

SCHEDULE 15

PAYMENT ADJUSTMENTS SUMMARY

1. GENERAL

1.1 Capitalized Terms

Capitalized terms used in this Schedule have the definitions as set out in Schedule 18 (Technical Requirements) unless expressed otherwise.

1.2 DBFM Agreement Reference

This Schedule is referenced in sections 1.1, 1.3, and 10.2 of the Agreement to Design, Build, Finance and Maintain Five New High Schools in Alberta (the “**DBFM Agreement**”) between Her Majesty the Queen in right of Alberta and the Contractor, as defined therein.

1.3 Section References

References to section numbers in this Schedule are to section numbers of Schedule 18 (Technical Requirements) unless expressed otherwise.

1.4 Priority

This Schedule is subject to section 10.2 of the DBFM Agreement.

1.5 Indexing of Payment Adjustments

The Payment Adjustments are subject to annual indexing for inflation in the manner and at the times set out in Schedule 10 (Index Factor) to the DBFM Agreement.

2. PAYMENT ADJUSTMENTS

The following is a summary of the Payment Adjustments set out in Schedule 18 (Technical Requirements) to the DBFM Agreement:

2.1 Addition, Removal or Relocation of Modular Classrooms by Change Order (Section 2.2.5)

In circumstances where:

- the Province has issued a Change Order Directive for the addition of Modular Classrooms or for the relocation of an existing Modular Classroom from one School to another;

- INTENTIONALLY DELETED; and
- the Province has supplied to the Contractor the Modular Classrooms to be installed as contemplated in Section 2.2.2, or the Modular Classrooms to be installed are being relocated from other Schools subject to the DBFM Agreement and are available to the Contractor,

the Contractor fails to install such additional Modular Classrooms at the Schools as specified in the Change Order Directive (such that the additional Modular Classrooms are available for use and the Accessibility Criteria in respect of the additional Modular Classrooms are met), within 60 days from the date that the Development Permits (required as a result of the Change Order Directive) were issued, then each such Modular Classroom specified in the Change Order Directive shall individually be deemed to be an Inaccessible Area of the respective School to which such Modular Classroom is to be added and the Payment Adjustments for Inaccessible Instructional Area set out in Section 5.9.6.1 shall apply in respect of each such Modular Classroom until the Modular Classroom is installed and the Accessibility Criteria are met, subject only to any Modular Classrooms that are installed and Inaccessible but Used as set out in Section 5.9.3 in which case the Payment Adjustments in Section 5.9.6.2 shall apply.

2.2 Quality Management System– Internal Audit (Section 3.2.5.1)

If the Contractor fails to complete an annual internal audit prior to School Availability, during the School M&R Period, or during the M&R Period, as applicable, or fails to provide the Province with the resultant report of such an audit within one month of completion of the audit, a Payment Adjustment of \$2,900/week or any partial week for the first four weeks, and \$5,900/week or any partial week thereafter shall apply until such deficiency or deficiencies are corrected.

2.3 Quality Management System – External Audit (Section 3.2.6.1)

If a deficiency or deficiencies identified by the External Audit have not been corrected within the specified time, a Payment Adjustment of \$5,900/week or any partial week, for the first four weeks and \$11,700/week or any partial week, thereafter shall apply until such deficiency or deficiencies are corrected.

2.4 Maintenance Plan (Section 3.8.1)

If the Contractor fails to develop and provide the Province with an annually updated 5-year Maintenance Plan on or before the first day of each School Year, a Payment Adjustment of \$1,400/week or any partial week shall be assessed until the annually updated 5-year Maintenance Plan is submitted.

2.5 Renewal Management Plan (Section 3.9.1)

If the Contractor fails to develop and provide the Province with an updated 5-year Renewal Management Plan on or before the first day of each School Year, a Payment Adjustment of \$1,400/week or any partial week shall be assessed until the annually updated 5-year Renewal Management Plan is submitted.

2.6 Emergency Response Plan (Section 3.10.1)

If the Contractor fails to provide the Province with an updated Emergency Response Plan by October 1 of every year for each School following School Availability of a School, a Payment Adjustment of \$1,400/week or any partial week shall be assessed until the annually updated Emergency Response Plan is submitted.

2.7 LEED Silver Certification Requirements (Section 4.8.1.1)

If the Contractor fails to apply for certification of a School within the time stipulated, a Payment Adjustment of \$300 per day or partial day shall be assessed for that School until the application for such School is submitted.

The Contractor shall carry out the Project in accordance with its LEED Certification Plan set out in Schedule 4 (Contractor's Management Systems and Plans) and this Section 4.8.

