

**NEW BRUNSWICK POWER CORPORATION
(NON NUCLEAR)**

**GENERAL CONDITIONS FOR
PERFORMANCE OF SERVICES**

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1.0 **DEFINITIONS**

- 1.1 The following terms, wherever used in any Contract Documents, shall have the following meanings unless the context otherwise states:
- “Award of Contract” - The date on which the Tender of the successful Tenderer is accepted or the purchase order for this Contract is formally placed, or, if preceded by a letter of intent to purchase, this earlier date shall apply.
- “Commissioning” - Those activities that are required and performed to put a system or piece of equipment into satisfactory operation after installation, cleaning, testing, inspecting and calibrating have been completed. Minor deficiencies may exist as agreed between the Engineer and Contractor which require correcting prior to Final Acceptance. Following completion of Commissioning, the Engineer and the Contractor will mutually agree and record that the date of completion of Commissioning will be the “Commissioning Date”.
- “Contract” – The contract between NB Power Corporation, (excluding Nuclear), hereinafter referred to as the Owner, and the Contractor for the performance of the Work evidenced by the Contract Documents.
- “Contract Documents” – The Tender Documents, Tenderer’s Submission, the Purchase Order and any purchase order changes.
- “Contractor” – The party or parties to whom the Owner has awarded a Contract for the Work to be performed. This term shall also include any Subcontractors associated with the Contractor.
- “day” – Unless otherwise specified, a day shall mean a calendar day.
- “Engineer” – A person authorized by the Owner to perform on its behalf any function under the Contract.
- “Field Labour Conditions” – All Work of a maintenance nature to be carried out by unionized craft labour. It excludes all Work to be carried out by non-craft labour such as engineers, technical and specialty staff.
- “Final Acceptance” – Will occur when all deficiencies agreed upon during commissioning have been corrected to the satisfaction of the Engineer. The date on which this occurs will be mutually agreed and recorded as the date of Final Acceptance.
- “Materials” and “Equipment” – All materials, commodities, articles and things required for incorporation in the Work;
- “Near Miss Event” – an unplanned event that, under slightly different circumstances, could have resulted in damage to equipment, property or personal injury.
- “Owner” – New Brunswick Power Corporation, or its legally appointed representatives, successors and assigns, sometimes referred to as “NB Power”

“Plant” - All tools, implements, machinery, vehicles, buildings, structures, equipment, articles and things required for the execution of the Work.

“RFQ” – Request for Quotation and is a Tender Document.

“Site” – The place or places, or the immediate vicinity of such place or places, designated by the Owner for the performance of any part of the Work.

“Subcontractor” – A person, firm, corporation or any other entity of any tier directly having a contract with the Contractor for the supply and/or performance of any part of the Work.

“Tender” – The binding offer to perform the Work submitted by the Tenderer.

“Tender Documents” – The Request For Quotation, Instructions to Tenderers, General Conditions for the Performance of Services, Technical Specifications and Addendums.

“Tenderer” – Any party or parties tendering on the Work.

“Work” - All labour, Plant, Materials, Equipment, services, supplies and acts required to be done, furnished or performed by the Contractor under the Contract.

- 1.2 Words in the singular include the plural and vice versa. Words implying gender include other genders where the context so requires.

2.0 **PROOF OF ABILITY**

- 2.1 The Contractor shall have demonstrated, in its Tender, recent experience of successful performance and timely completion of Work similar to that described in the Tender as well as the current ability to provide the financial, management, labour, equipment and resources required to perform the Work in a timely and safe manner.
- 2.2 By submitting a Tender and the Owner accepting it, the Contractor gives the Owner permission to contact any organizations for whom the Contractor has performed work, in order to obtain information pertaining to timely completion, quality, methods and other matters relating to work performed or being performed by the Contractor.

3.0 **LAWS, REGULATIONS AND PERMITS**

- 3.1 The Contractor shall comply with all laws, by-laws, statutes, codes and regulations of federal, provincial and municipal governments which are applicable to the Work and its performance.
- 3.2 The Contractor shall obtain and pay for all permits that the Contractor may require to carry out the Work. The Owner shall obtain and pay for all permits that the Owner is, under law, obliged to obtain for the Work.
- 3.3 The Contractor shall be in good standing with WorkSafe NB and, prior to starting Work on the Site and at such other times as the Owner may require, shall submit a letter from WorkSafe NB as to its status and that of its Subcontractors.
- 3.4 The Contractor, including its Subcontractors shall, upon request, provide evidence to the Owner of its compliance with the

