

INFORMATION TECHNOLOGY & MANAGEMENT CONSULTING PROFESSIONAL SERVICES AGREEMENT



For Administrative Purposes Only

Ministry Contract No.: 2013-14-1000014554

Requisition No.: n/a

Solicitation No.: RFP2013-06-21 for a SME in Supply

Chain & Logistics Management

Commodity Code: n/a

Contractor Information

Supplier Name: Sedlak Management Consultants, Inc.

Supplier No.: 115102

Contact: Patrick S. Sedlak

Telephone No.: (216) 206-4718

E-mail Address: PSedlak@jasedlak.com

Website: <http://www.jasedlak.com/>

Administrator:

Contact: Ken McDonnell

Telephone No.: (604) 252-3129

E-mail Address: Ken.McDonnell@BCLBD.com

Website: <http://www.bcls.com>

Financial Information:

All invoices **MUST** show Ministry Contract #2013-14-1000014554. Your co-operation will help expedite your payment and not delay it by returning the invoice for proper information.

TABLE OF CONTENTS

No.	Heading	Page
1.	Definitions	1
1.1	General.....	1
1.2	Meaning of "record"	1
2.	Services	2
2.1	Provision of services	2
2.2	Term	2
2.3	Supply of various items.....	2
2.4	Standard of care.....	2
2.5	Standards in relation to persons performing Services	2
2.6	Instructions by Province.....	2
2.7	Confirmation of non-written instructions.....	2
2.8	Effectiveness of non-written instructions.....	2
2.9	Applicable Laws	2
3.	Payment	3
3.1	Fees and expenses	3
3.2	Statements of accounts.....	3
3.3	Withholding of amounts	3
3.4	Appropriation	3
3.5	Currency	3
3.6	Non-resident income tax	3
3.7	Prohibition against committing money.....	3
3.8	Refunds of taxes.....	3
4.	Representations and Warranties	4
5.	Privacy, Security and Confidentiality	4
5.1	Privacy	4
5.2	Security	4
5.3	Confidentiality	4
5.4	Public announcements.....	5
5.5	Restrictions on promotion.....	5
6.	Material and Intellectual Property	5
6.1	Access to Material.....	5
6.2	Ownership and delivery of Material	5
6.3	Matters respecting intellectual property	5
6.4	Rights in relation to Incorporated Material	5
6.5	Right of Province to negotiate license of Produced Material	5
7.	Records and Report	6
7.1	Work reporting	6
7.2	Time and expense records.....	6
8.	Audit	6

9. Indemnity and Insurance	6
9.1 Indemnity	6
9.2 Monetary limitations of indemnity	6
9.3 Exceptions to monetary limitations	6
9.4 Province to notify Contractor of Loss	6
9.5 Third-party intellectual property infringement claims	7
9.6 Insurance	7
9.7 Workers compensation	7
9.8 Personal optional protection	7
9.9 Evidence of coverage	7
10. Force Majeure	7
10.1 Definitions relating to force majeure	7
10.2 Consequence of Event of Force Majeure	8
10.3 Duties of Affected Party	8
11. Default and Termination	8
11.1 Definitions relating to default and termination	8
11.2 Province's options on default	8
11.3 Delay not a waiver	9
11.4 Province's right to terminate other than for default	9
11.5 Payment consequences of termination	9
11.6 Discharge of liability	9
11.7 Notice in relation to Events of Default	9
12. Dispute Resolution	9
12.1 Dispute resolution process	9
12.2 Location of arbitration or mediation	10
12.3 Costs of arbitration or mediation	10
13. Miscellaneous	10
13.1 Delivery of notices	10
13.2 Change of address or fax number	10
13.3 Assignment	10
13.4 Subcontracting	10
13.5 Waiver	10
13.6 Modifications	11
13.7 Entire agreement	11
13.8 Survival of certain provisions	11
13.9 Schedules	11
13.10 Independent contractor	11
13.11 Personnel not to be employees of Province	11
13.12 Key Personnel	11
13.13 Pertinent Information	11
13.14 Conflict of interest	11
13.15 Time	12
13.16 Conflicts among provisions	12
13.17 Agreement not permit nor fetter	12
13.18 Remainder not affected by invalidity	12
13.19 Further assurances	12
13.20 Additional terms	12
13.21 Governing law	12

14. Interpretation	12
15. Execution and Delivery of Agreement	13

SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable
- Part 2 - Fees
- Part 3 - Expenses
- Part 4 - Statements of Account
- Part 5 - Payments Due

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

SCHEDULE H – DISBURSEMENTS

THIS AGREEMENT is dated for reference the 13th day of September, 2013.

