding meanings;

“Deliver” means to ensure the Equipment is sent to and arrives at the Facility, and **“Delivery”** and **“Delivered”** have corresponding meanings;

“Equipment” means collectively, the Category 1 Equipment, the Category 2 Equipment, the Category 3 Equipment, the Category 4 Equipment, the Category 5 Equipment and the Category 6 Equipment, all as outlined in the Equipment List, but does not include Placeholder Equipment unless specifically noted in this Agreement;

“Equipment Committee” means the committee established pursuant to Section 10.14 of this Appendix;

“Equipment Consultant” means the equipment consultant engaged by Project Co pursuant to Section 10.15 of this Appendix;

“Equipment Data Sheets” means the equipment cut sheets, shop drawings or other data sheets set out in Attachment 2 to this Appendix containing specifications for items of equipment on the Equipment List, as those documents may be provided, updated, amended and supplemented in accordance with this Agreement;

“Equipment List” means the list of Category 1 Equipment, Category 2 Equipment, Category 3 Equipment, Category 4 Equipment, Category 5 Equipment and Category 6 Equipment set out in Attachment 1 to this Appendix;

“Equipment Logistics Schedule” means the schedule attached as Attachment 3 to this Appendix, as updated in accordance with Section 10.4 of this Appendix;

“Equipment Ready Checklist” has the meaning given to it in Section 10.12 of this Appendix;

“Install” means to put in place or attach to the Facility, including making connections to necessary building services (including plumbing, heating, cooling, ventilation and electricity) and connection to necessary communication or network interfaces or devices, by qualified tradespeople where necessary, all in coordination with the KVH Project Co, the Authority’s IMIT or Biomed staff and in compliance with the work permits issued, and **“Installation”** and **“Installed”** have corresponding meanings;

“Placeholder Equipment” means Equipment that is not Installed in the Facility at Service Commencement, but will be Installed in the future, not including relocated Equipment, as further described in Section 8 of this Appendix;

“Procurement” means the management and completion of procurement processes, as part of Supply for Category 1 Equipment, Category 2 Equipment, Category 3 Equipment, Category 4 Equipment, Category 5 Equipment and Category 6 Equipment pursuant to Section 6 of this Appendix, and **“Procure”** and **“Procured”** has a corresponding meaning;

“Receive” means the provision of facilities, devices, equipment and staff to accept delivered Equipment, provide a secure Staging and Storage environment for Equipment prior to Setup, and, where necessary, prepare and manage the return of Equipment, and **“Received”**, **“Receipt”** and **“Receiving”** have corresponding meanings;

“Reimbursement Approval” has the meaning set out in Section 6.13 of this Appendix;

“Request for Reimbursement Approval” has the meaning set out in Section 6.12 of this Appendix;

“Setup” includes:

- (a) disconnecting, detaching and packing relocated Equipment for transportation;
- (b) transportation and movement of Equipment within the Facility to/from the Receiving, Staging, Storage or existing location (in old facility) to the final location, including

provision of adequate devices, equipment or other materials to safely move such Equipment;

- (c) placement of Equipment in the final location within the Facility; and
- (d) any necessary unwrapping, unpacking, labelling, assembly, tagging or other inventory requirements, including the correct disposal of all dunnage, packing or other waste materials.

“Staging” means the provision of secure space with appropriate environment to allow the assembly, programming, testing or other functions on Equipment by Authority staff, vendors or other 3rd parties prior to Setup in the final location within the Facility, and **“Stage”** and **“Staged”** have corresponding meanings;

“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;

“Supply” means the management and completion of procurement processes up to and including Delivery, for Equipment, including the payment to vendors, and **“Supplied”** has a corresponding meaning; and

“Total Cost of Ownership” has the meaning set out in Section 6.8(h) of this Appendix.

2. CATEGORY 1 EQUIPMENT

2.1 Category 1 Equipment

Subject to Section 10.1 of this Appendix, the Authority will, at its cost, be responsible for the Supply of any Category 1 Equipment.

Project Co will, at its cost, be responsible for the Coordination, Receipt, Setup, Storage, Installation and Commissioning of any Category 1 Equipment.

Project Co will not be responsible for Equipment Maintenance of Category 1 Equipment, except as provided in Appendix 4D [Plant Services].

2.2 Services prior to Service Commencement

Where Project Co is required to perform any of the duties described in Section 2.1 of this Appendix prior to Service Commencement, Project Co must perform the duties in accordance with the System Programming and Commissioning requirements in Appendix 3H of this Agreement prior to Service Commencement.

3. CATEGORY 2 EQUIPMENT

3.1 Category 2 Responsibilities

Subject to Section 10.1 and 2.2 of this Appendix, the Authority will, at its cost, be responsible for the Supply, Receipt, Setup, Storage, Installation and Commissioning of any Category 2 Equipment.