- requirements of the Employment Standards Act of New Brunswick as applicable.
- 3.5 Notwithstanding the provisions of Subsections 3.3 and 3.4, if the Contractor is a federal crown corporation, Subsections 3.3 and 3.4 shall not apply to it, but such Subsections shall apply to the Contractor's local New Brunswick Subcontractors.
- 4.0 SITE SECURITY**
- 4.1 General**
- 4.1.1 The Contractor shall take its own precautions against the loss of its materials, tools and equipment and be responsible for the safety thereof.
- 4.1.2 Procedures for Site security, rules and regulations will be reviewed with the Contractor by the Engineer prior to the Contractor's arrival at Site. The Contractor shall comply with all provisions for Site security.
- 4.1.3 Entrance to and exit from Site may be through access gates which controlled by security guards. All vehicles shall be subject to searches by the Owner's security forces, upon arrival to and departure from Site.
- 4.1.4 Owner issued identification shall be returned at the completion of Work or termination of employment under this Contract.
- 4.1.5 The Contractor's staff shall submit to security checks as requested by the Owner's security forces. All individuals, materials, supplies and tools shall be subject to searches using screening devices by the Owner's security forces, including screening of all hand carried items brought into Site, particularly upon entering and exiting the protected areas.
- 4.2 Visitors**
- Personnel of the Contractor's organization, when visiting Site, shall be required to have the same identification as the Contractor's personnel at Site. Other visitors shall be cleared by the Engineer for access and shall be escorted at all times while at Site, in accordance with Site Security requirements. The Contractor shall be responsible for enforcing all project rules and procedures established by the Engineer.
- 5.0 PERFORMANCE**
- 5.1 Insofar as is consistent with the nature of the Work, the results to be attained and the Contract schedules, the order and methods of performance of the Work shall be left to the discretion of the Contractor to make reasonable commercial efforts to perform same.
- 5.2 Should the Owner be of the opinion, and so inform the Contractor in writing, that the amount of labour, material, equipment or other items is insufficient or that the methods employed are not such as shall ensure the scheduled performance of the Work, then the Contractor shall make reasonable commercial efforts to increase the amount of labour, material, equipment or other items, as the case may be, or shall adopt other methods and practices all to the satisfaction of the Owner.
- 6.0 CONTRACTOR'S EQUIPMENT**
- Unless otherwise provided in the Contract Documents, the Contractor shall provide and maintain in good working order, adequate Equipment to perform the Work in accordance with the approved schedule. All such Equipment shall be subject to the approval of the Owner, such approval not to be unreasonably withheld.
- 7.0 CHANGES IN THE WORK**
- 7.1 The Owner may, without invalidating the Contract, direct the Contractor to make changes in the Work.
- 7.2 When a change causes an increase or decrease in the Work, the contract price shall be increased or decreased by the application of unit prices to the quantum of such increase or decrease or, in the absence of applicable unit prices, by an amount to be agreed upon between the Contractor and the Owner.
- 7.3 Changes in the Work shall not proceed without written authorization from the Owner.
- 8.0 LIABILITY**
- 8.1 Contractor's Liability**
- 8.1.1 General**
- 8.1.1.1 The Contractor shall properly protect all Work and Materials during installation. It shall be responsible for the safety and efficiency of all false-work and temporary structures erected by it. It shall make good any damage sustained to the Work from the date of award of Contract to the date of Final Acceptance.
- 8.1.1.2 The Contractor shall take every precaution against causing damage to the Work, plant or property of the Owner or of other contractors.
- 8.1.1.3 The Contractor shall be responsible throughout the duration of the Work for all violations, either on its part or on the part of its employees, of any and all laws and ordinances (provided such violations occur at Site) and shall be solely responsible for all loss of life or injury to persons or property to the extent caused by the acts or omissions of itself or its employees and shall indemnify the Owner against all claims arising therefrom.
- 8.1.1.4 The Contractor shall be responsible for any and all damages or claims for damages to the extent caused by the negligent acts or omissions of itself, its servants or its subcontractors, or by any failure or defect, and the Contractor agrees to make good all such loss or damage and to hold harmless and to indemnify the Owner against all claims in respect thereof.
- 8.1.1.5 The Contractor shall at all times, pay or cause to be paid, assessments or compensation required to be paid pursuant to the Workers' Compensation Act of New Brunswick and upon failure to do so, the Owner may pay such assessments or compensation to WorkSafe NB and may deduct or collect such expense from the Contractor. The Contractor shall, at the time of entering into any Contract with the Owner, furnish evidence satisfactory to the Owner showing that all assessments or compensation payable to WorkSafe NB have been paid, and the Owner may, at any time

- during the performance or upon completion of such Contract, require satisfactory evidence that such assessments or compensation have been paid.
- 8.1.1.6 Acceptance of the Work shall not exempt the Contractor from, or preclude the Owner from bringing action for damages or indemnity for defective or faulty workmanship appearing within one year of Final Acceptance of the Work.
- 8.1.2 **Consequential Damages**
- Neither party nor its subsidiaries or affiliates shall be liable to the other party or its agents, Contractors or Subcontractors, or their shareholders, officers, directors, employees, affiliates and subsidiaries for any loss of profit or revenue, loss of use, loss of opportunity, loss of goodwill, cost of capital, or any special, indirect, consequential, incidental, exemplary, or punitive damages arising out of or in connection with this Contract, regardless of whether liability is based on breach of contract, breach of warranty, breach of a statute, tort (including negligence and strict liability) of other bases of liability. The parties hereby respectively agree and acknowledge that each of them is the agent of its subsidiaries and affiliates and their agents, Contractors, Subcontractors, shareholders, officers, directors and employees for the purpose of this section of this Contract.
- 8.1.3 **Limit of Liability**
- With the exception of claims based on warranties provided by law and subject to the obligations of the Contractor under the insurance provision, the liability of the Contractor to the Owner arising out of the Work, or its use, whether based on contract or negligence, shall not exceed the Contract price.
- 9.0 INSURANCE**
- 9.1 Contractor's Insurance**
- 9.1.1 **Comprehensive General Liability Insurance**
- 9.1.1.1 The Contractor shall procure and maintain, during the course of the Work, a comprehensive policy of third party liability insurance acceptable to the Owner in which the Owner and all Subcontractors are additional named insureds and which shall have minimum limits of \$2,000,000 inclusive for both Bodily Injury including death and Property Damage, with a maximum \$10,000 deductible per occurrence for Property Damage, and which shall embody a cross liability clause.
- 9.1.2 **Automobile Insurance**
- The Contractor shall procure and maintain, during the course of the Work, Automobile Liability Insurance for all licensed motor vehicles owned or leased by the Contractor or any of its Subcontractors which shall have minimum limits of \$3,000,000 inclusive for both Bodily Injury including death and Property Damage.
- 9.1.3 **Workers Compensation**
- Workers Compensation as required by WorkSafe NB or similar applicable legislation covering all persons employed by the Contractor or its Subcontractors for Work performed under this Contract must be carried by the Contractor. For U.S. employees, appropriate State Workers Compensation must be carried including Employer's Liability for a minimum limit of \$1,000,000 U.S. with a Foreign Coverage Endorsement and, to the extent applicable, Jones Act and Longshoreman's and Harbour Workers coverage and FELA.
- 9.1.4 **Insurance Policy Documentation**
- The Contractor shall provide to the Owner insurance certificates for insurance that the Contractor is required to procure and maintain for the duration of the Contract, whenever requested by the Owner. Certificates of insurance must state the name of the Contractor/Tenderer and the Contract/Tender number.
- In any case where the Owner is named as an insured party on a policy, in the event of a claim involving the Owner, the Owner shall be provided a copy of the applicable insurance policy.
- 9.2 Owner's Insurance**
- The Owner carries All Risks Property insurance on all of its property. The insurance policy carries a deductible of \$2,000,000 per occurrence. The Owner hereby waive any and all right of recovery against the Contractor and its Subcontractors for all loss in excess of \$2,000,000 occurring to the Owner's property on the Site.
- 9.3 Claims**
- 9.3.1 From the finally determined amount of each and every loss, the deductible amount, if any, as shown in the Contractor's policy, shall be the responsibility of the Contractor.
- 9.3.2 With respect to the deductible in the Owner's All Risks Property Insurance Policy, each amount so deducted shall be charged to the party whose fault or negligence resulted in the occurrence.
- 9.3.3 The Owner may withhold from any monies due the Contractor under the Contract, any deductible amounts for which the Contractor or any of its Subcontractors are liable, and may pay the same to the injured party or the party entitled thereto. Any such payment shall be deemed to be and shall constitute a payment to the Contractor.
- 9.4 General**
- The Owner may require other insurance or alterations to any applicable insurance policies in force during the period of the Contract and will give notification of such requirements. Where other insurance or alterations to any applicable policies in force are required by the Owner after the award of Contract and these requirements result in an increased cost of insurance premiums, such increased cost shall be at the Owner's expense.