BETWEEN:

SEDLAK MANAGEMENT CONSULTANTS, INC. (the "Contractor") with the following specified address and fax number:

Metropolitan Plaza
22901 Millcreek Blvd., Suite 600
Highland Hills, OH 44122 USA
Fax: (216) 206-4848

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the General Manager of the LIQUOR DISTRIBUTION BRANCH (the "Province" or "BCLDB") with the following specified address and fax number:

2625 Rupert Street
Vancouver, BC V5M 3T5
Fax: (604) 252-3381

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means any material in existence prior to the start of the Term or developed independently of this Agreement, and that is incorporated or embedded in the Produced Material by the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill, and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:

- (a) the fees described in that Schedule, plus any applicable taxes; and

- (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services.

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must apply for and, immediately on receipt, remit to the Province any available refund, rebate or remission of federal or provincial tax or duty that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement.

4 REPRESENTATIONS AND WARRANTIES

- 4.1 As at the date this Agreement is executed and delivered by, or behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
(i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any

- competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
- (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable the Contractor to fully perform the Services, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
- (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
- (c) if it is information in any Incorporated Material.

Public announcements

5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor, must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and this Agreement does not require or authorize the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:

- (a) Received Material that the Contractor receives from the Province; and
- (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material; and
 - (b) the right to sublicense to third-parties the right to use, reproduce, modify and distribute that Incorporated Material.

Right of Province to negotiate license of Produced Material

- 6.5 After the end of the Term, the Province in its sole discretion, may negotiate with the Contractor to provide the Contractor a license (which may be exclusive or non-exclusive) for the Contractor to use, reproduce, modify or distribute some or all of the Produced Material.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement (each a "Loss"), excepting always liability arising out of the independent acts or omissions of the Province and the Province's employees and agents.

Monetary limitations of indemnity

- 9.2 The indemnification by the Contractor pursuant to section 9.1 is limited to:
- (a) \$2,000,000 per Loss; and
 - (b) \$4,000,000 in the aggregate for all Losses.

Exceptions to monetary limitations

- 9.3 The limitations set out in section 9.2 do not apply to a Loss resulting from any of the following:
- (a) bodily injury or damage to real property or tangible personal property;
 - (b) a claim of infringement of third-party intellectual property rights; or
 - (c) a breach of section 5.1, 5.2, 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

- 9.4 To claim indemnification for a Loss pursuant to section 9.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss provided that a failure by the Province to provide such notification will not invalidate the claim unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

- 9.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,
- (a) then the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
 - (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

- 9.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.8 The Contractor must apply and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Coordinator's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.7 and 9.8.

10 FORCE MAJEURE

Definitions relating to force majeure

- 10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

- 10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

- 10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

- 11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
 - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
 - (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Vancouver, British Columbia.

Costs of arbitration or mediation

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of an arbitration or mediation under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights under this Agreement without the Province's prior written consent.

Subcontracting

- 13.4. The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.5, 7.1, 7.2, 8.1, 9.1 to 9.6, 9.9, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

- 13.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a conflict of interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement.

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and

- (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

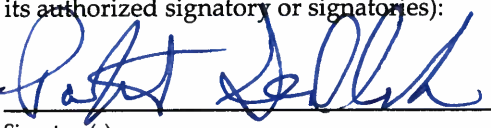
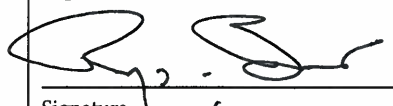
14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

- 15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>8</u> day of October ^{November}, 2013 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>Signature(s)</p> <p><u>Patrick SADOUK</u></p> <p>Print Name(s)</p> <p><u>Principal</u></p> <p>Print Title(s)</p>	<p>SIGNED on the <u>13th</u> day of October ^{November}, 2013 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>Signature</p> <p><u>Al Shariff / Roger Bissonnette</u></p> <p>Print Name</p> <p><u>Director, Finance Administration</u> <u>CFO.</u></p> <p>Print Title</p>
--	---

Schedule A – Services

PART 1. TERM:

1. Subject to section 2 of this Part 1, the term of this Agreement commences on October 28th, 2013 and ends on October 27th, 2015.
2. Options: up to four (4), six (6) month options to extend at the sole discretion of the BCLDB. The BCLDB retains the right to negotiate further extensions of the Term with the Contractor, if required.