Project Co will, at its cost, be responsible for the Coordination of any Category 2 Equipment.

Project Co will not be responsible for Equipment Maintenance of Category 2 Equipment, except as provided in Appendix 4D [Plant Services].

4. CATEGORY 3 EQUIPMENT

Subject to Section 10.1 of this Appendix, the Authority will, at its cost, be responsible for the Supply, Installation and Commissioning of any Category 3 Equipment.

Project Co will, at its cost, be responsible for the Coordination, Receipt, Setup and Storage of any Category 3 Equipment.

Project Co will not be responsible for Equipment Maintenance of Category 3 Equipment, except as provided in Appendix 4D [Plant Services].

5. CATEGORY 4 EQUIPMENT

5.1 Category 4 Equipment

Subject to Section 10.1 of this Appendix, the Authority will, at its cost, be responsible for the Supply, Installation and Commissioning of any Category 4 Equipment.

Project Co will, at its cost, be responsible for the Coordination, Receipt, Setup and Storage of any Category 4 Equipment.

Project Co will not be responsible for Equipment Maintenance of Category 4 Equipment, except as provided in Appendix 4D [Plant Services].

6. CATEGORY 5 EQUIPMENT AND CATEGORY 6 EQUIPMENT

6.1 Category 5 Equipment

Subject to this Section 6, Project Co will, at its cost, be responsible for the Coordination, Supply, Receipt, Storage, Setup, Installation and Commissioning of all Category 5 Equipment. Project Co will, at its cost, be responsible for Equipment Maintenance and meeting the Life Cycle Requirements for all Category 5 Equipment, including relocated Category 5 Equipment.

For greater certainty, Category 5 Equipment is included in the definition of "Life Cycle Component" and under Appendix 4D [Plant Services], Project Co will meet the Life Cycle Requirements for all Category 5 Equipment, including relocated Category 5 Equipment.

6.2 Category 6 Equipment

Subject to this Section 6, Project Co will, at its cost, be responsible for the Coordination, Supply, Receipt, Storage, Setup, Installation and Commissioning of all Category 6 Equipment. Project Co will, at its cost, be responsible for Equipment Maintenance and meeting the Life Cycle Requirements for all Category 6 Equipment, including relocated Category 6 Equipment.

For greater certainty, Category 6 Equipment is included in the definition of “Life Cycle Component” and under Appendix 4D [Plant Services], Project Co will meet the Life Cycle Requirements for all Category 6 Equipment, including relocated Category 6 Equipment.

6.3 Acceptance Testing of Category 5 and 6 Equipment

Without limiting Project Co’s obligation to Commission Category 5 Equipment and Category 6 Equipment, Project Co will, to the Authority’s reasonable satisfaction, complete all of the aspects of the Acceptance Protocol for each item of Category 5 Equipment and Category 6 Equipment.

If:

- (a) prior to the Service Commencement Date, Project Co fails to complete any aspect of an Acceptance Protocol for any item of Category 5 Equipment or Category 6 Equipment; and
- (b) the Authority waives the requirement for Project Co to complete the relevant Acceptance Protocol prior to the Service Commencement Date,

each such failure will be a Deficiency and Section 13.4 of Schedule 2 [Design and Construction Protocols] will apply.

6.4 Training

Project Co will cause the relevant equipment vendor to provide appropriate and timely training to Authority staff on the proper use and Equipment Maintenance of all Category 5 Equipment and Category 6 Equipment that Project Co, the Authority or the Authority’s contractor or vendor Installs in the Facility (except for those items of Category 5 Equipment or Category 6 Equipment that the Authority elects to obtain or Procure pursuant to Sections 6.9(e) or 6.9(f) of this Appendix) and will provide sufficient training to the Authority’s staff prior to the Service Commencement Date in accordance with Good Industry Practice to enable the Authority and its staff to properly utilize such Category 5 Equipment or Category 6 Equipment. Training may be after Service Commencement if required by the Authority, or at the request of Project Co with the consent of the Authority, acting reasonably. Where Delivery of specific Equipment to existing program areas is beneficial to assisting Authority staff in being trained in advance of the move-in by the Authority to the Facility, Project Co will Coordinate this early Delivery, any training and the subsequent relocation, if required.

