

SCHEDULE 4.4(d)

PROCUREMENT ENHANCEMENT SERVICES

This Schedule 4.4(d) is an appendix to the AMSA and contains the terms and conditions upon which ABSBC will provide the PE Services to BCH, as contemplated in Section 4.4(d) of the AMSA. Any capitalized terms not otherwise defined in this Schedule 4.4(d) or the Attachments hereto shall have the meaning set forth in the AMSA.

1. General

1.1 **New Service.** Pursuant to Section 4.4(d) of the AMSA, and concurrently with the implementation of Permanent Pricing Methodology in accordance with Schedule 10.1 of the AMSA, BCH and ABSBC have agreed to adopt, as a New Service, the PE Services. The PE Services are comprised of the following service components:

- (a) *Pilot Sourcing Services* - the interim pilot sourcing services as set forth in Attachment A hereto (the “**Pilot Sourcing Services**”); and
- (b) *Strategic Sourcing Services*
 - (i) the transformation services as set forth in Section 3 of Attachment B hereto (the “**Transformation Services**”);
 - (ii) the category management services as set forth in Section 4 of Attachment B hereto (the “**Category Management Services**”); and
 - (iii) the procurement enhancement technology services as set forth in Section 5 of Attachment B (the “**PE Technology Services**”),

(collectively, the “**Strategic Sourcing Services**”).

1.2 **AMSA Terms.** The AMSA terms and conditions apply to the PE Services, however, in the event of any conflict or any inconsistency between the terms and conditions of the AMSA and this Schedule 4.4(d), the provisions of this Schedule 4.4(d) shall govern.

1.3 **Effective Date.** This Schedule shall be effective on the AMSA Effective Date.

2. Procurement Enhancement Services

2.1 **General.** The scope of the PE Services to be provided by ABSBC to BCH is as set out in this Schedule 4.4(d) and Attachments A and B hereto and shall include, without limitation, all incidental or inherent functions, tasks or activities which are reasonably and logically necessary for the completion of the expressly described functions, tasks and activities set out in the Attachments A and B hereto. For greater certainty, the PE Services are supplemental to the purchasing support services provided by ABSBC to BCH under the AMSA and described in Schedule 4.2 to the AMSA (the “**Purchasing Services**”). [Redacted] The approval and implementation of any such amendments to the Purchasing Services will be implemented by the

Parties in accordance with the change order procedures set forth in Section 8.12 of the AMSA. Except as explicitly agreed to by the Parties in a Change Order, the adoption and implementation of the Strategic Sourcing Services will not modify or vary in any manner the terms and conditions, including service level standards, relating to the performance of the Purchasing Services.

2.2 **[Intentionally Deleted]**

2.3 **[Intentionally Deleted]**

2.4 **Pilot Sourcing Services.** **[Redacted]**, ABSBC will perform the Pilot Sourcing Services for BCH, as determined by mutual agreement of the Parties, on case by case basis, in accordance with the provisions of Attachment A. If BCH elects to proceed with the Strategic Sourcing Services, then the Pilot Sourcing Services shall automatically cease upon the commencement of the Strategic Sourcing Services and be replaced by the Strategic Sourcing Services.

2.5 **Strategic Sourcing Services.** At any time prior to **[Redacted]**, BCH may, in its discretion, elect to proceed with the Strategic Sourcing Services upon **[Redacted]** prior written notice to ABSBC. If BCH does not elect to proceed with the Strategic Sourcing Services prior to **[Redacted]**, then all components of the Strategic Sourcing Services (as set out in Attachment B) will be cancelled and the Pilot Sourcing Services (as set forth in Attachment A) will cease, and ABSBC and BCH will be relieved of their respective obligations under this Schedule 4.4(d) in respect of the Strategic Sourcing Services and the Guaranteed Savings Commitment (defined below). If BCH elects to proceed with the Strategic Sourcing Services, then such services will be provided by ABSBC to BCH in accordance with the provisions of Attachment B.