2.8 Failure to Achieve LEED Silver Certification Liquidated Damages (Section 4.8.4.1)

If LEED Silver Certification is not achieved in respect of the Schools within 24 months from School Availability then, except for delays caused solely by CaGBC or where a School Jurisdiction breaches its Tri-Party Agreement obligation to share energy and water consumption data with the USGBC, and a recycling program, and that breach is the sole and direct cause of the Contractor's inability to achieve LEED Silver Certification in respect of that School within the relevant time period, the Contractor shall pay to the Province liquidated damages in the amounts specified as follows:

- (a) if the Contractor does not achieve LEED Silver Certification in respect of one School, \$1,000,000 (one million dollars); or
- (b) if the Contractor does not achieve LEED Silver Certification in respect of more than one School, \$1,000,000 (one million dollars) for the first School plus \$500,000 (five hundred thousand dollars) for each and every additional School.

If the requirements in respect of the mandatory points set out in Section 4.8.2 are not attained for a School within 24 months from School Availability then, except for delays caused solely by CaGBC, the Contractor shall pay to the Province liquidated damages of \$100,000 (one hundred thousand dollars) for each point that is not achieved to a maximum amount of \$500,000 (five hundred thousand dollars) per School for each and every School that does not attain such points.

Payment of the liquidated damages to the Province shall be made on the first day of the month following the earlier of: (i) the date of notification from CaGBC that a School will not receive LEED Silver Certification; and (ii) the date that is 24 months after School Availability for that School.

Such payment shall constitute full and final settlement of any and all damages that may be claimed by the Province as a result of the Contractor not achieving LEED Silver

Certification or the mandatory points set out in Section 4.8.2 as the case may be, for that School. For greater certainty, a failure by the Contractor to achieve LEED Silver Certification or the mandatory points set out in Section 4.8.2 as the case may be, shall not constitute a Termination Event under the DBFM Agreement.

2.9 Construction Schedules and Submittals (Section 4.11.6.1)

If the Contractor fails to deliver to the Province any of the schedules indicated in this Section 4.11.6 within the time specified, a Payment Adjustment of \$1,800 per day or partial day will be assessed for each undelivered schedule until such schedule is delivered to the Province.

2.10 Municipality and Utility Interfacing (4.11.9.2)

Where the Contractor fails to make good any damage it causes to existing roads, curbs, gutters and sidewalks within a reasonable amount of time, the Province may elect to make the repairs it deems necessary to make good such damage and the Contractor shall be responsible for the Province's actual cost in making the repairs, plus an administration fee of 25% as liquidated damages. These costs shall be deducted from Payments made to the Contractor.

2.11 Access to the School Sites (4.11.9.5)

Where the Contractor fails to immediately commence and diligently complete the repair of any damage it causes to streets, sidewalks or lands adjacent to the School Sites, the Province may elect to make the repairs it deems necessary and the Contractor shall be responsible for the Province's actual cost in making the repairs, plus an administration fee of 25% as liquidated damages. These costs shall be deducted from Payments made to the Contractor.

2.12 Site Requirements (Section 4.11.9.13)

If the Contractor has failed to rectify any default of its obligations under this Section 4.11.9 within the time specified in Section 4.11.9.12, then in addition to any other remedies the Province may have under Section 4.11.9, Payment Adjustments of \$1,800 per day or partial day will be assessed for each default identified in the notice provided under Section 4.11.9.12 until such defaults have been rectified.

2.13 M&R Waste Disposal Requirements (Section 5.1.3.2)

If the Contractor has failed to rectify any default of its obligations under this Section 5.1.3 within the time specified in Section 5.1.3.1, then Payment Adjustments of \$400 per day or partial day will be assessed for each default identified in the notice provided under Section 5.1.3.1 until such defaults have been rectified.

2.14 “As-Built” Drawings and Operation and Maintenance Manuals (Section 5.1.4.1)

If the updated “as-built” drawings and updated Operation and Maintenance Manuals are not provided to the Province within the time stipulated, a Payment Adjustment of \$2,400 per month or any partial month for each revised set of “as-built” drawings or set of revised Operation and Maintenance Manuals will be assessed until the revised set of “as-built” drawings or the revised set of Operation and Maintenance Manuals are delivered to the Province.

2.15 Security Clearance and School Access Protocol (Section 5.4.4)

If the Contractor fails to comply with any requirement referenced in Section 5.4.1 a Payment Adjustment of \$4,700 per incident shall be assessed.

