

SCHEDULE 14

PAYMENT MECHANISM

SECTION A DEFINITIONS

A1. Capitalized Terms

A1.1 Capitalized terms used in this Schedule 14 have the meanings set out in the Project Agreement or Schedule 18 – Technical Requirements, unless otherwise expressed in this Schedule 14.

A2. Definitions

A2.1 In this Schedule 14, the following expressions have the following meanings:

- (a) **“Accessibility Condition”** means a state or condition of the relevant Transitway or Roadway lane (or any part thereof), or the IGF Station as applicable, which allows all Infrastructure Users to enter and leave the relevant Transitway or Roadway lane, or IGF Station as applicable, safely and conveniently and using normal access routes;
- (b) **“Annual Review”** has the meaning given in Section D;
- (c) **“Availability Condition”** means any of (i) the Accessibility Condition, (ii) the Safety Condition or (iii) the Use Condition;
- (d) **“Availability Failure”** or **“AF”** means a state or condition which causes a Transitway or Roadway lane (or any part thereof) or the IGF Station as applicable, to be Unavailable;
- (e) **“Availability Failure Deduction”** or **“AFD”** means a Deduction which may be made in respect of an Availability Failure, but excluding an Exempt Availability Failure, and calculated pursuant to Section C3;
- (f) **“Base Date”** means January 1, 2016;
- (g) **“Bedding-In Period”** means the period from the Substantial Completion Date to the end of the third full Contract Month of the OMR Period;
- (h) **“Capital Payment”** or **“CP”** means the fixed monthly amount set out in Appendix A to this Schedule 14 payable to Project Co in respect of the construction and financing-related costs in accordance with the Project Agreement;
- (i) **“Contract Month”** means a calendar month during the OMR Period, except with respect to the first Contract Month, which runs from the Substantial Completion Date until the end of the calendar month in which the Substantial Completion Date falls, and the last Contract Month, which runs from the first day of the calendar month in which the Termination Date falls until the Termination Date;

- (j) “**Contract Year**” means the period of 12 calendar months that commences on January 1st of each calendar year and ends on the next ensuing December 31st, provided that:
 - (i) the first Contract Year shall be such period that commences on the Substantial Completion Date and ends on the next ensuing December 31st; and
 - (ii) the final Contract Year shall be such period that commences on the January 1st that precedes the Termination Date and ends on the Termination Date;
- (k) “**CPI**” means the Consumer Price Index (all items) for the City of Winnipeg, as published monthly by Statistics Canada (<http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/cpis02a-eng.htm>), or failing such publication, such other index as the Parties may agree, or as may be determined in accordance with Schedule 7 – Dispute Resolution Procedure, which most closely resembles such index;
- (l) “**Deduction**” means a deduction made from an Unadjusted Payment in accordance with this Schedule 14;
- (m) “**Deduction Thresholds**” means the deductions specified as such in Section L of the Project Agreement in respect of Warning Notices, Monitoring Notices and the replacement of non-performing OMR Provider, in Section S1 of the Project Agreement in respect of the City’s rights to take Remedial Action and in Section S2.1(j) of the Project Agreement in respect of a Termination Event;
- (n) “**Escalation Factor**” or “**ESC**” means the escalation factor calculated in accordance with Section B2.1;
- (b) “**Exempt Availability Failure**” means an Availability Failure that is classified as either an Exempt Availability Failure (Maintenance) or an Exempt Availability Failure (Other), provided that such Availability Failure shall only be considered an Exempt Availability Failure to the extent that it could not have been prevented or mitigated by the proper performance of Project Co’s obligations under the Project Agreement;
- (o) “**Exempt Availability Failure (Maintenance)**” means an Availability Failure that results solely from work carried out in respect of planned maintenance activities where such work:
 - (i) is carried out in accordance with the relevant Schedule of Lane Closures submitted by Project Co and accepted by the City in accordance with Schedule 18 – Technical Requirements;
 - (ii) does not cause Project Co to fail to maintain the minimum lane availability requirements specified in Schedule 18 – Technical Requirements;

- (iii) does not prevent access to/from any recognized entry or exit to the OMR Infrastructure unless a reasonable alternative has been proposed by Project Co and accepted by the City, in its sole discretion; and
- (iv) is carried out in accordance with Good Industry Practice to minimize the impact of the OMR Services on any persons who are entitled to enter, occupy or use the OMR Infrastructure;

and is recorded as an Exempt Availability Failure (Maintenance) in the Performance Monitoring Report;

- (p) **“Exempt Availability Failure (Other)”** means an Availability Failure that results solely from:
 - (i) an Accepted Lane Closure in accordance with Schedule 18 – Technical Requirements;
 - (ii) any accumulation of snow up to the maximum levels permitted in Schedule 18 – Technical Requirements; or,
 - (iii) for Stage 1 Infrastructure within the OMR Infrastructure, any cause other than Project Co’s failure to provide the OMR Services applicable to Stage 1 Infrastructure in accordance with Schedule 18 – Technical Requirements.

and is recorded as an Exempt Availability Failure (Other) in the Performance Monitoring Report;

- (q) **“Lane Kilometre”** means a consecutive single lane section of Transitway or Roadway which is one (1) kilometre, or less, in length;
- (r) **“Major Maintenance and Rehabilitation Payment”** or **“MMR Payment”** or **“MMRP”** means the monthly amounts as set out in Appendix A to this Schedule 14 and includes the anticipated costs in respect of the replacement, refreshment and/or refurbishment of OMR Infrastructure in accordance with Schedule 18 - Technical Requirements;
- (s) **“Minimum Agreed Availability Conditions”** means all of the Use Condition, as temporarily modified as permitted in accordance with Section C6 of this Schedule 14 for the purposes of a Temporary Repair, the Safety Condition and the Accessibility Condition;
- (t) **“Monthly Payment”** means the amount payable by the City to Project Co in each Contract Month in accordance with the Project Agreement, as calculated in Section B;
- (u) **“Non-Conformance”** means a failure by Project Co to comply with the OMR Period performance requirements specified in Schedule 18 – Technical Requirements;

- (v) **“Operations and Maintenance Payment”** or **“O&M Payment”** or **“OMP”** means the monthly amounts as set out in Appendix A to this Schedule 14 and includes the anticipated monthly costs in respect of operations and maintenance of the OMR Infrastructure in accordance with Schedule 18 – Technical Requirements;
- (w) **“Permanent Repair”** means Rectification where a Temporary Repair has been permitted and carried out pursuant to Section C6;
- (x) **“Permanent Repair Deadline”** has the meaning given in Section C6.2;
- (y) **“Quality Failure”** means any Non-Conformance by Project Co to provide the OMR Services in accordance with the performance requirements in Schedule 18 - Technical Requirements that is identified as a Quality Failure within the Quality Failure Performance Indicators table in Appendix B to this Schedule 14;
- (z) **“Quality Failure Deduction”** means a Deduction which may be made in respect of a Quality Failure;
- (aa) **“Rectification”** means, following the occurrence of an Unavailability or Non-Conformance, making good the Unavailability or Non-Conformance such that the subject matter of the Unavailability or Non-Conformance complies with the levels of service required pursuant to Schedule 18 – Technical Requirements, and **“Rectify”** and **“Rectified”** shall be construed accordingly. Without prejudice to the generality of the foregoing this shall include (a) restoring all functional capability and (b) ensuring that any Transitway or Roadway lane which has been affected by the relevant Unavailability complies with the Availability Conditions;
- (bb) **“Rectification Time”**, means the duration of time available to Project Co to rectify a Non-Conformance prior to the occurrence of a Service Failure in accordance with Section C4 and Appendix C of this Schedule 14, as applicable;
- (cc) **“Remedial Period”**, means the duration of time available to Project Co to remedy a Non-Conformance following the occurrence of a Quality Failure to mitigate against a subsequent Quality Failure in accordance with Section C5 and Appendix B of this Schedule 14, as applicable;
- (dd) **“Safety Condition”** means a state or condition of the relevant Transitway or Roadway lane (or any part thereof), or IGF Station as applicable, which allows Infrastructure Users to enter, leave, occupy and use such Transitway or Roadway lane, or IGF Station as applicable, safely, including compliance with Applicable Law, relevant policies of the City and the City’s requirements related to fire safety or health or workplace safety and there are no defects, debris or obstruction on the OMR Infrastructure that would cause damage to any vehicle traveling at the posted speed limit or injury to any person;
- (ee) **“Service Failure”** means any Non-Conformance by Project Co to provide the OMR Services in accordance with the performance requirements in Schedule 18 - Technical Requirements that is identified as a Service Failure within the Service Failure Performance Indicators table in Appendix C to this Schedule 14;

- (ff) **“Service Failure Deduction”** or **“SFD”** means a Deduction which may be made in respect of a Service Failure;
- (gg) **“Temporary Repair”** means, in respect of a state or condition which results in an Availability Failure for a Transitway or Roadway lane, a repair of a temporary nature that does not constitute Rectification but satisfies the Minimum Agreed Availability Conditions until a Permanent Repair can be undertaken;
- (hh) **“Unadjusted Monthly Payment”** means the amount that would be calculated for the relevant Contract Month in accordance with the formula set out in Section B1 without deducting the sums represented by the symbol ΣDm ;
- (ii) **“Unavailable”** means, in relation to a Transitway or Roadway lane (or any part thereof), or the IGF Station as applicable, a state or condition which does not comply with any one or more of the Availability Conditions and **“Unavailability”** shall be construed accordingly;
- (jj) **“Use Condition”** means in relation to a Transitway or Roadway lane (or any part thereof), or the IGF Station as applicable, a state or condition which satisfies the range of functional requirements in accordance with Schedule 18 – Technical Requirements for the proper use of such Transitway or Roadway lane, or IGF Station as applicable; and
- (kk) **“Winter Months”** has the meaning given in Schedule 18 – Technical Requirements.

