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Appendix A Project Safety Plan

PART 1 DEFINITIONS

The following definitions shall have the following meanings:

- 1.1. “**Construction Management Plan**” or “**CMP**” is the construction management plan that is described in Appendix C of Schedule 15-1 Technical Requirements – General.
- 1.2. “**Corrective Action**” means an action to eliminate the cause of an existing Non-Conformance, defect or other undesirable situation to prevent its recurrence.
- 1.3. “**Design Management Plan**” or “**DMP**” means the plan for the management of the design of the Project prepared by Project Co in accordance with Schedule 15-1 – General Appendix B.
- 1.4. “**Engineer of Record**” has the meaning given in Schedule 15-1 – General.
- 1.5. “**Environmental Manager**” is a Key Individual who has meaning given in Part 3 of this Schedule 14.
- 1.6. “**Environmental Protection Plan**” has the meaning given in Schedule 15-1 – General.
- 1.7. “**External IMS Audit**” means either or both:
 - (a) a second party IMS Audit conducted by parties having an interest in Project Co or the relevant Project Co Party, such as parties with commercial contracts with Project Co or a relevant Project Co Party or customers/clients of Project Co or a relevant Project Co Party; and
 - (b) a third party IMS Audit conducted by an external independent organization such as a certification or registration body.
- 1.8. “**IMS Audit**” means a systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled.
- 1.9. “**IMS Audit Plan**” means Project Co’s audit plan defining the Internal IMS Audits and External IMS Audits that Project Co shall perform or cause to be performed on its own processes and the processes of Project Co Parties.
- 1.10. “**IMS Director**” is a Key Individual who has the meaning given in Part 3 of this Schedule 14.
- 1.11. “**IMS Documentation**” means all documentation to be prepared, submitted (where applicable) and implemented by Project Co in accordance with this Schedule 14.
- 1.12. “**IMS EMS**” has the meaning set out in Section 2.2 of Part 2.
- 1.13. “**IMS Manual**” means Project Co’s IMS manual, meeting the requirements set out in Part 2 of this Schedule 14.

- 1.14. “**Inspection and Test Plan**” or “**I TP**” means the plan prepared in accordance with Section 4.4 of Part 4.
- 1.15. “**IMS Objectives**” means the objectives related to quality, environment and safety that are measurable and consistent with the IMS Policies and which are to be formally expressed and recorded in the IMS Manual in accordance with this Schedule 14.
- 1.16. “**IMS OHS**” means the OHS section of the IMS.
- 1.17. “**IMS Policy**” means the overall intentions and direction of Project Co related to quality, environment and health and safety applicable to Project Co and all Project Co Parties involved in performing the Works and OM&R Work which are to be formally expressed and recorded in the IMS Manual in accordance with this Schedule 14, provided that, alternatively, each Management Plan may have its own IMS Policy which is directly related to applicable IMS objectives expressed or recorded in the IMS Manual.
- 1.18. “**IMS QMS**” has the meaning set out in Section 2.2.
- 1.19. “**IMS Records**” has the meaning given in Part 6, Section 6.6 of this Schedule 14.
- 1.20. “**Inspection and Test Plan**” or “**I TP**” means the plan prepared in accordance with Section 4.4 of Part 4.
- 1.21. “**Integrated Management System**” or “**IMS**” means the IMS to be developed and implemented by Project Co in accordance with this Schedule 14.
- 1.22. “**Internal IMS Audits**” means a first party IMS Audit of Project Co’s or a Project Co Party’s own processes conducted by or on behalf of the relevant organization.
- 1.23. “**ISO 9001 Lead Auditor Course**” means an accredited ISO 9001 course for lead auditors who meet the training portion of the requirements for current certification of individual quality system auditors with the International Register of Certified Auditors.
- 1.24. “**ISO 9001 Registrar**” means an accredited certification body that performs the assessment of an organization’s quality management system related to initial or ongoing ISO 9001 certification.
- 1.25. “**Management Plans**” includes the Design Management Plan, the Traffic Management Plan, the Construction Management Plan, Project Safety Plan, Environmental Protection Plan including those management plans identified in Schedule 15-1 General, Appendix A, Section 100.8 of Schedule 15-1 – General and any other management or quality management plan required to be prepared, submitted and implemented by Project Co for the purposes of undertaking any material and substantial aspect of the Works or OM&R Work.
- 1.26. “**Non-Conformance**” means any failure by Project Co to perform any of its obligations under the Project Agreement in respect of any aspect of the Works or OM&R Work.

- 1.27. **“Non-Conformance Failure Points”** or **“NCR Points”** means the points assigned for any Non-Conformance that does not have specific Quality Failure Point attached to it.
- 1.28. **“Non-Conformance Report (NCR)”** means a document or record issued by either the Ministry or Project Co pursuant to Part 7 Non-Conformance Reporting Process of this Schedule 14 detailing the description of an identified Non-Conformance.
- 1.29. **“Non-Conformance Tracking System”** or **“NCRTS”** means a system to track Non-Conformance Reports issued by the Ministry or Project Co as set out Part 7.
- 1.30. **“Occupational Health and Safety Management System”** or **“OHS”** means an Occupational Health and Safety System meeting Certificate of Recognition (COR) program requirements, as recognized by the Saskatchewan Construction Safety Association, or its successor branch or association and as further enhanced by OHSAS 18001 [Occupational Health and Safety Management System (OHS)] requirements.
- 1.31. **“Occupational Health and Safety Manager”** or **“OHS Manager”** is a Key Individual who has the meaning given in Part 3.
- 1.32. **“Payment Period(s)”** has the meaning given in Schedule 1, Definitions and Interpretations.
- 1.33. **“Performance Monitoring Report”** has the mean given to it Section 8.
- 1.34. **“Preventative Action”** means an action to eliminate the cause of a potential Non-Conformance or other undesirable situation in order to prevent its occurrence.
- 1.35. **“Quality Failure Point”** has the meaning given in Schedule 18, Payment Mechanism.
- 1.36. **“Quality Manager”** means an individual quality manager responsible for the quality management of the Construction Activities and the OM&R Work as described in Part 3 IMS Personnel to this Schedule 14.
- 1.37. **“Project Safety Plan”** means a safety plan prepared by Project Co in accordance with Appendix A to this Schedule 14.
- 1.38. **“QMS 2000 Series Auditor”** means a quality auditor certified by the International Register of Certified Auditors in the “QMS 2000 Series Auditor” grade of certification.
- 1.39. **“Surveillance IMS Audits”** means IMS Audits conducted by or on behalf of the Ministry as contemplated in Part 5, Section 5.3.
- 1.40. **“Valued Ecological Components (VECs)”** has the meaning given in Schedule 15-1 – General.

