



Burlington **hydro** *inc.*

BURLINGTON HYDRO INC.

2019 NEW GIS SYSTEM

RFP

CLOSING DATE: 1500hrs EDT, Monday August 19, 2019

BURLINGTON HYDRO INC.

1340 BRANT STREET

BURLINGTON

ONTARIO

L7R 3Z7

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General Conditions

Sealed RFP 2019 New GIS System, as described herein, addressed to the Chair, c/o [REDACTED] Purchasing Manager, will be received until 1500hrs EDT, Monday August 19, 2019. **Late** or **unsealed** RFP submissions will be returned unopened, with **no** exemptions. Please note, electronic submissions (email) will **not** be accepted.

All index and reference numbers, either in the pricing, Plans, Drawings, Specifications, General Conditions or Index are given for the convenience of the vendor, and such must be taken only as a general guide to the items referred to. It must not be assumed that such numbering is the only reference to each item, but the plans and specifications as a whole must be fully read in detail for each item.

PRICING SCHEDULE

All submissions must be completed upon the pricing schedule (section 3.2), contained herein and shall give the price for each item proposed and be signed by the bidder, with his business address fully outlined therein. The submission must be verified by the Statutory Declaration of the party or parties making the submission that all matters stated herein are in all respects true. All pricing must be FOB site destination – Burlington.

DUE DILIGENCE

Due Diligence documentation form parts of this agreement. The successful vendor must and agrees to provide Burlington Hydro Inc. with updated Certificates of Qualification, Insurance and WSIB Certificates of Clearance throughout the year prior to expiration dates automatically and routinely.

SUB CONTRACTORS

The names of all sub-contractors performing work (where applicable) must be submitted in writing and must be qualified by Burlington Hydro. Any change of sub-contractor **must** be specifically approved by Burlington Hydro Inc.

ANTI-KICKBACK/ANTI-BRIBERY/ANTI-LOBBYING

The contractor and any director, officer, shareholder, employee, partner, principal or agent of the contractor shall not offer or attempt to offer to any officer, agent, or employee of BHI any benefits, financial or otherwise, in connection with this Project or the transactions contemplated by this Agreement, other than as specified in this Agreement. The contractor warrants that no bribe, gift or other inducement has been paid, given, promised or offered to any officer, agent, or BHI employee for, or with a view to, entering into this Agreement. The contractor further warrants that no broker, finder or other intermediary or adviser has been retained by or is authorized to act on behalf of the contractor who might be entitled to any fee, commission or

reimbursement of expenses from the contractor or BHI upon consummation of the transactions contemplated by this Agreement.

DECLARATION OF CONFLICT OF INTEREST

All vendors retained by Burlington Hydro Inc. shall disclose to BHI prior to submitting a bid and/or accepting an assignment any actual or potential conflict of interest. If BHI staff determines such a conflict of interest does exist, BHI may, at its discretion, withhold the assignment from the vendor until the matter is resolved. If a significant conflict of interest is deemed to exist, then the vendor shall be ineligible for the contract or shall take such steps that are deemed necessary to remove the conflict of interest without penalty to BHI.

LITIGATION CLAUSE

Active or pending litigation against BHI by a vendor will prevent consideration of any bid submitted by that vendor.

PRICING & SOURCES

Prices & Sources will be treated as Confidential Information. Prices and Sources will not be shared with Competitors. At the conclusion of the award process only the name of the successful respondent will be disclosed.

TERMS AND CONDITIONS

Burlington Hydro Inc. Purchase Order General Terms and Conditions of purchase are attached as an integral part of this RFP and the Supplier agrees to abide by these terms and conditions should an award be given to Supplier on the subject matter herein. In addition, should Supplier's submission be accepted BHI will issue a Purchase Order to implement the accepted RFP/agreement.

RFP TECHNICAL QUESTIONS / CLARIFICATIONS

ALL questions or clarifications regarding the technical aspects of this RFP **MUST** be addressed in writing (email) to [REDACTED], and cc'd to [REDACTED]

NOTE

Burlington Hydro Inc. reserves the right to reject any or all submissions. Lowest or any submission not necessarily accepted. Burlington Hydro Inc. reserves the right to modify quantities, higher or lower.

1 Introduction

1.1 Overview of Burlington Hydro

Burlington Hydro Inc. (BHI) is an energy services company in the power distribution business. Serving approximately 66,700 residential and commercial customers, BHI and its employees are committed to delivering safe, efficient and reliable electricity to the City of Burlington. BHI's strategic focus is on achieving excellence and continuous improvement across all aspects of its business including: employee and community safety; operational efficiency and reliability; responsive customer service; and, conservation programs. The company is committed to maintaining a strong asset base through responsible financial management, system renewal and innovation to assure the availability of electricity supply to meet customer needs and growth.