SECTION B CALCULATION OF MONTHLY PAYMENTS

B1. Monthly Payment

B1.1 The Monthly Payment payable in respect of each Contract Month (“m”) shall be calculated in accordance with the following formula and Section B1.2:

$$\text{MPm} = \text{CPm} + (\text{OMPm} \times \text{ESCy}) + (\text{MMRPm} \times \text{ESCy}) \text{ +/- } (\text{IA}/12) - \Sigma\text{D}(\text{m}-1)$$

Where:

MPm is the Monthly Payment for the Contract Month for which the formula is to be applied;

CPm is the Capital Payment as set out in Appendix A to this Schedule 14;

OMPm is the Operations and Maintenance Payment, inclusive of the monthly un-escalated amount for the Base Relevant Insurance Cost, as set out in Appendix A to this Schedule 14;

MMRPm is the Major Maintenance and Rehabilitation Payment as set out in Appendix A to this Schedule 14;

ESCy is the Escalation Factor for the relevant Contract Year as calculated in accordance with Section B2.1;

IA is the annual Insurance Adjustment calculated in accordance with Section M5 of the Project Agreement; and,

$\Sigma\text{D}(\text{m}-1)$ is the sum of Deductions in respect of the relevant prior Contract Month in relation to Service Failures, Quality Failures and Availability Failures calculated in accordance with the provisions set out in this Schedule 14 and included as applicable Payment Adjustments in the invoice for the relevant Contract Month in accordance with the provisions set out in Section K of the Project Agreement.

B1.2 In respect of the application of the formula in Section B1.1, for the avoidance of doubt, in calculating the Operations and Maintenance Payment in each relevant Contract Month, the un-escalated monthly Base Relevant Insurance Cost amount contained within the un-escalated monthly O&M Payment amount as set out in Appendix A to this Schedule 14, shall not be subject to the Escalation Factor.

B1.3 For the Contract Month in which the Substantial Completion Date occurs a pro rata adjustment shall be calculated as the actual number of days in the relevant calendar month from and including the Substantial Completion Date divided by the number of days in the calendar month in which the Substantial Completion Date occurs. Additionally, for the Contract Month in which the Termination Date occurs a pro rata adjustment shall be calculated as the actual number of days in the calendar month up to and including the Termination Date divided by the number of days in the calendar month in which the Termination Date occurs. In all other Contract Months there shall be no pro rata adjustment.

B1.4 The City shall pay to Project Co the Monthly Payment in accordance with the provisions of this Schedule 14 and Section K of the Project Agreement.

B2. Escalation Factor

B2.1 The Escalation Factor shall be calculated in accordance with the following formula:

$$\text{ESC}_y = \text{CPI}_y / \text{CPI}_0$$

Where:

ESC_y is the escalation factor applicable in the relevant Contract Year;

CPI_y is the value of CPI in the relevant Contract Year, to be determined by reference to the monthly CPI index published by Statistics Canada, calculated as a 12-month average up to the most recent month for which published data is available immediately preceding the indexation date (for clarity, this 12-month period shall be consistent with the period used in the calculation of CPI₀); and

CPI₀ is the value of CPI on the Base Date, to be determined by reference to the monthly CPI index published by Statistics Canada, calculated as a 12-month average up to the most recent month for which published data is available immediately preceding the Base Date.

SECTION C DEDUCTIONS FROM MONTHLY PAYMENTS

C1. Entitlement to Make Deductions

- C1.1 If at any time during the OMR Period, a Service Failure, Quality Failure or Availability Failure occurs, the City shall, subject to Section C1, be entitled to make a Deduction from the relevant Monthly Payment in respect of that Service Failure, Quality Failure or Availability Failure.
- C1.2 The maximum aggregate of all Deductions that the City can make from a Monthly Payment in respect of any Contract Month shall be the Unadjusted Payment relating to that Contract Month.
- C1.3 The classification of a Non-Conformance as a Service Failure or Quality Failure shall be made at the time at which the Non-Conformance occurs. A Non-Conformance which is incorrectly classified may be re-classified with the approval of the City Representative and the Project Co Representative, acting reasonably, in which case the applicable Performance Monitoring Report will be revised accordingly.

C2. Bedding in Period

- C2.1 During the Bedding-In Period, (i) no Deductions may be made in respect of Quality Failures and Service Failures during the first Contract Month; and (ii) during second and third Contract Months, Deductions associated with Service Failures and Quality Failures shall be reduced by %. 18(1)(c)(iii)
- C2.2 For the avoidance of doubt, there shall be no relief from Deductions relating to Availability Failures during the Bedding-In Period.

C3. Availability Failure Deductions

- C3.1 Availability Failure Deductions shall be assigned in respect of each Availability Failure that occurs during the OMR Period in accordance with this Schedule 14, but excluding any Exempt Availability Failures.
- C3.2 Subject to Section C1, the Availability Failure Deduction in respect of any Contract Month shall be the sum of all Availability Failure Deductions calculated for all Availability Failures that occurred during the relevant Contract Month.
- C3.3 Availability Failure Deductions in respect of Availability Failures that occur on Transitway or Roadway lanes shall be calculated in accordance with the following formula:

$$\text{AFD} = (\text{Unavailable Lane Kilometres} \times \text{Unavailability Duration} \times \text{AF Deduction Amount} \times \text{Lane Factor})$$

Where:

AFD is the Availability Failure Deduction for each Availability Failure in respect of Transitway or Roadway lanes that occurred during the Contract Month;

Unavailable Lane Kilometres is the number of Lane Kilometres of Transitway or Roadway that are Unavailable as a result of the Availability Failure. In measuring the number of Unavailable Lane Kilometres subject to Availability Failure Deduction, the length of each lane which is Unavailable shall be rounded up to the nearest Lane Kilometre;

Unavailability Duration is the duration of the Unavailability as a result of the Availability Failure, measured from the commencement of Unavailability to the point in time when the Unavailability has been Rectified. The Unavailability Duration for any Availability Failure will be rounded up to the nearest one (1) hour;

AF Deduction Amount is the deduction amount applied per hour of Unavailability for each Unavailable Lane Kilometre based on the time classification as per the table below:

Table 1: AF Deduction Amount

Time Classification	Description	Time of Day	AF Deduction Amount (per Lane Kilometre per hour)
Peak	Monday to Friday	5am – 9am 3pm – 6pm	18(1)c(iii)
Day	Monday to Friday	9am – 3pm	
	Saturday, Sunday, and Holidays	6am – 6pm	
Evening	Monday to Friday	6pm – 9pm	
	Saturday, Sunday, and Holidays	6pm – 9pm	
Night	Monday to Friday	9pm – 2am	
	Saturday, Sunday, and Holidays	9pm – 2am	
No Service Periods	Monday to Friday	2am – 5am	
	Saturday, Sunday, and Holidays	2am – 5am	

Lane Factor is a factor applied to the applicable AF Deduction Amount as per Table 1. A Lane Factor of 4 shall be applied if Transitway lanes in both directions are Unavailable as a result of the Availability Failure. A Lane Factor of 1 will be applied for all other Availability Failures.

- C3.4 The AF Deduction Amounts in Table 1 will be index-linked using the Escalation Factor in Section B2.1.
- C3.5 Following the occurrence of an Availability Failure, Deductions shall continue to be made as per Section C1.1 until such time as Project Co shall demonstrate, to the reasonable satisfaction of the City Representative, that it has remedied the Availability Failure. If the Parties disagree on the effectiveness of the remedy put in place by Project Co, either Party may refer the matter to the Dispute Resolution Procedure.