2.6 **No Reliance.** ABSBC acknowledges and agrees that certain components of PE Services require BCH approval prior to ABSBC's commencement of such services. BCH gives no assurances to ABSBC, express or implied, that BCH will proceed with the Strategic Sourcing Services or that BCH will engage ABSBC to provide such services and ABSBC is not relying upon BCH to make available the opportunity to provide such services or commit such services to ABSBC. **[Redacted]**.

2.7 **Timetable.** The PE Services shall be implemented and operationalized according to the timetable and transition schedule set out in Attachments A and B to this Schedule 4.4(d), as applicable, unless the Parties mutually agree otherwise in writing.

2A. Category Managers

2A.1 **ABSBC Category Managers.** From the commencement of the Category Management Services **[Redacted]** (the "**Cutover Date**"), ABSBC may, at its sole discretion, deploy and maintain **[Redacted]** ABSBC Designated Category Managers (defined in Attachment B) to perform certain Category Management Services as provided in Attachment B. ABSBC will use its reasonable efforts to provide BCH with **[Redacted]** prior written notice of the Cutover Date. **[Redacted]**.

2A.2 **BCH Designated Category Managers.** From and after the commencement of the Category Management Services, in addition to the ABSBC Designated Category Managers,

BCH may, from time to time, request that additional category managers (BCH Designated Category Managers, as defined in Attachment B) be provided by ABSBC in connection with the performance of the PE Services. Upon receipt of such BCH request, each BCH Designated Category Manager shall be made available by ABSBC (and BCH shall pay Category Management Fees for such BCH Designated Category Manager) [Redacted].

2A.3 **BCH Category Managers.** In addition to the ABSBC Designated Category Managers and the BCH Designated Category Managers, if any, BCH may deploy BCH Category Managers (as defined in Attachment B) to perform certain Category Management Services as set forth in Attachment B.

3. **Standard and Location of Services**

3.1 **Code of Ethics.** The Strategic Sourcing Services will be performed in compliance with Sections 4.11(c)(i)(A), 4.11(c)(i)(D), 4.11(c)(ii) and 4.11(c)(iii) of the AMSA.

3.2 **Service Locations.** ABSBC will notify BCH if ABSBC (or its Affiliates or subcontractors) intends to perform any part of the PE Services from outside of Canada (such notice to be provided to BCH within a reasonable period of time in advance of ABSBC performing such services). In accordance with the provisions of Section 4.14(c)(vi) of the AMSA, BCH Data that constitutes “records” (as defined in FOIPPA) created in connection with the PE Services that are: (a) stored outside of Canada; or (b) stored within Canada but accessible by ABSBC (or its Affiliates or subcontractors) from outside of Canada, will not include “personal information” as defined in FOIPPA.

4. **Compensation and Payment**

4.1 **Overview.** Notwithstanding the provisions of Section 10.1 and Schedule 10.1 of the AMSA, the Service Charges for the PE Services are as set forth in this Section 4.

4.2 **PE Services Charges.** In consideration for the performance of the PE Services by ABSBC, BCH will pay ABSBC the following Service Charges:

- (a) [Redacted]
 - (i) [Redacted]
 - (ii) [Redacted]
- (b) *Category Management Fees* – for each BCH Designated Category Manager (defined in Attachment B), an amount equal [Redacted] (the “**Category Management Fees**”), and thereafter, the fees for BCH Designated Category Managers will be pro-rated for any partial month provided that BCH will provide ABSBC with [Redacted] written notice of its intention to discontinue the services of any BCH Designated Category Manager or pay to ABSBC [Redacted] Category Management Fees in lieu of notice. The Category Management Fees shall be subject to adjustment for inflation as provided in Section 10.5 of the AMSA.