BHI maintains 32 substations and almost 1,600 kilometers of medium voltage distribution lines to deliver electricity. The company is wholly owned by the City of Burlington.

1.2 GIS Project Overview

BHI is seeking software and services related to implementing a utility Geographic Information System (GIS). BHI has reviewed numerous GIS vendor product offerings over the course of webcasts, and has identified a shortlist of three vendors to move forward in the selection process. Your firm has been identified as one of the firms to move forward in the evaluation process.

2 Existing GIS Environment

This section provides an overview of the current GIS and related systems in use at Burlington Hydro

2.1 GIS Software and Database

Burlington Hydro currently utilizes SpatialNET Power, a software which runs as an extension to AutoCAD Map 3D and operates on an Oracle database (using a proprietary data model). The SpatialNET Power software is no longer supported by the vendor, thus the GIS software and associated data model also must be replaced.

Note: Although the current GIS system runs on AutoCAD Map 3D, none of the Map3D functions are used. AutoCAD Map3D is only used for the UI and basic AutoCAD navigation functions (zoom, pan, etc.). The connection to Oracle is handled through the SpatialNET extension.

2.2 GIS Feature Class and Number of Attributes

The following list contains the main Feature Classes (and number of attributes) currently in SpatialNET.

Note: The number of attributes does not include the core SpatialNET attributes; ID, COORDINATES, and SpatialNET proprietary attributes (JOB_ID, JOURNAL, PUBLISHED, DATE_PUBLISHED, JMS_STATUS, SPATIALNET_TYPE, etc.).

FEATURE CLASS	NUMBER OF ATTRIBUTES
ELECTRICAL - PRIMARY	
Primary Overhead	18
Primary Underground	18
Primary Meter	4
Station	7
Padmount Transformer	25
Cubicle	8
Transformer Bank	30
Switch	16
Circuit Breaker	11
Fuse	16
Recloser	14
Step Transformer	14
Relay	10
ELECTRICAL - SECONDARY	
Secondary Overhead	11
Secondary Underground	11
Pedestal	9
Pulling Point	4
Power Supply	7
Manhole	5
Meterbank	7
Meter	5
Meter- Distributed Generation	10
ELECTRICAL - HOUSINGS (CIVIL)	
Pole	20
Vault	4
Anchor	4
Guy	2
Fault Indicator	4
Duct	10
LANDBASE	
Address	6
Parcel	
Street Centerline	
SUPPORT	
Job Footprint	2
CAD FEATURES	
Various	Minimal Attributes

2.3 Users of GIS

The number of GIS users currently include:

- Full edit GIS – 13 users
- GIS View only (Engineering Supervisors) – 4 users
- Web-portal, view only – 20 users approx.

3 Requirements

Burlington Hydro will replace the existing SpatialNET GIS application with a new GIS. Information regarding the following objectives and requirements is requested from suppliers to assess their available products:

- Proposed GIS and Design Application based on the technical requirements described below
 - System Hardware Description and Configuration
 - System Software Description and Configuration
 - Licensing
- Data Conversion or Migration of existing SpatialNET database and how the vendor would propose to keep BHI working during the data migration
- Project Management Services required
- Implementation of Proposed GIS
- Testing
- Training
 - Description of User Training Provided
 - Training Material Offered
- Support
 - Location of Support Services
 - Product Updates and Charges, if applicable
- Pricing (section 3.2)
- Technical Documentation of GIS product
- Existing Clients in Ontario (specify industry)
- Choice of GIS Software Delivery Model
 - Please indicate which delivery model your software supports:
 - a) On-Premise Licensing at BHI, maintained by BHI
 - b) On-premise licensing at BHI, maintained in entirety by Respondent
 - c) Private Cloud (single-tenant)
 - d) Private Cloud (multi-tenant)
 - e) SaaS
 - f) Hosted by Respondent at Respondent's facility.

3.1 Technical Requirements

This section is divided up into three sections: Functional requirements, Conversion requirements, and Future Integrations/Projects.