- C3.6 The City may amend the amount of time classified as ‘Peak’, ‘Day’, ‘Evening’, ‘Night’, or ‘No Service Periods’ in Table 1 provided that the City provides written notice to Project Co not less than 12 calendar months before such amendment and subject to the Annual Review process in Section D.
- C3.7 Availability Failure Deductions in respect of Availability Failures that occur at the IGF Station on IGF Event Days that impact Infrastructure Users in accessing events at the Investors Group Field during the OMR Period shall be calculated as \$ [REDACTED] per such Availability Failure. The City shall provide Project Co with a minimum of sixty (60) day notice prior to an IGF Event Day at the Investors Group Field. 18(1)(c)(iii)

C4. Service Failure Deductions

- C4.1 Service Failure Deductions shall be assigned in respect of each Service Failure that occurs during the OMR Period in accordance with this Schedule 14. Subject to Sections C1 and C2, the Service Failure Deduction in respect of any Contract Month shall be the sum of all Service Failure Deductions calculated for all Service Failures that occurred during the relevant Contract Month.
- C4.2 Upon occurrence of a Service Failure in accordance with the Service Failure Performance Indicators table set out in Appendix C to this Schedule 14 and with reference to OMR Period performance requirements in Schedule 18 - Technical Requirements, a Service Failure Deduction shall apply as set out in Appendix C to this Schedule 14.
- C4.3 Where a Service Failure Performance Indicator in Appendix C to this Schedule 14 has a Rectification Time, a Service Failure shall only occur if the Non-Conformance in question has not been rectified within the applicable Rectification Time and a resulting Service Failure Deduction shall apply in accordance with Appendix C to this Schedule 14. Following the occurrence of a Service Failure, Project Co shall be allowed, where applicable, an additional Rectification Time equivalent to the original Rectification Time, unless otherwise specified in Column E of Appendix C to this Schedule 14. If, before the expiry of this additional period, Project Co demonstrates, to the reasonable satisfaction of the City Representative, that it has rectified the Service Failure, no further Service Failure Deduction shall be made in respect of the Service Failure. Otherwise, a further Service Failure Deduction shall be made of the appropriate amount (as described in Appendix C to Schedule 14) and a further Rectification Time of equal duration shall apply, unless otherwise specified in Column E of Appendix C to this Schedule 14 (and, if appropriate, Service Failure Deductions shall continue to be made) until such time as Project Co shall demonstrate, to the reasonable satisfaction of the City Representative, that it has rectified the Service Failure. If the Parties disagree on the effectiveness of the remedy put in place by Project Co, either Party may refer the matter to the Dispute Resolution Procedure.
- C4.4 Where a Service Failure Performance Indicator in Appendix C to this Schedule 14 has no Rectification Time, a Service Failure shall occur upon the occurrence of the Non-Conformance in question and a Service Failure Deduction shall apply in accordance with Appendix C to this Schedule 14. Subsequent deductions, as applicable, shall be applied in accordance with Column E of Appendix C to this Schedule 14.

C4.5 The Service Failure Deduction amounts identified in Column D in Appendix C to this Schedule 14 will be index-linked using the Escalation Factor in Section B2.1 in this Schedule 14.

C5. Quality Failure Deductions

C5.1 Quality Failure Deductions shall be assigned in respect of each Quality Failure that occurs during the OMR Period in accordance with this Schedule 14. Subject to Sections C1 and C2, the Quality Failure Deduction in respect of any Contract Month shall be the sum of all Quality Failure Deductions calculated for all Quality Failures that occurred during the relevant Contract Month.

C5.2 Upon occurrence of a Quality Failure in accordance with the Quality Failure Performance Indicators table set out in Appendix B to this Schedule 14 and with reference to OMR Period performance requirements in Schedule 18 - Technical Requirements, a Quality Failure Deduction shall apply as set out in Appendix B to this Schedule 14.

C5.3 Following the occurrence of a Quality Failure, Project Co shall be allowed a Remedial Period, as set out in Column C of Appendix B to this Schedule 14 for each Quality Failure. If, before the expiry of the Remedial Period, Project Co demonstrates, to the reasonable satisfaction of the City Representative, that it has remedied the Quality Failure, no further Quality Failure Deduction shall be made in respect of the Quality Failure. Otherwise, a further Quality Failure Deduction shall be made of the appropriate amount (as described in Appendix B to this Schedule 14) and a further Remedial Period of equal duration shall apply (and, if appropriate, Quality Failure Deductions shall continue to be made) until such time as Project Co demonstrates, to the reasonable satisfaction of the City Representative, that it has remedied the Quality Failure. If the Parties disagree on the effectiveness of the remedy put in place by Project Co, either Party may refer the matter to the Dispute Resolution Procedure.

C5.4 The Quality Failure Deduction amounts identified in Column D in Appendix B to this Schedule 14 will be index-linked using the Escalation Factor in Section B2.1.

C6. Temporary Repairs

C6.1 If Project Co informs the City that it is unable to Rectify an Availability Failure due to the need for specialized materials or personnel that are not, and cannot reasonably be expected to be, immediately available at the OMR Infrastructure but that a Temporary Repair can be implemented the City, acting reasonably, shall permit Project Co to carry out the Temporary Repair proposed by Project Co.

C6.2 Where a Temporary Repair is permitted pursuant to Section C6.1, a deadline by which a Permanent Repair must be made shall be agreed to by the Parties, each acting reasonably, giving Project Co a reasonable period within which to carry out the Permanent Repair (the "**Permanent Repair Deadline**").

C6.3 Any Availability Failure referred to in Section C6.1 shall continue to subsist until a permitted Temporary Repair is implemented or, in the absence of a Temporary Repair, until a Permanent Repair is implemented.

C6.4 During any period beginning at the time when a permitted Temporary Repair is effected and ending at the earlier of:

- (a) the time at which a Permanent Repair is successfully completed; and
- (b) the Permanent Repair Deadline,

the Availability Conditions shall be replaced by the Minimum Agreed Availability Conditions for the purposes of identifying Availability Failures in respect of the part of the OMR Infrastructure subject to a Temporary Repair. For the avoidance of doubt, the Safety Condition and the Accessibility Condition shall not be modified for the purposes of a Temporary Repair.

C6.5 If the Permanent Repair is not implemented by the Permanent Repair Deadline, the Minimum Agreed Availability Conditions shall be replaced by the Availability Conditions for the purposes of assessing if the relevant Transitway or Roadway lane is Unavailable and an Availability Failure shall be deemed to occur and the provisions of this Schedule 14 shall apply.

SECTION D REVIEW OF DEDUCTION PARAMETERS

D1. Annual Review

- D1.1 The identification of Rectification Times and the amount of Deductions for each category of Service Failure, Quality Failure or Availability Failure shall be reviewed by the City and Project Co at any time if requested by either Party but in any event shall be reviewed at least once in every Contract Year (the “**Annual Review**”).
- D1.2 The City and Project Co shall act reasonably and diligently in carrying out the Annual Review.
- D1.3 For the avoidance of doubt, the Parties intend that any changes made as a result of an Annual Review shall not alter the overall risk profile of the relevant OMR Service or the likely magnitude of Deductions. Where proposed changes would result in any such alteration, the matter shall be deemed to be a Change Order and Schedule 17 – Change Orders shall apply.
- D1.4 The City and Project Co may, in respect of each matter that is the subject of an Annual Review, either:
- (a) agree that the status of the relevant matter shall continue to apply unchanged in the Contract Year immediately following the Annual Review; or
 - (b) agree on adjustments to the relevant matter to take effect in the Contract Year immediately following the Annual Review.
- D1.5 Any agreed adjustment pursuant to an Annual Review shall be effective from the commencement of the Contract Year immediately following the applicable Annual Review.
- D1.6 If the Parties fail to reach an agreement upon adjustments to be made under the Annual Review within a reasonable period of time, either Party may refer the matter to the Dispute Resolution Procedure.

SECTION E PERFORMANCE MONITORING AND REPORTING

E1. Obligation to Report

- E1.1 Project Co shall monitor and report all Non-Conformances, Availability Failures, Service Failures and Quality Failures which it is aware of, or should have been aware of. Project Co shall prepare a Performance Monitoring Report in respect of each Contract Month that shall be submitted to the City within seven days following the end of each Contract Month in accordance with Section K5.8 of the Project Agreement.
- E1.2 The Performance Monitoring Report shall be the source of the factual information regarding the performance of the OMR Services for the relevant Contract Month for the purposes of reporting the occurrence of all Availability Failures, Quality Failures and Service Failures and the calculation of resulting Deductions in accordance with the provisions of this Schedule 14. 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 associated Availability Failure Deductions in respect of that Contract Month;
 - (b) Any Quality Failures and associated Quality Failure Deductions in respect of that Contract Month; and
 - (c) Any Service Failures and associated Service Failure Deductions in respect of that Contract Month.
- E1.3 Project Co shall also report the aggregate Deductions resulting from Availability Failures, Quality Failures and Service Failures for each of the rolling monthly periods identified in Sections L and S of the Project Agreement for the purposes of tracking Project Co's performance of the OMR Services in terms of the cumulative amount of Deductions incurred compared to the Deduction Thresholds set out in Sections L and S of the Project Agreement.