10.0 <u>FORCE MAJEURE</u>	12.0 <u>DEFAULT BY CONTRACTOR</u>
10.1 Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.	12.1 If the Contractor has: <ul style="list-style-type: none"> • made default or delayed in commencing or diligently performing the Work or any portion thereof to the satisfaction of the Owner; • become insolvent; • committed an act of bankruptcy; • abandoned the Work; • made an assignment of the Contract without the required consent; or • failed to observe or perform any of the provisions of the Contract, <p>the Owner may, upon written notice to the Contractor, terminate the Contract.</p>
10.2 Force majeure includes, but is not limited to acts of God, strikes, lockouts, fires, riots, incendiarism, interference by civil or military authorities and compliance with the regulations or order of any Government Authority, and acts or war (declared or undeclared).	12.2 Any termination of the Contract by the Owner, as aforesaid, shall be without prejudice to any other rights or remedies the Owner may have.
10.3 If the Contractor claims that it has been or will be delayed by reason of force majeure in the progress of the Work, the Contractor shall, within one week of becoming aware of the force majeure event, make a written request to the Owner for an extension of time within which to complete the Work or any portion of it. The request shall state the reasons for the delay and the amount of additional time the Contractor considers necessary. The scheduled completion date or other time for performing the Work shall be extended by an equitable period of time to allow for the delay resulting from the Force Majeure. No extension of time shall be granted unless the Contractor makes written request within one week of the Contractor becoming aware of the event which it is claimed results in the delay.	12.3 If the Owner terminates the Contract, it is entitled to complete the Work by whatever means it may deem appropriate under the circumstances.
10.4 The Contractor shall not have any further recourse of claim against the Owner, nor shall the Contractor have any right of action against the Owner, for loss or damage suffered by reason of such delay.	12.4 The Owner shall be entitled to recover from the Contractor all loss, damage and expense incurred by the Owner by reason of the Contractor's default (which may be deducted from any monies due or becoming due to the Contractor under the Contract and any balance to be paid by the Contractor to the Owner).
10.5 Both the Owner and the Contractor shall be prompt and diligent to remove all causes of interruption or delay in the Work, insofar as each is able to do so.	12.5 In the event of termination, the Owner shall be obligated to reimburse the Contractor only for Work satisfactorily performed up to the date of termination. In no event shall the Owner be liable to the Contractor for loss of profit, interest loss or any other damages or loss occasioned to the Contractor by reason of such Contract termination.
11.0 <u>SUSPENSION OF WORK</u>	13.0 <u>UNPAID ACCOUNTS</u>
11.1 The Owner shall have the right, which may be exercised from time to time, without invalidating the Contract, to suspend performance by the Contractor of any part or the whole of the Work for such reasonable period of time as the Owner may notify the Contractor.	13.1 The Contractor shall indemnify the Owner from all claims arising out of unpaid accounts relating to the Work. The Owner shall have the right, at any time, to require satisfactory evidence that the portions of the Work in respect of which any payment has been made or is to be made by the Owner are free and clear of mechanics or other liens, attachments, claims, demands, charges or other encumbrances.
11.2 Save to the extent any such suspension arises from default by the Contractor, the Owner shall pay to the Contractor the reasonable extra expenses incurred by the Contractor arising from the suspension, provided that in no event will the Owner be liable to the Contractor for loss of profit, interest loss or any other damages or loss occasioned to the Contractor by reason of any such suspension. Such extra expenses shall be supported by audit, if necessary, carried out by auditors acceptable to the Owner, prior to payment of same.	13.2 If such evidence is not submitted upon request, the Owner shall have the right to withhold payments due under the Contract until such submission.
11.3 The resumption and completion of the Work after the suspension shall be governed by the schedule reasonably developed by the Owner in consultation with the Contractor.	13.3 The Owner reserves the right, at any time, to request a Statutory Declaration verifying that all lawful obligations to Subcontractors, workmen and supplies of equipment and materials, including Union Benefits if applicable, in respect to this Contract as at a date not greater than 45 days prior to the date of the invoice, have been fully discharged.

14.0 NOTICES

- 14.1 Notices to the Owner by the Contractor shall be served in writing and addressed to:
- New Brunswick Power Corporation
P.O. Box 2000
515 King Street
Fredericton, N.B. E3B 4X1
- Attention: Corporate Secretary and General Counsel
- 14.2 Notices to the Contractor shall be served in writing upon the Contractor or its accredited representatives. Any notice or other communication required under the terms of the Contract shall be deemed to be well and sufficiently given on the part of the Owner if the same be left at the Contractor's office, or is mailed in any post office to the Contractor or its accredited representative to its last known place of residence.
- 14.3 Such notices shall be effective upon receipt.
- 14.4 In the case of misunderstanding or dispute, verbal agreements will not be accepted as bearing on the terms of settlement, and neither party shall advance any claim in such case in the absence of documentary evidence as above provided, and shall not attempt to use any conversation with any parties as evidence in prosecuting any claim against the other party.

15.0 QUALITY ASSURANCE

The Contractor shall perform the Work in accordance with the Quality Assurance required as set out in the Tender Documents.

15.1 Inspection and Expediting

- 15.1.1 All Work covered by this Contract shall be subject to inspection and expediting by the Owner or its authorized representative for which purpose the Contractor (or subcontractors) shall allow access at all reasonable times during manufacture and installation to the premises in which the Work is being carried out; the drawings and / or tooling involved; gauges, instruments, devices, required for inspecting the Work; the Contractor's drawings, if so requested by the Inspector.
- 15.1.2 If the technical specifications, the Engineer's instructions, laws, ordinances or any public authority require any Work to be specially tested or approved, the Contractor shall give the Engineer timely notice of its readiness for inspection, and if the inspection is by an authority other than the Engineer, the date fixed for such inspection.
- 15.1.3 Inspection by the Engineer shall be promptly made and where practicable, at the source of supply. If any Work should be covered up without approval of or consent of the Engineer, it must, if required by the Engineer, be uncovered for examination at the Contractor's expense.
- 15.1.4 Re-examination of questioned Work may be ordered by the Engineer and, if so ordered, the Work must be uncovered by

the Contractor. If such Work is found in accordance with the Contract, the Owner shall pay the cost of the Work carried out by the Contractor for the re-examination and replacement. If such Work is found not in accordance with the Contract, the Contractor shall pay such costs, unless it shall show that the defect in the Work was caused by another Contractor, and in that event, the Owner shall pay such cost.