3.1.1 Functional Requirements

The GIS solution should have standard up-to-date GIS functionality as applicable to a distribution electric utility. The system should provide the following:

- Deploy on (or integrate with) Oracle Spatial database. BHI's current vendor will be responsible for the final integration to existing BHI web applications (including OMS).
- Provide editing and viewing licenses (as outlined in section 2.3 above)
- Provide the capability for multiple editing sessions with complete audit trail for review by GIS/Engineering Supervisors. Provide a tool that monitors all the existing editing sessions, allows partial posting of features within a job, etc. For example, a list of editing sessions and users doing the editing. Describe what versioning of the database is done.
- Provide the ability to extract areas for editing; Describe how users can do quick editing e.g. when checking connectivity.
- Provide editing conflict handling tools e.g. highlight, review, resolve.
- Provide a database that uses an industry standard relational database.
- Provide capability to implement business rules for device placement (numbering transformers based on grid, mandatory attributes, drop down menu's, etc.).
- Describe flexibility of database so fields can be added when necessary and be taken into account by software tools.
- Ability to attach documents (as constructed drawings, pictures, operational agreements, easements, etc.) to a specific asset, feature class and/or parcel.
- Import of CAD files.
- BHI's current GIS/OMS vendor will be responsible for the final integration between new Oracle GIS schema and existing web applications (including OMS).
- Provide Tracing based on normal status and based on realtime status; need to be able to trace upstream, downstream, bi-directional, 3-phase, 1-phase; highlight and fix connectivity errors, phasing errors.
- Provide standard electric utility tools and database attributes.
- Historical records for asset management including access and edit logging. What asset management tools are provided? How are historical records tracked?
- Design tool that will allow engineers, designers, and planners the ability to perform a design in the GIS. This design will be used by the mapping technician upon job completion to avoid redigitization of the design. Initially BHI will not use CU's and estimates in the design tool but may in a future phase.

3.1.2 Conversion Requirements

- Convert existing database (outlined in section 2.2 above) into vendor's database format.
- Maintain coordinate system (NAD83 UTM Zone 17N) of existing land base.
- Convert BHI's existing symbol set.
- Convert BHI's existing business rules or provide training how to quickly duplicate them using vendors tools.

3.2 Pricing Sheet

Please identify 5 year costs (excluding taxes) for the following: Hardware, Software, Data migration services, Software configuration, Integration, Deployment, Ongoing cost, etc.

Provide separate price sheets for your preferred delivery method (identified in Section 3), as well as, for option a) On-Premise Licensing at BHI, maintained by BHI.

Please add lines as necessary

A. One Time Costs

<i>Line Item</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>5 Year Total</i>
eg. Base price						\$ -
eg. Module price						\$ -
						\$ -
Total Fixed Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

B. Variable or Annual Costs:

<i>Line Item</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>5 Year Total</i>
						\$ -
						\$ -
						\$ -
Total Variable/Recurring Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

C. Maintenance & Support Costs:

<i>Line Item</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>5 Year Total</i>
						\$ -
						\$ -
						\$ -
Total Maintenance & Support Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3.3 Future Integrations

Potential future projects that may require additional quotations include.

- Import of customer information from JOMAR CIS
- Integration with SPIDAcac 7.1.x
- Integration with CYMDIST

Please indicate which integrations already exist in your product offerings, and which would be custom. Please provide an approximate budget estimates for integration costs.

3.3.1 Future Projects

At a later date, BHI may elect to expand the GIS suite to include other products. Should you have products that fulfill the following needs, please provide details in an appendix. This information is only for future reference.

- Provide a brief description of a Transformer Loading Application, if offered.
- Outage management / advanced distribution management (OMS/ADMS)
- Mobile workforce management
- Prepackaged integration with OMS/ADMS. Provide a list of Outage Management Systems that your GIS system can integrate with. Please note, as stated above, BHI's current OMS vendor will be responsible for the integration for this RFP.

4 Instructions to Suppliers

4.1 BHI Contacts

All questions and RFP responses to be sent to the following three individuals:

██████████ Manager, Purchasing and Stores – ██████████

4.2 RFP Process and Implementation Timelines

1. Deadline for vendor questions, Friday August 2, 2019. BHI will compile all questions and answers, then forward answers to all vendors by Friday August 9, 2019
2. Hard copy response to this Request for Proposal due to BHI in a **sealed envelope** by 1500hrs EDT, Monday August 19, 2019. Electronic submissions (email) will **not** be accepted.
3. A day long short list presentation onsite at BHI, during the week of Sept 3-6, 2019
4. Vendor Selection and Formal Project Kickoff by Monday September 16, 2019;
5. New GIS in production at BHI by Monday December 9, 2019.

5 Questions to Suppliers

The base document of your response shall be limited to 42 pages. The appendices explicitly called out in this RFI have no page limit, however BHI will not review material that is not explicitly requested.