E2. Failure by Project Co to Monitor or Report

- E2.1 If there is any error or omission in the Performance Monitoring Report for any Contract Month, Project Co and the City shall agree to an amendment to the Performance Monitoring Report or, failing agreement within 10 days of notification of the error or omission, which shall not be made more than two calendar months following the submission of the applicable Performance Monitoring Report to the City, except in the "relevant circumstances" referred to in Section E2.4, either Party may refer the matter to the Dispute Resolution Procedure.
- E2.2 If Project Co fails to monitor or accurately report any Non-Conformance, Quality Failure, Service Failure or Availability Failure then, without prejudice to the Deduction to be made in respect of the relevant Quality Failure, Service Failure or Availability Failure (if any), the failure to monitor or report the Non-Conformance, Quality Failure, Service Failure or Availability Failure then, for each such failure, a Quality Failure shall immediately occur and Quality Failure Deductions of \$ [REDACTED] shall be assigned; unless the "relevant circumstances" set out in Section E2.4 apply, in which case Quality Failure Deductions of \$ [REDACTED] shall instead immediately be assigned. 18(1)(c)(iii)

- E2.3 In the event that any inspection or investigation by the City of records made available pursuant to the Project Agreement reveals any further matters of the type referred to in Sections E2.1 and E2.2 , those matters shall be dealt with in accordance with Section E2.1 or E2.2, as appropriate, and the City shall, in addition, be entitled to make Deductions in respect of any Quality Failures, Service Failures or Availability Failures in the manner prescribed in Section C. Any such Deductions shall be made from the Monthly Payment payable in respect of the Contract Month in which the relevant matters were revealed by the City's investigations or, to the extent that the City is unable to make any further deductions from the Monthly Payment in respect of that Contract Month by virtue of Section C1.2, may be carried forward and deducted from Monthly Payments due in respect of subsequent Contract Months.
- E2.4 For the purposes of Sections E2.1, E2.2 and E2.3, the "relevant circumstances" are:
- (a) fraudulent action or inaction;
 - (b) deliberate misrepresentation; or
 - (c) gross misconduct or incompetence in each case on the part of Project Co or a Project Co Party.
- E2.5 The provisions of this Section E shall be without prejudice to any rights of the City pursuant to Sections L, N and X6 of the Project Agreement.

APPENDIX A

UNADJUSTED MONTHLY PAYMENT SCHEDULE

Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
1	18(1)(c)(iii)		
2			
3			
4			
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
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59			
60			

Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
61			
62			
63			
64			
65			
66			
67			
68			
69			
70			
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72			
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
92			
93			
94			
95			
96			
97			
98			
99			
100			
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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Contract Month	Capital Payment (\$)	O&M Payment (\$ un-escalated)	MMR Payment (\$ un-escalated)
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APPENDIX B

QUALITY FAILURE PERFORMANCE INDICATORS AND DEDUCTIONS

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
DOCUMENTATION AND REPORTING					
1.	Failure to Monitor or Report Non-Conformance Failure by Project Co to submit the Performance Monitoring Report	N/A	1 week		18(1)(c)(iii)
2.	QMS System External Audit Failure to complete full external QMS System Audit at least once per year for the duration of the OMR Period.	B4.8.2(b)	1 month		
3.	QMS System External Audit Report Failure to submit an audit report documenting results of the QMS external audit, to the City Representative within seven days of audit completion.	B4.8.2(c)	7 days		
4.	EMS System External Audit Failure to complete full external EMS System Audit at least once per year for the duration of the OMR Period.	B5.5(c)(ii)	1 month		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
5.	EMS System External Audit Report Failure to submit an audit report documenting results of the EMS external audit, to the City Representative within seven days of audit completion.	B5.5(c)(iii)	7 days		
6.	Safety Plan External Audit Failure to complete full external Safety Plan system audit at least once per year for the duration of the OMR Period.	B6.13(c)(ii)	1 month		
7.	Safety Plan External Audit Report Failure to submit an audit report documenting results of the Safety Plan external audit, to the City Representative within seven days of audit completion.	B6.13(c)(iii)	7 days		
8.	OMR Plan Failure to develop and provide the City with an updated OMR Plan (with the exception of the Snow Clearing and Ice Control Plan) by March 1 of each Agreement Year.	B12.2	1 month		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
9.	<p>As-Built Construction Reports Failure to provide all completed As-Built Construction Reports to the City within six months of the Substantial Completion Date, including:</p> <ul style="list-style-type: none"> • As-Built City Structures Construction Report; • As-Built CN Rail Infrastructure Construction Report; • As-Built Pavement Structural Information; • As-Built Aesthetics and Landscaping Construction Report; • As-Built Transitway and Roadway Construction Report; • As-Built Transitway Stations Construction Report; and • As-Built Utility Infrastructure Report. 	D4.2.4	1 month		
10.	<p>Structures Inspection – OSIM Inspection Report Failure to provide the OSIM inspection report and testing results within the OMR Monthly Report within 60 days of completion of the any inspection and/or testing.</p>	E2.3.6	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
11.	<p>OMR Monthly Report Failure to submit OMR Monthly Report that provides summary of the inspections, Operational Maintenance, Preventative Maintenance, and Rehabilitative Maintenance activities that occurred within the month, as set out in Schedule 18 – Technical Requirements by the 15th of the following month.</p>	E1.5	1 week		
12.	<p>Snow Clearing and Ice Control Plan Failure to prepare an annual specific and updated Snow Clearing and Ice Control Plan in compliance with the applicable standards set out in Schedule 18 - Technical Requirements and in place by September 15th of each Agreement Year.</p>	E3.5.2	1 month		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
13.	<p>Notice of Rehabilitative Maintenance Failure to provide written notification prior to commencement of works outlining the Rehabilitative Maintenance proposed and submit Detailed Design drawings and/or construction specifications for the following works, in accordance with Schedule 18 – Technical Requirements:</p> <ul style="list-style-type: none"> • Transitway, Roadway, Drainage, Park and Ride, and Kiss and Ride: minimum one month; • Structures: minimum two months notification and minimum six weeks for provision of drawings and/or specifications; • AT Paths: minimum two weeks; • Stations: minimum one month; • Landscaping, Spring Clean-up, and Pavement Markings: minimum two weeks. 	E5.5	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
14.	<p>General Testing Results Failure to submit testing results for performance requirements not defined with a testing and inspection frequency, to the City for review in accordance with Schedule 5 – Review Procedure, within 45 days of the test.</p>	E6.1.1	1 week		
15.	<p>Concrete Bridge Decks – Condition Surveys Failure to complete the detailed condition surveys in accordance with the requirements of the OSRM 10 years after Commissioning of the Works and every five years thereafter.</p>	E6.13.5(e)	2 months		
SCHEDULE OF LANE CLOSURES					
16.	<p>Lane Closures Schedule (Initial) Failure to submit within 60 days of the Substantial Completion Date, the Schedule of Lane Closures in respect of the OMR Services for the first 12 month period after the Substantial Completion Date (the Agreement Year) and next succeeding Agreement Year, in accordance with the requirements set out in Schedule 18 – Technical Requirements.</p>	E1.11.4	2 weeks		

	Column A	Column B	Column C	Column D	Column E
Ref. #	Quality Failure Performance Indicator	Technical Requirements Reference	Remedial Period	Quality Failure Deduction per Remedial Period	Additional Details on Deductions
17.	<p>Lane Closures Schedule (Annual) Failure to submit the Schedule of Lane Closures in respect of the OMR Services for the next succeeding year, by no later than May 20th in each Agreement Year after the first Agreement Year.</p>	E1.11.4	2 weeks		
18.	<p>Notification of Changes in Lane Closures Schedule Failure to notify the City Representative and the City Transit Department of any changes to the Schedule of Lane Closures that affect the Transitway no later than 30 days prior to commencement of the applicable Lane Closure.</p>	E1.11.5	N/A		

APPENDIX C

SERVICE FAILURE PERFORMANCE INDICATORS AND DEDUCTIONS

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
QUALITY MANAGEMENT SYSTEM						
1.	QMS System Deficiencies Failure to address and take corrective measures toward all QMS deficiencies identified by the external QMS auditor within 30 days following release of the audit report.	B4.8.2(d)	30 days			
ENVIRONMENTAL MANAGEMENT SYSTEM						
2.	EMS System Deficiencies Failure to address and take corrective measures toward all EMS deficiencies identified by the external EMS auditor within 30 days following release of the audit report.	B5.5(c)(iv)	30 days			
SAFETY PLAN SYSTEM						
3.	Safety Plan System Deficiencies Failure to address and take corrective measures toward all Safety Plan deficiencies identified by the external Safety Plan auditor within 30 days following release of the audit report.	B6.13(c)(iv)	30 days			

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
IMMINENT DANGER					
4.	<p>Imminent Danger on the OMR Infrastructure</p> <p>Failure to either:</p> <p>(a) have representation or be en-route within 30 minutes after becoming aware of, or when Project Co should have been aware of, an Imminent Danger;</p> <p>(b) immediately initiate action to protect traffic and the public from the Imminent Danger; or</p> <p>(c) continue the action until the Imminent Danger is eliminated.</p>	E1.10.2	<p>(a) 30 min</p> <p>(b) 30 min</p> <p>(c) N/A</p>	<p>██████████</p> <p>██████████</p> <p>██████████</p>	

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
LANE CLOSURE OPERATIONAL REQUIREMENTS					
5.	Lane Closure Information Failure to provide information to the City (including without limitation details of proposed Lane Closures and information about its traffic safety and management measures for OMR Services) as may be required for purposes of any information service operated by or on behalf of the City from time to time.	E1.11.13	N/A		
6.	Communications Failure to address any Infrastructure User or general public complaints or comments received through means outlined in Schedule 24 – Public Communications or received by the City (and relayed to Project Co)	E1.11.14	N/A		
7.	Lane Closure Requirements during planned OMR Services Failure to meet any of the requirements for planned OMR Services on the Transitway and Roadways with respect to stationary or moving temporary lane closures, as set out in Schedule 18 – Technical Requirements.	E1.11.15	N/A		Initial deduction applied on occurrence of the SF. Subsequent deductions in respect of Availability Failures, as applicable.

