

**SCHEDULE 18 (TECHNICAL REQUIREMENTS) – DBFO AGREEMENT  
SECTION 6 - HANDBACK ON EXPIRY REQUIREMENTS  
EXECUTION VERSION**

**TABLE OF CONTENTS**

<b>6. Handback Requirements.....</b>	<b>2</b>
6.1 General.....	2
6.2 Intentionally Deleted.....	2
6.3 Payment Adjustment.....	2
6.4 Handback Requirements.....	2
6.5 Handback Test Procedures.....	3
6.5.1 General.....	3
6.5.2 Monitoring Requirements.....	3
6.6 Handback Standards.....	3
6.7 Handback Report.....	4
6.7.1 Payment Adjustment.....	4
6.8 Handback Test Failure.....	4
6.9 Final Evaluation.....	5
6.9.1 Payment Adjustment.....	5

**SCHEDULE 18 (TECHNICAL REQUIREMENTS) – DBFO AGREEMENT  
SECTION 6 - HANDBACK ON EXPIRY REQUIREMENTS  
EXECUTION VERSION**

**6. HANDBACK REQUIREMENTS**

**6.1 GENERAL**

This Section sets forth the minimum requirements for handback of the Infrastructure at the end of the Term, including exit plans, procedures, standards, and reporting.

The Contractor shall implement the requirements of the Handback on Expiry Plan (defined in Section 3.6).

Not earlier than 180 days and not later than 90 days prior to the end of the Term of the DBFO Agreement, the Contractor shall perform and deliver all of the requirements as detailed in its Handback on Expiry Plan.

**6.2 INTENTIONALLY DELETED**

**6.3 PAYMENT ADJUSTMENT**

If the Contractor fails to perform all of the tests, procedures and handback activities set out in the Handback on Expiry Plan prior to 90 days before the end of the Term, a Payment Adjustment of \$1,000 per day shall be assessed until all of the requirements of the Handback on Expiry Plan have been implemented in full.

**6.4 HANDBACK REQUIREMENTS**

At the end of the Term the Contractor shall hand back the facilities to the Province in a condition that meets or exceeds the following requirements:

- The Infrastructure fully complies with all applicable laws and the requirements of all Governmental Authorities;
- The Infrastructure shall be in good condition and operating order, excluding Reasonable Wear and Tear, and shall not have any structural faults or defects;
- The Infrastructure shall continue to function in accordance with the Technical Requirements, and the Contractor's Designs and the Detail Designs subject to Reasonable Wear and Tear; and
- All water and wastewater treatment residuals, including those contained within the drying beds and any materials stockpiled on the site of the Barrier Lake and Sludge Drying Beds shall be disposed of off the Lands in accordance with the Residuals Management Plan.

**SCHEDULE 18 (TECHNICAL REQUIREMENTS) – DBFO AGREEMENT  
SECTION 6 - HANDBACK ON EXPIRY REQUIREMENTS  
EXECUTION VERSION**

**6.5 HANDBACK TEST PROCEDURES**

**6.5.1 General**

The Contractor shall perform and record the handback test procedures in accordance with the Handback on Expiry Plan including:

- The Annual Dependability Tests;
- The proper function of the standby power systems;
- Calibration of all permanent instrumentation (including laboratory instruments); and
- Any other tests set out in the Handback on Expiry Plan to demonstrate that the Infrastructure complies with the Technical Requirements.

The quality performance of the PWTP, the Potable Water Distribution System and the WWTP shall be demonstrated through the routine Treated Water and Treated Wastewater test results (set out in Section 5.6.2). The results of these tests shall be documented over a period of 28 consecutive days; and shall be performed and delivered not earlier than 180 days and not later than 90 days prior to the end of the Term in the format set out in the Handback on Expiry Plan.

The PWTP, the WWTP and the Potable Water Distribution System will be deemed to have passed the handback tests if the results for every parameter comply with the Technical Requirements and the test standards and criteria identified in the Handback on Expiry Plan and in accordance with the Contractor's Designs and the Detailed Designs, and all components and systems operate successfully throughout the tests in automatic control without any Unplanned Maintenance or other unplanned operator intervention.