6.5 Solicitation of Proposals

For each item of Category 5 Equipment and Category 6 Equipment, Project Co will:

- (a) in consultation with the Authority, draft competitive bidding documents, such documents to include:
 - (1) specifications for the relevant Equipment, including any options that may be available;
 - (2) a table for a total cost breakdown, including on-going operation costs;

- (3) terms and conditions for the relevant equipment purchase contract or purchase order, including training for Authority staff;
 - (4) a description of the evaluation criteria and a summary of the evaluation process;
 - (5) terms that indicate a direct transfer of title from the vendor to the Authority;
 - (6) 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**");
 - (7) the scope of any Setup, Installation or Commissioning work that the Equipment vendor will perform; and
 - (8) a technology clause to ensure the Equipment vendors are required to provide the latest model/technology available at the time of Delivery, with this clause being at the discretion of the Authority.
- (b) issue competitive bidding documents to at least three different vendors for proposals for at least three different makes and models (unless less than three vendors or less than three models for such Equipment exist), such proposals to be on comparable terms and conditions; and
 - (c) actively consult with and solicit input from the Authority's clinical and/or technical representative during the evaluation of proposals or other responses from vendors.

6.6 Alternative Procurement

Notwithstanding Section 6.5 of this Appendix, the Authority may, in its sole discretion, require Project Co to undertake or integrate alternative Procurement methods, including:

- (a) unrestricted public procurement offers;
- (b) Authority provided vendor short lists;
- (c) standing offer arrangements;
- (d) direct awards; and
- (e) any other Procurement method that the Authority sees fit.

If the Authority chooses to utilize an alternative Procurement method, then the requirements in Section 6.5 of this Appendix will be modified in accordance with the requirements of such method.

6.7 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), 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.

6.8 Project Co Analysis and Recommendations

Based on the proposals received under Section 6.5 of this Appendix, Project Co will provide a written analysis to the Authority for the Procurement of each item of Category 5 Equipment and Category 6 Equipment, which will include the following:

- (a) item description, item number, and quantities;
- (b) the manufacturer, model number, vendor, specifications and options for the item;
- (c) an analysis, including consideration of compliance with the requirements of Section 6.19 of this Appendix and recommendation as to which make, model and vendor of the item provides, in 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 on the overall Design of the Facility, the relevant areas within the Facility and the Services;
- (e) an analysis of the effect on the Authority's operations, including coordination with consumables contracts and effects on end users;
- (f) details of the warranties, installation services, training, spare parts and start-up consumables included with the item by the relevant manufacturer or vendor;
- (g) the date and time when the item will be available to be delivered to the Site;
- (h) the cost of the item, including a detailed breakdown:
 - (1) subject to Section 6.11(b) of this Appendix, of costs associated with Setup, Commissioning and Installation to be performed by the Equipment vendor;
 - (2) of any maintenance or on-going costs to be incurred by the Authority after Procurement;
 - (3) of applicable Taxes, and
 - (4) net of all direct or indirect discounts, rebates, refunds, chargebacks, credits, price adjustments or any other allowances obtained that effectively reduce the net selling price; (collectively, the "**Total Cost of Ownership**)
- (i) based on the information in Section 6.8(h) of this Appendix, the total amounts and timing of the reimbursements required to implement the recommendation and the full details of the calculation of such amounts;

- (j) whether the Procurement is a purchase, a lease, 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 Service Commencement or additional costs for that item; and
- (m) if no proposals for items of Category 5 Equipment or Category 6 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 as soon as reasonably practicable thereafter.

6.9 Authority Approval

In response to the recommendations for items of Category 5 Equipment or Category 6 Equipment made by Project Co to the Authority under Section 6.8 of this Appendix, the Authority may, on or before the latest date for such decision as set out in the recommendation pursuant to Section 6.8(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;
- (b) withdraw the requirement for Project Co to proceed with the Procurement;
- (c) subject to Section 10.3 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 vendor or item of Category 5 Equipment or Category 6 Equipment as unacceptable to the Authority;
- (e) elect to obtain certain items of Category 5 Equipment or Category 6 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 Category 5 Equipment and/or Category 6 Equipment.

6.10 Project Co To Implement Authority Instructions

Project Co will proceed diligently to implement the Authority's instructions given pursuant to Section 6.9 of this Appendix, including promptly making alternate recommendations for any item for which the proposed vendor has been rejected under Section 6.9(d) of this Appendix.

6.11 Minimizing Costs

Project Co will:

- (a) use all reasonable efforts to minimize the cost to the Authority for Category 5 Equipment and Category 6 Equipment and minimize any reasonably avoidable adverse effect on the cost to the Authority of Category 5 Equipment and Category 6 Equipment;
- (b) ensure that the cost to the Authority of Category 6 Equipment includes direct costs for Installation and Commissioning performed by the equipment vendor only to the extent that such Installation or Commissioning is in the normal scope of the purchase and sale of equipment similar to the Category 6 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 Category 5 Equipment and Category 6 Equipment to be attributed solely to and to benefit the pricing of Category 5 Equipment or Category 6 Equipment.