15.2 Owner's Quality Control and Audit

- 15.2.1 The Owner may provide on Site representatives who shall monitor the work performed by the Contractor to ensure it meets the quality control requirements of the Contract. This shall not relieve the Contractor of its responsibility to ensure the Work satisfies these same requirements.
- 15.2.2 Consultants may be engaged by the Owner for field quality inspection for particular items of work. The Contractor is subject to any quality control inspections, instructions, procedures, or other requirements imposed by these representatives of the Owner.
- 15.2.3 The Contractor shall make provision for representatives of the Owner to have access to its Work areas and records, as well as those of its Subcontractors, at all times.
- 15.2.4 Quality control for this project is the prime responsibility of the Contractor who shall ensure that all Work is performed in accordance with the specifications. Where applicable, the Contractor shall provide manufacturer's Inspection and Test Certificates for materials incorporated in the Work.

16.0 SAFETY**16.1 General**

- 16.1.1 The Contractor shall observe and comply with all requirements of the New Brunswick Occupational Health and Safety Act, Chapter 0-0.2 and the General Regulation 91-191 and its associated Regulations. The Contractor shall also be familiar with and comply with all requirements of the Owner's Standards and/or Work Methods, Corporate Safety Manual, any written instructions from the Owner pertaining to safety and any safety requirements of the NB Department of Public Safety, as well as all relevant Federal and Municipal/Civic Ordinances.
- 16.1.2 The Contractor shall take every reasonable precaution and be responsible for the safety of its employees associated with the Work and shall provide, at its own expense, its employees with the necessary personal protective equipment and/or apparel.
- 16.1.3 The Contractor shall appoint one of its capable field staff to act as safety inspector for its own forces. This safety inspector shall attend job safety meetings and shall co-operate and work with the Owner's safety inspector and the safety inspectors of other Contractors for the betterment of job working conditions and the prevention of accidents.
- 16.1.4 The Owner will direct the safety of its own personnel, and in addition may, from time to time, employ a Safety Inspector to audit whether or not the Contractor is complying with all safety requirements as specified. The Safety Inspector will advise the Superintendent of the Contractor and the Engineer of any unsafe conditions, unsafe work practices or procedures, or any other work situations that may be potentially hazardous. It is clearly understood that the employment of such Safety Inspector by the

- Owner in no way relieves the Contractor of its responsibility under the Contract for the safety of its operations.
- 16.1.5 Notwithstanding anything in this Contract that may appear to the contrary, no provision of this Contract shall be interpreted as an assumption by the Owner of any responsibilities of the Contractor under any municipal, provincial or federal statute, regulation, rule or order.
- 16.1.6 When the Owner provides safety equipment to the Contractor's personnel to replace lost, broken or defective safety equipment, clothing, etc. that the Contractor failed to supply, the Owner reserves the right to charge the Contractor for this safety equipment, and its maintenance and calibration (including cleaning).
- 16.1.7 Failure to comply with these rules and regulations or any other written instructions from the Owner relating to safety may result in immediate suspension of the Work, without prior written notice, or termination of the Contract.
- 16.2 Health and Safety Management**
- 16.2.1 The Contractor is responsible for doing its own work safely. The Owner is responsible for ensuring that the surrounding environment controlled by the Owner is safe. The Owner shall fulfill this responsibility and shall take appropriate actions to support the Contractor's safety efforts. Actions will be scaled according to the degree of hazard involved.
- 16.2.2 The Contractor has a general responsibility to ensure that during the course of its activities, the health and safety of everyone (eg. employees of the Owner, the Contractor and any Subcontractors at the workplace) is protected.
- 16.2.3 Before the Contract is awarded, the Owner and the Contractor shall discuss and agree on a detailed division of responsibility for the health and safety of everyone at the work place.
- 16.2.4 The Contractor shall remove from the workplace any of its employees who refuse to conform to the principles outlined in Subsection 16.1.1.
- 16.2.5 During any period of time in which the Owner directly supervises the Contractor's work at the workplace, the responsibility for the health and safety of everyone at the workplace shall rest with the Owner.
- 16.2.6 The Owner has a responsibility to take corrective action if unsafe work by the Contractor is observed, up to and including contract termination. The Owner's line management shall decide what corrective action to take on a case by case basis.
- 16.2.7 The Contractor is required to include all safety provisions of the Contract in any agreement with subcontractors.
- 16.2.8 The Owner has the right to reject the Contractor's Tender on the basis of a poor safety performance on a previous contract with the Owner.
- 16.2.9 Asbestos and Asbestos containing materials will be encountered in some of the Owner's premises. The New Brunswick Occupational Health and Safety Act and its Regulation 92-106, as well as any Owner specific procedures shall be applicable to the Work and its performance.
- 16.3 Work Refusals**
- 16.3.1 The Contractor must inform all of their employees of their right to refuse work when an employee has reasonable grounds for believing that the act is likely to endanger their health or safety or the health or safety of any other employee as per sections 19-23 of the Occupational Health & Safety Act Chapter O-0.2.
- 16.3.2 All refusals to perform work due to health or safety concerns, and the actions taken as a result of such refusals, must be reported immediately to the Owner.
- 16.4 WorkSafe NB Compliance and/or Stop Work Orders**
- 16.4.1 WorkSafe NB has the authority to stop work or write compliance orders for all work under their jurisdiction within New Brunswick.
- 16.4.2 The Contractor must immediately address all work stoppages and compliance orders written by WorkSafe NB.
- 16.4.3 All compliance or stop work orders written by WorkSafe NB to the Contractor must be reported immediately to the Owner.
- 16.5 Inspections**
- 16.5.1 General inspections of the work Site are required to ensure that unsafe work practices and unsafe conditions are identified and corrective action taken.
- 16.5.2 The Owner's area supervision, Joint Health and Safety Committee representatives and Health and Safety Specialists may carry out inspections as deemed necessary.
- 16.5.3 Unsafe acts and conditions identified during any of the inspections will be corrected in a timely manner to maintain safety at Site.
- 16.6 Pre-use Inspections**
- A pre-use inspection by the Contractor of all tools and equipment is required to ensure they are in safe operating order and that their use will not place any employee and/or personnel in the vicinity at risk.
- 16.7 Accident/Near Miss Reporting and Investigations**
- 16.7.1 All accidents and near misses must be reported immediately by telephone or messenger to the Engineer and appropriately investigated to identify the causes and prevent a recurrence. "An accident is defined as an unplanned event that results in harm to people or damage to property (when such damage had the potential to cause harm to people)". A near miss is defined as "an unplanned event that under slightly different circumstances could have resulted in an accident".
- 16.7.2 In addition, the Contractor shall promptly report in writing to the Engineer, all accidents whatsoever arising out of or in connection with the performance of the Work, whether at or travelling to and from the Owner's facility which cause death, personal injury or property damage, giving full details and statements of witnesses.