- (c) *Catalogue Fees* – [Redacted] for up to [Redacted] additional online Catalogues (defined in Attachment B), for Catalogues requested by BCH in excess of the first [Redacted] Catalogues (if any).
- (d) *PE Technology Fee and Systems Fees*
 - (i) a [Redacted] (the “**PE Technology Fee**”) for technology support, which the Parties acknowledge is integral to the performance of the Strategic Sourcing Services, payable subject to the commencement of the PE Technology Services (as contemplated in Section 5 of Attachment B) and upon the receipt by BCH of an invoice for such amount; and
 - (ii) annual hosting and maintenance fees in the amount of [Redacted] (the “**Systems Fees**”), commencing upon the implementation of the PE Technology (as contemplated in Section 5 of Attachment B). The Systems Fees will be first invoiced by ABSBC upon implementation of the PE Technology and will be prorated on a per month basis for any period less than a full Contract Year and thereafter, the Systems Fees will be invoiced during the [Redacted] to which they apply. For example, [Redacted]. The Systems Fees shall be subject to adjustment for inflation as provided in Section 10.5 of the AMSA.
- (e) *Pilot Sourcing Fees* - If BCH elects to proceed with the Strategic Sourcing Services, then [Redacted] generated by the [Redacted] will be included in the [Redacted] described in Section 4.2(a) above. If BCH does not proceed with the Strategic Sourcing Services, then ABSBC will be compensated [Redacted] for the Pilot Sourcing Services [Redacted] set forth in Attachment D of Schedule 10.1 to the AMSA and such accrued amounts will be paid by BCH to ABSBC upon BCH’s receipt of an invoice from ABSBC therefore, along with supporting documentation. ABSBC will provide to BCH, a [Redacted] that ABSBC has accrued in the performance of the Pilot Sourcing Services. The report will include:
 - (i) hours charged by ABSBC for ABSBC staff performing the Pilot Sourcing Services project for the month;
 - (ii) expenses charged by ABSBC for ABSBC staff performing the Pilot Sourcing Services project for the month;
 - (iii) total cumulative hours charged by ABSBC for ABSBC staff performing the Pilot Sourcing Services project for the month; and
 - (iv) total cumulative expenses charged by ABSBC for ABSBC staff performing the Pilot Sourcing Services project for the month.

ABSBC will make available to BCH the breakdown of hours worked by ABSBC staff, as and when requested by BCH. [Redacted].

4.3 [Redacted]

4.4 **Payments Scheme.**

- (a) *Quarterly Fees* - [Redacted] ABSBC will invoice BCH for the Transformation Services Fees and the [Redacted] as follows:
 - (i) [Redacted] The invoice will be paid in accordance with the terms set forth in Section 10.7 of the AMSA; and
 - (ii) within 15 business days after the end of each quarter [Redacted].
- (b) *Monthly Fees* - ABSBC will invoice BCH for the Category Management Fees and on a monthly basis.
- (c) *Payment Terms* – Except as expressly set forth in this Schedule 4.4(d), payment terms with respect to all invoices issued by ABSBC to BCH under this Schedule 4.4(d) will be in accordance with Section 10.7 of the AMSA.

5. [Redacted]

5.1 [Redacted]

5.2 [Redacted]

5.3 [Redacted]

5.4 [Redacted]

- (a) [Redacted]
- (b) [Redacted]
- (c) [Redacted]
- (d) [Redacted]
- (e) [Redacted]
- (f) [Redacted]

6. **Annual Addressable Spend**

6.1 **Definitions.**

- (a) “**Annual Addressable Spend**” means the aggregate annual amount of BCH budgeted or forecasted expenditures for the supply of goods and services by third parties to BCH that BCH makes available to ABSBC for Strategic Sourcing

Services during each Contract Year, as adjusted in accordance with Section 6.4(c);

- (b) “**Category**” means a defined group of goods and services generally aligned by operational activity and “**Categories**” means more than one such Category;
- (c) “**In-Scope Categories**” means the list of Categories and Sub-Categories set forth in Exhibit B-3.1 to Attachment B;
- (d) “**Minimum Annual Addressable Spend**” means, [Redacted] of Annual Addressable Spend; and
- (e) “**Sub-Categories**” mean a logically related subset of goods and services comprising a Category.