Base Response

1. What is the name of your company?
2. Bulletized list of your proposal's differentiators (1 page)
3. Identify the proposal commercial contact name/phone/email

4. Identify the proposal technical contact name/phone/email
5. Provide a brief history of your company (0.5 pages)
6. Provide three references including a description of the project, contact information, preferably in southern Ontario (1.5 pages)
7. Provide a list of all current customers of the proposed product (1 page)
8. Provide a description of how you envision the relationship with your customers (1/2pages)
9. Provide an architecture diagram and description of the product suite that you propose (2 pages)
10. Provide a functional description of the GIS product that you will provide (5 pages)
11. Provide a functional description of the graphical work design tool that you will provide (5 pages)
12. Provide a quote and describe your experience integrating with the legacy applications at BHI, section 3.3 and 3.3.1 (1 page)
13. Describe your support and maintenance models (2 pages)
14. Provide the resumes and three references for the proposed project manager and technical lead (4 pages)
15. Describe how your product is configured and enhanced (2 pages)
16. Provide an overview of your delivery methodology (1 page)
17. Provide a detailed work breakdown structure that identifies how you propose to deliver the proposed solution to BHI, including (10 pages):
 - a. Narrative description of activity
 - b. Formal deliverables list
 - c. Your level of effort
 - d. Anticipated BHI level of effort by resource type
 - e. Dependencies
18. Describe what is required of internal IT to maintain the proposed solution on an ongoing basis (1 page)
19. Describe activities you can undertake to reduce the burden on internal IT (1 page)
20. Budgetary estimate and 5-year total cost of ownership projections, Section 3.2 (2 pages) to include:
 - a. Hardware
 - b. Software
 - c. Data migration services
 - d. Software configuration
 - e. Integration
 - f. Deployment
 - g. Ongoing cost

6 Mandatory Appendices

1. Provide the data dictionary or data model that you are proposing
2. Provide a sample of your standard services, license, and maintenance agreements
3. Provide a set of the productized reports that are delivered with your product

4. Provide a copy or online link to training guides and product technical manuals.

7 Acceptance

- i. After Vendor issues a certificate of installation for the System, Company shall have forty-five (45) business days to test the System for compliance with the System specifications. After such forty-five (45) day period has expired and Vendor has (1) tested the System as a whole and determined that it is in material compliance with the System specifications, (2) corrected all defects then identified in the System as installed on Company's equipment at the Company's site, and (3) demonstrated to the Company correction of such defects as Company has found, Vendor shall issue a certificate of completion.
- ii. Promptly and diligently after its receipt of a certificate of completion, but in no event more than thirty (30) days following such receipt, Company shall conduct all such inspections and tests of the System as Company may deem necessary or appropriate to determine whether any defects exist in the System as installed and completed, and Company shall otherwise use reasonable commercial efforts to determine whether the System as completed materially complies with all of the System specifications. Company shall be deemed to have accepted and approved the System for all purposes of this Agreement ("Acceptance") upon the occurrence of the earlier of (i) Company's delivery to the Vendor of written notice that Company is satisfied and that the System as completed materially performs in accordance with the System documentation, and (ii) thirty (30) days following Company's receipt of the certificate of completion unless, within such thirty (30) day period, Company provides Vendor written notice describing such System defects or deficiencies in reasonable detail.

Confidentiality, Non-Disclosure and Protection of Personal Information of Burlington Hydro Inc. Customers

INTRODUCTION

Burlington Hydro Inc. ("BHI") and ----- ("Contractor") acknowledge and agree that the Contractor's performance of the services ("Services") under the Contract to which this Appendix is attached (the "Contract") will require the Contractor to have access to personal information collected by BHI pertaining to BHI's customers ("*Personal Customer Information*").

Personal Customer Information constitutes "*personal information*" under the *Municipal Freedom of Information and Protection of Privacy Act* ("MFIPPA") and therefore, BHI deals with such information in a manner that complies with MFIPPA and with BHI's Electricity Distribution License issued by the Ontario Energy Board.

The Contractor acknowledges and agrees that a fundamental term and condition of the Contract is that the Contractor complies with the terms and conditions set out below for the protection of *Personal Customer Information*.

DEFINITION OF PERSONAL CUSTOMER INFORMATION

Personal Customer Information means any information, regardless of its form or format (i.e., hard copy, electronic, digital, etc.), that can be used to identify, or to assist in the identification of, an individual who is a customer of BHI. *Personal Customer Information* shall remain the property of BHI at all times.

REQUIREMENTS FOR PROTECTION OF PERSONAL CUSTOMER INFORMATION

The Contractor shall:

1. in conjunction with the execution of this Appendix, provide to BHI:
 - (a) the name and contact information of the Privacy Officer appointed by the Contractor to be responsible for ensuring its compliance with the requirements herein and for providing prompt responses to BHI in regard to matters arising hereunder;
 - (b) a copy of the Contractor's policies and procedures for protecting *Personal Customer Information* for approval by BHI's Privacy Officer. Should the Contractor's policies and procedures not be satisfactory to BHI's Privacy Officer, the Contractor shall be given sixty (60) days to file amended policies and procedures satisfactory to BHI's Privacy Officer, failing which BHI may terminate the Contract on thirty (30) days' notice without further liability to the Contractor other than payment for goods and/or services provided by the Contractor to date of termination;
2. promptly inform BHI of any change in the position of Privacy Officer;
3. take all reasonable steps to ensure that all *Personal Customer Information* is kept secure and confidential;
4. not disclose any *Personal Customer Information* to any third party unless expressly authorized by BHI;
5. ensure that only employees that it has explicitly authorized may have access to, or use, *Personal Customer Information*; the Contractor shall monitor and control such authorizations to ensure they are kept up-to-date at all times and it shall maintain records of all such authorizations and all changes thereto, including any revocations of such authorizations; upon the request of BHI, the Contractor shall provide a copy of such records to BHI;
6. not use *Personal Customer Information* for any purpose not expressly authorized by BHI;

7. (a) return to BHI all hard copies of *Personal Customer Information* and/or erase or destroy all *Personal Customer Information* in electronic or digital form that is in the Contractor's possession or control, within seven (7) days of any of the following (as may be applicable):
- i. the date the Contractor completes the Services under the Contract;
 - ii. the date the *Personal Customer Information* is no longer required by the Contractor for its performance of the Services under the Contract;
 - iii. the date the Contract is terminated;
 - iv. the date BHI provides its written request to the Contractor for the return of hard copies of *Personal Customer Information* and/or for the erasure or destruction by the Contractor of *Personal Customer Information* in the Contractor's possession or control;
- (b) provide to BHI within the relevant seven (7) day period, written confirmation of its compliance with sub-paragraph 7 (a) above.
8. Notify BHI within one business day of any request it receives for disclosure of *Personal Customer Information* from a law enforcement authority and or any other third party, and shall not make such disclosure without BHI's written authorization;
9. Notify BHI within one business day of any accidental disclosure or unauthorized access to *Personal Customer Information* in its possession or control;
10. indemnify defend and hold harmless BHI and its directors, officers and employees, from and against any and all claims, demands, suits, losses, damages, causes of action, fines or judgments relating to, arising out of, or in connection with, the breach by the Contractor of any of its obligations under this Appendix;

Signed this ____ day of _____, 201__.

Burlington Hydro Inc.
Per:

XYZ Company Inc.
Per:

Signature

Signature

Print name:

Print name:

BURLINGTON HYDRO INC.
Signature Page / Form of Acceptance

Done by: _____

_____ **Dated:** _____

DO HEREBY OFFER to perform the work described for furnishing all labour and materials as specified that may be necessary to complete the said works in accordance with said specifications, plans, etc. and to conform to all conditions therein at and for the price or sum as shown on the above pricing schedule. Your quotation/submission must be open to acceptance for 90 days from the due date of our request.

IN WITNESS WHEREOF Contractor has hereunto set its hand and seal the day and year above written and the Company has hereunto set its Corporate Seal.

Signature of Vendor _____

I have authority to bind the Company

Name and Title (print) _____

Name of the Firm _____

Address _____

Phone Number _____

Fax Number _____

Email Address _____

Burlington Hydro Inc.

General Terms and Conditions of Purchase

The following terms and conditions of purchase shall apply to any purchase of goods and/or services specified in this purchase order ("Deliverables") by Burlington Hydro Inc. (the "Purchaser"), and acceptance of these terms and conditions is an express condition of such purchase. Supplier shall be deemed to have full knowledge of the terms and conditions herein and such terms and conditions shall be binding if the Deliverables referred to herein are delivered to Purchaser or if Supplier does not within five days from the date hereof deliver to Purchaser written objection to said terms and conditions or any part thereof.

1. GOVERNING TERMS/CONFLICT/MODIFICATION: No order will be recognized by Purchaser unless issued on the Purchaser's form of purchase order. The purchase order issued herein, together with this General Terms and Conditions of Purchase and all Purchasers' documentation referenced in the purchase order shall constitute the contract between Purchaser and Supplier (the "Contract"). In the event of any conflict or inconsistency between the terms and conditions herein and the terms and conditions contained in any acknowledgment order or in any other form issued by Supplier, whether or not any such form has been acknowledged or accepted by Purchaser, Purchaser's terms and conditions herein shall prevail. No waiver, alteration or modification of the terms and conditions herein shall be binding upon Purchaser unless made in writing and signed by a duly authorized representative of Purchaser. Supplier shall refer the Purchaser's purchase order and/or Contract number set out on the reverse hereof on all invoices, shipping documents and other writings pertaining to this order.