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
8.	<p>Notification of Lane Closure and Access Requirements</p> <p>Failure to inform the City Representative and the City Transit Department of any lane closures and access requirements on the Transitway in accordance with the minimum notification requirements set out in Schedule 18 – Technical Requirements.</p>	E1.16	N/A			
UTILITY INFRASTRUCTURE						
9.	<p>Installation of New Utility Infrastructure</p> <p>Failure to allow the Utility Company to make installations of new Utility Infrastructure, once approved by Project Co and the City of Winnipeg Underground Structures Department.</p>	E1.13.4	N/A			
10.	<p>Cut Repairs on Transitway</p> <p>Failure to carry out cut repairs on the Transitway in accordance with the requirements set out in Schedule 18 – Technical Requirements.</p>	E1.13.4	N/A			

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
OMR MOBILIZATION AND OMR DEMOBILIZATION					
11.	Site Inspection Reports Failure to prepare and submit inspection reports and take detailed photographs of the site inspection, in line with the requirements set out in Schedule 18 – Technical Requirements.	E1.15.3 (a)	N/A		
12.	Secure Site Fencing Installation Failure to install a minimum 1.8 m high chain-link secure fence around any site lay-down and site areas prior to commencement of OMR Services, in situation where the OMR Services equipment or supplies could jeopardize the safety of the Infrastructure User or where instructed by the City.	E1.15.4 (a)	N/A		
13.	Secure Site Fencing Maintenance Failure to maintain the fencing secure and in place until OMR Demobilization at the location.	E1.15.4 (c)	N/A		
14.	Access Roadway Maintenance Failure to regularly maintain the access roadway installed by Project Co to provide continual unrestricted site access, to the satisfaction of the City	E1.15.5 (b)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
15.	<p>Traffic Gates Installation Failure to install, maintain, and remove steel gates to keep the Infrastructure User out of the OMR Period Lands, which shall be installed prior to commencement of OMR Services.</p>	E1.15.6 (a)	N/A		
16.	<p>Traffic Gates Maintenance Failure to maintain the gates secure and in place until OMR Demobilization at the location.</p>	E1.15.6 (b)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	(g) Signs that are considered to be deficient based on cleanliness shall be cleaned within two days of the visual inspection.				
18.	Structures Inspection Requirements Failure to carry out an annual Level 2 Detailed Visual Inspection in accordance with <i>OSIM</i> between May 15 th and September 15 th .	E2.3.4	N/A		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
19.	<p>Station, Stops, Park and Ride, and Kiss and Ride Inspection Requirements</p> <p>Failure to carry out following inspections as set out in Schedule 18 – Technical Requirements, including:</p> <p>(a) Inspection of stations and stops weekly;</p> <p>(b) Inspection of Park and Ride and Kiss and Ride facilities every two weeks;</p> <p>(c) More frequent inspections to deal with ice and snow pack and drifting during the Winter Months;</p> <p>(d) Confirming the retroreflectivity and illumination of all signs visually during dark (night time conditions) at least once month within stations and stops; and</p> <p>(e) Signs that are considered to be deficient shall be replaced within five days of the visual inspection.</p>	E2.4.2	<p>(a) N/A</p> <p>(b) N/A</p> <p>(c) N/A</p> <p>(d) N/A</p> <p>(e) 5 days</p>		
20.	<p>Pump Stations Inspection Requirements</p> <p>Failure to carry out inspections of the pump stations on a monthly basis in accordance with Schedule 18 – Technical Requirements.</p>	E2.5.1	N/A		

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
21.	Public Art Inspection Requirements Failure to carry out inspections of Public Art on a monthly basis in accordance with Schedule 18 – Technical Requirements.	E2.6.1	N/A			
OPERATIONAL MAINTENANCE						
22.	Operational Maintenance Requirements Failure to undertake Operational Maintenance to rectify any deficiencies which do not fall within the category of structural and functional, as agreed with the City, and are non-hazard and non-safety related, within two weeks of identification. For clarity, this Service Failure Performance Indicator applies to any failure not identified in the specific Performance Requirements in Section E6 of Schedule 18 – Technical Requirements.	E3.3	2 weeks			

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – GENERAL					
23.	<p>Performance Requirements – General – Testing</p> <p>Failure to complete testing of any performance requirements within Schedule 18 – Technical Requirements which do not have a testing and inspection frequency defined, at a minimum of once per year.</p>	E6.1.1	N/A		Initial deduction applied on occurrence of SF; Subsequent deductions applied at [REDACTED] per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
24.	<p>Performance Requirements – General – Deficiencies</p> <p>Failure to rectify any deficiencies on the OMR Infrastructure which are not categorized as an Imminent Danger and times are not defined in Section E6 in Schedule 18 – Technical Requirements:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. 	E6.1.3	Refer to Time Period Details in Column A		Initial deduction applied on occurrence of the SF. Subsequent deductions of ██████ per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – TRANSITWAY AND ROADWAY					
25.	General – Testing Failure to complete testing for conformance, on an annual basis, against the performance requirements set out in Schedule 18 – Technical Requirements, prior to the later of May 20 th of each Agreement Year or four weeks following the City of Winnipeg Public Works Department declaring the ground free of frost and permitting construction to commence, but no later than June 15 of each year, so that any required repairs can reasonably be completed in the same calendar year.	E6.2.1(b)	N/A		Initial deduction applied on occurrence of SF; Subsequent deductions applied at [REDACTED] per month until the SF is rectified.
26.	Pavement Geometric Requirements – Testing Failure to measure the Roadway and Transitway superelevation and cross-slope immediately prior to Substantial Completion of the Project and after each major surface rehabilitation and whenever the surface appears to not meet the superelevation and cross-slope requirements.	E6.2.2(d)	N/A		Initial deduction applied on occurrence of SF; Subsequent deductions applied at [REDACTED] per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
27.	<p>Pavement Geometric Requirements – Deficiencies</p> <p>Failure to rectify any deficiencies with the specified criteria indicated by the measurements within the specified timelines indicated below:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. 	E6.2.2(e)	Refer to Timeline Details in Column A		Initial deduction applied on occurrence of the SF. Subsequent deductions of ██████ per month until the SF is rectified.
28.	<p>Pavement Performance Requirements - Repairs</p> <p>Failure to complete repairs to maintain the pavement surface in a safe condition with the following requirements in accordance with Schedule 18 – Technical Requirements:</p> <p>(a) Immediately begin repairs, regardless</p>	E6.2.3(d)	(a) 4 hours (b) 36 hours (c) 21 days (d) 30 days		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	<p>of size, if the pavement deficiency is a hazard to a bus or vehicular traffic;</p> <p>(b) Localized deficiencies affecting functionality (deficiency within any travel lane greater than 0.1m²) shall be repaired within 36 hours following the time that Project Co became aware of or should have become aware of the deficiency;</p> <p>(c) Localized deficiencies not affecting functionality (deficiency not located within travel lanes and/or do not exceed 0.1m² in size) shall be repaired within 21 days following the time that Project Co became aware of or should have become aware of the deficiency; and</p> <p>(d) All other pavement deficiencies shall be repaired within 30 days following the time that Project Co became aware of or should have become aware of the deficiency. However, in Winter Months when permanent repairs may not be possible due to freezing conditions, temporary measures may stay in-place until the ground is free of frost.</p>				