6.2 Calculation of Annual Addressable Spend. The amount of the Annual Addressable Spend for the In-Scope Categories will be set by the Parties within [Redacted] to the commencement of each Contract Year based upon the following principles:

- (a) [Redacted]
- (b) [Redacted]
- (c) [Redacted]
- (d) [Redacted]
- (e) [Redacted]

6.3 In-Scope Categories. The Parties acknowledge and agree that as of the AMSA Commencement Date the In-Scope Categories comprise all of the Categories and Sub-Categories that will be subject to the Strategic Sourcing Services and that all of the BCH expenditures with respect to the goods and services within the In-Scope Categories (except as expressly set forth in this Section 6.3 and Section 6.4(a)) will be made available to ABSBC for Strategic Sourcing. For avoidance of doubt, not all Categories or Sub-Categories included in the Annual Addressable Spend must be subject to the Strategic Sourcing Services nor will ABSBC perform Strategic Sourcing Services with respect to goods and services that are not within the In-Scope Categories. The list of Categories and Sub-Categories may be amended at any time by mutual agreement of the Parties in writing.

6.4 Adjustments.

- (a) *In-Scope Category True Up* - The Parties acknowledge that the list of In-Scope Categories is accurate as of the AMSA Commencement Date. From time to time, BCH may be required, as a result of legislation, regulations, or formal policies, rules, directives, executive directions or guidelines of BCH’s shareholder or the BCUC, to amend the list of In-Scope Categories, in which case, BCH will provide written notice to ABSBC if BCH intends to make any deletions from or

additions to the list of In-Scope Categories. If BCH removes any Category or Sub-Category, from the list of In-Scope Categories causing the Annual Addressable Spend to fall below [Redacted], then BCH will replenish the amount of Annual Addressable Spend associated with such Category or Sub-Category removed from the list by adding procurement spend to the list of In-Scope Categories, in an amount that is equivalent to or greater than the amount of Annual Addressable Spend removed from the list of In-Scope Categories, subject to the mutual agreement of the Parties in writing. If BCH does not increase the Annual Addressable Spend for such Contract Year by the amount as agreed by the Parties pursuant to this Section 6.4(a), [Redacted].

(b) [Redacted]

(i) [Redacted]

(ii) [Redacted]

(the “Adjusted Annual Addressable Spend”)

[Redacted]

Table 2 – [Redacted]

(c) *Adjustment to Minimum Annual Addressable Spend* – Prior to the commencement of each Contract Year, [Redacted].

Table 2A – Sample [Redacted]

6.5 [Redacted]

6.6 **Minimum Annual Addressable Spend Exception.** The Parties acknowledge and agree that BCH’s ability to achieve the Minimum Annual Addressable Spend in each Contract Year may be affected by [Redacted]. In the event that a [Redacted], which may result in the Annual Addressable Spend for a Contract Year falling below the [Redacted], then the Parties will, through the PE Governance Process (defined below), meet to review the impact of such [Redacted] and to collaborate to identify actions that will reduce any adverse impact, including:

(a) reviewing the applicable Wave Plan and Category Sourcing Plans (as those terms are defined in Attachment B); and

(b) to the extent possible, rescheduling the timing and sequencing of the Categories and Sub-Categories that will be subject to the Transformation Services (defined in Attachment B) in order to minimize the impact of [Redacted].

If the Annual Addressable Spend for a Contract Year (the “Affected Contract Year”) falls below the [Redacted], notwithstanding that the Annual Addressable Spend is deemed under Section 6.2(a), as a result of [Redacted], then:

(c) the Parties will, through the governance process described in Article VIII of the AMSA, meet to review the impact of [Redacted] on ABSBC’s ability [Redacted] and the Parties will collaborate to identify actions that may be taken to reduce any adverse impact of [Redacted].