6.12 Request for Reimbursement Approval

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 5 Equipment and/or Category 6 Equipment that will include the following:

- (a) details of all vendor invoices received by Project Co that are due for payment that month, including relevant supporting documentation;
- (b) reconciliation with the Equipment List of the Category 5 Equipment and/or Category 6 Equipment for which reimbursement approval is requested;
- (c) any discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Category 5 Equipment and Category 6 Equipment; and
- (d) a summary document containing a brief description of the information in sections (a) to (c) above.

6.13 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 (“**Reimbursement Approval**”).

- (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 6.12 of this Appendix within 7 days of receiving notice of such rejection.

6.14 Payment to Project Co

- (a) Project Co will, upon receipt of a Reimbursement Approval as described in Section 6.13 of this Appendix, submit an invoice to the Authority in an amount equal to the Reimbursement Approval. 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.

6.15 Reimbursement

- (a) Project Co will only be reimbursed for the direct cost (as provided by vendor invoice) of:
 - (1) Supplying Category 5 and Category 6 Equipment; and
 - (2) Commissioning and Installing Category 6 Equipment.
- (b) Project Co agrees that:
 - (1) any amount reimbursed to Project Co will not include any mark-up for overhead, other costs or profit of Project Co; and
 - (2) there will be no adjustment to the reimbursement on account of profit, overhead, or other costs associated with Coordination, Supply, Receiving, Setup, Storage, Installation, or Commissioning of Category 5 Equipment or Category 6 Equipment by Project Co and any other Project Co Persons other than the vendors of Category 6 Equipment.

6.16 Responsibility for Authority-Obtained Category 5 and 6 Equipment

If the Authority elects to provide certain items of Equipment pursuant to Sections 6.9(e) or 6.9(f) of this Appendix:

- (a) as soon as is reasonably practicable after such election, Project Co will advise the Authority:
 - (1) if such Equipment must be Installed in the Facility for Project Co to achieve Service Commencement; and

- (2) if applicable, the date by which such Equipment must be Delivered so as not to delay the Design, the Construction, Service Commencement or the Authority's use and occupation of the Facility;
- (b) Project Co will:
- (1) relocate, Coordinate, Receive, Setup, Store, Install and Commission such Equipment, and the provisions of section 7 will apply except that in respect to section 7.4, Project Co will only be reimbursed for costs that are additional or incremental to the services that Project Co is otherwise required to provide under this section 6;
 - (2) perform Equipment Maintenance and meet the Life Cycle Requirements for such items; and
 - (3) not be responsible for any failure of such Equipment to meet Equipment Commissioning requirements.

6.17 Category 5 and 6 Equipment Reports

On or before the 5th day of each month of the Equipment Logistics Schedule, Project Co will provide reports to the Authority that include the following information for the preceding calendar month:

- (a) itemized and aggregate amounts committed to date for all costs to the Authority of Category 5 Equipment and Category 6 Equipment, including proof of monthly payments;
- (b) which Category 5 Equipment and Category 6 Equipment item numbers have been Procured and the itemized and aggregate costs to the Authority of such items;
- (c) the projected Procurement of remaining Category 5 Equipment and Category 6 Equipment and the projected reimbursement cost to the Authority;
- (d) the delivery dates for each item Procured;
- (e) any authorized or agreed changes in the Equipment List, Equipment Logistics Schedule and Equipment Data Sheets since the previous report, and the financial impact of such changes; and
- (f) any commentary on communication methods, the reporting method/approval process, frequency of communication and similar matters regarding Category 5 Equipment and Category 6 Equipment Procurement and selection.

6.18 Warranties

Project Co will ensure that all manufacturer's and vendor's warranties for all Category 5 Equipment and Category 6 Equipment:

- (a) commence no earlier than the date of first clinical use of the relevant item of Category 5 Equipment or Category 6 Equipment; and

- (b) are in the Authority's name.

6.19 Standards for Equipment

Project Co will cause all Category 5 Equipment and Category 6 Equipment, except Category 5 Equipment and Category 6 Equipment Procured by the Authority pursuant to Sections 6.9(e) or 6.9(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 Data Sheets;
- (d) supplied by an entity that holds a valid medical device license, unless waived by the Authority, acting reasonably;
- (e) CSA approved, unless waived by the Authority, acting reasonably; and
- (f) 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 6.19.

7. RELOCATED EQUIPMENT

7.1 Relocated Equipment

Notwithstanding anything in Sections 2, 3, 4 or 5 of this Appendix but subject to this Section 7, Project Co will be responsible for the relocation of relocated Equipment, including any Coordination, Receipt, Setup, Storage, Installation and Commissioning for any relocated Equipment.

For greater certainty, both parties acknowledge that relocated Equipment is included in the categories of Equipment in the Equipment List.

7.2 Design to Incorporate Relocated Equipment

Project Co must ensure that the Design of the Facility accommodates the relocated Equipment.