- 16.7.3 The Owner's incident report form (Form 145) shall be filled out for all accidents and near misses. The report shall be provided to the Owner within twenty-four hours of the event.
- 16.7.4 Records of all accidents, near misses and investigations including the corrective actions shall be maintained for the length of the Contract.
- 16.7.5 The Owner's area supervision, Joint Health and Safety Committee representatives and Health and Safety Specialists reserve the right to investigate all Contractor accidents and near misses.
- 16.8 Skills Training**
- 16.8.1 The Contractor shall ensure that its employees are trained to perform the Work in a manner that will ensure their safety, the safety of the Owner's employees and the general public.
- 16.8.2 The Contractor shall be "competent" to perform their assigned task as per Occupational Health and Safety Regulation 91-191.
- 16.8.3 The Contractor shall maintain and make available upon request by the Owner's area supervision, Joint Health and Safety Committee representatives and Health & Safety Specialists, the training records of all contract employees.
- 16.9 Hazards Training**
- 16.9.1 The Contractor shall ensure that its employees are trained on the hazards that they may be exposed to. This includes general WHMIS training.
- 16.9.2 The Contractor shall maintain and make available upon request by the Owner's area supervision, Joint Health and Safety Committee representatives and Health and Safety Specialists, the training records of all contract employees.
- 16.10 Personal Protective Equipment (PPE)**
- 16.10.1 The Contractor shall supply safety equipment to its employees that meets or exceeds the standards identified in the NB Power Corporate Safety Manual .
- 16.10.2 All safety headwear must meet or exceed ANSI standard Z89.1 1997 Type 1 Class E head protection. The headwear must be in good condition with no conductive attachments or conductive stickers that could reduce the electrical protection of the headwear. The company logo and the employee name shall be displayed on the safety headwear.
- 16.10.3 All safety eyewear must meet CSA Standard Z94.3-99 or a standard offering equivalent protection. All safety eyewear must be equipped with side shields. If prescription eyewear does not meet this standard, over-the-glass safety eyewear meeting CSA Standard Z94.3-99 shall be worn over the prescription eyewear. Under no circumstances will tinted safety glasses be permitted inside the Station with the possible exception of a pre-existing medical condition which requires the same. Photochromic lenses will not be permitted inside the Station.
- 16.10.4 All safety footwear must meet or exceed CSA Standard Z195-M92 with sole protection and Grade 1 toe protection and electric shock resistant soles. All safety footwear must be in good condition (i.e. soles not excessively worn). Footwear meeting the above requirements is marked with an external green CSA triangle and a rectangular white patch with an orange Greek Omega symbol (Ω).
- 16.10.5 The Contractor is responsible to ensure that all other necessary safety equipment such as fall protection, face shields, hearing protection, welding clothing, respiratory protection, chainsaw clothing etc. meets or exceeds the standards identified in the NB Power Corporate Safety Manual, or where a standard is not specified in the Corporate Safety Manual, the standard identified in the Occupational Health & Safety Regulation 91-191 shall apply.
- 16.11 Health & Hygiene Control**
- The Contractor is responsible to ensure that all personnel who are required to wear respiratory protective equipment have been fit tested (qualitative or quantitative) within the previous year and documentation kept on file. The test must be specific to the type of respirator worn.
- 16.12 Orientation**
- The Contractor shall ensure its employees receive an orientation to ensure that the Owner's expectations have been communicated. A record of who has attended an orientation will be maintained for the duration of the Contract.
- 16.13 Meetings**
- The Contractor shall participate in meetings organized and run by the Owner regarding safety and pre-job briefings.
- 17.0 WORKSAFE NB**
- Where applicable, the Contractor, inclusive of its Subcontractors, shall submit within two (2) working days of receiving a request from the Owner, a letter from WorkSafe NB stating that it has filed a statement of wages for that year as prescribed by the New Brunswick Worker's Compensation Act and that the Contractor's account is in good standing.
- 18.0 ENVIRONMENTAL PROTECTION**
- 18.1 The Owner has developed an "Environmental Management Handbook for Contractors" which can be used as a reference to clarify many of the environment requirements below.
- 18.2 The Owner is committed to managing its environmental affairs consistent with the applicable acts, regulations, standards and guidelines established by the various regulatory authorities. To demonstrate this commitment, the Owner has implemented throughout its business units, environmental management systems (EMS) consistent with the ISO 14001 standard