PART 2. SERVICES:

1. Background

The BCLDB is planning to relocate its main Vancouver Distribution Centre ("VDC") from the current location on 3200 East Broadway to a new location in the Metro Vancouver British Columbia area. The Contractor must provide Subject Matter Expertise ("SME") in Supply Chain & Logistics Management to assist the BCLDB with several key project activities, including but not limited to:

- (a) Identifying, clarifying and documenting the requirements for the new Distribution Centre ("DC") (physical space and characteristics to meet distribution goals as well as corporate goals) in determining requirements for a new DC facility, to assist the BCLDB in determining its requirements for DC technology solutions which must allow the BCLDB realize the full potential of a new DC facility that will evolve and improve efficiencies in DC Operations, and also make recommendations on the optimal location of the facility;
- (b) Translating current business volume into a ten (10) year projection, accounting for growth and other potential business changes;
- (c) Site selection and alternatives comparison for the new DC must take into account transportation accessibility, energy efficiency, and environmentally sound business practices such as cardboard and packaging materials recycling;
- (d) Identification of DC Operations best practices that can be incorporated into the new DC;
- (e) Identification, assessment and recommendations for material handling solutions and automation that would enhance/improve DC operations and efficiency;
- (f) Facility layout and flow recommendations and conceptual design;
- (g) Facility organization and staffing recommendations;
- (h) Systems requirements and solution options to properly enable the new DC, including but not limited to:
 - Warehouse Management System ("WMS"),
 - Forecasting & Demand Planning Solution – for the DC replenishment initially but must be able to scale to handle the entire demand chain including store replenishment and support the wholesale business,
 - Labour Management Solution ("LMS"),
 - Warehouse Control System ("WCS") – depending on automation recommendations,
 - Transportation Management System ("TMS"); and
- (i) Detailed design and implementation of the new facility.

2. Outputs

- (a) The Project will be a three (3) phased approach consisting of:
 - (i) Phase One: Conceptual Design
Business & Operational Assessment, Requirements Definition, Analysis & Conceptual Design
 - (ii) Phase Two: Detailed Design

Site Selection & Acquisition, Detailed facility Design & Systems Enablement Recommendations

(iii) Phase Three: Implementation

Facility Construction / Renovation, Material Handling Equipment ("MHE") Acquisition, Information Systems ("IS") Acquisition, Installation & Rollout

- (b) The Contractor must provide a Conceptual Design for the Project, Phase One, and shall focus on detailed requirements definition, conceptual facility design and site selection strategy. This must be accomplished through a series of structured activities, observations, analyses and interviews.
- (c) Phase One must consist of the following:
- (i) Task 0. Project Planning and Data Request;
 - (ii) Task 1. Key Stakeholder Interviews;
 - (iii) Task 2. Current Facility Observation and Documentation;
 - (iv) Task 3. Store Site Visits;
 - (v) Task 4. Growth Projections for three (3), five (5), and ten (10) Years;
 - (vi) Task 5. Conceptual Material Handling Solution and Facility Automation Recommendations;
 - (vii) Task 6. IT Decision Support System Requirements;
 - (viii) Task 7. Conceptual Site Selection;
 - (ix) Task 8. Conceptual Operating Model Development;
 - (x) Task 9. Conceptual Facility Design; and
 - (xi) Task 10. Phase One Summary Report and Phase Two Preliminary Plan.