PART 2 INTEGRATED MANAGEMENT SYSTEM REQUIREMENTS

2.1. Introduction

Project Co shall develop and implement an Integrated Management System (IMS), documented in the IMS Manual in accordance with the requirements of this Schedule. Project Co acknowledges and agrees that Project Co is solely responsible for the quality of the Works and OM&R Work, protection of the environment and worker and public health and safety in each case to the extent connected to or impacted by the Works or the OM&R and that a comprehensive IMS is critical for the proper and timely completion of the Works and OM&R Work. The document hierarchy shall be structured in a manner where the IMS Manual forms the top tier management structure for the overall system processes. For greater clarity the IMS Manual shall define the processes by which verification of the effectiveness of the various Management Plans implementation and improvements are made. Therefore, the Management Plans establish how activities are done to meet the requirements of the Project Agreement while the IMS Manual sets out how the effectiveness of those activities is verified and improved.

Project Co is responsible for all quality assurance and quality control activities that are required to manage its own processes as well as those of Project Co Parties throughout the Project Term. Project Co shall ensure that all aspects of the Project are the subject of an IMS and shall comply with and cause all Project Co Parties to comply with the requirements of such IMS system. For greater certainty and without limiting Project Co's ability to contractually assign responsibilities and obligations to Project Co Parties in accordance with this Project Agreement, Project Co shall not be relieved of any of Project Co's responsibilities or obligations set out in this Schedule 14 by the assignment of such responsibilities or obligations to Project Co Parties.

2.2. Overview

The IMS Manual shall provide for the overarching management system requirements including the methodology for measuring and improving the overall performance of the IMS. The IMS Manual shall integrate management system requirements of the latest versions of ISO 9001- [Quality Management System (QMS)] (“**IMS-QMS**”), ISO 14001 [Environment Management System (EMS)] (“**IMS-EMS**”) and Certificate of Recognition (COR) program, as recognized by the Saskatchewan Construction Safety Association or its successor branch or association and as further enhanced by OHSAS 18001 [Occupational Health and Safety Management System (OHS)] (“**IMS-OHS**”). Project Co is required to be certified to ISO 9001, but not ISO 14001 or OHSAS 18001. Project Co must obtain and maintain a COR, as recognized by the Saskatchewan Construction Safety Association, or its successor branch or association. The structure of the IMS may integrate the systems common elements with inclusion or reference to core procedures common to all of the systems or it may be a segregated document with reference to core procedures common to all of the systems.

Project Co shall further develop, implement, and maintain and shall monitor, update, and manage, the IMS, in accordance with the requirements of this Schedule.

The IMS shall include an IMS Policy statement endorsed by Project Co Representative that covers the following disciplines:

- (a) Quality;
- (b) Environmental; and
- (c) Health and Safety.

The IMS shall be structured in a manner to allow for certification to ISO 9001 standard independent of the sections dealing with the ISO 14001 standard and the COR program, as enhanced by the OHSA 18001 standard. The overall IMS or individual sections of the IMS shall meet the following requirements:

2.2.1 Management System Requirements

The IMS shall, at a minimum, include the IMS Documentation as further described in this Schedule 14 and shall comply with:

- (a) The requirements and principles of the ISO 9001 standard and any other applicable standards specified in this Schedule;
- (b) The Technical Requirements;
- (c) Good Industry Practice; and
- (d) All other requirements set out in this Schedule 14 and the Project Agreement.

2.2.2 Certification

Performance Measures

- (a) The quality component of the IMS must be certified as being compliant with the ISO 9001 standard; and
- (b) The quality component of the IMS must be certified within 365 days from the Commercial Close.

Specific Requirements

Certification shall be by an accredited ISO 9001 certification agency acceptable to the Ministry Representative, acting reasonably, which certification is to be maintained by Project Co throughout the Project Term.

The scope of certification for the IMS should be clearly defined to include design, Construction Activities, traffic management, operation, maintenance and rehabilitation.

Project Co shall update its IMS and all IMS Documentation as required to ensure that the IMS and all IMS Documentation is and at all times remains in full compliance with the ISO 9001 standard and the requirements of this Schedule 14.

Within 30 days of Commercial Close, or at a date mutually agreed between Project Co and the Ministry, Project Co shall convene a meeting to discuss and agree on document management procedures to be implemented on the Project. Within six months of the first meeting, Project Co shall convene a second meeting with the Ministry to review the effectiveness of the document management measures based on feedback from all parties, and to implement any agreed upon procedural changes.

2.2.3 Quality

Project Co shall make all IMS-QMS records available to the Ministry for inspection and review. Project Co shall provide the Ministry with a copy of any or all quality records when requested within 48 hours of the request. The IMS-QMS shall address all stages of the Project Operations, specifically:

- (a) Design;
- (b) Construction; and
- (c) Operations, including maintenance and rehabilitation.

2.2.4 Environment

The environmental section of the IMS (IMS-EMS) shall meet all the requirements of ISO 14001 as a minimum. As a minimum the IMS-EMS will conform to the ISO 14001 requirements.

The goal of implementing, operating and maintaining the IMS-EMS shall be to ensure that:

- (a) All legal and other requirements applicable to the Project are satisfied at all times;
- (b) All Permits, Licenses and Approvals are obtained and maintained as required;
- (c) All environmental monitoring and reporting is conducted;
- (d) All environmental incidents are reported and tracked;
- (e) For all activities and operations that it can control or over which it may have influence, Project Co acting reasonably and in accordance with Good Industry Practice protects the environment at all times, taking whatever steps necessary to achieve this outcome;
- (f) All Valued Ecological Components (VECs) identified in the Environmental Protection Plan (EPP) in Section 300.2.10 of Schedule 15-2 – Design and Construction are included as part of the IMS-EMS;
- (g) Project Co continually improves its environmental performance, including acting promptly on environmental issues and opportunities as they arise; and

- (h) Project Co can demonstrate its environmental performance and that all environmental performance information is made available to the Ministry.

Project Co shall make all IMS-EMS records available to the Ministry for inspection and review, as requested. Project Co shall provide the Ministry with a copy of any or all records when requested within 48 hours of the request. The IMS-EMS shall address all stages of the Project Operations, specifically:

- (a) Design;
- (b) Construction; and
- (c) Operations, including maintenance and rehabilitation.

Construction Activities shall not be started on any component until after the IMS-EMS has been prepared and submitted to the Ministry in accordance with Schedule 9 - Review Procedure and shall at all times comply with Applicable Law.

The IMS-EMS shall be fully implemented to meet all the requirements of ISO 14001 no later than 365 days after Commercial Close and shall be verified by an external audit by a qualified party, as described herein. The IMS-EMS shall include, but not necessarily be limited to, the following:

- (a) Environmental policy;
- (b) Planning;
 - i. environmental aspects;
 - ii. legal requirements; and
 - iii. objectives, targets and programs;
- (c) Implementation and operation;
 - i. resources, roles, responsibility and authority;
 - ii. compliance, training and awareness;
 - iii. communication;
 - iv. operational control; and
 - v. emergency preparedness and response;
- (d) Checking
 - i. monitoring and measurement;
 - ii. evaluation of compliance; and
 - iii. references to core procedures.