2. SHIPMENT/EXTRA CHARGES: Unless otherwise stated in the face of the purchase order, all Deliverables shall be delivered FCA (Incoterms 2000) Supplier's facility. For greater certainty, receipt of such Deliverables at Supplier's facility does not constitute acceptance of the Deliverables by Purchaser. No transportation or delivery charges of any kind including packing, boxing, storage, cartage or customs brokerage charges shall be paid by Purchaser unless specifically agreed to by Purchaser in writing. Supplier shall ensure use of carrier designated by Purchaser. If Supplier does not have such instructions from Purchaser, Supplier shall obtain the same. Supplier shall suitably pack, mark and ship Deliverables in accordance with any instructions from the Purchaser and the requirements of the carrier in order to secure the lowest possible transportation cost. Supplier shall be liable for any freight charges or damage to the Deliverables resulting directly or indirectly from any failure by Supplier to comply with this provision. If Deliverables are deemed to be dangerous and/or hazardous, Supplier shall ensure all legally required documentation is prepared and submitted to the carrier prior to shipment with copy to the Purchaser. For shipments originating outside of Canada, Supplier shall ensure that a commercial invoice certified in accordance with Canadian customs regulations ("Canada Customs Invoice") accompanies the Deliverables clearly indicating the purchase order and consignee together with any export documents/permits required by the foreign customs authorities. The Canada Customs Invoice should indicate the customs broker for clearance as advised by the Purchaser. All Bills of Lading prepared on behalf of the Purchaser shall also indicate the purchase order number.

3. DELIVERY SCHEDULE: Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Purchaser's delivery schedule. It is Supplier's responsibility to comply with the schedule, but not to anticipate Purchaser's requirements. Deliverables shipped to Purchaser in advance of schedule may be returned to Supplier or warehoused at Supplier's expense.

4. DELAY IN DELIVERY: Time is of essence. Supplier shall ensure that delivery is made in accordance with the purchase order. Supplier shall forthwith advise Purchaser of any anticipated delays. Purchaser reserves the right to reject any shipments or deliveries not then made or to cancel the Contract without any liability to Purchaser and without prejudice to any of Purchaser's rights and remedies at law or equity, should the Supplier fail to meet scheduled delivery or completion dates or if there is a reasonable likelihood of Supplier failing to meet such schedule.

5. INSPECTION/REJECTION/REPLACEMENT: All Deliverables shall be subject to inspection and test by the Purchaser at all times and places including the period of manufacture and in any event prior to final acceptance by the Purchaser in order to assess work quality, conformance with specifications, and conformance with Supplier's representations, warranties and covenants under this Contract. No such verification shall relieve the Supplier of its obligations and warranties hereunder. The Deliverables shall not be deemed accepted until after such final inspection. If any Deliverables or parts thereof are found at any time to be defective in material or workmanship or otherwise not in conformity with the requirements set out herein, in addition to any other rights which it may have under applicable warranties, or under law, Purchaser shall have the right to reject and return such Deliverables for either full credit or a refund (at Purchaser's discretion) at Supplier's expense including payment of shipping charges incurred by Purchaser. All returned Deliverables

shall be at Supplier's risk of damage or loss. Without limiting the foregoing, Purchaser shall also have the right to require that Supplier promptly and at its own expense repair, replace or restore any defective or deficient portion of the Deliverables, to Purchaser's reasonable satisfaction. If the Supplier is unwilling to or unable to effect prompt replacement, Purchaser may use its own facilities or contract with a third party at the Supplier's expense. Neither the failure of Purchaser to inspect, nor acceptance of, nor payment for any Deliverables shall prejudice Purchaser's rights under this paragraph. Supplier's records relating to the manufacture or provision of Deliverables shall be maintained for a minimum of six (6) years following delivery unless otherwise agreed in writing by Purchaser.

6. COMPLIANCE WITH LAWS: The Supplier shall properly execute and comply with all statutes, rules, orders, ordinances, standards and regulations of all foreign and domestic governmental authorities in providing the Deliverables pursuant to this Contract.

7. WARRANTIES: The Supplier warrants that the Deliverables: (a) are free from defects in design, materials and workmanship for a period of twelve (12) months from the date of acceptance by Purchaser; (b) conform with all specifications attached or contained in the purchase order and all documentation and information provided by Purchaser for the Deliverables; (c) are fit for their intended purpose (d) are new, unused (unless otherwise specified in this order) and merchantable. To the extent services are to be provided hereunder, Supplier warrants that all work rendered shall be careful and proper and in full compliance with specifications and shall be in accordance with the best current practices in the industry and with the highest engineering or other applicable professional standards. The foregoing warranties shall survive any testing, inspection or acceptance by the Purchaser of the Deliverables. The warranties set forth above shall not be subject to any disclaimer or exclusion of warranties or to any limitation of Supplier's liability under this Contract.