Prior to delivering Tasks 1 to 10, the Contractor must deliver the following:

(d) Task 0. Project Planning and Data Request

- (i) Prior to arriving on site, the Contractor must outline specific historical and projected data requirements that will serve as the foundation for the analyses and evaluations that follow. As the effort progresses, additional information may be required. Types of information requested may include but are not limited to:
 - (a) Average and peak orders/day;
 - (b) Average and peak lines/order
 - (c) Average and peak pieces/line;
 - (d) Projected sales over the planning horizon in units;
 - (e) Units/carton;
 - (f) SKUs/month by category (spirits, wine, beer, etc.);
 - (g) SKU velocity by category;
 - (h) Shipments per day – average and peak trucks, cartons, and units;
 - (i) VDC layout (preferably in AutoCAD);
 - (j) Direct labour in full time employees ("FTEs"); and
 - (k) Hourly wages and benefits, overtime, temporary support, etc.
- (ii) During Project initiation, the Contractor must schedule site visits, interviews and review workshops. The Contractor must schedule a Project kick-off meeting with the BCLDB Project team. The goals of the Project kick-off meeting are to define roles and responsibilities of each team member, establish lines of communication and determine the most efficient approach for gathering additional data.

The Contractor must deliver the following in a sixteen (16) week period:

(e) Task 1. Key Stakeholder Interviews

- (i) The Contractor must spend time interviewing key BCLDB management team members to collect insights on strategic priorities and imperatives. These discussions must focus on growth projections and strategies, industry trends and any acquisition/divestiture plans. The outputs from these discussions must be compared, contrasted and aggregated to understand the key drivers behind the BCLDB facility design. In addition, the Contractor must utilize these outputs to identify any discrepancies among the management team to ensure executive alignment. The BCLDB must make available to the Contractor key BCLDB management team members.
- (f) Task 2. Current Facility Observation and Documentation
 - (i) The Contractor must spend adequate time in the current VDC to fully understand the scope and breadth of operations that need to be incorporated into the new Distribution Centre ("DC") as well as a detailed baseline assessment of current costs and service levels for the current VDC. During the facility observation, the Contractor must review pre-receiving, receiving, product inspection, product staging and put away, letdown and efficiency transactions, order selection and picking, packing and shipment prep, outbound staging, transportation planning, shipping, inventory control and cycle counting, inventory reconciliation, returns processing and product disposition, recycling programs and general housekeeping processes. The Contractor must document all current material handling solutions and information technology ("IT") decision support tools (forecasting, demand planning, WMS, WCS, TMS, LMS, etc.) currently being utilized.
 - (ii) As part of this activity, the Contractor must "staple-themselves" to receipts, orders, transfers, change orders, shipping documents and any other relevant transactions to better understand and document operational requirements. A summary of the design criteria, product-handling characteristics, order profiles and operations procedures must be formulated and validated. All data must be reviewed with BCLDB management for concurrence prior to proceeding. This review must include concepts to be considered in the next step, providing BCLDB critical insight into the direction and flow of the analysis.
- (g) Task 3. Store Site Visits
 - (i) The Contractor must understand current store operations and their operational needs and incorporate them into the new DC design. The Contractor, in collaboration with BCLDB team members, must conduct between six (6) and eight (8) retail store site visits to observe, document and review current store operations processes, infrastructure and operational requirements. These stores should embody the best and the worst of the BCLDB retail footprint, and include representatives from the wholesale client base. The specific stores to be visited will be determined during project initiation.
- (h) Task 4. Growth Projections for three (3), five (5), and ten (10) Years
 - (i) The Contractor must utilize the inputs from the pre-project data collection, management interviews, historical data analysis and industry trends, to calculate three (3), five (5), and ten (10) year growth projections to be employed in developing the conceptual facility design, as well as assessing future material handling, staffing and transportation requirements. These projections must be reviewed with BCLDB management and any necessary revisions must be made and documented.
- (i) Task 5. Conceptual Material Handling Solution and Facility Automation Recommendations
 - (i) Based on the previous activities, the Contractor must identify, evaluate and document recommendations for potential improvements in material handling equipment and automation that could be incorporated into the new facility. This could include, but is not limited to, racking/shelving types and configurations, lift trucks, pallet jacks, motorized conveyors, sorters, in-line scanners, labeling equipment, diverters, automated guided vehicles ("AGVs"), automated storage and retrieval system ("ASRS") applications, etc. The various solutions must be vetted based on applicability, feasibility, cost and impact. The Contractor must review this with BCLDB management, make necessary refinements, and include final selections in the facility requirements.
- (j) Task 6. IT Decision Support System Requirements
 - (i) Following the review of the current systems architecture and applications, the Contractor must identify the processes and activities that would benefit from improved decision support systems and applications. These may include a Warehouse Management System ("WMS"), Forecasting &