2.16 Help Desk (Section 5.7.4)

If the Contractor fails to:

- (a) in respect of a summary provided under Section 5.7.3, log all repair requests or reports of Building Performance Failures, Service Failures and Accessibility Failures regardless of time of day such request or report of a Building Performance Failure, Service Failure or Accessibility Failure occurs, a Payment Adjustment of \$1,200 per failure will be assessed;
- (b) in respect of a summary provided under Section 5.7.3, answer 95% of the calls received on or before the 5th ring, a Payment Adjustment of \$800 will be assessed;
- (c) in respect of a summary provided under Section 5.7.3, provide the summary within the time stipulated, a Payment Adjustment of \$600 per day or partial day will be assessed until delivered; or
- (d) provide access to Help Desk records and logs as requested, upon two hours notice, a Payment Adjustment of \$600 per failure will be assessed.

2.17 Performance Monitoring and Reports (Section 5.8.2.1)

If the Contractor fails to:

- (a) provide the report required by Sections 5.8.2(a), (b) and (c), as the case may be, within the time stipulated, a Payment Adjustment of \$700 per day or partial day per report shall be applied for each undelivered report until received;
- (b) provide the report required by Sections 5.8.2(d) within the times stipulated, a Payment Adjustment of \$1200 per day or partial day per report shall be applied for each undelivered report until received.

2.18 SCHOOL ACCESSIBILITY

(a) Province’s Right to Assess Payment Adjustments for Accessibility Failures (Section 5.9.5)

In all circumstances where an Area is determined to be or the School Building is declared to be Inaccessible or is determined or deemed to be Inaccessible but Used, then subject to Section 5.9.7, the Province may apply the appropriate Payment Adjustments set out in Sections 5.9.6.1, 5.9.6.2 and 5.9.6.3.

(b) Payment Adjustments for Inaccessible Areas (Section 5.9.6.1)

Where an Area is Inaccessible then, subject to Section 5.9.7, the Payment Adjustments set out in Section 5.9.6.1 shall apply to each such Area that is Inaccessible from the time the Help Desk is notified of the Accessibility Failure pursuant to Section 5.9.8.1 until the Accessibility Failure is either permanently rectified or temporary measures or protections are installed and the Area that is Inaccessible is declared Accessible pursuant to Section 5.9.8.2.

Table 5.9.6.1: Area Inaccessibility Payment Adjustments

Areas	Payment Adjustment			
	Payment Adjustment Period			
	Monday to Friday (Excluding Examination Periods and School Holidays)	Examination Periods	School Holidays	
Occupied			Unoccupied	
Instructional Areas	2,400 per day or partial day for each Instructional Area	\$3,500 per day or partial day for each Instructional Area	\$1,200 per day or partial day for each Instructional Area	\$600 per day or partial day for each Instructional Area
Multipurpose Rooms	\$2,400 per day or partial day for each Multipurpose Room	\$3,500 per day or partial day for each Multipurpose Room	\$1,200 per day or partial day for each Multipurpose Room	\$600 per day or partial day for each Multipurpose Room
Administration area and offices	\$1,200 per day or partial day for each such area	\$1,200 per day or partial day for each such area	\$600 per day or partial day for each such area	\$300 per day or partial day for each such area

Areas	Payment Adjustment			
	Payment Adjustment Period			
	Monday to Friday (Excluding Examination Periods and School Holidays)	Examination Periods	School Holidays	
Occupied			Unoccupied	
Library	\$1,200 per day or partial day	\$1,200 per day or partial day	\$1,200 per day or partial day	\$600 per day or partial day
Custodial/janitor office	\$1,200 per day or partial day	\$1,200 per day or partial day	\$1,200 per day or partial day	\$1,200 per day or partial day
Common areas such as student gathering areas and hallways	\$3,500 per day or partial day for each such area	\$3,500 per day or partial day for each such area	\$1,800 per day or partial day for each such area	\$900 per day or partial day for each such area
Washrooms, change / locker rooms	\$2,300 per day or partial day for each such area	\$2,300 per day or partial day for each such area	\$1,200 per day or partial day for each such area	\$600 per day or partial day for each such area
Gymnasium	\$4,700 per day or partial day	\$4,700 per day or partial day	\$4,700 per day or partial day	\$1,200 per day or partial day
Storage rooms	\$1,200 per day or partial day for each such area	\$1,200 per day or partial day for each such area	\$600 per day or partial day for each such area	\$300 per day or partial day for each such area

Where an Accessibility Failure starts during one Payment Adjustment Period and continues into any other Payment Adjustment Period, the Payment Adjustment applicable for each and every Payment Adjustment Period shall be assessed until that Accessibility Failure is rectified.