**6.5.2 Monitoring Requirements**

All Raw Water, Treated Water and Treated Wastewater sampling and analysis carried out during the handback tests shall be carried out in accordance with the procedures set out in the Water and Wastewater Sampling and Analysis Plan. Duplicates of all of the Raw Water, the Treated Water and the Treated Wastewater samples taken during the test shall be provided to the Province for independent analysis if so required.

**6.6 HANDBACK STANDARDS**

The ability of the Infrastructure to meet the Technical Requirements shall be demonstrated during handback testing, including demonstration of the following:

- The facilities operate properly with only the normal complement of employees included in the Staffing and Training Plan, with the exception of additional Contractor staffing deployed specifically to perform the handback test activities;

**SCHEDULE 18 (TECHNICAL REQUIREMENTS) – DBFO AGREEMENT  
SECTION 6 - HANDBACK ON EXPIRY REQUIREMENTS  
EXECUTION VERSION**

- The Infrastructure complies with the Infrastructure Licenses and the requirements of all Governmental Authorities at all times;
- The O&M is consistent with the DBFO Agreement standards throughout; and
- The facilities operate properly in automatic control, including automatic shut-down and startup of equipment as intended in the Contractor's Designs and the Detailed Designs.

**6.7 HANDBACK REPORT**

The handback report(s) shall be prepared in accordance with the Handback on Expiry Plan and the handback test procedures set out therein and shall include at a minimum:

- A certification that testing was conducted in accordance with the accepted handback test procedures and standards;
- A certification of the results of the testing with respect to each of the handback test procedures and standards, each of which shall be addressed separately and the basis for the determination presented; this certification of results of the testing shall include a determination of the extent to which the facilities comply with the applicable performance requirements;
- All data measured and recorded during the handback tests including laboratory analyses, instrument calibrations, and measurement;
- All calculations used in determining test results;
- Record of equipment outages, failures, and preventative maintenance performed during the handback tests;
- Call Centre records for the period of the handback tests; and
- Any other data reasonably requested by the Province to be included in the report.

All certifications shall be signed and sealed by the Contractor's Engineer of Record.

**6.7.1 Payment Adjustment**

If the Contractor fails to submit and secure the Province's approval, acting reasonably, of the handback report(s) prior to 90 days before the end of the Term, then a Payment Adjustment of \$1,000 per day or partial day shall be assessed until the completed report is approved by the Province.

**6.8 HANDBACK TEST FAILURE**

Any failure to meet handback test procedures and standards during the handback testing shall require the failed handback test to be repeated. Failure to continuously demonstrate the handback

**SCHEDULE 18 (TECHNICAL REQUIREMENTS) – DBFO AGREEMENT  
SECTION 6 - HANDBACK ON EXPIRY REQUIREMENTS  
EXECUTION VERSION**

test procedures and standards during the period of the handback tests shall constitute a failure of the handback test. Any failure of a handback test shall require: (i) correction of those components or conditions that resulted in the failure; and (ii) performance of a repeat of the handback test after proper notification is provided to the Province.

## **6.9 FINAL EVALUATION**

Before the end of the Term, the Contractor must provide the Province with a full set of asset management data including but not be limited to the following:

- Up to date asset inventory;
- Complete set of asset performance data of the Infrastructure;
- Complete CMMS records of repair, renewal and replacement for the Infrastructure;
- Current asset condition status;
- Current spares inventory status;
- The Contractor's current asset predictive and preventive maintenance programs; and
- An updated list of recommended spare parts requirements at the end of the Term.

### **6.9.1 Payment Adjustment**

If the Contractor's asset spares inventory is incomplete, evaluated against the recommended spares list set out in the O&M Manuals, then a Payment Adjustment of \$500 per day or partial day shall be assessed until the spares inventory is made good.

If the Contractor fails to submit the full set of asset management data listed in Section 6.9 then a Payment Adjustment of \$500 per day or partial day shall be assessed until the complete asset management data is submitted to the Province.