Demand Planning tools, Transportation Management System ("TMS"), Labour Management System (if not included with the WMS), Radio Frequency ("RF") and paperless transactions, radio frequency identification ("RFID") applications, Warehouse Control System ("WCS") and, depending on the level of automation required, Yard Management System ("YMS"), Fleet Mobility applications, etc. During this activity, the Contractor must identify the required systems and tools, document the requirements for the specific systems and applications and prepare a preliminary list of potential solution providers.

(k) Task 7. Conceptual Site Selection

- (i) The Contractor must document and develop a set of site selection criteria to screen potential sites for the new facility. The screening criteria could include cost, proximity to customers, access to highways, necessary site prep or renovation required, power requirements, drainage, access to parking, staffing forecasts, "green" opportunities and others as determined by the Contractor and BCLDB. The Contractor must identify potential industrial and commercial properties that might be suitable sites, including existing industrial parks, pre-existing warehouse facilities and suitable plots of land. The list of potential sites must include cost estimates for the various location options. Based on available buildings/properties, the site selection analysis must include recommendations on new construction, building purchase or building lease.
- (ii) As the Project progresses, this conceptual site selection may have a significant impact on the conceptual design, so the purpose in this activity is to jump-start the site selection process, eliminate any sites that fail to meet the screening criteria and accelerate the Project timeline. The Contractor must seek the assistance of the Province and the BCLDB's real estate broker for this task.

(l) Task 8. Conceptual Operating Model Development

- (i) Utilizing the requirements that have been defined during the previous activities and the Contractor's understanding of leading practices, the Contractor must develop the future state operating model for BCLDB's new Distribution Centre.
- (ii) The operating model must include recommended primary process flows for all key activities and transactions, refined product flows utilizing recommended material handling solutions and automation, revised organization and staffing structure to support the recommended operations, recommended systems and application architecture to support future state operations, and the Key Performance Indicators ("KPIs") and associated metrics that will be utilized to manage and continuously improve the new DC.

(m) Task 9. Conceptual Facility Design

- (i) Utilizing all of the inputs, analyses and recommendations from the previous activities, the Contractor must generate a recommended conceptual facility design for the new BCLDB Distribution Centre. The design must include AutoCAD drawings and descriptions of the recommended facility. To develop the optimal operational methodology and associated material handling/storage equipment and facility layouts, the Contractor must deliver the following:
 1. Building requirements (building size, clear height(s), etc.) and proposed modifications, if required, must be documented;
 2. Physical space and characteristic requirements (e.g. power requirements, dock doors, office space, and refrigeration) for each functional area must be determined along with their respective material handling and storage concepts;
 3. Material flow and interdependencies of each functional area must be evaluated to derive the best-fit solution to meet BCLDB objectives;
 4. AutoCAD layouts must be developed depicting the selected concepts and proposed facility layouts;
 5. Direct labour requirements for the proposed operation must be quantified by functional activity; and
 6. Total Project economics must be estimated for equipment, process control systems and labor costs.
- (ii) The Contractor must ensure the BCLDB is in full agreement that the design solutions meet BCLDB's future business needs and corporate goals.

(n) **Task 10.** Phase One Summary Report and Phase Two Preliminary Plan

- (i) Upon conclusion of this effort, a detailed action list must be developed and presented in a Phase One Executive Summary Report. The list must contain a description of the areas assessed, followed by an implementation plan. As detailed in Tasks one (1) to five (5), the Contractor's action list must address the following:
 - 1. Refined BCLDB DC operating model;
 - 2. Improvements to the existing distribution/fulfillment operations identifying any new material handling equipment and product flow;
 - 3. Description of operations for the proposed systems and processes, including product flow and throughput capacities;
 - 4. Layouts for the optimum facility layout, depicting all functional areas and material handling equipment concepts;
 - 5. Listing of store operations improvements and retrofitting;
 - 6. High-level definition of information system requirements needed to support the system design;
 - 7. Capital investment estimates for all items above including store improvements, labor, material handling equipment and IT systems;
 - 8. Cost estimates including but not limited to:
 - a. Forecast (on-going) expenses for new facilities;
 - b. Estimated relocation expense including but not limited to: move-out, build-out, severance, recruit, training, etc.;
 - c. Other one-time expenses (consultants, engineering, meetings, communications, etc.);
 - d. Estimated Asset/Equipment investment required;
 - e. Estimated infrastructure expense;
 - f. Other identified costs; and
 - 9. A transitional Project plan/schedule for the execution and implementation of the Contractor's recommendations including the Contractor's approach to change management, with defined project milestones and critical path activities for each stage of the project.