(c) Inaccessible but Used (Section 5.9.6.2)

Where an Area is Inaccessible but Used, subject to Section 5.9.7, the Payment Adjustments set out in Section 5.9.6.2 shall apply to each such Area that is Inaccessible but Used from the time the Help Desk is notified of the Accessibility Failure pursuant to Section 5.9.8.1 until the Accessibility Failure is either permanently rectified or temporary measures or protections are installed and the Area that is Inaccessible but Used is declared Accessible pursuant to Section 5.9.8.2.

The Payment Adjustments that will be applied are as follows:

Table 5.9.6.2: Area Inaccessible but Used Payment Adjustments

Areas	Payment Adjustments			
	Payment Adjustment Period			
	Monday to Friday (Excluding Examination Periods and School Holidays)	Examination Periods	School Holidays	
Occupied			Unoccupied	
Instructional Areas	\$1,200 per day or partial day for each Instructional Area	\$2,300 per day or partial day for each Instructional Area	\$600 per day or partial day for each Instructional Area	\$300 per day or partial day for each Instructional Area
Multipurpose Rooms	\$1,200 per day or partial day for each Multipurpose Room	\$2,300 per day or partial day for each Multipurpose Room	\$600 per day or partial day for each Multipurpose Room	\$300 per day or partial day for each Multipurpose Room
Administration area and offices	\$600 per day or partial day for each such area	\$600 per day or partial day for each such area	\$400 per day or partial day for each such area	\$300 per day or partial day for each such area
Library	\$600 per day or partial day	\$600 per day or partial day	\$600 per day or partial day	\$400 per day or partial day
Custodial/janitor office	\$600 per day or partial day	\$600 per day or partial day	\$400 per day or partial day	\$300 per day or partial day
Common areas such as student gathering areas and hallways	\$1,800 per day or partial day for each such area	\$1,800 per day or partial day for each such area	\$900 per day or partial day for each such area	\$600 per day or partial day for each such area
Washrooms, change / locker rooms	\$1,200 per day or partial day for each such area	\$1,200 per day or partial day for each such area	\$600 per day or partial day for each such area	\$400 per day or partial day for each such area
Gymnasium	\$2,300 per day or partial day	\$2,300 per day or partial day	\$2,300 per day or partial day	\$1,200 per day or partial day
Storage rooms	\$600 per day or partial day for each such area	\$600 per day or partial day for each such area	\$400 per day or partial day for each such area	\$300 per day or partial day for each such area

Where an Accessibility Failure starts during one Payment Adjustment Period and continues into any another Payment Adjustment Period, the Payment Adjustment applicable for each and every Payment Adjustment Period shall be assessed until that Accessibility Failure is rectified.

(d) School Building Inaccessibility (Section 5.9.6.3)

Where a School Building is Inaccessible then, subject to Section 5.9.7, a Payment Adjustment for the Accessibility Failure for such School Building will be assessed commencing from the time of Inaccessibility of such School Building until the Accessibility Failure is permanently repaired or temporary measures or protections are installed and such School Building is declared Accessible pursuant to Section 5.9.8.2. The Payment Adjustment that will be assessed for Inaccessibility of a School Building shall be as follows:

Table 5.9.6.3: School Building Inaccessibility Payment Adjustments

Payment Adjustments and Payment Adjustment Periods			
Monday to Friday (Excluding Examination Periods and School Holidays)	Examination Periods	School Holidays	
		Occupied	Unoccupied
\$23,000 per day or partial day	\$35,000 per day or partial day	\$12,000 per day or partial day	\$6,000 per day or partial day

Where a School Building Accessibility Failure starts during one Payment Adjustment Period and continues into any another Payment Adjustment Period, the Payment Adjustment applicable for each and every Payment Adjustment Period shall be assessed until that School Building Accessibility Failure is rectified.

(e) No Payment Adjustment for Accessibility Failure (Section 5.9.7)

For the purposes of Section 5.9.7, an Area or a School Building described as “**Inaccessible**” or using the term “**Inaccessibility**” shall include references to Inaccessible but Used Areas.

(f) First 30 Days Following School Availability (Section 5.9.7.1)

Only to the extent that a School achieves School Availability on or prior to the Total Availability Target Date, the Payment Adjustments for an Accessibility Failure as specified in Section 5.9.6.1, 5.9.6.2 or 5.9.6.3 will not be applied in respect of any Inaccessible Area or the Inaccessible School Building of such School for the first 30 days following School Availability of that particular School. Thereafter Payment Adjustments for any and all Accessibility Failures will apply with respect to that School.

