

BC HYDRO SITE C CLEAN ENERGY PROJECT

SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS CONTRACT

for the Site C Clean Energy Project

British Columbia Hydro and Power Authority

and

Voith Hydro Inc.

Dated: March 11, 2016

AGREEMENT
SITE C CLEAN ENERGY PROJECT
SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS

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AGREEMENT

SITE C CLEAN ENERGY PROJECT

SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS

THIS AGREEMENT (this “**Agreement**”) made effective as of the 11th day of March, 2016 (the “**Effective Date**”) (BC Hydro Reference #RFP1296)

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a British Columbia Crown Corporation having its head office at 333 Dunsmuir Street, Vancouver, B.C. V6B 5R3

(“**BC Hydro**”)

AND:

VOITH HYDRO INC., [REDACTED]

(the “**Contractor**”)

WHEREAS:

- A. BC Hydro intends to construct the Site C Clean Energy Project (the “**Project**”) which is a proposed third dam and hydroelectric generating station on the Peace River in northeast British Columbia;
- B. The Contractor is a knowledgeable and experienced contractor in the performance of work similar to the Work, and is the successful proponent under the RFP; and
- C. The parties wish to enter into a formal contract for the supply and installation of the turbines, generators, excitors, governors and related systems and equipment as required for the Project.

NOW THEREFORE in consideration of the mutual covenants and conditions contained in the Contract, BC Hydro and the Contractor agree as follows:

1 **THE WORK**

1.1 Scope of Work

The scope of the Work will include the complete design, supply, installation, testing and commissioning of the Equipment and the Equipment components, including:

- (a) the Turbines required for the Project as described in more detail in Schedule 6 [Specifications and Drawings];
- (b) the Generators required for the Project as described in more detail in Schedule 6 [Specifications and Drawings];
- (c) the Excitors required for the Project as described in more detail in Schedule 6 [Specifications and Drawings];

- (d) the Governors required for the Project as described in more detail in Schedule 6 [Specifications and Drawings].

1.2 Labour, Materials and Equipment

Except as may be expressly provided otherwise in the Contract Documents, the Contractor will, as part of the Work, provide all labour, materials and equipment necessary for the complete performance of the Work.

1.3 Customary Inclusions

The Contract Documents will be interpreted to include in the Work all labour, equipment and materials that in accordance with Good Industry Practice or by necessary inference would be included in the Work.

■ [REDACTED]
[REDACTED]

2 **INTERPRETATION**

2.1 Definitions

In the Contract Documents, unless the context otherwise requires, capitalized terms have the meanings set out in Schedule 1 [Definitions and Interpretation].

2.2 Contract Documents

The following is a complete list of the “**Contract Documents**”:

- (a) this Agreement;
- (b) Schedule 1 [Definitions and Interpretation];
- (c) Schedule 2 [Design and Construction Protocols];
 - (i) Appendix 2-1 [BC Hydro's Policies and Procedures];
 - (ii) [REDACTED]
 - (iii) Appendix 2-3 [Project Related Permits];
 - (iv) Appendix 2-4 [Worker Accommodation Facility Standards];
 - (v) Appendix 2-5 [SharePoint Technical Requirements for Contractors]; and
 - (vi) Appendix 2-6 [BC Hydro Property];
- (d) Schedule 3 [Roles and Representatives];
- (e) Schedule 4 [Work Program and Schedule];
 - (i) [REDACTED]