2.2.5 Occupational Health and Safety

The Occupational Health and Safety Section of the IMS (IMS-OHS) shall meet all the requirements of the OHSAS 18001 standard and obtain a Certificate of Recognition (COR) as recognized by the Saskatchewan Construction Safety Association or its successor branch or association. The IMS-OHS shall cover all activities, products and services related to the Project Operations prior to the execution of these activities, products and services. Project Co and the OHS Manager for the Construction Contractor and the OHS Manager for the OM&R Provider must achieve and maintain safety qualification in the form of a COR before the commencement of the Project and shall maintain the IMS-OHS throughout the duration of the Project Operations. For clarity, while OHSAS certification is not required, it is a requirement that Project Co obtain a COR based on the content and commitments in the IMS-OHS.

The goal of implementing, operating and maintaining the OHS-IMS shall be to ensure that:

- (a) All legal and other requirements applicable to the Project are satisfied at all times;
- (b) For all activities and operations Project Co and the Occupational Health and Safety Manager for the Construction Contractor and the OM&R Provider protects the health and safety of its workers and the general public at all times, taking all steps necessary to achieve this outcome;
- (c) Project Co and the Occupational Health and Safety Manager for the Construction Contractor and OM&R Provider continually improves its health and safety performance, including acting promptly on health and safety issues and opportunities as they arise; and
- (d) Project Co can demonstrate its health and safety performance and that all health and safety performance information is made available to the Ministry.

Project Co shall make all IMS-OHS records available to the Ministry for inspection and review, as requested. Project Co shall provide the Ministry with a copy of any or all occupational health and safety records when requested within 48 hours of the request. The IMS-OHS shall address all stages of the Project and the OM&R Work, specifically:

- (a) Construction; and
- (b) Operations, including maintenance and rehabilitation.

The IMS-OHS must contain an organizational chart identifying Key Individuals and other key personnel responsible for health and safety management and their relationship with the IMS Director as documented in Project Co's IMS. It shall also contain a description of the responsibilities, qualifications, and authority of the above personnel and the organizational interfaces between those responsible for health and safety management and other disciplines such as management of Project design, construction and operations, maintenance and rehabilitation.

The IMS-OHS shall include, but not be limited to:

- (a) Occupational health and safety policy;
- (b) Planning
 - i. hazard identification, risk assessment, and determining controls;
 - ii. legal and other requirements; and
 - iii. objectives and programs;
- (c) Implementation and operation
 - i. resources, roles, responsibility, accountability, and authority;
 - ii. communication, participation, and consultation;
 - iii. documentation;
 - iv. operational control; and
 - v. emergency preparedness and response;
- (d) Checking
 - i. performance of measurement and monitoring;
 - ii. evaluation of compliance; and
 - iii. incident investigation;
- (e) References to core procedures.

The IMS-OHS must be developed and implemented in accordance with the requirements outlined in Part 2 and Appendix A of this Schedule 14.

2.2.6 Timing of Implementation

Performance Measures

The IMS Manual and all Management Plans must be fully implemented within 180 calendar days from Commercial Close.

Specific Requirements

Project Co shall not commence or permit the commencement of any aspect of the Project Operations before those parts of the IMS dealing with quality, environment and occupational health and safety documentation that concern such aspect of the Project Operations have been submitted to the Ministry Representative in accordance with this Schedule 14 and in accordance with Schedule 9 - Review Procedure.

2.2.7 Compliance with the IMS

Performance Measures

Project Co shall comply with the IMS requirements detailed in the IMS Manual and shall ensure that:

- (a) The Design Team complies with the IMS Manual and the Design Management Plan in connection with its design activities;
- (b) The Construction Contractor complies with the IMS Manual, Design Management Plan, the Construction Management Plan, the Traffic Management Plan, the Environmental Protection Plan and the Project Safety Plan in connection with the Works;
- (c) The Construction Contractor's subcontractors and suppliers are adequately trained in and comply with all relevant IMS Manual requirements and Management Plans;
- (d) The OM&R Provider complies with the IMS Manual, Operation, Maintenance and Rehabilitation Management Plan, the Traffic Management Plan, the Environmental Protection Plan and the Project Safety Plan in connection with the OM&R Works;
- (e) Any other person contracting with Project Co, any Construction Contractor or any Subcontractor complies with the relevant Management Plan prepared and implemented pursuant to this Schedule 14 in connection with the activities covered by that party's contract with Project Co, such Construction Contractor or such Subcontractor (as the case may be); and
- (f) Any person who performs any portion of the Project Operations shall comply with the IMS as it relates to that portion of the Project Operations.

2.2.8 Continuous Improvement in IMS

- (a) Project Co shall implement a program and shall have mechanisms in place, such as management reviews and IMS Audit programs, to allow all identified opportunities for improvement to be recorded, tracked, implemented and closed out;
- (b) The program shall be used to continually improve the effectiveness and efficiency of Project Co's IMS in order to improve quality, environmental, and health and safety performance; and
- (c) Project Co shall ensure that all of Project Co's employees and Subcontractors are aware of the importance of continuous improvement and are actively engaged in its implementation in connection with the performance of the Project Work.

2.2.9 Monthly Information to be Reported

For each month of the Project, Project Co shall prepare, and submit to the Ministry Representative, comprehensive IMS information within the monthly Works Report or OM&R Monthly Report as applicable.

Specific Requirements

- (a) The monthly IMS information shall address all IMS management activities under each of the disciplines for that month and any outstanding IMS issues from prior months;
- (b) The monthly IMS information shall, as a minimum, include the following information separately identified for the IMS Manual and for each discipline:
 - i. Non-Conformance Report log summarizing the Non-Conformance Tracking System and providing the following: “date open”, “date closed”, “status” (open, pending, closed), “disposition” (repair, rework, reject or other disposition as agreeable to the Ministry) and “description of status” which describes the current status of the Non-Conformance, when closed and how it was closed;
 - ii. Corrective Action and Preventative Action logs providing details of the Corrective Actions and Preventative Actions performed to date and their close-out status;
 - iii. a summary of any inspection and testing activities conducted during the month;
 - iv. Internal IMS Audits and External IMS Audits, including any third party IMS Audits performed during the month and a four month look-ahead schedule for planned future IMS Audits;
 - v. any continual improvement initiatives taken during the month;
 - vi. any other information required to be included in the monthly IMS reports pursuant to any of the Appendices to this Schedule 14 or the terms of the relevant discipline; and
 - vii. any changes made to the IMS Documentation in compliance with the provisions of this Project Agreement.