7.3 Integration of Equipment with Design of Facility

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

7.4 Relocation Services

Project Co will, through a Sub-Contractor consented to by the Authority, provide relocation services to the Authority for purposes of relocating Equipment from other facilities on the KGH Campus to the Facility.

Project Co will procure the services of such Sub-Contractor and be reimbursed for the costs of such Sub-Contractor by the Authority in accordance with the process set out in Sections 6.5 to 6.16 of this Appendix, with all necessary changes to such process, including such that references to the procurement of Equipment will be deemed for these purposes to be references to the procurement of relocation services. The Authority may require such Sub-Contractor to execute the Authority's Privacy Protection Schedule or other similar documentation to ensure the protection and privacy of personal and confidential information.

8. PLACEHOLDER EQUIPMENT

8.1 Placeholder Equipment

The Placeholder Equipment, as described on the Equipment List, is indicative of the Equipment that may be required in the future, and its general location in the Facility.

8.2 Design to Incorporate Placeholder Equipment

Project Co must ensure that the Design of the Facility accommodates the Placeholder Equipment.

8.3 Integration of Equipment with Design of Facility

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

8.4 Acknowledgements regarding Services and Placeholder Equipment

The parties acknowledge and agree that Project Co's obligation to perform the Services does not include any obligations in respect of Placeholder Equipment. The parties further acknowledge that any requirement on the part of the Authority for Project Co to Coordinate, Supply, Receive, Store, Setup, Install, Commission or to be responsible for Equipment Maintenance and meeting the Lifecycle Requirements in respect of Placeholder Equipment will be a Change in accordance with Schedule 6 [Changes, Minor Works and Innovation Proposals].

9. ASSET TAGGING/ASSET REGISTER

9.1 Asset Tagging

Project Co will, in consultation with the Authority, prior to Service Commencement affix an Authority approved asset identification tag to each piece of equipment installed in the Facility, including:

- (a) all Equipment (excluding non-physical Equipment such as software licences); and
- (b) all mechanical, HVAC and communications systems equipment.

Project Co will, in consultation with the Authority, affix an Authority approved asset identification tag to each piece of equipment relocated to the Facility after the Service Commencement Date.

In addition, each asset identification tag will include a unique numerical identifier.

9.2 Asset Register

Project Co will create, maintain, update and share with the Authority, prior to Service Commencement, an asset register of all equipment installed in the Facility (the “**Asset Register**”), including:

- (a) all Equipment (excluding Category 2 Equipment); and
- (b) all mechanical, HVAC and communications systems equipment.

9.3 Asset Information

For each item of equipment recorded on the Asset Register, Project Co will, as applicable, record the following information:

- (a) make, model and device type;
- (b) equipment item number;
- (c) asset identification tag number;
- (d) serial number;
- (e) purchase order or equipment purchase contract identifier;
- (f) equipment vendor and contact information for the equipment vendor;
- (g) installed location (room number);
- (h) date installed;
- (i) date commissioned;
- (j) anticipated replacement date or timeframe;
- (k) warranty start date and expiry date;
- (l) required utility, HVAC, medical gas or other connections; and
- (m) any other information that may be agreed upon by the Authority and Project Co.

10. GENERAL

10.1 Authority Not Obligated to Procure Equipment

The Authority intends to Procure but, subject to Section 10.3 of this Appendix, the Authority is not obligated to Procure the items of Category 1 Equipment, Category 2 Equipment, Category 3 Equipment or Category 4 Equipment shown on the Equipment List.

10.2 Integration of Equipment with Design of Facility and General Obligations

Project Co will ensure that all Equipment is integrated in accordance with Good Industry Practice with the overall Design of the 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].

Project Co will utilize mock-ups as outlined in Schedule 2, Section 5.5 to ensure adequate consultation with User Consultation Groups regarding the Equipment. For greater certainty, the costs of such mock ups will be borne by Project Co and not the Authority or any Equipment vendor for which the Authority directly or indirectly bears the costs.

Project Co will document transportation routes for Equipment Setup and ensure the Facility is designed as a sustainable entity, with a focus on long-term operations for Equipment removal and reinstallation in the future.

Project Co will provide sound, unbiased information and recommendations to enable the Authority to make effective clinical and business decisions related to Equipment.

10.3 Changes to the Equipment List and Equipment Data Sheets

The parties acknowledge that:

- (a) as at the Effective Date, the Equipment List and the Equipment Data Sheets have not been finalized and, during the Construction Period, changes to the Equipment List and/or the Equipment Data Sheets 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 Data Sheets may be required from time to time because of manufacturers' or vendors' changes, including changes to equipment availability, specifications and models, and changes in clinical practice;
- (c) the Authority may substitute relocated Equipment for any piece of Equipment on the Equipment List;
- (d) multiple Equipment Data Sheets may be provided for certain pieces of Equipment, but the Authority retains the right to select an alternative Equipment design for which no Equipment Data Sheet was provided; 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 Data Sheets 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:

- (f) cooperate to identify no net cost solutions to any proposed changes to the Equipment List or the Equipment Data Sheets;

- (g) endeavour to agree to an expedited Change process to deal with Equipment changes; and
- (h) cooperate to amend the Equipment List or the Equipment Data Sheets so that they are accurate and complete as required for Project Co to proceed with the Design and Construction without delay.