(g) Specific Circumstances in which No Payment Adjustments for an Accessibility Failure will be Applied (Section 5.9.7.2)

The Payment Adjustments for an Accessibility Failure specified in Section 5.9.6.1, 5.9.6.2 or 5.9.6.3 will not be applied in respect of an Inaccessible Area or the Inaccessible School Building if, and to the extent that it has been demonstrated to the reasonable satisfaction of the Province that the relevant Inaccessibility is a direct result of the following:

- (a) a Change Order Directive or Change Order Confirmation issued by the Province that requires an Area or a School Building to be Inaccessible in order to carry out the terms of the Change Order and is documented in the Change Order Confirmation or Change Order Directive, provided that to the extent reasonably possible the Contractor carries out the Change Order After Hours or during a School Holiday when the School is unoccupied and provided further that the Contractor completes the Change Order within the time stipulated;
- (b) planned M&R activities approved by the Province which require an Area or a School Building to be Inaccessible for the period of the planned M&R activities, provided that such planned M&R activities occur After Hours or during a School Holiday when the School is unoccupied and provided further that the planned M&R activities are completed within the time stipulated by the Contractor;
- (c) the Province's performance or non-performance of the obligations under the DBFM Agreement;
- (d) a Damage Event to an Area or to a School Building provided that to the extent reasonably possible the Contractor carries out the repairs After Hours or during a School Holiday when the School is unoccupied and provided further that the Contractor is taking all reasonable steps to complete the repairs in accordance with the Repair Period or Amended Repair Period;
- (e) any Building Performance Failure arising at a School, the damage from which the Contractor is required to insure pursuant to Schedule 11 (Insurance Requirements) of the DBFM Agreement, but which arises, and without being caused by the negligence of the Contractor or those for whom the Contractor is legally responsible, directly from:
 - (i) damage caused by the Province or a School Jurisdiction or their respective agents or contractors (except the Contractor), or tenants or licensees of a School Jurisdiction, or those for whom the Province or a School Jurisdiction is respectively legally responsible;

- (ii) damage caused by any third party (excluding the Contractor, its agents, contractors and subcontractors and any persons for whom they are legally responsible); or
- (iii) damage caused by any fire, explosion, lightning, storm, tempest, floods, bursting or overflowing of water tanks, pipes or apparatus, or earthquakes which occur due to an act of God,

provided that to the extent reasonably possible the Contractor carries out the repairs After Hours or during a School Holiday when the School is unoccupied and provided further that the Contractor is taking all reasonable steps to complete the repairs within the Repair Period or Amended Repair Period; or

- (f) a Utility Failure, provided that the Contractor meets its obligation to supply emergency power in accordance with the Technical Requirements and to ensure the safety of the occupants of the School which may arise as a result of the Utility Failure, and provided further that having regard to the circumstances the Contractor is taking all reasonable steps to minimize the duration and extent of the Inaccessibility attributable to the Utility Failure.

(h) Payment Adjustments for Failure to Repair Building Performance Failures Causing Inaccessibility (Section 5.9.9)

In addition to the Payment Adjustments set out in Section 5.9.6, unless excluded under Section 5.9.7, if temporary measures or protection or permanent repairs for the Building Performance Failure believed to be causing or contributing to the Area or the School Building to be Inaccessible are not completed within the Repair Period or Amended Repair Period, then the Payment Adjustments applicable to the Building Performance Failures set out in Section 5.12 shall apply.

All Building Performance Failures that cause or contribute to the cause of an Accessibility Failure shall be deemed Emergency Failures with the Repair Period for rectification of such Accessibility Failure being the Emergency Failure Repair Period for the applicable Building Performance Failure. Where the damage relates to a number of Building Elements, Building Systems or Building Equipment, the longest of the stipulated Repair Periods shall apply.

(i) Cap on Accessibility Payment Adjustments (Section 5.9.10)

If collectively the Areas declared Inaccessible, including but not limited to the Areas declared Inaccessible but Used, in a School Building exceeds the thresholds of Inaccessibility for a School Building set out in Section 5.9.4 above, then the Payment Adjustments set out in Section 5.9.6.3 shall apply.