3. Inputs

(a) The Contractor must have the following expert knowledge in:

- (i) Distribution Centre operations;
- (ii) Large-scale distribution start-ups / re-locations;
- (iii) Supply chain;
- (iv) Warehouse management systems;
- (v) Transportation management systems;
- (vi) Distribution Centre automation;
- (vii) Retail, wholesale and distribution businesses, particularly beverage and/or grocery;
- (viii) Projects of a similarly complex nature involving facilities, distribution and infrastructure technology systems; and
- (ix) Organizational change management.

(b) The Contractor must possess the following:

- (i) excellent communication skills, both oral and written;
- (ii) the ability to work with all levels within the organization;
- (iii) strong ability to work in a team environment;
- (iv) knowledge of the beverage alcohol industry;

- (v) experience with government organizations; and
- (vi) an understanding of British Columbian and Canadian laws, business practices, etc.

Risk Identification/Management

(c) The Contractor must:

- (i) Identify Project requirements and gain consensus on Project deliverables at the beginning of the Project;
- (ii) Developing a detailed transition plan;
- (iii) Understand BCLDB's philosophies and culture as they relate to customer service, work force training requirements, integrating to existing systems and management reporting;
- (iv) Coordinate with other corporate projects and initiatives;
- (v) Support active Project participation from the BCLDB Project team to mitigating risk. Of key importance:
 1. Maintaining a dedicated, core and supporting Project team with senior management sponsorship;
 2. Consensus regarding scope, objectives, scenario alternatives and work plan; and
 3. Management representation with decision-making authority in the functional areas of customer service, finance, merchandising, operations, information systems, inventory control, engineering, training and human resources.
- (vi) Support open communication channels via frequent update meetings or conference calls;
- (vii) Conduct supplemental executive review sessions regularly;
- (viii) Monitor Project schedules, distribute weekly status reports and open issues documents, and keep activities focused on objectives; and
- (ix) Maintain relevant Project documents accessible through a centralized website – status reports, open issues lists, design documentation, interface specification and WCS controls descriptions.

Cost Management

(d) The Contractor must provide:

- (i) A well-documented scope and objectives;
- (ii) A detailed transition plan;
- (iii) An accurate definition of product characteristics and material handling requirements;
- (iv) Monitoring of processes with respect to objectives and schedules; and
- (v) Vendor communication and compliance.

With regard to this final bullet point, as the Project moves forward into subsequent phases of the Project work streams, the Contractor must collect, review and approve/disapprove invoices, and forward approved invoices to BCLDB's Project Manager for payment. The Contractor must also establish and maintain a cost-tracking system for the Project, which must include regular reporting comparing actual costs to budgeted costs, along with explanations of any deviations.

Change Order Management

- (e) Change orders can be minimized by using the Contractor's process for effective detailed requirements definition and project planning. As the Project moves forward to vendor selection and implementation, the Contractor must clarify the statement of work so that the scope and benefits are clearly understood by the vendors and client organizations, and conduct a pre-analysis of change requests to make recommendations to the BCLDB Project management team to approve or reject the change request.