2.2.10 Additional Information

Notwithstanding any other provision of this Schedule 14, Project Co shall provide the Ministry Representative with such information as the Ministry Representative may request from time to time to demonstrate compliance with this Schedule 14 including without limitation:

- (a) Document revisions, submissions and retentions;
- (b) Construction documents and drawings development and progressive submissions;
- (c) Control;
- (d) Distribution;
- (e) Revisions;
- (f) Flowchart – document submission process and Ministry’s review;
- (g) Review of Works Submittals and OM&R Submittals;
- (h) Record drawings;
- (i) Electronic data – security and storage; and

- (j) Retention of documents

2.2.11 Core Procedures

To comply and be consistent with the requirements of the combined standards of ISO 9001, ISO 14001 and the Certificate of Recognition (COR) program, as enhanced by OHSAS 18001 [Occupational Health and Safety Management System], the IMS shall be supported by a set of core procedures and shall include, but not be limited to:

- (a) Control of documents and records
 - i. documents: revisions, submissions and retentions;
 - ii. construction documents and drawings development and progressive submissions;
 - iii. control;
 - iv. distribution;
 - v. revisions;
 - vi. flowchart – document submission process and Ministry’s review;
 - vii. review of Works Submittals;
 - viii. record drawings;
 - ix. electronic data – security and storage; and
 - x. retention of documents;
- (b) Continual improvement
 - i. continual improvement process;
 - ii. internal management review; and
 - iii. control of non-conforming product, activity or service;
- (c) Corrective Action and Preventative Action;
- (d) Control of non-conforming product, activity or service;
 - i. NCRTS
 - ii. review and disposition of non-conforming product or service
 - iii. receipt of a NCR
 - iv. Non-Conformance root cause analysis;
 - v. incentive program for Non-Conformances; and
 - vi. flowchart – Non-Conformance reporting and tracking;
- (e) Analysis of data;
- (f) Internal and external auditing;
 - i. internal IMS Audits;
 - responsibility
 - procedure
 - flowchart - Internal IMS Audits
 - audit reporting
 - ii. external IMS Audits;
 - system audits
 - surveillance IMS audits
 - responsibility
 - procedure
 - flowchart – external IMS audits

- audit reporting;
- (g) Objectives and targets;
- (h) Management review;
- (i) Personnel training and competency;
- (j) Calibration; and
- (k) Communication.

PART 3 IMS PERSONNEL

3.1 IMS Director (Key Individual) Appointment and General Responsibilities

At all times during the Project Operations, Project Co shall directly employ a IMS Director who shall, irrespective of such person's other responsibilities, have defined authority for ensuring the establishment and maintenance of the IMS and auditing and reporting on the performance of the IMS.

The IMS Director shall be a certified QMS 2000 Auditor or at a minimum will have successfully completed a recognized ISO 9001 Lead Auditor Course and shall have experience in a similar IMS role for a similar project.

The IMS Director is a Key Individual as identified in Schedule 8 – Key Individuals. The IMS Director shall have the qualifications as identified in this Section 3.1 of Schedule 14 – Integrated Management System and shall be capable of performing the specific responsibilities identified in Section 3.2 of Schedule 14 – Integrated Management System.

3.2 Specific Responsibilities

Without limiting the generality of the foregoing, the job specification and responsibilities of the IMS Director shall include the following:

- (a) Developing, implementing and maintaining, and ensuring the effective operation of the IMS;
- (b) Initiating management reviews, not less frequently than annually, and taking other actions necessary to ensure the effective operation and continuous improvement of the IMS;
- (c) Preparing IMS Audit Plans and scheduling and coordinating Internal IMS Audits and External IMS Audits of key processes with Project Co's personnel and with Project Co Parties;
- (d) Ensuring that all IMS Audits required under Part 5 of this Schedule 14 and under the IMS Documentation are conducted, and reporting the findings of such audits to the Ministry Representative;
- (e) Having the authority to immediately stop any work or activity which is not being performed or carried out in accordance with the IMS Documentation applicable thereto;
- (f) Liaising with the Ministry Representative and acting as the primary representative for Project Co on all matters relating to IMS management;
- (g) Coordinating all matters and issues relating to the certification of the quality management portion of the IMS;
- (h) Preparing IMS information for the Works Report and OM&R Monthly Report for submission to the Ministry Representative;

- (i) Ensuring that relevant IMS records are retained in accordance with the IMS and Schedule 13 - Record Provisions;
- (j) Developing and implementing a program for Corrective Action and Preventative Action for Non-Conformances; and
- (k) Carrying out any other matters which, in accordance with this Project Agreement, are the responsibility of the IMS Director.

3.3 Quality Manager

Project Co shall appoint a Quality Manager who shall be responsible for the quality management aspects of the design, construction operations and maintenance during the Project Operations and shall:

- (a) Have at least 10 years of experience in a similar role on a project of similar scope and have successfully completed an ISO 9001 Lead Auditor Course;
- (b) The identity of the Quality Manager is a Key Individual as identified in Schedule 8 - Key Individuals, whose job specification and responsibilities shall be subject to the approval of the Ministry (such approval not to be unreasonably withheld or delayed); and
- (c) Functionally report to the IMS Director.

3.4 Environmental Manager

An Environmental Manager for the Project Operations shall be named in the IMS-ES. Substitutions for the Environmental Manager named in the IMS-ES shall be subject to the Ministry's review and approval. For clarity the Ministry will have the right at its absolute discretion to approve or reject the substitute Environmental Manager. The IMS-ES shall require that the Environmental Manager possess certification from appropriate certifying bodies, or have successfully completed training courses in the IMS-ES discipline. As a minimum, these courses shall include a 2 day introductory course to ISO 14001, and a 1 week External or Lead Auditor course based on ISO 14001. In addition, the IMS-ES shall require that the Environmental Manager be a registered professional with at least 5 years of related experience in the development, implementation and audit of an IMS-ES for projects of similar scale, scope and complexity. The IMS-ES shall require that the Environmental Manager have a functional reporting line to the IMS Director.

3.5 Quality Control Manager

- (a) Project Co shall appoint a Quality Control Manager who shall be responsible for quality control requirements as set out in the IMS and CMP;
- (b) The Quality Control Manager shall be certified as a quality professional from a certifying body, as a minimum successful completion of an ISO 9001 Lead Auditor Course;
- (c) The Quality Control Manager shall be responsible for the preparation, review and implementation of the Inspection and Test Plans;

- (d) Responsibilities of the Quality Control Manager include supervision of quality inspection staff and ensuring that individuals have the required qualifications and experience to undertake the quality control requirements as set out in the IMS Manual and CMP;
- (e) The Quality Control Manager shall have 10 years of experience as a quality manager or quality control manager for the construction of highways and bridges on similar projects; and
- (f) The Quality Control Manager shall be independent of the Construction Contractor's production and supervision staff and shall report directly to the IMS Director.

3.6 Quality Control Staff

- (a) Project Co's quality control staff shall be responsible for the inspection and testing requirements as set out in the IMS Manual, and CMP, and shall be trained to fully understand the IMS Manual and CMP, have access to quality documents, quality records, and issued for construction drawings. Failure of quality control staff to show knowledge of the requirements and work shall be considered a Non-Conformance;
- (b) Project Co's quality control staff responsible for quality control inspection and testing shall have the qualifications demonstrated by certificates of training and 5 years of experience on similar highway and bridge construction projects; and
- (c) The quality control staff shall be independent of the Construction Contractor's production and supervision staff and shall report directly to the Quality Control Manager.