- 18.3 The Contractor is required to take all practical measures to preserve the quality of the environment affected by the Contractor's operations.
- 18.4 As per the ISO 14001:2004 Standard, the Contractor shall provide training or take actions to meet the needs associated with environmental activities or services that have the potential to cause an environmental impact. The Contractor shall retain associated records of their employees noting appropriate education, training or experience. Such records will be made available to the Owner upon request. If the Contractor requires a Certificate of Approval or License to operate from an Environmental Regulator, a current copy of the license/approval shall be submitted to the Environmental Coordinator upon request.
- 18.5 The Contractor shall ensure that all vehicles and equipment used in the execution of the Work are subject to a regular maintenance program and are kept in an efficient state of repair for the duration of the Work. The Contractor shall immediately remove or repair any vehicles or equipment exhibiting excessive exhaust emissions or petroleum leakages during execution of the Work.
- 18.6 The Contractor shall not pump water containing suspended materials into waterways, sewer or drainage systems.
- 18.7 The Contractor shall control disposal or runoff of water containing suspended materials or other harmful substances in accordance with local authority requirements.
- 18.8 When transporting dangerous products to or from Site the Contractor shall ensure that such activity is conducted in accordance with the Transportation of Dangerous Goods Act.
- 18.9 The Contractor will not store diesel or gasoline on the Site. All fueling of equipment and machinery at Site must be accomplished through the use of a fuel truck brought to Site for the purpose, either daily or as needed. The Contractor shall perform all maintenance of equipment and machinery off the Owner's facility so as to minimize spills.
- 18.10 The Contractor shall have, at Site, appropriate spill kits for any hazardous material that it is transporting to, utilizing, or handling. The Contractor shall immediately report all spills of hazardous materials, regardless of size, to the Owner. The Contractor shall ensure that any soil contaminated by the Contractor due to a spill or leak of a hazardous material is recovered and stored in appropriate containers upon consultation with the Owner's Environmental Coordinator. The Contractor shall dispose of all such contaminated soil in accordance with the applicable acts and regulations at their own expense.
- 18.11 The Contractor shall store all hazardous materials in the construction lay down area. Should it become necessary to store hazardous waste prior to disposal the Contractor shall notify the Owner prior to placing the hazardous waste in the construction lay down area and all containers are to be labeled in accordance with the Owner's labeling programs. The Contractor shall maintain an inventory/ reconciliation log for all hazardous wastes. The Contractor shall dispose of all hazardous waste in accordance with all applicable acts and regulations.
- 18.12 The Contractor shall not perform Work within 30 meters of a watercourse without a watercourse alteration permit.
- 18.13 **Pollution Control**
- 18.13.1 The Contractor shall maintain temporary erosion and pollution control features installed under this Contract.
- 18.13.2 The Contractor shall control emissions from equipment and Plant to local authorities emission requirements.
- 18.13.3 The Contractor shall prevent sandblasting and other extraneous materials from contaminating air beyond application area, by providing temporary enclosures.
- 18.13.4 The Contractor shall cover or wet down dry materials and rubbish to prevent blowing dust and debris. Provide dust control for temporary roads.
- 19.0 TERMINATION OF CONTRACT**
- 19.1 In addition to the rights conferred on the Owner in Section 11.0 and notwithstanding the term or duration of the Contract, the Owner shall have the right, which may be exercised at any time, to terminate the Contract for any reason. In the event of such termination, the Owner and the Contractor shall negotiate a settlement supported by audit, if required by the Owner, carried out by auditors acceptable to both parties, which shall include: reimbursement at the contract rate for all completed items; reimbursement for the costs to the Contractor for the Work in progress and expenses incurred in the course of the Work, plus a reasonable return on such costs and expenses; reimbursement for costs and expenses directly caused by the termination.
- 19.2 The Owner shall not be liable to the Contractor for loss of anticipated profit on the cancelled portion or portions of the Work.
- 20.0 PROPER LAW OF THE CONTRACT**
- 20.1 This document shall be regarded as a New Brunswick Contract and the laws of the Province of New Brunswick shall govern its interpretation and effect, except that the International Sale of Goods Act, S.N.B.c.I-12.21 shall have no application and shall be of no force and effect with respect to the formation of the contract of sale hereunder, nor shall it apply to the rights and obligations of the seller and buyer arising from such a contract.
- 20.2 The Contractor agrees that this agreement supersedes any custom, usage, contract, agreement or term implied by law to the contrary.
- 21.0 SITE PROCEDURES**
- 21.1 General**
- 21.1.1 In order to administer the overall project, certain procedures and regulations may be set up and enforced by the Owner. These will include, but not be limited to such items as safety, security, time checking, parking, hours of work, uniform starting and stopping times, and rest periods.

- 21.1.2 The Contractor shall comply, at its own expense, with the Occupational Health and Safety Act and Regulations of New Brunswick, which pertain to the Work or any other written instructions from the Owner relating to safety.
- 21.1.3 The Contractor is expected to fully cooperate in complying with and enforcing all such regulations and procedures.
- 21.2 Work Authorization and Protection**
- 21.2.1 A Work Authorization may be required to perform some portion of the Work under the terms and conditions of the Contract. The Work Authorization will be issued to the Owner's representative. The Owner may elect to train the Contractor to be SAP and permit qualified in order for the Contractor to be issued Work Authorizations.
- 21.2.2 Prior to the commencement of the Work, the Contractor shall:
- (a) Ensure that all necessary information is provided to the Engineer for proper completion of the Work Authorization.
- (b) Be responsible for becoming familiar with and fully understanding the risks and procedures associated with the Work Authorization.
- (c) Be in possession of a written Work Authorization with accompanying detail.
- 21.2.3 The person who holds the Work Authorization shall be responsible for:
- a. Understanding the scope of the Work and any associated hazards performed under the "Work Authorization".
- b. The safety of all personnel working under the Work Authorization.
- c. Understanding the limits of the isolation provided under the Work Authorization, explaining limits of isolation to the crew, and ensuring Work is contained within these limits.
- d. Inspecting the Work protection prior to the start of Work each day and also at the completion of each shift.
- e. Immediately stopping work and obtaining clarification from the Engineer should uncertainty arise as to security or safety of the isolation provided.
- f. Ensuring that Site procedures and expectations are carried out by all members of the crew including, but not limited to, the requirements for foreign material exclusion and confined spaces.
- g. Ensuring that monitoring of explosive or poisonous gases is carried out in enclosed areas and that adequate breathing apparatus is used by all members of the crew.
- 21.2.4 The Contractor shall keep the Owner up to date on all Work, with particular importance placed on Work that might affect personnel, safety or equipment safety and operations.
- 21.2.5 In the event that the Contractor's supervisor or lead person holding the Work Authorization document leaves the Work site, all Work must come to a stop. Work shall not reconvene unless the supervisor or lead person returns or a new supervisor or lead person has been named and a new document obtained.
- 21.2.6 The Contractor's lead person or supervisor shall contact the Owner immediately to discuss the scope of Work for any Work that does not require isolation or for which isolation cannot be provided.
- 21.3 Certification of Crane Operators**
- The Contractor is advised that only approved personnel shall be permitted to operate cranes at the Site. The Contractor shall approve operators based upon, as a minimum, appropriate training certification and demonstrated ability to properly operate the designated cranes while possessing a knowledge of good rigging practices. Prior to the requirement for crane operation, the Contractor shall provide the Engineer with a list of qualified personnel.
- 21.4 Scaffolding Inspection**
- Prior to use, all scaffolding erected by and for the Contractor shall be inspected by the Contractor, ensuring it has been tagged, advising that the scaffolding is fit for use. The Owner will be responsible for tagging the scaffolding.
- 21.5 Hoses**
- The Contractor shall submit to the Owner, a copy of the hydrostatic test certificates for all hose products to be used in the execution of the Work. Submittals must accommodate the hose delivery to Site, and all hoses shall be tagged to certify and verify the test certificates. All hoses shall be tested to the hose Design Working Pressure.
- 22.0 NEWS RELEASES**
- Information for publicity of any nature with respect to any facet of the Owner's business or operations or of the Work being performed on the Site by the Contractor or others shall not be released or disclosed without the prior written consent of the Engineer.
- 23.0 RELEASE OF CONTRACTOR'S SUPERVISORY STAFF**
- The Contractor shall not release any of its supervisory staff without having obtained approval from the Engineer.
- 24.0 LABOUR REQUIREMENTS**
- 24.1 General**
- 24.1.1 The Contractor shall conform to the labour laws of the Province of New Brunswick and the various acts amending and supplementary thereto, and to all other laws, ordinances and legal requirements applicable thereto.
- 24.1.2 The Contractor shall be responsible for and shall ensure that its work force is such and is so employed, and that the classification of labourers and skilled journeymen used on the Work is in accordance with the terms of the Collective Agreements, so that there is no infringement on the jurisdiction of any Union in the area, and that no work stoppage or interruption, whether of its own