8. INDEMNITY: Supplier shall indemnify, defend and hold harmless Purchaser, its affiliates and their respective directors, officers, employees, agents, consultants and subcontractors from and against any and all expenses, costs, claims, losses, actions, lawyer's fees, damages or liability (including without limitation for any Intellectual Property infringement, special and consequential damages, and including the costs of replacing or recalling Purchaser's equipment which may be damaged or rendered defective by materials furnished or work done in breach of warranties), arising directly or indirectly out of any breach by Supplier of the terms and conditions set forth herein and from any claims or actions arising from bodily injury (including injuries resulting in death) or loss of or damage to property of others which may result, directly or indirectly, from the negligent or wrongful acts of Supplier or its directors, officers, employees, agents or subcontractors relating to the performance of this Contract or any Deliverables supplied hereunder.

9. INTELLECTUAL PROPERTY: The Supplier warrants that the Purchaser and its customers may freely use, resell or otherwise deal with the Deliverables without infringement of patents, copyrights, trademarks, trade secrets or other intellectual property rights held by the Supplier or any third party. If the Deliverables or any activity in connection therewith are held to be an infringement and their use is enjoined, the Supplier shall promptly, at the option of the Purchaser, secure for the Purchaser the right to continue using or reselling the Deliverables or take any action required to avoid such infringement.

10. CONFIDENTIAL INFORMATION: Unless otherwise expressly stated in writing, all information including general business information, financial data, technical data, reports, photographs, electronic files, specifications, software, drawings, tools, dies, patterns, plans methods or other intellectual property ("Information"), supplied, conceived or prepared by Supplier or by Purchaser or both in connection with this Contract, shall be the property of the Purchaser, shall be considered confidential, shall not, at any time, be disclosed to a third party by Supplier without written consent of Purchaser and shall be used solely for the purpose of supplying the Deliverables to Purchaser. Upon termination of this Contract, Purchaser may request Supplier to deliver all the Information to the Purchaser and such Information shall not be utilized, directly or indirectly, by Supplier for the use or benefit of Supplier or any other person.

11. PAYMENT/SET-OFF: Prices herein specified shall, unless otherwise expressly stated, be fixed and in Canadian dollars inclusive of all duties of any kind and all packaging and loading, but exclusive of any federal taxes (HST) which shall be shown as a separate line item on the Supplier's invoice. Invoices will be paid within 60 days from receipt of an accurate and complete invoice by Supplier, unless a discount is permitted for payments made within another specified period. Purchaser shall be entitled to set-off against any amounts owing to Supplier, any amounts owing by Supplier hereunder.

12. EXPORT CONTROL/CUSTOMS: Supplier will provide to Purchaser, prior to shipment of the Deliverables, information in writing necessary for a true, valid and complete customs declaration to be made by Purchaser to the Canada Border Services Agency ("CBSA"), including but not limited to information identifying the origin, tariff classification, quantity, value of the Deliverables and classification of the Deliverables under any export control programs administered by the governments of the country of export. If Supplier identifies the origin of the Deliverables as a country that is a beneficiary of a Preferential Tariff as set out in Canada's *Customs Tariff*, or any successor thereto, Supplier shall provide to Purchaser certificates and other proof of origin of the Deliverables, as required under Canadian law in order for the Deliverables to qualify for duty-free or preferential duty. If the Deliverables being purchased are subject to US re-export regulations or contains US

parts manufactured under a US license, Supplier shall also state the ECCN (Export Control Classification Number) for each item. Supplier shall hold harmless, indemnify, and reimburse Purchaser for any duties, taxes, penalties, interest, costs, legal or other fees or any amounts incurred by or which may become payable by Purchaser as a result of Supplier's failure to provide to Purchaser, prior to shipment of the Deliverables, the information required in this paragraph, or as a result of the provision by Supplier of incorrect information/invalid certificates of origin. Purchaser shall be entitled to deduct any amounts that may become owing by Supplier under this section from the balance owing by Purchaser on any unpaid invoices of Supplier. Supplier shall advise Purchaser immediately of any change in its manufacturing and production processes, or in its sourcing practices, which could affect the validity of any information provided to Purchaser. Supplier agrees to immediately notify Purchaser of any investigation by CBSA and to fully participate and cooperate in any such review or audit by CBSA of the origin of the Deliverables, including any appeals. Purchaser shall have the right to cancel this Contract without liability to Supplier and without prejudice to Purchaser's rights to claim damages against Supplier, in the event that Supplier has not, to the satisfaction of Purchaser, complied with any of the requirements contained herein.

13. TITLE/RISK OF LOSS: Unless otherwise agreed by the parties, risk of loss and/or damage to all Deliverables shall remain with Supplier until delivery to, and off loading at, Purchaser's premises at which time the risk of loss and/or damage shall pass to the Purchaser. Title to Deliverables shall pass upon acceptance of delivery of Deliverables at Purchaser's premises, provided that vesting of title shall not constitute acceptance of the work by Purchaser.