3.7 OHS Manager

An OHS Manager for the Project Operations shall be named in the IMS-OHS. Substitutions for the Occupational Health and Safety Manager named in the IMS-OHS shall be subject to the Ministry's review and approval. The IMS-OHS shall require that the OHS Manager have successfully completed training courses in the IMS-OHS discipline. As a minimum, these courses shall include courses required under the COR program, and a 1 week Lead Auditor course based on OHSAS 18001. In addition, the IMS-OHS shall require that the manager be a Registered Safety Professional with at least 5 years of related experience in the development, implementation and audit of an IMS-OHS for projects of similar scale, scope and complexity. The IMS-OHS shall require that the OHS Manager have a functional reporting line to the IMS Director.

PART 4 TESTING REQUIREMENTS

4.1. Testing

Where Project Co is required by this Project Agreement or any IMS Documentation to carry out any calibration, sample, test or trial, such calibration, sample, test or trial shall be carried out in accordance with the provisions of this Part 4 and the provisions of the relevant IMS Documentation.

4.2. Accreditation Standard

- (a) All on and off site calibrations, samples, tests and trials shall be carried out by laboratories that are duly accredited for the carrying out of such calibrations, samples, tests and trials;
- (b) Laboratory accreditation shall be in accordance with ISO/IEC 17025, as amended, updated or replaced from time to time, provided that, for specific activities, the Ministry Representative may accept other industry-recognized accreditation in lieu of ISO/IEC 17025, including:
 - i. concrete and concrete materials: CSA A283-00, "Qualification Code for Concrete Testing Laboratories", to the appropriate category for the tests being done;
 - ii. structural steel and welding: CSA WI78.1-D2, "Certification of Welding Inspection Organizations", to the level appropriate for the inspection being carried out;
 - iii. aggregates, bituminous paving mixtures: "Canadian Council of Independent Laboratories", as appropriate to the work being carried out;
 - iv. protective coatings: "National Association of Corrosion Engineers", as appropriate to the work being carried out; and
- (c) Project Co may request the approval of the Ministry Representative to use other industry-recognized accreditations, which approval shall not be unreasonably withheld or delayed if such other accreditation is applicable to the Project Operations for which it is proposed and meets the intent of ISO/IEC 17025.

4.3. Remedial Work

Project Co shall be responsible at its own cost for any remedial work required as a result of any failure to pass any calibration, sample, test or trial required in accordance with this Project Agreement or any IMS Documentation or as a result of any laboratory not being duly accredited as required by Section 4.2 "Accreditation Standards" of this Schedule 14.

4.4. Inspection and Test Plans (ITPs)

Project Co shall prepare and submit each Inspection and Test Plan in respect of the Works and OM&R Work to the Ministry's Representative pursuant to Schedule 9 - Review Procedure at least 15 Business Days prior to performing the relevant Works or OM&R Work. The Inspection and Test Plan shall, at a minimum, include:

- (a) A description of the inspection, testing and monitoring activity;
- (b) Frequency of inspections, tests and monitoring;
- (c) Reference to standards, codes, specifications, and acceptance criteria;
- (d) Reports and checklists required;
- (e) Personnel responsible for inspection, testing and monitoring activity;
- (f) Quality assurance review, witness and hold points; and
- (g) Description and frequency of geotechnical instrumentation monitoring and adherence to acceptance criteria.

PART 5 AUDITS

5.1. Audit Plan

Specific Requirements

Project Co shall provide an IMS Audit Plan to the Ministry Representative within 30 days after the Commercial Close and provide an updated IMS Audit Plan at 12 month intervals thereafter.

The IMS Audit Plan shall detail the Internal IMS Audits and the External IMS Audits that will be conducted by Project Co on its own processes and those of Project Co Parties, and the planned dates of such IMS Audits.

Performance Measures

Project Co shall provide an updated IMS Audit Plan at twelve month intervals following submission of its initial IMS Audit Plan.

At each occurrence of Project Co failing to provide an updated IMS Audit Plan at the required interval, Project Co shall be assigned 1 Quality Failure Point each day until the failure is rectified.

5.2. Internal IMS Audit

Project Co shall undertake Internal IMS Audits in accordance with *ISO 9001 Element 8.2.2*, *ISO 14001 Element 4.5.5*, *OHSAS 18001 Element 4.5.5* and the COR program throughout the Project Term. The auditor shall follow the guidelines for *Auditing Management Systems, ISO 19011*, as amended or substituted from time to time. The audit shall, at a minimum, ensure that all input requirements are adhered to and that the IMS is implemented and in compliance with the requirements of *ISO 9001*, *ISO 14001*, and COR program, as enhanced by OHSAS 18001, as amended or substituted from time to time, customer requirements and applicable regulatory standards.

For Construction Activities prior to Final Completion, Internal IMS Audits will be required to be undertaken for Subcontractors with a scope of work that will be permanently incorporated into the Bypass Infrastructure in excess of \$2,000,000 and will take place at least once per year initially and subsequently as otherwise agreed in writing by the Ministry at an alternative interval. Internal IMS Audits covering IMS-EMS and or IMS-OHS as relevant for scopes of work in excess of \$1,000,000 carried out on the Lands but not permanently incorporated into the Bypass Infrastructure will be subject to Internal IMS Audits covering the relevant aspects of their work and will take place at least once per year or as agreed in writing by the Ministry at an alternative interval. During the Operational Term Internal IMS Audits will be undertaken for Subcontractors with a scope of OM&R Work in excess of \$250,000 and shall take place at least once per year or as otherwise agreed in writing by the Ministry by writing at an alternative

interval. The terms of reference and contracts issued by Project Co and/or any Project Co Parties to any Subcontractors must specifically reference this requirement, and Project Co Parties and subcontractors must be asked to demonstrate the competence and capability to comply with the requirement.

All IMS Non-Conformances identified by the internal IMS auditor during the IMS Audit must be addressed and corrective measures implemented by Project Co. Project Co shall provide final audit reports to the Ministry Representative within fourteen days of the closing of the audits.

5.3. External IMS Audit

Project Co shall undertake External IMS Audits throughout the Project Term.

External IMS Audits shall be conducted by an independent IMS auditor certified by an accredited auditors' registration body such as International Register for Certificated Auditors, Registrar Accreditation Board, National Quality Institute, or other equivalent body. The auditor shall also be qualified to audit the scope of the IMS. It is acceptable that different auditors be used for the quality, environment and health and safety areas of the IMS. The audit process shall follow the guidelines for *Auditing Management Systems*, ISO 19011, as amended or substituted from time to time.