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
29.	<p>Pavement Performance Requirements – Replacement of Temporary Repairs (Freezing Conditions)</p> <p>Failure to replace any temporary repairs on pavement surface after the ground is free of frost, when permanent repairs are not possible immediately for deficient pavements due to freezing conditions.</p>	E6.2.3 (g)	N/A		
30.	<p>Testing of Transitway</p> <p>Failure to test the Transitway within two years of Substantial Completion and once every five years to determine the International Roughness Index (IRI).</p>	E6.2.3(h)	N/A		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
31.	<p>Maintenance of Transitway IRI Failure to maintain the IRI equal to or less than the values set out in Section E6.2.3(h) in Schedule 18 – Technical Requirements, within the timelines noted below:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. 	E6.2.3(h)	Refer to Timeline Details in Column A		Initial deduction applied on occurrence of the SF. Subsequent deductions of ██████ per month until the SF is rectified.
32.	<p>Maintenance of Transitway IRI – Proof of Correction Failure to provide proof to the City for correction of any Non –Conformance of the OMR Infrastructure IRI values, as per the requirements set out in Schedule 18.</p>	E6.2.3(h)(x)	1 month		Initial deduction applied on occurrence of the SF. Subsequent deductions of ██████ per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
33.	<p>Rutting Performance Requirements – Testing of Rut Depths</p> <p>Failure to complete measurements of the rut depths within two years of Substantial Completion and then twice every five years with at least two years between each testing, based on the requirements set out in Schedule 18 – Technical Requirements.</p>	E6.2.3(i)	N/A		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
34.	<p>Rutting Performance Requirements – Repairs</p> <p>Failure to repair any non-compliance of rut depths, as identified by the measurements or tests undertaken as per the requirements set out in Schedule 18 – Technical Requirements, within the timelines noted below:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. 	E6.2.3(i)(v)	Refer to Timeline Details in Column A		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per month until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – WINTER MAINTENANCE PERFORMANCE REQUIREMENTS					
35.	<p>Winter Maintenance Requirements – Snow Clearing Policy</p> <p>Failure to undertake winter maintenance in accordance with any of the requirements within the <i>City of Winnipeg Policy on Snow Clearing and Ice Control</i>, and any of the requirements set out in Schedule 18 – Technical Requirements, during the OMR Period.</p>	E6.2.4(a)	N/A		
36.	<p>Winter Maintenance Requirements – Bare Pavement</p> <p>Failure to achieve Bare Pavement conditions as quickly as possible on the following:</p> <p>(a) All Roadways, stations, Park and Rides, Kiss and Rides, and AT Paths, within the required time period of 24 hours; and</p> <p>(b) Transitway within the required period of 12 hours,</p> <p>subject to the exception set out in Section E6.2.4(g) of Schedule 18.</p>	E6.2.4(f)	<p>(a) 24 hours</p> <p>(b) 12 hours</p>		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per hour until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
37.	<p>Winter Maintenance Requirements – Hydro Right of Way</p> <p>Failure to abstain from piling snow in the Hydro Right-of-Way as a means of clearing Park and Ride and Kiss and Ride facilities and parking lots.</p>	E6.2.4(h)	N/A		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per hour until the SF is rectified.
38.	<p>Winter Maintenance Requirements – Bare Pavement for Falling Snow or Snow Blowing</p> <p>Notwithstanding E6.2.4(f), failure to remove accumulation of snow caused due to falling snow or snow blowing and accumulating onto the Transitway and bridge structures and in locations including, but not be limited to; adjacent to bridge barrier structures, underpass barriers, tunnel barriers, wing walls, retaining walls, and all other traffic barriers, within the required time period of 36 hours, when accumulation of snow exceeds the following criteria:</p> <ul style="list-style-type: none"> i. The width of the shy distance (1.5 m on structures and 1.0 m along the Transitway where barriers exist); or ii. The height adjacent to a barrier greater than 500 mm. 	E6.2.4(j)	36 hours		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per hour until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
39.	<p>Winter Maintenance Requirements – Commence Removal of Snow Exceeding 150 mm in Depth on Transitway</p> <p>Further to E6.2.4(j), failure to commence removal of snow within six hours when snow build-up and/or drifting snow exceeds 150 mm in depth anywhere from outside edge to outside edge.</p>	E6.2.4(k)	6 hours		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per hour until the SF is rectified.	
40.	<p>Winter Maintenance Requirements – Commence Removal of Snow Exceeding 150 mm in Depth on AT path</p> <p>Failure to commence removal of snow within 36 hours when snow build-up and/or drifting snow exceeds 150 mm in depth on the AT path.</p>	E6.2.4(l)	36 hours		Initial deduction applied on occurrence of the SF. Subsequent deductions of [REDACTED] per hour until the SF is rectified.	
PERFORMANCE REQUIREMENTS – ROAD SIDE SAFETY DEVICES						
41.	<p>Road Side Safety Devices – General Maintenance</p> <p>Failure to repair or temporary protect the area with damaged road side safety devices in line with the requirements in Schedule 18 – Technical Requirements, when barriers or road side safety devices are missing or damaged such that they do not function as intended.</p>	E6.3(a)	4 hours			

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
42.	<p>Road Side Safety Devices – Damage by Collision Snow Clearing</p> <p>Failure to repair or replace any road side safety devices that have been damaged by collision, snow clearing or otherwise to assure the continued protection of the Infrastructure User.</p>	E6.3(a)(i)	24 hours		
43.	<p>Road Side Safety Devices – Temporary Repair</p> <p>Failure to implement temporary repairs immediately when immediate permanent repair is not possible, for deficient road side safety devices.</p>	E6.3(a)(i)	4 hours		
44.	<p>Road Side Safety Devices – Other Repairs (Excluding Concrete Barriers)</p> <p>Failure to repair or replace all other non-compliant sections of barrier or road side safety devices, as per specifications provided in Schedule 18 – Technical Requirements.</p>	E6.3(b)	60 days		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
45.	<p>Road Side Safety Devices – Concrete Barrier Repairs</p> <p>Failure to repair or replace all other non-compliant sections of concrete barrier as per specifications provided in Schedule 18 – Technical Requirements, based upon:</p> <ul style="list-style-type: none"> • If the time of determination falls between April 1 and August 31, then within 60 days following the time when Project Co became aware, or should have become aware, of the deficiency; or by September 30, whichever is sooner • If the time of determination falls between September 1 and March 30, the later of May 31 or four weeks following the City of Winnipeg Public Works Department declaring the ground free of frost and permitting construction to commence, but no later than June 15 of each year. 	E6.3(b)(vi)	Refer to Timeline Details in Column A		Initial deduction applied on occurrence of the SF. Subsequent deductions of ██████████ per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
46.	Road Side Safety Devices – Replacement of Temporary Repairs Failure to replace any temporary repairs implemented when permanent repairs are not possible immediately for deficient road side safety devices.	E6.3(c)	5 days		
47.	Road Side Safety Devices – Replacement of Temporary Repairs (Freezing Conditions) Failure to replace any temporary repairs after the ground is free of frost, when permanent repairs are not possible immediately for deficient road side safety devices due to freezing conditions.	E6.3(c)	N/A		
PERFORMANCE REQUIREMENTS – GRASS CUTTING AND LANDSCAPE MAINTENANCE					
48.	Grass Cutting and Landscape Maintenance – Shrubs Failure to prune and trim shrubs in all areas of the OMR Period Lands and Stage 1 Lands at least once per year.	E6.4.1(a)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
49.	<p>Grass Cutting and Landscape Maintenance – Grass Height</p> <p>Failure to complete monthly mowing of grass within the OMR Period Lands and Stage 1 Lands such that the grass height does not exceed 100 mm at any time, except for approved natural areas designed as low mow or no mow areas.</p>	E6.4.1(b)	N/A		
50.	<p>Grass Cutting and Landscape Maintenance – Drainage Systems</p> <p>Failure to complete monthly mowing of open ditch systems to maintain drainage system elements to assure full hydraulic and structural capacity.</p>	E6.4.1(d)	N/A		
51.	<p>Grass Cutting and Landscape Maintenance – Chemical Spraying</p> <p>Failure to publicly advertise the proposed OMR Services related to spraying of chemicals within 30 m of an open body of water, as per the requirements set out in Schedule 18 – Technical Requirements, 30 days prior to the scheduled start date of the OMR Services.</p>	E6.4.1(g)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
52.	<p>Grass Cutting and Landscape Maintenance – Chemical Spraying Special Use Approvals</p> <p>Failure to obtain special use approvals from Manitoba Conservatism and Water Stewardship (or its successor) for chemical spraying within 30 m of an open body of water, as per the requirements set out in Schedule 18 – Technical Requirements.</p>	E6.4.1(g)	N/A		
53.	<p>Grass Cutting and Landscape Maintenance – General Maintenance</p> <p>Failure to perform grass cutting or landscaping maintenance in accordance with the requirements set out in Schedule 18 – Technical Requirements.</p>	E6.4.1(m)	2 weeks		
54.	<p>Grass Cutting and Landscape Maintenance – Repair of Fences</p> <p>Failure to repair any fences which are found to be deficient as per requirements set out in Schedule 18 – Technical Requirements.</p>	E6.4.1(o)	96 hours		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – SEASONAL CLEAN-UP					
55.	<p>Seasonal Clean-up Failure to conduct the scheduled litter clean-ups of the OMR Infrastructure including parks and open space amenities, Roadways, and AT Paths by the dates and requirements set out in Schedule 18 – Technical Requirements:</p> <p>(a) Conduct an annual spring clean-up campaign or when it has been conducted but has not removed all visible litter from the OMR Infrastructure by June 1 of each Agreement Year, as per the standards provided in Schedule 18 – Technical Requirements; and</p> <p>(b) Complete the specified summer and fall clean-up operations by August 15 and October 15 respectively, in each Agreement Year, as per the standards provided in Schedule 18 – Technical Requirements.</p>	E6.5.2	(a) N/A (b) N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week for a maximum of 8 weeks per SF