Project Co agrees that if changes are required to the Equipment List or the Equipment Data Sheets, including additional Equipment, as a result of the Design development process described in Section 5.3 of Schedule 2 [Design and Construction Protocols], Project Co will not be entitled to any Changes that increase the amount of compensation or time for completion of the Design and Construction.

If the Authority requests a Change that impacts the Equipment required, the additional Equipment will also be considered as part of the Change.

10.4 Equipment Logistics Schedule

The Equipment Logistics 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 Logistics Schedule in accordance with the following principles:

- (a) in order to take advantage of the most recent technological advances in Equipment, final decisions on the selection of Equipment, together with any training or service requirements, will not be made by the Authority until as late as possible in the Construction Period, with Project Co implementing a just in time delivery approach to maximize technology gains to the greatest extent possible;
- (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 perform its Procurement responsibilities, as contemplated by this Appendix;
- (d) the Authority will require adequate time to evaluate Project Co's analyses and recommendations as contemplated by this Appendix;
- (e) due to the sensitivity of Equipment, Delivery may need to be delayed as late as possible into the Construction Period;
- (f) the Authority will require the ability to take advantage of bulk or other purchase opportunities advantageous to it;
- (g) Project Co will require the Equipment Logistics Schedule to allow adequate time to achieve the matters contemplated by this Appendix without any adverse effect on Design and Construction and without any adverse effect on Project Co's ability to achieve Service Commencement by the Target Service Commencement Date;

- (h) Project Co will, if possible, structure and carry out Procurements to optimize the benefits of any purchasing leverage available to the parties;
- (i) Project Co will, to the Authority's reasonable satisfaction, finalize the level of detail and information provided for each item on the Equipment Logistics Schedule; and
- (j) in addition to the principles provided in this Section 10.4, Project Co will develop the Equipment Logistics Schedule, incorporating Category 5 Equipment and Category 6 Equipment, in accordance with the requirements of Section 10.6 of this Appendix.

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

10.5 Updates to Equipment Logistics Schedule

Project Co will:

- (a) in accordance with Section 6.17, provide the Authority with a summary of changes to the previous month's Equipment Logistics Schedule; and
- (b) if it identifies a potentially material change in the Equipment Logistics Schedule, including changes to Category 1 Equipment, Category 2 Equipment, Category 3 Equipment or Category 4 Equipment, immediately provide the Authority with written notice of such change to the Equipment Logistics Schedule and reasons for such change.

Project Co will only make changes to the Equipment Logistics Schedule, including final selection dates, with direct input from the Authority. The Authority, acting reasonably, must approve all material changes to the Equipment Logistics Schedule before Project Co makes the material changes.

10.6 Equipment 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 10.6, identify to the Authority:
 - (1) each item of Category 1 Equipment, Category 2 Equipment, Category 3 Equipment and Category 4 Equipment, if any, that must be Installed in the Facility for Project Co to achieve Service Commencement;
 - (2) for each item of Category 1 Equipment, Category 2 Equipment, Category 3 Equipment and Category 4 Equipment identified by Project Co under Section 10.6(a)(1) above, if any, the date by which such item must be Delivered and/or Installed so as not to delay the Construction, Service Commencement or the Authority's use and occupation of the Facility;

- (3) for each item of Category 2 Equipment, Category 3 Equipment and Category 4 Equipment, the earliest date when the Facility will be available to the Authority to Install such item; and
 - (4) any item of Category 1 Equipment, Category 2 Equipment, Category 3 Equipment and Category 4 Equipment which was damaged prior to Receipt or backordered; and
- (b) alert the Authority to any changes in the Equipment Logistics Schedule.

The parties acknowledge that the relocated Equipment will be scheduled to align with the operational commissioning timeline and requirements of the Authority, which may include relocation pre or post Service Commencement.

10.7 Staging and Storage

Project Co will:

- (a) provide a secure, dry space to accommodate Staging and Storage of all Equipment;
- (b) allow Authority representatives to access and work within the space;
- (c) ensure that the space is heated and/or cooled, as necessary;
- (d) provide power to the space and will notify the Authority, in advance, of any power interruptions;
- (e) Coordinate with the Authority and vendors so that when Delivered, Equipment that is sensitive to vibrations, movement and dust (such as OR equipment) can be immediately placed in its final location, whenever possible, to minimize additional handling and to prevent damage to the sensitive and valuable equipment; and
- (f) provide transportation routes and communicate such routes to those moving Equipment within the Facility.