The External IMS Audit shall, at a minimum, ensure that:

- (a) For ISO 9001 certification, all input requirements are adhered to and that the IMS is implemented and in compliance with the requirements of the ISO 9001 standard, as amended or substituted from time to time to meet customer requirements and applicable regulatory standards. A full system audit shall be completed within 1 year of Commercial Close and thereafter at least once per year during the Project Term, or as required by the ISO 9001 Registrar;
- (b) For the Environmental Protection Plan, the audit will demonstrate that Project Co activities and management procedures, plans and programs conform to the requirements of the ISO 14001 standard (without requiring full certification) as amended or substituted from time to time to meet customer requirements and applicable regulatory standards. Audits will be conducted at least once per year during the Project Term; and
- (c) for Project health and safety management, the audit will demonstrate that Project Co activities and management procedures, plans and programs conform to the requirements of the COR program, as amended or substituted from time to time. The IMS-OHS must also conform to the requirements of the OHSAS 18001 standard as amended or substituted from time to time to meet customer requirements and applicable regulatory standards. Audits will be conducted at least once per year during the Project Term.

The External IMS Audit program identified in this Section 5.3 paragraphs a) to c) shall cover all of Project Co's activities. The External IMS Audit program identified in this

Section 5.3 paragraphs b) and c) shall extend to Project Co Parties awarded scopes of work on the Lands exceeding \$2,000,000. The terms of reference and contracts issued by Project Co and any Project Co Parties to any subcontractors must specifically reference this requirement, and Project Co Parties and subcontractors must be asked to demonstrate the competence and capability to comply with the requirement.

All Non-Conformances identified by the external auditor during the audit shall be addressed and corrective measures implemented by Project Co within 30 calendar days of the submission of the audit report. Project Co shall provide final audit reports to the Ministry Representative within 14 calendar days of the closing of the audits. Evidence of the correction of any Non-Conformances identified in the audit shall be submitted by Project Co to the Ministry's Representative within 30 calendar days of the Ministry's receipt of the final audit report.

5.4. Ministry's IMS Audit

5.4.1 General

The Ministry shall determine the frequency of auditing through regular and ongoing review of Project Co's performance and management systems. Without limiting Project Co's obligations under Part 5 of the Project Agreement, Project Co shall provide and shall ensure Project Co Parties provide the Ministry's auditors with all documentation, records, access, facilities and assistance requested in connection with the Ministry's IMS Audit activities.

5.4.2 Project Co shall prepare a Corrective Action plan, and, if appropriate, a Preventative Action plan, and submit it to the Ministry Representative within 20 business Days of the closing of the Ministry's IMS Audit. At each occurrence of Project Co failing to prepare a Corrective Action plan or Preventative Action plan within the required time period, Project Co shall be assigned 1 Quality Failure Point each day until the failure is rectified.

5.4.3 Specific Requirements

The Ministry reserves the right to conduct follow up reviews on reasonable, but not less than 1 Business Day notice, to Project Co to determine if Project Co's Corrective Action plan or Preventative Action plan has been implemented and completed.

5.4.4 Types of IMS Audits

The following two types of IMS Audits may be conducted by, or on behalf of, the Ministry at its sole discretion:

- 5.4.4.1 Surveillance IMS Audits - scheduled or unscheduled field audits conducted on a random basis or on specific areas of interest throughout the Project Term. The objective of these surveillance audits is to monitor Project Co's activities involving the Works and the OM&R Work, including but not limited to workmanship, performance measures and general quality of materials. The Ministry Representative acting reasonably shall, during the performance of Surveillance IMS Audits, record any observations and inform Project Co of any deficiencies that require further evaluation. Any noted deficiencies shall be resolved to the satisfaction of the Ministry Representative through evidence of Project Co's deficiency evaluation findings or the Non-Conformance process set forth in Part 7 of this Schedule 14; and
- 5.4.4.2 Internal IMS Audits - scheduled audits conducted at specific times to assess the performance of and compliance with the IMS. The Ministry's lead auditor shall contact the IMS Director and confirm the scope and schedule of the audit, and schedule for associated audit meetings. At the audit opening meeting with Project Co, the Ministry's lead auditor shall review the audit scope and objectives. The Ministry's auditors shall conduct audit interviews, and document any observations on prepared checklists. At the end of the audit interviews, the Ministry's lead auditor shall evaluate the observations and identify observed procedural or performance Non-Conformances that require Corrective Action. At the audit closing meeting, occurring as soon as reasonably possible after completion of the audit, the Ministry's lead auditor shall discuss the observations and inform Project Co of any observed Non-Conformances and audit recommendations.

Additional information relating to the Ministry's IMS Audits with respect to particular Management Plans is identified in this Schedule 14.

5.5. Ministry's Monitoring

In addition to carrying out any scheduled and unscheduled External IMS Audits of the IMS System (including audits relating to compliance with all IMS Documentation), the Ministry Representative may, at its discretion, monitor and verify the operation of the IMS by, inter alia, carrying out spot checks and making independent inspections and tests of any Plant or material including any Plant or material which fails any test or is suspected by the Ministry Representative of not complying with the requirements of this Project Agreement.

5.6. Deficient IMS Audits

If either:

- (a) The Ministry Representative reasonably believes that Project Co is failing to conduct IMS Audits of its IMS as required by this Project Agreement in any material respect or if such IMS Audits are not conducted in accordance with the ISO 9001 standard by personnel competent to conduct such IMS Audits;
or
- (b) Any auditing, monitoring or spot-checks of the IMS reveals material deficiencies in the IMS or the implementation thereof, the Ministry Representative may carry out increased levels of External IMS Audits (whether in number, duration or detail) of all or any aspect of the IMS until such time as the Ministry Representative is reasonably satisfied that none of the circumstances described in this Section 5.6 continue to exist.

5.7. Cost of Audits

If the Ministry Representative carries out any audit pursuant to Section 5.4, Section 5.5 or Section 5.6, and the results of such audit shows any Non-Conformance that materially interferes with the delivery of the Works or the OM&R Work in accordance with the Technical Requirements, IMS Manual and Management Plans, then without limiting any other rights and remedies of the Ministry, Project Co shall compensate the Ministry for all costs incurred in carrying out such audit (including the relevant administrative expenses of the Ministry, including an appropriate sum in respect of general staff costs and overheads). All other audits carried out by the Ministry Representative pursuant to Section 5.4, Section 5.5 or Section 5.6 shall be at the Ministry's cost.

5.8. Third Party Audits

Third party IMS Audits shall be conducted as required under the ISO 9001 standard on the IMS-QMS or (IMS as required) by an accredited certification agency acceptable to Ministry and Project Co, each acting reasonably, and audit reports in respect of such External IMS Audits initiated by Project Co shall be made available to the Ministry Representative upon request.

PART 6 IMS DOCUMENTATION REQUIREMENTS

6.1. Minimum Documentation Requirements for the IMS System

- (a) The IMS Manual;
- (b) Management Plans for all aspects of the Works and the OM&R Work as required pursuant to Part 2 Section 2.2.7 of this Schedule 14;
- (c) That each Management Plan refers to the IMS core system procedures and process flow charts documenting who performs the Works or OM&R Work, what they do, and what evidence shall be generated to demonstrate that they have performed quality related aspects of the Works or OM&R Work correctly;
- (d) The IMS Audit Plan; and
- (e) The IMS Records required pursuant to Section 6.6 of this Schedule 14.