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – LITTER CLEAN UP					
56.	<p>Litter Clean Up</p> <p>Failure to rectify the following deficiencies such that the OMR Infrastructure is free of any and all litter that may cause damage to vehicles or otherwise result in a safety hazard for Infrastructure Users:</p> <p>(a) Litter clean up to the same standard as the spring clean-up on or about July 30 and September 30 of each Agreement Year during the OMR Period;</p> <p>(b) Removal of litter covering more than 0.025 cubic metres in size within the OMR Period Lands and Stage 1 Lands;</p> <p>(c) Removal and disposal of litter on the Roadways or Transitway that has the potential to affect traffic;</p> <p>(d) Removal and disposal of incidental refuse and litter including emptying waste containers within stations and stops on a weekly basis, or more frequently due to litter accumulation at specific waste and recycling containers;</p> <p>(e) Removal and disposal of incidental</p>	<p>E6.6.1</p> <p>E6.6.3</p>	<p>(a) N/A</p> <p>(b) 1 week</p> <p>(c) 1 hour</p> <p>(d) N/A</p> <p>(e) N/A</p> <p>(f) 1 week</p> <p>(g) N/A</p> <p>(h) 96 hours</p> <p>(i) 24 hours</p>		<p>For (a), subsequent deductions to be applied at [REDACTED] per week until the SF is rectified</p>

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	refuse and litter including emptying waste containers along the AT path and throughout the OMR Infrastructure on a weekly basis; (f) Removal of all waste and other litter generated by the Project Co's operations; (g) Conducting monthly street sweeping of Roadways, Transitway, Park and Ride facilities, Kiss and Ride facilities, AT path etc. from May 15 th to October 1 st ; (h) Removal or covering of graffiti (that cannot effectively be removed) from any location; and (i) Removal of graffiti that is offensive.				
PERFORMANCE REQUIREMENTS – STATIONS AND STOPS					
57.	Stations and Stops – Maintenance to Operate as Designed Failure to complete repairs within 30 days to any elements of Transitway stations and stops required in order to maintain the Transitway stations and stops to operate as designed as per the requirements in Schedule 18 – Technical Requirements.	E6.7.1	30 days		Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
58.	<p>Stations and Stops – Maintenance in Clean and Orderly Manner</p> <p>Failure to maintain the Transitway stations and stops in a clean and orderly manner, as determined by requirements set out in Schedule 18 – Technical Requirements, including:</p> <ul style="list-style-type: none"> (a) Power wash shelter floors during non-Winter Months, on a weekly basis; (b) Deodorize shelters, on a daily basis; (c) Immediately clean and disinfect bodily fluid spills using approved procedures, on an as needed basis; (d) Wash glass and windows, including both sides of the bottom 3 m of the Osborne Station of the Stage 1 Infrastructure, on a weekly basis; (e) Immediately clean up, replace broken glass, and pick up sharp items and needles on an as needed basis; (f) Pick up litter and empty garbage cans on a weekly basis, or more frequently due to litter accumulation at specific waste and recycling containers; (g) Wash station street furniture during non-Winter Months, on a weekly basis; 	E6.7.3	<ul style="list-style-type: none"> (a) N/A (b) N/A (c) 1 hour (d) N/A (e) 1 hour (f) N/A (g) N/A (h) N/A (i) N/A (j) N/A (k) N/A (l) N/A (m) N/A (n) N/A 		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	<p>(h) Wash all station and stop amenities (such as furniture, information kiosks, and signs) during non-Winter Months, on a weekly basis;</p> <p>(i) Hand shovel snow, chip ice buildup, and sand/salt walkways and areas around information kiosks and shelter doors at stations and stops during Winter Months, on a daily basis. This shall also include the ramps and plaza at Osborne Station of the Stage 1 Infrastructure;</p> <p>(j) Turn on all heaters in shelters at stations and stops every November 1 and turn off all heaters every April 30;</p> <p>(k) Replace burned out lighting within a week of noticing or should have noticed a burned out light bulb within a Station;</p> <p>(l) Wash shelter and station canopy ceilings and rooftops, excluding Osborne Station of the Stage 1 Infrastructure, on a monthly basis;</p> <p>(m) Inspect and top up poison and pest control (for pigeons) products on a monthly basis; and</p>				

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
	(n) Clean the entire Osborne Station of the Stage 1 Infrastructure, inside and out, bi-annually.					
59.	Stations – Heating Inspections Failure to complete weekly inspections of heaters during Winter Months to ensure operation between November 1 st and April 30 th of every Agreement Year.	E6.7.3(j)	N/A			
PERFORMANCE REQUIREMENTS – DRAINAGE SYSTEMS						
60.	Drainage Systems – Environmental Requirements Failure to ensure that environmental requirements required by legislation or design are met at all times and maintain all aspects of the drainage facilities to prevent the discharge of silt or sediments into water courses.	E6.8.4	N/A			
61.	Drainage Systems – Erosion, Sedimentation or Flooding Failure to repair drainage system deficiencies that could potentially cause erosion, sedimentation, or flooding.	E6.8.6(b)	4 hours			
62.	Drainage Systems – Minor Blockages Failure to remove minor blockages in the drainage system on a regular basis.	E6.8.6(c)	1 day			

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
63.	Drainage Systems – Repairs Failure to correct drainage deficiencies identified by drainage inspections to bring the drainage systems back in compliance with the performance requirements in Schedule 18 – Technical Requirements.	E6.8.6(d)	2 months		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.
64.	Drainage Systems – Ponding of Water Failure to correct drainage deficiencies identified by drainage inspections if potential for ponding of water on the Roadway, Transitway surface, AT path, ditches and swales or if erosion or sedimentation exists.	E6.8.6(d)	3 days		
65.	Drainage Systems – Catch Basins Cleaning Failure to complete hydro vac cleaning on a spring and fall basis, catch basins in any Transitway tunnel or underpass and on an as-needed basis everywhere else.	E6.8.6(e)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week for a maximum of 8 weeks per SF.
66.	Drainage Systems – Ditches and Drains Failure to clean the ditches and drains of snow and ice in spring prior to spring runoff.	E6.8.6(f)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
67.	Drainage Systems – Flushing Failure to conduct flushing and televising of the land drainage sewers installed within this Project every five years.	E6.8.6(g)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at █████ per month until the SF is rectified.	
68.	Drainage Systems – Wet Well Pumps Failure to clean out wet well pumps after an accumulation of 0.6m of material.	E6.8.8	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at █████ per month until the SF is rectified.	
PERFORMANCE REQUIREMENTS – SIDEWALKS / AT PATHS						
69.	Sidewalks / AT Paths Failure to repair deficiencies to restore functionality of the sidewalks and AT path to the level for which they were originally designed, as per the requirements in Schedule 18 – Technical Requirements.	E6.9.2	30 days		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at █████ per week until the SF is rectified.	
70.	Sidewalks / AT Paths – Replacement of Temporary Repairs Failure to replace any temporary repairs implemented when permanent repairs are not possible immediately for deficient sidewalks or AT paths.	E6.9.3	5 days			

	Column A	Column B	Column C	Column D	Column E	
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions	
71.	<p>Sidewalks / AT Paths – Replacement of Temporary Repairs (Freezing Conditions)</p> <p>Failure to replace any temporary repairs after the ground is free of frost and by the later of May 31 or four weeks following the City of Winnipeg Public Works Department declaring the ground free of frost and permitting construction to commence, but no later than June 15 of each year, when permanent repairs are not possible immediately for deficient sidewalks and AT paths in Winter Months, due to freezing conditions.</p>	E6.9.3	Refer to Timeline Details in Column A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.	
PERFORMANCE REQUIREMENTS – EMBANKMENT SLOPES						
72.	<p>Embankment Slopes – Repairs</p> <p>Failure to provide an engineering plan for areas of the embankment slopes that require repair to the City.</p>	E6.10.3	90 days			
73.	<p>Embankment Slopes – Repairs</p> <p>Failure to complete repairs on deficiencies in the condition of the embankment slopes to restore functionality to the level for which it was originally designed</p>	E6.10.3	100 days		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.	