2.19 Procedure Respecting Building Performance Failures (Section 5.11)

(a) Response Times (Section 5.11.2)

The Contractor shall respond to requests to the Help Desk regarding any Building Performance Failure by attending at the site of the Building Performance Failure to assess the nature of the Building Performance Failure and to begin where reasonably possible the repair of the Building Performance Failure within the following response times (“Response Times”):

Failure	Response Time
Emergency Failures	Immediately but in any event not later than 2 hours from the Province’s notification to the Help Desk
Urgent Failures	Not later than 24 hours from the Province’s notification to the Help Desk
Routine Failures	Not later than 7 days from the Province’s notification to the Help Desk

Except where the Contractor is prevented by an order or direction of police, fire, or other public authorities, if the Contractor fails to attend at the site of the Building Performance Failure to assess the nature of the Building Performance Failure and to begin where reasonably possible the repair of the Building Performance Failure within the Response Times indicated in Section 5.11.2, a Payment Adjustment will be assessed for each such failure to respond as follows:

Response Time	Payment Adjustment
Emergency Failure	\$3,500 per occurrence
Urgent Failure	\$2,300 per occurrence
Routine Failure	\$1,200 per occurrence

(b) Contractor’s Failure to Respond (5.11.3.3)

Where the Province has taken steps pursuant to Section 5.11.3.2 to prevent further loss or damage to a School, whether in the nature of temporary measures or protection or permanent repairs, the Contractor shall be responsible for all costs incurred by the Province in connection therewith, plus an administration fee of 10% as liquidated damages. These costs shall be deducted from Payments made to the Contractor.

(c) Application of Emergency Failure Payment Adjustments (Section 5.11.7)

- (a) If the Emergency Failure has been temporarily protected before the end of the Repair Period for temporary protection or measures and the Emergency Failure has been permanently repaired before the end of the Repair Period for permanent repairs, then no Payment Adjustment for the

Emergency Failure shall apply.

- (b) If the Emergency Failure has been temporarily protected before the end of the Repair Period for temporary protection or measures but the Emergency Failure has not been permanently repaired by the end of the Repair Period for permanent repairs, then Payment Adjustments will apply from the expiry of the Repair Period for permanent repairs until the permanent repairs are completed.
- (c) If the Emergency Failure has not been temporarily protected by end of the Repair Period for temporary protection or measures but the Emergency Failure has been permanently repaired by the end of the Repair Period for permanent repairs, then Payment Adjustments shall apply from the expiry of the Repair Period for temporary protection or measures until the expiry of the Repair Period for permanent Repairs.
- (d) If the Emergency Failure has not been temporarily protected by end of the Repair Period for temporary protection or measures and the Emergency Failure has not been permanently repaired by the end of the Repair Period for permanent repairs, then Payment Adjustments shall apply from the expiry of the Repair Period for temporary protection or measures until the permanent repairs are completed.

2.20 PERFORMANCE REQUIREMENTS FOR A SCHOOL

(a) Maintenance Requirements (Section 5.12.1.1.2)

If the Contractor fails to deliver the inspection and test results within the time specified in Section 5.12.1.1.1, a Payment Adjustment of \$2,300 per day per School shall be assessed until the inspection and test results are received by the Province.

(b) Repair Periods (Section 5.12.1.1.4)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.1.1.3 above, then Payment Adjustments will be assessed for each Failure, as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School

will be assessed until the permanent repairs are completed.

(c) Exterior Walls and Foundation (Section 5.12.1.2.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.1.2.2 above, then Payment Adjustments will be assessed for each Failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(d) Exterior Doors (Section 5.12.1.3.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.1.3.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(e) Exterior Windows (Section 5.12.1.4.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.1.4.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance

with Section 5.11.7;

- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(f) Ceilings (Section 5.12.2.1.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.1.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(g) Interior Walls and Partitions (Section 5.12.2.2.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.2.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(h) Floors (Section 5.12.2.3.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.3.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$800 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$500 per day or partial day per School will be assessed until the permanent repairs are completed.

(i) Fixtures, Fittings, Millwork and Equipment (Section 5.12.2.4.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.4.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(j) Interior Doors (Section 5.12.2.5.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.5.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed in accordance with Section 5.11.7;

- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$800 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$500 per day or partial day per School will be assessed until the permanent repairs are completed.

(k) Interior Windows (Section 5.12.2.6.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.2.6.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$800 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$500 per day or partial day per School will be assessed until the permanent repairs are completed.

(l) Plumbing System (Section 5.12.3.1.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.1.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$3,500 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed.

(m) Heating and Ventilation System and Air Conditioning (Section 5.12.3.2.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.2.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$3,500 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed.