6.2. Submission of the IMS Documentations

If any IMS Documentation relies on or incorporates any supporting IMS or IMS Documentation then such supporting documentation or the relevant parts thereof shall (unless the Ministry Representative otherwise agrees) be submitted to the Ministry Representative at the time that the relevant IMS Documentation or part thereof or change, addition or revision to the IMS Documentation is submitted in accordance with the Review Procedure and the contents of such supporting IMS Documentation shall be taken into account in the consideration of the relevant IMS Documentation or part thereof or change, addition or revision to the IMS Documentation in accordance with the Review Procedure. The Ministry Representative may require the amendment of any such supporting IMS Documentation to the extent necessary to enable the relevant IMS Documentation to satisfy the requirements of this Schedule 14.

6.3. Project Co Obligation to Update

Project Co shall be responsible for proactively updating its IMS and all relevant IMS Documentation from time to time, in accordance with the procedures set forth in this Project Agreement, to ensure that the IMS and all relevant IMS Documentation are, and at all times remain, in full compliance with the ISO 9001, ISO 14001 and OHSAS 18001 standards and the COR standard and the requirements of this Project Agreement.

6.4. Changes to IMS Documentation

Project Co shall submit to the Ministry Representative, in accordance with the Review Procedure, any proposed changes or additions to or revisions of any of the IMS Documentation.

6.5. Amendment to IMS Documentation

If there is no unresolved objection by the Ministry Representative under the Review Procedure to a part of the IMS Documentation pursuant to Section 6.2 or to a change, addition or revision proposed pursuant to Section 6.4 of this Schedule 14, then the IMS Documentation shall be amended to incorporate such part, change, addition or revision.

6.6. IMS Records

- (a) Project Co shall establish and maintain complete and accurate IMS Records;
- (b) The IMS Records shall provide objective evidence of conformance with all requirements of this Project Agreement, compliance with the ISO 9001 standard and the effective operation of the IMS-QMS; and
- (c) The IMS Records maintained by Project Co shall include records evidencing conformity to the ISO 14001 standard.

PART 7 NON CONFORMANCE

7.1. Non-conformance Reporting Process

- (a) The Ministry shall be entitled, at any time during the Project Term, to deliver to Project Co a NCR stipulating any Non-Conformance with respect to the Works or the OM&R Work,
- (b) Project Co shall also issue, as part of its IMS, a NCR stipulating any Non-Conformance with respect to the Works or OM&R Work that it has identified,
- (c) Project Co shall, at its sole cost and expense, correct and rectify any Non-Conformance or cause to be corrected and rectified any Non-Conformance described in a NCR; and
- (d) Project Co acknowledges that its responsibility for performance and delivery of the Works and OM&R Work is absolute and shall not be diminished or waived in any way or circumstance, including as a result of either the issuance or non-issuance of a NCR.

7.2. Non-Conformance Requirements for Ministry Generated NCRs/Project Co's Possible Responses to Ministry Generated NCR

Within 5 Business Days following receipt of a NCR from the Ministry, Project Co. shall advise the Ministry through the NCR Tracking System (NCRTS) that:

- (a) It acknowledges and accepts the occurrence of an incidence of Non-Conformance and:
 - i. it will proceed with all due diligence to correct and rectify or cause to be corrected or rectified the incidence of the Non-Conformance; or
 - ii. the incidence of the Non-Conformance was previously identified by Project Co and has been or is in the process of being corrected or rectified; or
- (b) It declines to accept or acknowledge the existence of the incidence of Non-Conformance.

7.3. Project Co's Acknowledgement

In the event Project Co acknowledges and accepts the occurrence of an incidence of Non-Conformance in the manner and within the time period contemplated, Project Co shall:

- (a) Advise the Ministry of the actions to be undertaken by Project Co to correct or rectify the incidence of Non-Conformance (including the Preventative Action) and the time period within which same will be attended to. During the Construction Activities and during the OM&R Work that have been designed by a Design Engineer or Structural Engineer (as defined in Schedule 15-1 – Technical Requirements – General), all proposed actions shall be certified by the Engineer of Record;

- (b) Proceed with all due diligence to correct or rectify the incidence of Non-Conformance within the stipulated time period; and
- (c) Upon completion of such correction or rectification, provide the Ministry with written certification, together with necessary supporting documentation, confirming that the incidence of Non-Conformance has been corrected or rectified.

7.4. Non Conformance Requirements for Ministry Generated NCR

Upon the occurrence of any one of the following events:

- (a) Project Co fails to provide the Ministry with a response or declines to accept or acknowledge the occurrence of an incidence of Non-Conformance;
- (b) Project Co acknowledges the incidence of Non-Conformance, but is not proceeding to correct or rectify the event of Non-Conformance with all due diligence or the course of action or time period proposed by Project Co to correct or rectify same is not acceptable to the Ministry; or
- (c) The Ministry declines to accept that the incidence of Non-Conformance has been corrected or rectified and to remove the NCR issued in conjunction therewith from the NCRTS,

then Project Co and the Ministry Representative shall meet for purposes of resolving same. If Project Co and the Ministry Representative do not meet and fully resolve, or otherwise fully resolve, the matter(s) in issue within 10 Business Days following such event, the Ministry's determination shall be final and binding for all purposes of this Project Agreement unless Project Co refers the matter as indicated in the Dispute Resolution Procedure.

If Project Co and the Ministry Representative do not meet and fully resolve, or otherwise fully resolve, the matter(s) in issue or Project Co does not refer the matter for Dispute Resolution Procedure within 30 Business Days of the issuance of the NCR, a new NCR will be issued with double the points assigned to the original NCR.

For every subsequent 30 Business Days period, a new NCR will be issued with a doubling of points from the previous NCR.

7.5. Non Conformance Requirements for Project Co Identified NCR

7.5.1 Project Co's Response to Project Co Generated NCR

Within 5 Business Days following issuance of a NCR, Project Co shall in NCRTS:

- (a) Advise the Ministry of the actions to be undertaken by Project Co to correct or rectify the incidence of Non-Conformance (including the Preventative Action) and the time period within which same will be attended to. During the Construction Activities and during the OM&R Work that have been designed by a Design Engineer or Structural Engineer (as defined in Schedule 15-1 – Technical Requirements – General), all proposed actions shall be certified by the Engineer of Record;
- (b) Proceed with all due diligence to correct or rectify the incidence of Non-Conformance within the stipulated time period; and
- (c) Upon completion of such correction or rectification, provide the Ministry with written certification, together with necessary supporting documentation, confirming that the incidence of Non-Conformance has been corrected or rectified.