(d) [Redacted]

6.7 [Redacted]

6.8 **Material Adverse Change.** If BCH unilaterally makes material changes to BCH’s procurement policies and procedures the result of which: (i) materially increases ABSBC’s total costs of performing the Strategic Sourcing Services; or (ii) has a material adverse impact on, or materially increases the Contracted TCO (defined below), [Redacted].

7. Calculation of Contracted Savings

7.1 **General Principle.** The aggregate net procurement savings (“**Contracted Savings**”) achieved by BCH through the performance of the Strategic Sourcing Services will be determined by the Parties by calculating the difference between the baseline total cost of ownership (“**Baseline TCO**”) and the contracted total cost of ownership (“**Contracted TCO**”) associated with the procurement of a particular category of goods or services. The Baseline TCO is calculated in accordance with Sections 3.5 and 4.7 of Attachment B and Section 3.5 of Attachment A, as the case may be. [Redacted] The process for determining Baseline TCO and Contracted TCO is described below in Sections 7.2 – 7.7 below. The difference between Baseline TCO and Contracted TCO equals the Contracted Savings.

7.2 **Basic Formula.** Contracted Savings shall be calculated according to the following formula:

$$\text{Baseline TCO} - \text{Contracted TCO} = \text{Contracted Savings}$$

Where:

[Redacted]

7.3 [Redacted]

(a) [Redacted]

(b) [Redacted]

(i) [Redacted]

(ii) [Redacted]

(c) [Redacted]

(i) [Redacted]

(ii) [Redacted]

(iii) [Redacted]

(iv) [Redacted]

(v) [Redacted]

(d) [Redacted]

7.4 [Redacted]

(a) [Redacted]

(b) [Redacted]

7.5 [Redacted]

(a) [Redacted]

(b) [Redacted]

(c) [Redacted]

7.6 [Redacted]

(a) [Redacted]

(b) [Redacted]

(c) [Redacted]

[Redacted]

7.7 [Redacted]

8. Reporting

On a quarterly basis and at such other times as may be requested by BCH, but not more frequently than monthly, ABSBC will provide BCH with written reports that show the calculation of the Contracted Savings, along with supporting documentation to verify such calculation. In addition, ABSBC will provide BCH with the written reports as set forth in the Attachments A and B hereto, with such frequency as set forth therein.

9. PE Governance Process

9.1 **Overview.** The governance structure applicable to the PE Services (“**PE Governance Process**”) consists of four tiers: (i) the Executive Sourcing Committee (“**ESC**”); (ii) the Sourcing

to Pay Oversight Team (“**SPOT**”); and (iii) the Functional Team; and (iv) the Category Teams (“**CTs**”).

9.2 **Executive Sourcing Committee (ESC).**

- (a) *Composition* - The Executive Sourcing Committee (or “**ESC**”) is comprised of BCH’s Director of Strategic Partnerships and the ABSBC Contract Executive, who will represent each organization as the PE Services sponsors. The ESC will have overall responsibility for the success of the PE Services.
- (b) *Mandate* - The ESC will be responsible for the following:
 - (i) any setting policy and providing required approvals and guidance for the sourcing and savings tracking processes;
 - (ii) formal monitoring of the quarterly performance of the PE Services, including contract administration matters (for example, allocation of resources, frequency of disputes, timelines and effectiveness in dispute resolution, etc.);
 - (iii) function as the final internal management escalation point for all operational, contractual or relationship issues or disputes for the PE Governance Process prior to escalation in accordance with Section 12 below;
 - (iv) approving the Annual Addressable Spend;
 - (v) periodically review contract award recommendations, and Contracted TCO and Contracted Savings calculations; and
 - (vi) review the quarterly reports of the Contracted Savings report and the Transformation Fees report.
- (c) *Tracking Responsibility* - The ABSBC Procurement Director will oversee, administer and report on the Contracted Savings tracking process as described in Section 7 above.
- (d) *Change Management Responsibility* - BCH will responsible for BCH’s implementation of new policies, processes and organizational changes.
- (e) *Meetings* - The members of the ESC will meet at least quarterly, and at such other times as the members of the ESC agree.