(n) Electrical System (Section 5.12.3.3.4)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.3.3 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed;
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (d) for lux levels repairs or tube and lamp replacements that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per school will be assessed until the permanent repairs are completed.

(o) Communications Systems (Section 5.12.3.4.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.4.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed until the permanent repairs are completed.

(p) Fire Prevention Equipment and Fire Alarm System (Section 5.12.3.5.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.5.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$4,700 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$2,300 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed.

(q) Building Elevators (Section 5.12.3.6.4)

- (a) If the Contractor fails to release the occupants of a building elevator which has failed to operate within the time stipulated in Section 5.12.3.6.2 above, a Payment Adjustment will be assessed for each such failure at \$750 for every half-hour of delay per School.
- (b) If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.3.6.3 above, then Payment Adjustments will be assessed for each failure, as follows:
 - (i) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$4,700 per day or partial day per School will be assessed in accordance with Section 5.11.7; and

- (ii) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$1,200 per day or partial day per School will be assessed until the permanent repairs are completed.

(r) Snow and Ice Removal and Control (Section 5.12.4.1.3)

If the Contractor fails to meet the snow and ice removal obligations within the Repair Period stipulated in Section 5.12.4.1.2 above, then Payment Adjustments for each failure will be assessed as follows:

- (a) for snow and ice removal under Sections 5.12.4.1.2 subsections (a)(i), (a)(ii), (b)(i) and (b)(ii), a Payment Adjustment of \$200 per hour or partial hour of delay per School shall be assessed until the removal has been completed; and
- (b) for snow removal under Sections 5.12.4.1.2(a)(iii) and (b)(iii), a Payment Adjustment of \$400 per day or partial day per School shall be assessed until the removal has been completed.

(s) Exterior Improvements (excluding Landscaped Areas) (Section 5.12.4.2.3)

If the Contractor fails to install the temporary protection and measures or to make permanent repairs, as applicable, within the Repair Period indicated in Section 5.12.4.2.2 above, then Payment Adjustments will be assessed for each failure as follows:

- (a) for Emergency Failures that are not temporarily protected or permanently repaired, as applicable, within the Repair Period, a Payment Adjustment of \$600 per day or partial day per School will be assessed in accordance with Section 5.11.7;
- (b) for Urgent Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$400 per day or partial day per School will be assessed until the permanent repairs are completed; and
- (c) for Routine Failures that are not permanently repaired within the Repair Period, a Payment Adjustment of \$200 per day or partial day per School will be assessed until the permanent repairs are completed.

(t) Landscape Areas (Section 5.12.4.3.3)

If the Contractor fails to make the temporary protection and measures, permanent corrections or corrections within the Repair Periods indicated in Section 5.12.4.3.2 above, then a Payment Adjustment of \$400 per day or partial day per School will be assessed for each failure until the permanent repairs or corrections are completed.

(u) Specific Graffiti Removal (Section 5.12.5.2)

Upon notification to the Help Desk requesting specific Graffiti removal, the Contractor shall:

- (a) immediately, but in any event within 24 hours of notification, remove the specified Graffiti from the interior or exterior of the affected School or any Exterior Improvements. If the Contractor fails to remove the Graffiti within such Repair Period, a Payment Adjustment of \$1200 per day per School will be assessed until the Graffiti is removed; and
- (b) if the removal of the Graffiti damages the finish to the Building Element or Exterior Improvement, the damaged finish will be repaired or replaced within 60 days from the date of the removal of the Graffiti. If the Contractor fails to repair or replace the damaged finish within such Repair Period, a Payment Adjustment of \$600 per day per School will be assessed until the damaged finish is repaired or replaced.

(v) General Graffiti Removal (Section 5.12.5.3)

Upon notification to the Help Desk requesting general Graffiti removal, the Contractor shall:

- (a) within 14 days of the Help Desk notification, provide the Province with a work plan outlining the nature and extent of the work to be carried out and the proposed dates, times and duration during a School Holiday that such work will be carried out. The Province shall approve the dates proposed for such work or propose alternate dates; and
- (b) during the period agreed upon, carry out the general cleanup and removal of Graffiti from the interior or exterior of the affected School and any Exterior Improvements and the repair of any damaged finishes. If the Contractor fails to remove the Graffiti and repair any damaged finishes within this period, a Payment Adjustment of \$1200 per day per School will be assessed until the Graffiti is removed and the finishes are repaired.