10.8 Coordination

Project Co will:

- (a) Coordinate its personnel, the Authority's personnel, vendor's representatives and all other persons necessary to ensure that Equipment is Received, Setup, Installed and Commissioned in accordance with this Appendix;
- (b) to the Authority's reasonable satisfaction, prior to Procurement submit a site logistics protocol outlining its Coordination plan and site readiness assessment and include a proposed draft form of checklist to be used for purpose of site readiness; and

- (c) conduct a site readiness assessment to ensure that the Facility is ready for the Installation of Equipment, including submitting the completed agreed form of checklist to the Authority in advance of Project Co scheduling the Installation of the Equipment.

10.9 Authority Responsibility for Vendor's Installation and Commissioning

Project Co acknowledges that any of the Authority's responsibilities under this Appendix may be performed by a vendor or contractor engaged by the Authority.

10.10 Training

Project Co will, where applicable, take all reasonable measures to schedule Equipment vendor training concurrently with vendor Commissioning of Category 1 Equipment, Category 3 Equipment, Category 4 Equipment, Category 5 Equipment or Category 6 Equipment. Such training will include instruction on proper use of Equipment and Equipment Maintenance protocols. Project Co will, in consultation with the Authority, schedule all such training activities. Training may be after Service Commencement if required by the Authority, or at the request of Project Co with the consent of the Authority, acting reasonably. Where Delivery of specific Equipment to existing program areas is beneficial to assisting Authority staff in being trained in advance of the move-in by the Authority to the Facility, Project Co will Coordinate this early Delivery, any training and the subsequent relocation, if required.

10.11 Guidance Material and Manuals

On or before the Service Commencement Date, Project Co will transfer and deliver to the Authority all guidance material and manuals relating to the Equipment, in hard copy and soft copy whenever possible, as produced and provided by the vendor of such items.

10.12 Equipment Ready Checklist

- (a) As a condition of Service Commencement, Project Co will develop and submit to the Authority, at least 90 days prior to the first delivery date on the Equipment Logistics Schedule, a draft form of checklist containing the functional requirements that each item of Equipment must meet prior to Service Commencement ("**Equipment Ready Checklist**").
- (b) The Authority will, within 30 days of receiving the Equipment Ready Checklist from Project Co, notify Project Co of the Authority's acceptance or rejection of such draft, including, if applicable, reasons for rejection.
- (c) If the Authority rejects the draft Equipment Ready Checklist, then Project Co will, within 14 days of notification in Section 10.12(b), resubmit the draft Equipment Ready Checklist.
- (d) The Authority will, within 14 days of resubmission in Section 10.12(c), notify Project Co of its acceptance of the draft Equipment Ready Checklist.
- (e) Prior to Service Commencement, Project Co must provide the Authority with a final version of the Equipment Ready Checklist for each item of Equipment on the Equipment

List, with indication by Project Co that the Acceptance Protocol, where applicable, has been satisfied.

10.13 Project Co Responsibility

Notwithstanding anything in this Agreement to the contrary, Project Co will be responsible for all risks of loss related to Equipment (including repair or replacement thereof in the event of damage or destruction) and delay in the Services in respect of Equipment, at all times from Delivery until the Service Commencement Date. For Category 5 Equipment and Category 6 Equipment, Project Co may not assign such risk to Equipment vendors unless the terms of such assignment are:

- (a) commercially reasonable; and
- (b) agreed to in writing by the Authority.

Project Co assumes all risk of delays to the Project Schedule caused by late performance of Project Co's obligations in this Appendix.

10.14 Equipment Committee

The parties will establish an Equipment Committee composed of 2 (or any other number agreed between the parties) representatives 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 the Equipment.

10.15 Equipment Consultant

Project Co will engage an Equipment Consultant experienced with the equipment requirements of healthcare facilities similar to the Facility 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) work alongside the Design team in an integrated project development methodology to ensure seamless dissemination of clinical, technical and emerging knowledge during the design process;
- (b) participate in the Design development process as 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;
- (c) attend Equipment Committee meetings and provide progress reports on the status of the Coordination activities described in Section 10.8 of this Appendix;

- (d) consult regularly with the Authority throughout the Procurement process described in Section 6 of this Appendix, including as reasonably requested by the Authority;
- (e) as part of the drafting process, review and provide input on any competitive bidding documents required pursuant to Section 6.5(a) of this Appendix;
- (f) contribute to and review the analysis and recommendations included in each of Project Co's reports to the Authority pursuant to Section 6.8 of this Appendix;
- (g) lead with clinically based theory and capabilities;
- (h) provide a proprietary database customized to the Project that houses all pertinent information on the Equipment, generates reports and tracks the Equipment during the Project cycle;
- (i) coordinate all mechanical, electrical, structural and architectural needs for Equipment to ensure planning incorporates accurate data; and
- (j) ensure that the clinical usage of the Equipment is paramount in the planning and design process.