4. Outcomes

Through the delivery of the Services the Province wishes to realize the following outcomes and, without limiting the obligation of the Contractor to comply with other provisions of this Part, the Contractor must use commercially reasonable efforts to achieve them:

- (a) Assist the BCLDB in determining and documenting the requirements for a new DC facility taking into account the volume of business currently handled and including the anticipated changes over the next decade;
- (b) Provide advice and make recommendations on the optimal location of the new facility by taking into account ease of transportation access, energy efficiency, and environmentally sound business practices and support programs such as cardboard and packaging materials recycling;
- (c) Provide advice and make recommendations on best practices in DC operations, on appropriate levels of DC automation and in determining requirements for DC technology solutions that will allow Distribution to evolve and improve efficiencies in BCLDBs' DC Operations, Transportation and Logistics; and including, but not limited to;
- (d) Provide advice and assist the BCLDB in determining its requirements for a Demand Planning solution, which must meet the needs of Distribution Centre replenishment initially but must be able to scale to handle the entire demand chain including store replenishment and support the wholesale business.

5. Reporting requirements

- (a) Project schedules;
- (b) Weekly status reports;
- (c) Open issues documents;
- (d) Phase One Summary Report; and
- (e) Phase Two Preliminary Plan.

PART 3. RELATED DOCUMENTATION:

- 1. Not applicable.

PART 4. KEY PERSONNEL:

- 1. The Key Personnel of the Contractor are as follows:
 - (a) Patrick S. Sedlak - Project Executive
 - (b) George Swartz - Distribution SME

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$350,000.00 CAD is the maximum amount which the Province is obliged to pay to the Contractor for fees (exclusive of applicable taxes) and expenses under this Agreement.

2. FEES:

Flat Rate

Fees: \$288,187.00 CAD for performing the Services during the Term.

3. EXPENSES:

Expenses: Refer to Schedule H – Disbursements.

4. STATEMENTS OF ACCOUNT:

Statement of Account: In order to obtain payment of any fees and expenses under this Agreement, the Contractor must deliver to the Province at the end of the Term or, if the Contractor completes the Services before that time, on the completion of the Services, a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement;
- (c) the Contractor's calculation of all fees claimed under this Agreement, including a declaration that the Services for which the Contractor claims fees have been completed;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor with receipts attached, if applicable;
- (e) the Contractor's calculation of all applicable taxes payable by the Province in relation to the Services;
- (f) a description of this Agreement to which the statement relates;
- (g) a statement number for identification, Ministry Contract #2013-14-1000014554; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of our receipt of your written statement of account delivered in accordance with this Schedule, we must pay you the fees (plus all applicable taxes) and expenses, claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by us as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Not applicable.

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) “**access**” means disclosure by the provision of access;
 - (b) “**Act**” means the *Freedom of Information and Protection of Privacy Act*;
 - (c) “**contact information**” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) “**personal information**” means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

Accuracy of personal information

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the

name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
- (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
- (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.
22. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

24. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

1. If BCLDB is not satisfied with any portion of the Services provided by the Contractor, the Contractor must deploy the resources necessary to fully meet BCLDB's expectations. If BCLDB is still not satisfied, the Contractor must refund the fees associated with any component of the services deemed unsatisfactory.

Schedule G – Security Schedule

Definitions

1. In this Schedule,
 - (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
 - (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
 - (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
 - (d) "Record" means a "record" as defined in the *Interpretation Act*;
 - (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6, if attached; and
 - (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligation in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and
 - (b) other matters specified by the Province in writing for the purposes of this section.

6. The Records described in section 5 must be made and maintained in a manner, and contain information, specified in Appendix G2, if attached.

Facilities and Equipment protection and access control

7. The Contractor must create, maintain and follow a documented process to:
 - (a) protect Facilities and Equipment of the Contractor required by the Contractor to provide the Services from loss, damage or any other occurrence that may result in any of those Facilities and Equipment being unavailable when required to provide the Services; and
 - (b) limit access to Facilities and Equipment of the Contractor
 - (i) being used by the Contractor to provide the Services, or
 - (ii) that may be used by someone to access Information

to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons.
8. If the Province makes available to the Contractor any Facilities or Equipment of the Province for the use of the Contractor in providing the Services, the Contractor must comply with any policies and procedures provided to it by the Province on acceptable use, protection of, and access to, such Facilities or Equipment.

Sensitive Information access control

9. The Contractor must:
 - (a) create, maintain and follow a documented process for limiting access to Sensitive Information to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons; and
 - (b) comply with the information access control requirements set out in Appendix G3, if attached.