7.6. Disputed Non-Conformance

Upon the occurrence of any one of the following events:

- (a) Project Co is not proceeding to correct or rectify the event of Non-Conformance with all due diligence or the course of action or time period proposed by Project Co to correct or rectify same is not acceptable to the Ministry; or
- (b) The Ministry declines to accept that the incidence of Non-Conformance has been corrected or rectified and to remove the Non-Conformance Record issued in conjunction therewith from the NCR points register,

Project Co and the Ministry Representative shall meet for purposes of resolving same. If Project Co and the Ministry Representative do not meet and fully resolve, or otherwise fully resolve, the matter(s) in issue within 10 Business Days following such event, the Ministry's determination shall be final and binding for all purposes of this Project Agreement unless Project Co refers the matter for Dispute Resolution Procedure.

If Project Co and the Ministry Representative do not meet and fully resolve, or otherwise fully resolve, the matter(s) in issue or Project Co does not refer the matter for Dispute Resolution Procedure within 30 Business Days of the issuance of the NCR, a new NCR will be issued, by the Ministry, with 2 NCR Points assigned to the NCR.

For every subsequent 30 Business Days period, a new NCR will be issued with a doubling of points from the previous NCR.

7.7. Non-Conformance Tracking Process

All Ministry generated NCRs that do not have specific Quality Failure Points assigned to them shall be assigned 1 NCR Point.

All Project Co generated NCRs that do not have specific Quality Failure Points assigned to them shall be assigned 0 NCR Points.

Each NCR with its assigned points, regardless of who generated it, shall be entered in the NCRTS which shall be jointly maintained by the Ministry and Project Co throughout the performance of the Works and OM&R Work. Only NCRs that do not have a specific Quality Failure Points assigned to them shall be entered. The web based register shall be supplied by the Ministry. The Non-Conformance Record shall only be removed therefrom following the correction or rectification of the incidence of the Non-Conformance to the satisfaction of the Ministry, acting reasonably.

If a repeat incidence of the Non-Conformance with the same root cause occurs within 18 months of the original Non-Conformance, two points shall be assigned to the incidence of the repeated Non-Conformance.

7.8. Non-Conformance Report Tracking System (NCRTS)

- (a) The Ministry shall provide a NCRTS data base application to monitor the status of all NCRs initiated by Ministry and Project Co.;
- (b) The NCRTS shall be fully operating from Financial Close and have the following features:
 - i. comprise a single repository containing both Project Co and the Ministry initiated NCRs;
 - ii. have the ability to attach supporting material such as photos and documents;
 - iii. provide live access to the current NCR status to both Project Co and the Ministry; and
 - iv. provide for workflow records of actions taken recording the date and time, individual that performed the action and the content of the action(s) taken.
- (c) The Ministry will input Ministry generated NCRs into the NCRTS and such input will constitute delivery of the NCR to Project Co in accordance with 7.1 a) of Part 7 of Schedule 14 Integrated Management System; and
- (d) Project Co shall input Project Co generated NCRs into the NCRTS in accordance with 7.1 b) of Part 7 of Schedule 14 Integrated Management System.

7.9. Performance Measures

Project Co shall resolve Non-Conformances within the response time specified on the NCRs. Failure to resolve a Non-Conformance within the time specified on the NCR will result in Project Co being assigned 1 NCR Point each day until the failure is rectified.

7.10. Non Conformance Records

In addition to the maintenance of the NCRTS under Section 7.8 – Non-Conformance Report Tracking System of this Schedule 14, Project Co shall maintain and make available to Ministry upon request, records of:

- (a) Each Non-Conformance;
- (b) The reference numbers of all NCRs;
- (c) A description of all NCRs;
- (d) The proposed actions by Project Co to rectify each Non-Conformance;
- (e) The date at which each Non-Conformance was identified; and
- (f) The date and time at which a Non-Conformance specified in a NCR was rectified.

7.11. Audit Rights

The Ministry shall be entitled to audit the certification, supporting documentation and the work performed to correct and rectify any Non-Conformance and may, if appropriate, deliver a further NCR in respect of any or all of the foregoing.

7.12. Prescribed Payments for Project Co Non-Performance/Non-Conformance

For payments associated with Non Conformance, refer to Schedule 18 – Payment Mechanism.

7.13. The Ministry Right to Remedy Non-Conformance

If Project Co does not comply with the provisions of this Part 7 of Schedule 14 Integrated Management System in the manner and within the time periods specified, the Ministry may (but shall not be required to), undertake and complete such remedial work (including the removal and replacement of improvements and structures) as the Ministry considers appropriate. All such remedial work shall be at the sole cost and expense of Project Co and Project Co covenants to forthwith pay the Ministry.

PART 8 PERFORMANCE MONITORING

8.1. Obligation to Report

Project Co shall prepare a Performance Monitoring Report in respect of each Payment Period. The Performance Monitoring Report shall be submitted to the Ministry Representative within 5 Business Days following the end of each Payment Period, and shall describe performance of the OM&R Work which has resulted in Quality Failure Points, in accordance with Schedule 18 - Payment Mechanism in respect of the relevant Payment Period. The Performance Monitoring Report shall set out Project Co's calculation of each of the following (each stated separately):

- (a) Any Availability Failures in respect of that month; and;
- (b) Any Quality Failures and associated Quality Failure Points in respect of that month.

Appendix “A”

PROJECT SAFETY PLAN

- 1.1. Project Co shall provide a comprehensive Project Safety Plan that describes how it intends to manage the health and safety components of the Project in accordance with the COR program, as enhanced by OHSAS 18001, its IMS Manual and the provisions of this Project Agreement. The Project Safety Plan is to apply throughout the Project Term and shall generally follow the COR program required formatting.
- 1.2. The Project Safety Plan shall contain an organizational chart identifying Key Individuals and other key personnel responsible for environmental management and their relationship with the IMS Director as documented in Project Co’s IMS. It shall also contain a description of the responsibilities, qualifications, and authority of the above personnel and the organizational interfaces between those responsible for health and safety management and other discipline such as management of Project design, construction and operations, maintenance and rehabilitation disciplines.
- 1.3. Project Co shall appoint an OHS Manager who shall be responsible for the Project Safety Plan and shall functionally report to the IMS Director.
- 1.4. The Project Safety Plan shall include or reference the core system procedures and process flow charts for the following processes:
 - (a) Satisfying and ensuring compliance with Project Co’s health and safety obligations, including compliance with the health and safety regulatory requirements and in particular, the preparation and implementation of an Occupational Health and Safety Management System and specific plans as detailed elsewhere in this Project Agreement;
 - (b) Health and safety monitoring and reporting;
 - (c) Health and safety incident reporting and tracking;
 - (d) External IMS Audits of Project Co Parties responsible for health and safety aspects of the Project;
 - (e) Internal IMS Audits;
 - (f) Control of Non-Conformances;
 - (g) Corrective Actions, Preventative Actions and opportunities for improvement;
 - (h) Document management;
 - (i) Control and retention of IMS Records; and
 - (j) IMS Records.