9.3 **Sourcing to Pay Oversight Team (SPOT).**

- (a) *Composition* - The BCH Procurement Enhancement Manager (or such other position as BCH determines and notifies ABSBC) and the ABSBC Senior Program Executive will represent each organization as the Sourcing-to-Pay

Oversight Team (SPOT). The members of the SPOT will have the day-to-day operational responsibility for the PE Services.

- (b) *Mandate* - The SPOT will be responsible for the following:
 - (i) verifying that the PE Services are aligned to the targets and metrics agreed upon by the ESC;
 - (ii) reviewing all Category and Sub-Category spend data;
 - (iii) approving the Baseline TCO for each Category and Sub-Category; and
 - (iv) reviewing and resolving issues that are escalated from the Functional Team and, if resolution is not achieved, escalating such unresolved issues to the ESC.
- (c) *Meetings* - The members of the SPOT will meet monthly and escalate and report critical risk or operational issues to the ESC.

9.4 **Functional Team.**

- (a) *Composition* - The Sourcing Functional Owner and the ABSBC Procurement Director comprise the Functional Team.
- (b) *Mandate* - The Functional Team will be responsible for the following:
 - (i) reviewing compliance with Category-specific processes and strategies; and
 - (ii) resolving issues related to Category management, processes or policies and within a specific Category and if issues can not be resolved escalate these issues to SPOT.
- (c) *Meetings* – Functional Team members will meet twice-monthly, or as needed, and will provide monthly reports to SPOT.

9.5 **Category Teams (CTs).**

- (a) *Composition* - Category specific teams (“**CTs**”) comprising BCH subject matter specialists (“**SMEs**”) and a BCH Category team lead (“**BCH Category Lead**”) and ABSBC Category team leads (“**ABSBC Category Team Leads**”) will be established by BCH and ABSBC. The CTs will have responsibility for their respective Categories and will be the first level of review on Category Management Services (defined in Attachment B) issues. BCH and ABSBC will each identify one Category lead per Category.
- (b) **[Redacted]**
 - (i) **[Redacted]**

- (ii) [Redacted]
 - (iii) [Redacted]
 - (iv) [Redacted]
 - (v) [Redacted]
- (c) [Redacted]

9.6 **Key Personnel.** The initial ABSBC key personnel are identified in Attachment D to this Schedule 4.4(d) on the basis of the service components of the PE Services (“**Key Positions**”). The Parties may, from time to time through the PE Governance Process, mutually agree to re-designate the positions that constitute Key Positions. Recognizing the importance of continuity to the ongoing success of the Parties’ relationship and the performance of the PE Services, ABSBC shall use all reasonable efforts to minimize turnover of its personnel in the Key Positions for the respective periods set forth in Attachment D. At all times during the Term, ABSBC shall staff its Key Positions with personnel of suitable skill, primarily dedicated to performing the PE Services and available during such reasonable times as may be necessary for the continuous and uninterrupted provision of the PE Services.

9.7 **Replacement of Key Personnel.** ABSBC may replace a person holding a Key Position or appoint a new person to fill a vacancy caused by the resignation or other departure of a person holding a Key Position in accordance with the following:

- (a) ABSBC will use reasonable efforts to fill any vacancies in the Key Positions, unless such positions are no longer needed by ABSBC to perform the PE Services, with personnel who are reasonably acceptable to BCH;
- (b) ABSBC will: (i) notify BCH of the proposed replacement and provide BCH with relevant information regarding the qualifications of the person that ABSBC wishes to appoint in the Key Position; (ii) introduce the individual to appropriate BCH representatives; and (iii) subject to any required consent by an ABSBC employee, provide BCH with any other information about the individual reasonably requested by BCH; and
- (c) if BCH has a good faith objection to any such assignment, ABSBC will not assign the proposed individual, and shall propose to BCH the assignment of another individual of suitable ability and qualifications, within a mutually agreed upon timeframe.