Integrity of Information

10. The Contractor must:
 - (a) create, maintain and follow a documented process for maintaining the integrity of Information while possessed or accessed by the Contractor; and
 - (b) comply with the information integrity requirements set out in Appendix G4, if attached.
11. For the purposes of section 10, maintaining the integrity of Information means that, except to the extent expressly authorized by the Agreement or approved in writing by the Province, the Information has:
 - (a) remained as complete as when it was acquired or accessed by the Contractor; and
 - (b) not been altered in any material respect.

Documentation of changes to processes

12. The Contractor must create and maintain detailed Records logging any changes it makes to the processes described in sections 7, 9 and 10.

Notice of security breaches

13. If Contractor becomes aware that:
 - (a) unauthorized access, collection, use, disclosure, alteration or disposal of Information or Records containing Information; or

- (b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:

- (a) any Records in the possession of the Contractor containing Information; or
- (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
- (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.

20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of “primary identification” of the Services Worker and at least one piece of “secondary identification” of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none"> • B.C. driver’s licence or learner’s licence (must have photo) • B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none"> • Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none"> • Canadian Citizenship Card • Permanent Resident Card • Canadian Record of Landing/Canadian Immigration Identification Record 	<ul style="list-style-type: none"> • School ID card (student card) • Bank card (only if holder’s name is on card) • Credit card (only if holder’s name is on card) • Passport • Foreign birth certificate (a baptismal certificate is not acceptable) • Canadian or U.S. driver’s licence • Naturalization certificate • Canadian Forces identification • Police identification • Foreign Affairs Canada or consular identification • Vehicle registration (only if owner’s signature is shown) • Picture employee ID card • Firearms Acquisition Certificate • Social Insurance Card (only if has signature strip) • B.C. CareCard • Native Status Card • Parole Certificate ID • Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant

employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.

Criminal history check

5. The Contractor must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

Schedule H – Disbursements

1. The BCLDB shall reimburse the Contractor at cost for only and any of the following disbursements, providing the disbursements is, in the opinion of the BCLDB properly incurred by the Contractor in the performance of its duties under this Agreement (hereinafter referred to as the "disbursement").
 1. reasonable living and travelling expenses of the Contractor when on business when so requested and approved by the BCLDB as outlined below;
 2. long distance telephone, courier cost, postage and other identifiable communication expenses;
 3. cost, at standard commercial rates, of typing, reproduction, collating, binding and so forth of drawings, reports, data sheets and similar material directly required for the project; and
 4. cost of special equipment and supplies required specifically for the assignment which would not be required for other assignments.

TRAVEL EXPENDITURE GUIDELINES (in Canadian Funds)

2. First and Business Class Travel is not acceptable.
3. Maximum expenditure permitted for overnight accommodation – refer to the Government Approved Accommodation Listing table (link provided below). Government rate must be requested at time of booking and claimed for reimbursement. A reasonable amount, as determined by the BCLDB's General Manager, will be allowed for out-of-province accommodation.
<http://pss.gov.bc.ca/csa/categories/accommodation/search/>
4. The BCLDB's General Manager's approval is required for hospitality expenses. Entertainment of the BCLDB's employees is not allowed as a claimable expense.
5. The Contractor shall be reimbursed for meals and incidentals on a per diem rate, presently \$48.00 (GST inclusive). The per diem includes incidentals such as portage, and other gratuities. Entitlement to the per diem allowance necessitates that the Contractor shall be on "Travel Status" i.e. more than 32 KMS from usual headquarters. A "Day" is considered to be 7 a.m. to 6 p.m. Where less than per diem Travel allowance of \$48.00 is claimed due to travel status being for a partial day, the claim shall be submitted with the following deductions from the per diem allowance for all meals not taken on travel status.

Breakfast \$11.75, Lunch \$13.50, Dinner \$22.75
6. Claims for use of a personal automobile will be allowed at a rate of \$0.52 per kilometre (GST inclusive) throughout the Province. Receipts must accompany all claims for parking.
7. We expect to receive documents justifying claims for reimbursement (other than per diem allowances). Claims requiring documentation would include:
 - Hotels, Air Travel, Automobile rental, Airport or Hotel parking, Hospitality expenses (a list of guests and reason for hospitality should be given). Other expenditures which may be necessary such as stationery and supplies would require presentation of a receipt.