10.16 No Limitation

Without limiting this Appendix, the Equipment shown on the Equipment List and in the Equipment Data Sheets is not intended to be exhaustive or be an indication of the minimum Equipment required. It is not intended to be relied upon by Project Co, does not limit the requirements of the Design and Construction Specifications, and provides only an indication of some of the Equipment that the Authority may typically require. The Authority may add or delete Equipment from the Equipment List at any time, in its sole discretion.

10.17 Build to Three

The Authority will provide Equipment Data Sheets, where available, to Project Co, containing the attributes of up to three models for a particular piece of Equipment. Project Co acknowledges and agrees that the Design of the Facility will be neutral as to which vendor is selected and must be capable of accommodating the attributes of each of the Equipment models for which an Equipment Data Sheet is provided. For greater certainty, Project Co will consider at minimum the detailed integration of generic Equipment's spatial and utility requirements into the base architectural, structural, mechanical, electrical and information management and information technology designs.

10.18 Bariatric Specifications

In addition to the three Equipment Data Sheets provided by the Authority in Section 10.17, the Authority may provide an additional Equipment Data Sheet for a model of Equipment with bariatric specifications. If the Authority provides such an Equipment Data Sheet, Project Co must incorporate the specifications for the purpose of meeting its bariatric requirements.

10.19 Title

Project Co will:

- (a) cause the Procurement arrangements for Category 5 Equipment and Category 6 Equipment to provide for a transfer of title to such Equipment directly from the vendor to the Authority immediately upon the earlier of:
 - (1) the Service Commencement Date; and
 - (2) the date that Project Co completes the Commissioning for the relevant item of Category 5 Equipment and Category 6 Equipment.

10.20 Cost and Disruption Minimization

Project Co must ensure that its obligations in respect to Equipment as required under this Agreement will be completed in an effective and efficient manner so as to:

- (a) minimize to the greatest extent reasonably possible all disruptions of Authority Activities;
- (b) minimize additional costs to the Authority;
- (c) ensure that vendor warranty periods are not lost or reduced due to early Procurement; and
- (d) be completed prior to Service Commencement, unless such requirement is waived by the Authority.

10.21 General Receiving Requirements

Project Co will:

- (a) ensure that all Receiving functions are done within Work Area A; and
- (b) ensure that no Receiving functions impede public or site vehicular or pedestrian traffic flow.

10.22 General Commissioning Requirements

Project Co will:

- (a) ensure that vendor specifications for storage regarding pre- and post-Installation periods are examined, fully documented and executed, with the cost to be borne by Project Co for such maintenance and Commissioning and re-Commissioning if required;
- (b) retain a qualified independent commissioning agent in accordance with Schedule 2, Section 12.1, to Commission all Equipment Project Co is responsible to Commission; and
- (c) submit to the Authority final documentation as described in Section 10.12 upon completion of Commissioning of each item of Equipment.

11. OFFICE MOVES AND MISCELLANEOUS WALL-MOUNTED ITEMS

11.1 Office Moves

Project Co will Coordinate and, through a Sub-Contractor consented to by the Authority, provide moving services to the Authority for purposes of moving office contents from other facilities on the KGH Campus to the Facility. The services will be performed and completed within 60 days after the Service Commencement Date or such later date as directed by the Authority. Project Co will procure the services of such Subcontractor and be reimbursed for the costs of such Sub-Contractor by the Authority in accordance with the process set out in Sections 6.5 to 6.16 of this Appendix, with all necessary changes to such process, including such that references to the procurement of Equipment will be deemed for these purposes to be references to the procurement of moving services. The Authority may require such Sub-Contractor to execute the Authority's Privacy Protection Schedule or other similar documentation to ensure the protection and privacy of personal and confidential information.

11.2 Miscellaneous Wall-Mounted Items

Project Co and the Authority will each designate a representative to conduct a walk-through of the other facilities on the KGH Campus for the purpose of identifying and designating miscellaneous wall-mounted items (not constituting relocated Equipment) to be relocated. Project Co will at its cost:

- (a) detach or otherwise remove the designated items from the other facilities at the KGH Campus and repair any damage and move them to the Facility; and
- (b) be responsible for the Coordination, Receipt, Setup, Storage and Installation of the designated items within 60 days from the Service Commencement Date, or such later date as directed by the Authority.

11.3 Not Miscellaneous Occupant Request

Nothing in sections 11.1 or 11.2 will constitute Miscellaneous Occupant Request Services.