- (ii) [REDACTED]
- (iii) Appendix 4-3 [Not Used];
- (iv) Appendix 4-4 [Not Used];
- (v) Appendix 4-5 [Site Plan Overmarked with Proposed Laydown Areas];
- (vi) Appendix 4-6 [BC Hydro Turbine Generator WBS];
- (vii) [REDACTED] and
- (viii) Appendix 4-8 [Interface Requirements];
 - (A) Exhibit 4-8-1 [Work Area Inspection Form]; and
 - (B) Exhibit 4-8-2 [Work Area Handover Form];
- (f) Schedule 5 [Submittals Procedure];
 - (i) Appendix 5-1 [Form of Submittal Schedule];
- (g) Schedule 6 [Specifications and Drawings];
 - (i) Appendix 6-1 [General Specifications];
 - (ii) Appendix 6-2 [General Technical Specification];
 - (iii) Appendix 6-3 [Turbine Specifications];
 - (iv) Appendix 6-4 [Governor System Specifications];
 - (v) Appendix 6-5 [Generator Specifications]; and
 - (vi) Appendix 6-6 [Excitation System Specifications];
- (h) Schedule 7 [Environmental Obligations];
 - (i) Appendix 7-1 [Contractor Environmental Incident Report Form];
- (i) Schedule 8 [Quality Management];
 - (i) Appendix 8-1 [Design Quality Management Plan];
 - (ii) Appendix 8-2 [Supply Quality Management Plan]; and
 - (iii) Appendix 8-3 [Installation Quality Management Plan];
- (j) Schedule 9 [Communications Roles];
- (k) Schedule 10 [Safety];
 - (i) Appendix 10-1 [Safety Minimum Requirements];

- (ii) Appendix 10-2 [Safety Area Drawings];
- (iii) Appendix 10-3 [Contractor Safety Incident Report Form]; and
- (iv) Appendix 10-4 [Banned or Regulated Products];
- (l) Schedule 11 [Prices and Payment];
 - (i) Appendix 11-1 [Payment Schedule];
 - (ii) Appendix 11-2 [Form of Letter of Credit];
 - (iii) Appendix 11-3 [Form of Guarantee];
 - (iv) Appendix 11-4 [PST];
 - (v) Appendix 11-5 [Completion Milestone Damages];
 - (vi) Appendix 11-6 [Technical Data and Information Forms]; and
 - (vii) Appendix 11-7 [Equipment Spare Parts Lists];
- (m) Schedule 12 [Changes];
- (n) Schedule 13 [Insurance];
 - (i) Appendix 13-1 [Wrap-up Liability Insurance Specifications]; and
 - (ii) Appendix 13-2 [Course of Construction Insurance Specifications];
- (o) Schedule 14 [Dispute Resolution Procedure];
 - (i) Appendix 14-1 [Site C Referee Panel]; and
 - (ii) Appendix 14-2 [Referee Agreement];
- (p) Schedule 15 [Records];
 - (i) Appendix 15-1 [Record Classification Requirements];
- (q) Schedule 16 [Aboriginal Inclusion and Reporting Requirements]; and
- (r) Schedule 17 [Privacy Protection].

The Contract Documents include any and all additional and amending documents issued in accordance with the provisions of the Contract Documents.

2.3 Schedules, Appendices, Exhibits and Attachments

The Schedules, Appendices, Exhibits and Attachments and the terms set out in them will be deemed to be fully a part of the Contract.

3 CONTRACT PRICE

3.1 Contract Price

As payment for the full performance of the Work, BC Hydro will pay the Contractor [REDACTED] as may be adjusted in accordance with the Contract Documents, including Schedule 11 [Prices and Payment] (the “**Contract Price**”), plus GST.

3.2 Entire Compensation

The Contract Price will be the entire compensation owing to the Contractor for the complete performance of the Work and this compensation will cover and include all profit and all costs of supervision, labour, material, equipment, transportation and delivery, overhead, financing, PST and other charges referred to in the Contract Documents, and all other costs and expenses whatsoever incurred by the Contractor in performing the Work. The Contractor will be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price.

4 REPRESENTATIVES

For the purposes of Section 2.1 and Section 3.1 of Schedule 3 [Roles and Representatives], the following are the initial Representatives of the parties:

- Hydro’s Representative - [REDACTED]
- Contractor’s Representative - [REDACTED]

If no names or contact details are included in this Section 4 as of the Effective Date, then each party will promptly give written notice to the other party of their respective Representative in accordance with Schedule 3 [Roles and Representatives]. Either party may, at any time and from time to time, change its Representative in accordance with Schedule 3 [Roles and Representatives].