	forces or of any other Contractor working at the Site, occurs because of any act or omission on its part or on the part of any of its employees or because of its relations with its own employees.	28.0	<u>TIME</u> Time is of the utmost importance of the Contract.
24.2	<u>Maintenance Work</u> Field Labour Conditions under maintenance contracts shall be executed pursuant to the Collective Agreement Between The National Maintenance Council For Canada And Contractors Working On Maintenance, Repair, Revamp, Renovation And Upkeep Of All Generating Stations Owned By New Brunswick Power Corporation, which agreement is known as The National Maintenance Agreement. The Contractor or any subcontractors performing any portion of the Work, must be a signatory to this Agreement. If applicable, a copy of this Agreement is available for viewing at www.gpmccanada.com/agreementlibrary.php	29.0	<u>RIGHT OF SET-OFF</u> Without restricting any right of set-off given or implied by law, the Owner may set-off against any amount payable to the Contractor under this Contract, any amount payable to the Owner by the Contractor under this Contract and without restricting the generality of the foregoing, the Owner may, when making payment, deduct from the amount payable, any amount which is then payable to the Owner under the Contract or which by virtue of the right of set-off, may be retained by the Owner.
25.0	<u>FABRICATED MATERIALS</u> The Contractor shall ensure that all materials and equipment which are supplied by it, its suppliers or sub-suppliers, in the form of pre-assembled components or modules and which contain prefabricated piping, fittings, or ductwork are fabricated in shops having Industrial Collective Agreements with the United Association (U.A.) (Pipefitters) and the Sheet Metal Union. All prefabricated piping shall bear a U.A. label.	30.0	<u>WARRANTY</u>
		30.1	If, at any time prior to one (1) year after Final Acceptance or two (2) years after delivery, whichever is sooner, any part of the work becomes defective or fails due to defects in design, material or workmanship, installation or erection, or otherwise fails to meet the requirements of the Contract, then the Contractor, upon receipt of notification from the Engineer, shall make good every such defect or failure within the period of time specified by the Engineer and without cost to the Owner. The Contractor shall pay all transportation charges both ways between the Contractor's factory or repair depot and the project Site.
		30.2	Where the Contractor furnished technical direction of the original installation or erection of the Work, then it shall also be responsible for furnishing technical direction of the removal (including Site disassembly if required), reinstallation or re-erection of any of the Work which requires repair or replacement hereunder. Where such repair or replacement results from the negligent act or omission of the Contractor in furnishing technical direction of such original installation or erection, then the Contractor shall also be liable for the removal (including Site disassembly if required), reinstallation or re-erection of the Work which requires repair or replacement hereunder.
26.0	<u>STANDING ASIDE</u>		
26.1	In the interest of safety, during construction and/or maintenance activities such as, but not limited to, blasting, demolition work, radiography, heavy lifts, and operation of equipment, personnel shall stand aside for a specified period of time. Contractors shall perform such activities, when possible, during normal break periods or during times that would minimize disruption.	30.3	If the Contractor, after notification of a defect or deficiency should delay or default in proceeding, then the Engineer may arrange to remedy the defect or deficiency and the Contractor shall be liable for all costs, charges and expenses incurred in connection therewith, all without prejudice to any other rights or remedies the Owner may have for breach of Contract.
26.2	At least 24 hours notice to stand aside shall be issued in writing to all Contractors by the Contractor performing the activity. The notice shall be reviewed and initialed by the Engineer prior to circulation. The Contractor performing the activity shall be responsible for ensuring that all personnel do stand aside from the affected areas during the activity.	30.4	Any certificate, acceptance, approval, payment or any other act, matter or thing done or omitted under the Contract, shall not bar or prejudice the rights of the Owner in this respect.
27.0	<u>INTENT</u> The intent of the Contract Documents is to provide for the Work described herein to be fully completed in every detail for the purpose designated herein, and it is hereby understood that the Contractor, in accepting a Contract, agrees to furnish any and everything necessary for such purposes, notwithstanding any omission from the drawings or specifications.	30.5	The warranty period shall be extended on each portion of the Work which is made inoperative by the need for repair or replacement of any other portion of the Work by the amount of time it is so inoperative.
		31.0	<u>DISPUTES</u> Should any dispute arise between the parties concerning this Contract or its interpretation or in connection with the Work or its execution, then the parties will attempt to resolve such disputes to their mutual satisfaction, and if such disputes cannot be resolved by agreement, then the parties may agree to take the dispute to arbitration under the Arbitration Act of New Brunswick.

32.0 CLEAN-UP

32.1 The Contractor shall at all times during the course of the Work, prevent the accumulation on the premises of debris caused by the Work. Whenever it is necessary, in the opinion of the Engineer and in all events upon completion and prior to Final Acceptance of the Work, the Contractor at its own expense, shall remove from the premises, all temporary buildings and facilities, debris, all work and materials condemned by the Engineer and also its tools, scaffolding and surplus materials, and shall leave the premises in good order and condition. The Contractor shall prevent at any time, unnecessary accumulation or scattering of debris, materials, tools and equipment around the premises, and shall conduct the Work in an orderly manner. In case the Contractor fails to comply with the above provisions, or in case of dispute, the Engineer will have the right to remove debris, tools and equipment, and to charge the cost of such removal or repairs, or both, to the Contractor, or charge the cost of such removal or repairs, or both, to the Contractor, or charge pro rata to the various Contractors engaged in the Work who, in the opinion of the Engineer, are responsible for the clean-up cost. Charges for clean-up cost to the Contractor shall be made by backcharge to the Contractor.

32.2 There will not be a disposal area available on the Owner's property. All junk, trash and refuse shall be disposed off the job Site by the Contractor in a manner approved by the Engineer and the New Brunswick Department of Environment (NBDOE). 9 See Section 46.0, Waste0 Disposal.

33.0 THIRD PARTIES

Nothing in this Contract is intended for the benefit of third parties and no third party may claim for damages or otherwise to enforce any such benefit.

34.0 EXCLUSIVITY

Award of Contract shall not preclude the Owner from purchasing similar services from other contractors from time to time during the term of this Contract, at the Owner's sole discretion.