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
74.	<p>Embankment Slopes – Temporary Solution for Safety Concern</p> <p>Failure to provide temporary solution for deficiency of an embankment slope which is a safety concern.</p>	E6.10.3	7 days		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per day until the SF is rectified.
75.	<p>Embankment Slopes – Replacement of Temporary Repairs (Freezing Conditions)</p> <p>Failure to replace any temporary repairs after the ground is free of frost by the later of May 31 or four weeks following the City of Winnipeg Public Works Department declaring the ground free of frost and permitting construction to commence, but no later than June 15 of each year, when permanent repairs are not possible immediately for deficient embankment slopes in Winter Months, due to freezing conditions.</p>	E6.10.3	Refer to Timeline Details in Column A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – TRAFFIC CONTROL DEVICES					
76.	Guide Signs – Retroreflectivity Failure to replace any guide signs that do not meet the acceptable level of retroreflectivity, as per requirements set out in Schedule 18 – Technical Requirements.	E6.11.1(a)	30 days		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.
77.	Guide Signs – Repair / Replacement Failure to repair or replace the following guide signs that are damaged, stolen, vandalized or which otherwise fail to meet the requirements of Section E6.9.1 of Schedule 18 – Technical Requirements: (a) Construction signs shall be inspected and realigned daily; (b) Non-critical warning signs; (c) Standard information/directional signs; and (d) Non-standard information/directional signs.	E6.11.1(c)	(a) N/A (b) 48 hours (c) 14 days (d) 60 days		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
78.	<p>Guide Signs – Maintenance or Straightening</p> <p>Failure to maintain or straighten signs, as required as per Schedule 18 – Technical Requirements.</p>	E6.11.1(d)	21 days		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.
79.	<p>Guide Signs – Notification to City for City Maintained Signs</p> <p>Failure to notify the City of Winnipeg Traffic Services Branch for deficiencies related to signs being maintained by the City.</p>	E6.11.1(e)	3 days		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
80.	<p>Pavement Markings – Repaint</p> <p>Failure to repaint pavement markings in accordance with Schedule 18 – Technical Requirements during the OMR Period to the following frequencies:</p> <p>(a) Transitway pavement markings shall be repainted twice a year by June 1st and October 15th of each Agreement Year;</p> <p>(b) AT path pavement markings shall be repainted once a year by June 1st of each Agreement Year; and</p> <p>(c) Park and Ride, and Kiss and Ride pavement markings shall be repainted once every two years by October 15th of each applicable Agreement Year.</p>	E6.11.2(c)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
81.	<p>Pavement Markings – Temporary Markings</p> <p>Failure to install temporary markings following OMR Services on the same day that the work is performed.</p>	E6.11.2(d)	N/A		Initial deduction to be applied on per occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per day until the SF is rectified. Deductions will be assessed on per site of repair, maintenance, or rehabilitation where the relevant SF occurs.
82.	<p>Pavement Markings – Permanent Markings</p> <p>Failure to install permanent markings within 15 days of temporary markings being installed, as stated in Schedule 18 – Technical Requirements.</p>	E6.11.2(e)	15 days		Initial deduction to be assessed on per occurrence of the SF. Subsequent deductions to be assessed at [REDACTED] per day until the SF is rectified. Deductions will be assessed on per site of repair, maintenance, or rehabilitation where the relevant SF occurs.

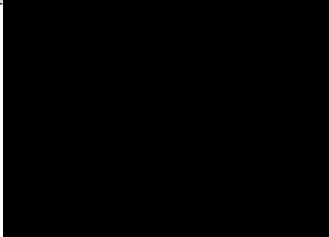
	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
83.	Pavement Markings – Removal of Incorrect Markings Failure to remove incorrect or confusing markings, or take appropriate temporary remedial measures.	E6.11.2(f)	4 hours		
PERFORMANCE REQUIREMENTS – LIGHTING					
84.	Review of Lighting Failure to conduct a bi-annual review of the lighting to ensure the plumbness of the poles and the structural integrity of the bases.	E6.12.1(a)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per week until the SF is rectified.
85.	Notification to Manitoba Hydro – Plumbness of Poles Failure to notify Manitoba Hydro within two weeks of inspection / review of the lighting for any corrections in plumbness of poles not within 10mm on 1m.	E6.12.1(a)	N/A		
86.	Notification to Manitoba Hydro – Lumens Failure to notify Manitoba Hydro within four days of illumination not operating as designed.	E6.12.1(b)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
PERFORMANCE REQUIREMENTS – CITY STRUCTURES					
87.	<p>Noise Mitigation – Noise Walls Inspection</p> <p>Failure to inspect all noise walls annually by the later of May 20 or four weeks following the City of Winnipeg Public Works Department declaring the ground free of frost and permitting construction to commence, but no later than June 15 of each year.</p>	E6.13.2(b)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at ██████ per week until the SF is rectified.
88.	<p>Noise Mitigation – Noise Walls Repair</p> <p>Failure to repair all noise walls annually by September 1st of the same calendar year as the noise wall inspections.</p>	E6.13.2(b)	N/A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at ██████ per month until the SF is rectified.
89.	<p>Roadway Grade – Topographic Survey</p> <p>Failure to undertake a topographic survey to address E6.12.3 (a) to compare against the design grades.</p>	E6.13.3(b)	N/A		

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
90.	<p>Roadway Grade – Repairs</p> <p>Failure to complete any repairs on deviation of the approach slab grade of less than 1% from the theoretical grade to meet the requirements as specified in Schedule 18 – Technical Requirements, within the timelines noted below:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. 	E6.13.3 (b)	Refer to Times in Column A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied at [REDACTED] per month until the SF is rectified.
91.	<p>City Structures – All Components and Elements</p> <p>Failure to complete any repairs to meet any of the requirements for each of components and elements of structures below in (a) to (t), as stated in Schedule 18 – Technical Requirements, within</p>	E6.13.4 to E6.13.22	Refer to Times in Column A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied as follows for each of the elements listed in (a) to (t) below, until the SF is

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	<p>timelines noted below:</p> <ul style="list-style-type: none"> • If Project Co is aware, or should have been aware, of the deficiency prior to September 1st in any calendar year, Project Co shall complete the repairs prior to October 31st of the same calendar year; and • If Project Co is aware or should have been aware of the deficiency after September 1st in any calendar year, Project Co shall complete the repairs prior to August 31st of the following calendar year. <p>(a) Wearing Surface; (b) Concrete Bridge Decks; (c) Curbs, Barriers, and Medians on Bridges and Approach Slabs; (d) Bridge and Pedestrian Rails; (e) Expansion Joints; (f) Bridge Deck Drainage Systems; (g) Steel Girders; (h) Precast Concrete Girders; (i) Hot-Dip Galvanizing and Zinc-Metalizing Protection System; (j) Structural Steel Coating System;</p>				<p>rectified:</p> <div style="background-color: black; height: 500px; width: 100%;"></div>

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	(k) Sidewalks on Bridges and Approach Slabs; (l) Bearings; (m) Pier Caps; (n) Abutment Backwalls and Bearing Seats; (o) Wingwalls and Earth Retaining Structures; (p) Pier Shafts; (q) Concrete Finishes; (r) Tunnel Structures; and (s) Other Grade Separation Structures.				
PERFORMANCE REQUIREMENTS – SIGN STRUCTURES					
92.	Repairs Failure to complete any repairs on non-conformance to the performance requirements for sign structures elements noted in (a) to (f) below, as per requirements stated in Schedule 18 – Technical Requirements, in accordance with the following timelines: <ul style="list-style-type: none"> If Project Co is aware or should have been aware of the non-conformance prior to September 1 in any calendar year, Project co shall complete repairs 	E6.14.1 to E6.14.6	Refer to Times in Column A		Initial deduction to be applied on occurrence of the SF. Subsequent deductions to be applied as follows for each of the elements listed in (a) to (f) below, until the SF is rectified:

	Column A	Column B	Column C	Column D	Column E
Ref.#	Service Failure Performance Indicator	Technical Requirements Reference	Rectification Time (If applicable)	Service Failure Deduction per Rectification Period	Additional Details on Initial and Any Subsequent Deductions
	<p>prior to October 31 of the same calendar year; or</p> <ul style="list-style-type: none"> If Project Co is aware or should have been aware of the non-conformance after September 1 in any calendar year, Project co shall complete repairs prior to August 31 of the following calendar year. <p>(a) Pedestal; (b) Column; (c) Connections/Bearings; (d) Superstructure Elements; (e) Coatings; and (f) Other Sign Structure Elements.</p>				
PERFORMANCE REQUIREMENTS – PUBLIC ART					
93.	<p>Public Art – Maintenance in accordance with Maintenance Manual</p> <p>Failure to maintain the Public Art as designed as per the requirements stated in the Maintenance Manual in accordance with Schedule 23 – Public Art and Schedule 18 – Technical Requirements.</p>	E6.15.1	N/A	