5 NOTICES

5.1 Address for Notice

Unless otherwise expressly required to be given to Hydro’s Representative or the Contractor’s Representative pursuant to the Contract Documents, any notice or communication required or permitted to be given under the Contract will be in writing and will be considered to have been sufficiently given when delivered by registered mail, by hand or by email to the address of the applicable party set out below:

(a) if to BC Hydro:

British Columbia Hydro and Power Authority
333 Dunsmuir Street
Vancouver, BC V6B 5R3

Attention: [REDACTED]
Email: [REDACTED]

(b) if to the Contractor:

[Redacted]

Attention: [Redacted]
Email: [Redacted] or

(c) to such other address as either party may, from time to time, designate in the manner set out above, provided that the Contractor may not change its address under Section 5.1 of this Agreement to an address other than one in British Columbia without BC Hydro's prior written consent.

5.2 Delivery of Email

For the purposes of Section 5.1 of this Agreement, unless otherwise agreed in writing between Hydro's Representative and the Contractor's Representative, an email is deemed to have been delivered when:

- (a) it enters an information processing system that the recipient has designated or uses for the purpose of receiving email or information of the type sent and from which the recipient is able to retrieve the email; and
- (b) it is in a form capable of being processed by that system.

Neither party will have any duty to ensure that any electronic email system being operated by or for the party is in good working order, able to receive transmissions, or not engaged in receiving other transmissions such that the sender's transmission cannot be received. An email is deemed to be delivered under this Section 5.2 even if no individual representing the recipient is aware of its delivery.

6 LANGUAGE

All documents to be given under the Contract will be provided in English and the Contractor's Representative, Key Individuals and key personnel will be fluent in both oral and written English.

7 AMENDMENTS

No amendment to the terms of the Contract will be effective or binding on BC Hydro or the Contractor, unless made in writing and signed by an authorized representative of each party.

8 ENTIRE AGREEMENT, WAIVERS AND CONSENTS IN WRITING

The Contract Documents, and the instruments and documents to be executed and delivered pursuant to the Contract Documents, constitute the entire Contract between the parties, expressly superseding all prior agreements and communications (both oral and written) between the parties with respect to all matters contained in the Contract Documents and such instruments and documents, and contain all the representations and warranties of the respective parties. For certainty:

- (a) RFSQ #1296, and the Contractor's response to RFSQ #1296;
- (b) the RFP, and the Contractor's proposal to the RFP, except as expressly included in [Redacted] and [Redacted];
- (c) any representations, warranties or guarantees made during the competitive procurement process which resulted in this Contract,

are expressly not included in the Contract and will not be referred to in any way in the interpretation of the Contract.

In addition:

- (d) no waiver of any provision of the Contract; and
- (e) no consent required pursuant to the Contract Documents,

is binding or effective unless it is in writing and signed by an authorized representative of the party providing such waiver or consent.

9 ASSIGNMENT

Neither party may assign the Contract, in whole or in part, without the prior written consent of an authorized representative of the other party, which consent may not be unreasonably withheld. Notwithstanding the foregoing, BC Hydro may assign the Contract to any of its Affiliates or to any third party that amalgamates or merges with BC Hydro or which acquires all or substantially all of the assets of BC Hydro or which was, immediately prior to the assignment, a part of BC Hydro, conditional upon the assignee covenanting and agreeing with the Contractor to be bound to the Contractor by the provisions of the Contract. Subject to the foregoing, the Contract will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10 FURTHER ASSURANCES

Each party will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the other party may reasonably request for the purpose of giving effect to the Contract or for the purpose of establishing compliance with the representations, warranties and obligations of the Contract.

11 GOVERNING LAW

The Contract will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia.

■ [REDACTED]

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13 COUNTERPARTS

This Agreement may be executed and delivered in several counterparts, including by facsimile (or other similar electronic means, including via pdf), each of which when so executed and delivered will be deemed to be an original and such counterparts together will be one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

[Redacted signature area for British Columbia Hydro and Power Authority]

VOITH HYDRO INC.

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[signature page to Supply and Installation of Turbines and Generators Contract]