35.0 ASSIGNMENT

The Contract shall inure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns. The Contractor may not assign this Contract, nor any of its responsibilities or obligations hereunder without prior written consent from the Owner.

36.0 REMOVAL OF CONTRACTOR'S EMPLOYEES

36.1 The Contractor shall, at the request of the Engineer, remove any person employed on the Work Site who, in the opinion of the Engineer, is incompetent or has been conducting themselves improperly. The Contractor shall not permit a person so removed to remain at Site.

36.2 The Owner shall have the right to reject personnel:

- Whom the Owner deems do not have sufficient experience to adequately perform the required tasks.

37.0 SEVERABILITY

If any term or portion of the Contract documents are found to be invalid or unenforceable, the remainder of the Contract Document shall continue to be valid and enforceable.

38.0 AUDIT

The Contractor shall keep proper and detailed accounts and records related to the cost of the Work performed hereunder which is to be paid on a reimbursable basis and shall at all reasonable times during business hours make all such records, accounts and other documents available for inspection and audit by the Owner or any authorized representative of the Owner. The Owner shall be permitted to make copies and take extracts from such Contractor accounts and records as necessary for such audit and verification. All such detailed accounts and records shall be preserved and kept available for a period of two (2) years dated from the completion date of the Work to which the accounts and records pertain. The audit provisions shall not apply to fixed prices, or fixed unit rates or fixed percentage markups.

39.0 RIGHTS TO TECHNICAL DATA

39.1 Notwithstanding any statement on drawings or other technical data produced by the Contractor ("Technical Document(s)"), or others on its behalf, to the effect that the information may not be copied or reproduced without the Contractor's permission, the Contractor agrees that the Owner shall have the irrevocable right to reproduce and use without further compensation all such drawings and data for its own use and for tendering and awarding of contracts and performing work for the purposes of installation, operation, maintenance and refurbishment of the equipment and for procurement of related materials and equipment.

39.2 In the event that the Owner is required to disclose Technical Documents to a third party for the purpose of the operation, maintenance or decommissioning of the Site, then the Owner shall, prior to the disclosure of such Technical Documents, obtain from such third party a written agreement that such Technical Documents will only be used on Owner's behalf and will not be disclosed to others.

40.0 PROPRIETARY INFORMATION

The Contractor and its employees shall consider all data and information pertaining to the design, construction, operation, inspection and maintenance of all departments at the Owner's facility to be confidential and the sole property of the Owner. No such information shall be removed from the Owner's facility or transmitted in any form unless approved in writing by the Owner's authorized representative.

41.0 SURVIVAL

The provisions of Sections 8.0, Liability; 14.0, Notices; 20.0, Proper Law of the Contract; 30.0, Warranty; 35.0, Assignment; 39.0, Rights to Technical Data and 40.0, Proprietary Information shall survive the termination of this Contract.

42.0 WASTE DISPOSAL

- 42.1 It is the Contractor's responsibility to ensure that all non hazardous and non radioactive waste generated from its work at the Site is disposed of at the appropriate Regional Landfill Facility
- 42.2 Hazardous waste must be handled and disposed of in accordance to applicable Federal and Provincial Regulations and is also the Contractors responsibility.
- 43.0 **STORAGE OF HAZARDOUS MATERIALS**
- 43.1 Storage for hazardous materials must be isolated from the general work area. Only approved safety cans are permitted for the dispensing of flammable liquids. The location of these storage areas shall be approved by the Owner and shall comply with all applicable fire, safety or other codes, standards or regulations.
- 43.2 The Work at Site shall be carried out under the WHMIS guidelines and all materials shall have the Owner's approved labeling.. The Contractor shall supply the Owner with copies of MSDS (Material Safety Data Sheets) for all WHMIS (Workplace Hazardous Materials Information System) products that will be utilized in the Work. The Owner's labels will be produced for these products.

44.0 ENGINEER'S AUTHORITY

During the execution of the Work, the Engineer shall decide on interpretation of drawings and specifications, shall judge quality and quantity of Work and Materials and shall make decisions and give instructions and orders, where required, within a reasonable time. All decisions, instructions and orders of the Engineer shall be final and binding upon the Contractor unless, by written notice to the Engineer given within seven (7) days after the date of receipt of a written confirmation thereof, the Contractor expressly states that it disputes or questions such decision, instruction or order, giving reasons for so doing, but such a notice shall not relieve the Contractor of its obligations to proceed with the

Work in accordance with the decisions, instruction, or order in respect of which the notice has been given.

45.0 INSPECTION BY OWNER

The Owner shall have the right to inspect the Work at all times and may reject any part thereof which is not in accordance with the Contract. Any of the Work so rejected, shall forthwith be re-executed or corrected by the Contractor, at its sole expense and in a manner prescribed by the Contract, but if in the opinion of the Owner it is not feasible to re-execute or correct the rejected Work, the Owner shall be bound to pay to the Contractor only such sums of money as, in the opinion of the Owner, represents the value of the Work to the Owner.

46.0 COUNTERFEIT, FRAUDULENT, AND SUBSTANDARD ITEMS

The Contractor is hereby notified that the delivery or use of suspect and/or counterfeit, fraudulent, and substandard items (CFSIs) is of special concern to the New Brunswick Power Corporation (the Owner). If any parts covered by the Contract are described using a manufacturer part number or using a product description and/or specified using an industry standard, the Contractor shall be responsible to assure that the replacement parts supplied by the Contractor meet all requirements of the latest version of the applicable manufacturer data sheet, description and/or industry standard. If the Contractor is not the manufacturer of the goods, the Contractor shall make a reasonable efforts to assure that the parts and components supplied under the contract or used to manufacture the equipment covered in this order are made by the Original Equipment Manufacturer (OEM) and meet the applicable manufacturer data sheet or industry standard. Should the Contractor desire to supply or use a part that may not meet the requirements of this paragraph, the Contractor shall notify The Owner of any exceptions and receive The Owner's written approval prior to shipment or use of the replacement parts to The Owner. If suspect and/or CFSI parts are furnished under the contract or are found in any of the goods delivered hereunder, such items will be dispositioned by the Owner and may be returned to the Supplier. The Contractor shall promptly replace such suspect and/or CFSI parts with parts acceptable to The Owner and the Contractor shall be liable for all costs, including but not limited to The Owner's internal and external costs, relating to the removal and replacement of said parts. To mitigate the CFSI risk to The Owner's nuclear facility in particular, Point Lepreau Generating Station requires our approved contractors to recognize this risk by introducing into their Quality Assurance program a documented process to prevent, detect and disposition suspect CFSIs.