14. INSURANCE: Supplier shall, before commencing any work hereunder, and at its own expense, procure and maintain with such public bodies or insurance companies as are acceptable to Purchaser (a) Workplace Safety and Insurance Board insurance (or the equivalent thereof outside of Ontario) when work is performed on the property of the Purchaser or its customer, and shall provide Purchaser with a current (dated within 60 days) certificate of clearance from the WSIB (or the equivalent thereof outside of Ontario); (b) Comprehensive General Public Liability Insurance, including coverage for contractual liability, bodily injury, product and completed operations liability and property damage with a minimum limit of \$5,000,000 per occurrence; and (c) owned and non-owned automobile insurance with an inclusive minimum limit of \$2,000,000 per occurrence. Upon request, Supplier shall provide Purchaser with a certificate evidencing such insurance coverage, which shall include Purchaser as additional insured and shall state that 30 days' notice of cancellation or modification of the insurance coverage shall be given to Purchaser.

15. FORCE MAJEURE: Neither party shall be liable for any delay or failure of performance due solely to causes beyond its control without its fault or negligence including without limitation acts of God, strikes, fires, war, riot, flood, provided that Supplier shall have given notice in writing to Purchaser of any such cause for delay or anticipated delay promptly after first obtaining notice thereof and shall have used its best efforts to make deliveries as expeditiously as possible taking such cause for delay into account. Should Supplier be unable, due to such a cause, to meet all of its delivery commitments for the Deliverables ordered herein as they become due, Supplier shall not discriminate against Purchaser in favour of any other customer in making deliveries of such Deliverables. If Purchaser believes that the delay or anticipated delay in Supplier's deliveries may impair its ability to meet its production schedules or may otherwise interfere with its operations, Purchaser may at its option, and without liability to Supplier, cancel outstanding deliveries hereunder wholly or in part.

16. ASSIGNMENT: The Supplier shall not assign this Contract, in whole or in part, without the express written consent of Purchaser. Purchaser may assign its rights hereunder to an affiliate or to third party purchasers.

17. GOVERNING LAW: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable herein.

18. SEVERABILITY/NON-WAIVER: Failure or delay by either party in enforcing any right or provision hereof shall not be deemed a waiver of such provision or right. A determination that any provision of this contract may be unenforceable or invalid shall not affect the enforceability or validity of the remaining provisions hereof.

19. INDEPENDENT CONTRACTOR: The parties herein are two independent entities. Supplier is engaged as an independent contractor solely for the purpose of providing the Deliverables hereunder. Supplier is solely responsible for all losses and expenses prudent to performing its obligations hereunder.

20. NOTICES: All notices given hereunder shall be in writing and may be sent by registered mail, courier or facsimile transmission (provided that if sent by facsimile, it shall also be sent by regular or registered mail) and addressed to the party for whom it is intended at the address set out in the purchase order or as subsequently agreed between the parties. Notices shall be deemed to be given when received by the other party.

21. SURVIVAL: Paragraphs relating to Warranties, Confidential Information, Governing Law, Indemnification and Liability shall survive the termination and expiration of this Contract.

22. CANCELLATION AND CHANGES: The right is reserved to Purchaser to either cancel this order in whole or in part or to change it at any time, including addition or deletions to quantities, upon notice in writing to Supplier. If cancellation takes place, delivery shall be accepted at the purchase price of all Deliverables

completed prior to receipt of the notice of cancellation. Supplier shall immediately comply with such notice and take all steps necessary to minimize the cost of terminating or changing this Contract. If changes affect delivery or price, Supplier shall immediately notify Purchaser and negotiate an adjustment. A revised purchase order shall be issued therefrom. Purchaser shall not be liable for any other costs arising from such notice including but not limited to loss of anticipated profits or loss of opportunity.

23. TERMINATION: If Supplier ceases to conduct its operation in the normal course of business (including inability to meet its obligations as they mature) or if any proceeding under the bankruptcy or insolvency laws is brought by or against Supplier, or a receiver for Supplier is appointed or applied for, or an assignment for the benefit of creditors is made by Supplier, Purchaser may terminate this order without liability, except for deliveries previously delivered in accordance with the terms and conditions of this Contract.

24. LIMITATION OF LIABILITY: Notwithstanding any other provision of this contract or any applicable statutory provisions, Purchaser shall not be liable to the Supplier or Supplier's assistants or any third party for indirect, special, consequential, incidental or punitive damages arising directly or indirectly from any breach of this Contract or from any acts or omissions or its officers, employees or agents which may give rise to any liability (whether in tort, including for negligence, strict liability or under any other theory of legal liability). In no event shall the aggregate liability of Purchaser exceed the purchase price herein.