(w) Repeat Failures (Section 5.12.6)

Building Performance Failures (Section 5.12.6.1)

Where two or more Building Performance Failures (whether consecutive or not) occur at the same School in any rolling six-month period during the School M&R Period and M&R Period in relation to the same type of Building Performance Failure, then:

- (a) on the second Building Performance Failure in that six-month period, the Payment Adjustment for the second Building Performance Failure will

equal the Original Payment Adjustment for the Building Performance Failure multiplied by two; and

- (b) on the third, and any subsequent, Building Performance Failure in that six-month period, the Payment Adjustment for the third, or subsequent, Building Performance Failure will equal the Original Payment Adjustment for the Building Performance Failure multiplied by four.

Service Failures (Section 5.12.6.2)

Where two or more Service Failures (whether consecutive or not) occur in any rolling six-month period during the School M&R Period and M&R Period in relation to the same type of Service Failure, then:

- (a) on the second Service Failure in that six-month period, the Payment Adjustment for the second Service Failure will equal the Original Payment Adjustment for the Service Failure multiplied by two; and
- (b) on the third, and any subsequent, Service Failure in that six-month period, the Payment Adjustment for the third, or subsequent, Service Failure will equal the Original Payment Adjustment for the Service Failure multiplied by four.

Accessibility Failures (other than School Building) (Section 5.12.6.3)

Where two or more Accessibility Failures other than to the School Building (whether consecutive or not) occur at the same School in any rolling six-month period during the School M&R Period and M&R Period in relation to the same type of Building Performance Failure, then:

- (a) on the second Accessibility Failure in that six-month period, the Payment Adjustment for the second Accessibility Failure will equal the Original Payment Adjustment for the Accessibility Failure multiplied by two; and
- (b) on the third, and any subsequent, Accessibility Failure in that six-month period, the Payment Adjustment for the third, or subsequent, Accessibility Failure will equal the Original Payment Adjustment for the Accessibility Failure multiplied by four.

Accessibility Failures – School Building (Section 5.12.6.4)

Where there are two or more occurrences (whether consecutive or not) of the same School Building being declared Inaccessible pursuant to Section 5.9.4 in any rolling six-month period during the School M&R Period and M&R Period, then:

- (a) on the second Accessibility Failure of such School Building in that six-month period the Payment Adjustment for the second Accessibility Failure of such School Building will equal the Original Payment Adjustment for the Accessibility Failure of such School Building multiplied by two; and
- (b) the third, and any subsequent, Accessibility Failure of such School Building in that six-month period shall be a potential Termination Event for the purposes of and having the consequences set out in section 16.8(1) of the DBFM Agreement.

The Province shall notify the Contractor after the first and second occurrence of noncompliance with the School Building Accessibility performance requirement in any rolling six month period.

(x) Reporting Failures (Section 5.12.7.1)

Any error or omission, including a failure to report an Accessibility Failure Payment Adjustment, a Service Failure Payment Adjustment, a Building Performance Failure Payment Adjustment, a Repeat Failure Payment Adjustment or a Reporting Failure Payment Adjustment, in the information to be provided by the Contractor under section 9.3 of the DBFM Agreement shall result in a Payment Adjustment as calculated below.

In any month in the School M&R Period and the M&R Period that a Reporting Failure is identified (regardless of when it occurred), the Contractor must:

- (a) where an Accessibility Failure Payment Adjustment, a Service Failure Payment Adjustment, a Building Performance Failure Payment Adjustment, a Repeat Failure Payment Adjustment or a Reporting Failure Payment Adjustment is not reported, record the relevant Payment Adjustment;
- (b) where a Reporting Failure, an Accessibility Failure Payment Adjustment, a Service Failure Payment Adjustment, a Building Performance Failure Payment Adjustment, a Repeat Failure Payment Adjustment or a Reporting Failure Payment Adjustment was incorrectly calculated, record the correction to be included; and
- (c) on the third, and any subsequent, Reporting Failure in any 12 month period, record a Reporting Failure Payment Adjustment of a sum equal to 50% of the relevant Payment Adjustments referred to in (a) and (b) above.

(y) Energy Management (5.12.8.1)

If the Contractor fails to provide an Energy and Water Consumption Report for each School within the time stipulated, a Payment Adjustment of \$700/day or partial day for each undelivered Energy and Water Consumption Report shall be applied until received.

2.21 Handback on Expiry Requirements (6.2)

If the Contractor fails to meet the Handback on Expiry Requirements for each School within the time stipulated in Section 6.1 of Schedule 18 (Technical Requirements), a Payment Adjustment of \$3,500 per day for each School shall be assessed until the Handback on Expiry Requirements for a School are completed.