9.8 **ABSBC Personnel.** [Redacted] For greater certainty, at no time will BCH have any right to direct, oversee, supervise or otherwise control the manner in which the ABSBC employees carry out or perform the PE Services.

9.9 **BCH Requested Change in Personnel.** If at any time BCH has a good faith objection to any ABSBC personnel performing the PE Services, BCH will notify ABSBC of such objection in writing, which notice shall provide an explanation for such objection. The Parties shall

promptly discuss the concerns of BCH in respect of ABSBC personnel at the SPOT level of the PE Governance Process, and ABSBC shall, as soon as possible thereafter, investigate the matter and provide BCH with ABSBC's recommended course of action to resolve BCH's objection.

10. Parties Responsibilities

10.1 BCH Responsibilities. BCH covenants and agrees with ABSBC that BCH will:

- (a) continue to retain and take responsibility for the adoption and implementation, on an ongoing basis, of policies and guidelines relating to the procurement of goods and services for or on behalf of BCH;
- (b) notify ABSBC of any material amendments that BCH may make to BCH procurement policies or procedures;
- (c) continue to provide ABSBC access to Category spend information and BCH forecasted spend information, as such information may be readily available to BCH and upon the reasonable request of the SPOT;
- (d) **[Redacted]**
- (e) perform its obligations under this Schedule 4.4(d) and the Attachments hereto.

For clarification, ABSBC acknowledges and agrees that BCH will be excused from performance of its obligations set forth under this Section 10.1 or any other obligation under this Schedule 4.4(d) and the Attachments hereto, for any period and to the extent that BCH is prevented from or delayed in performing any such obligations, in whole or in part, as a result of a Labour Dispute.

10.2 ABSBC Responsibilities. ABSBC covenants and agrees with BCH that ABSBC will:

- (a) perform its obligations under this Schedule 4.4(d) and the Attachments hereto; and
- (b) in providing PE Services to BCH, ABSBC shall, and shall cause each of its Affiliates (if applicable) to, comply at all times with the BCH corporate policies as set forth in Section 4.11 of the AMSA and ABSBC shall cause each of its employees and subcontractors to comply at all times, with the BCH corporate policies as set forth in Sections 4.11(c)(ii) and 4.11(d)(ii) of the AMSA.

11. Early Termination

11.1 Termination For Convenience Fees – Attachment A. BCH may terminate the Pilot Sourcing Services as set forth in Attachment A, for convenience as provided in Section 17.2.2(a) of the AMSA, except that BCH shall only be required to give ABSBC **[Redacted]** prior written notice of such termination for convenience. In the event BCH exercises its right of termination under this Section 11.1, then the **[Redacted]** that BCH shall be responsible to pay ABSBC are the **[Redacted]** that ABSBC has accrued in the performance of the Pilot Sourcing Services at the

Variable Rate Card rates set forth in Attachment D of Schedule 10.1 of the AMSA for PE Services, plus reasonable expenses, less payments previously made with respect thereto.

11.2 Termination For Convenience Fees – Attachment B. BCH may terminate the Strategic Sourcing Services as set forth in Attachment B, for convenience as provided in Section 17.2.2(a) of the AMSA, expect that BCH shall only be required to give ABSBC **[Redacted]** prior written notice of such termination for convenience. In the event BCH exercises its right of termination under this Section 11.2, then the **[Redacted]** that BCH shall be responsible to pay ABSBC are the following, to the extent such fees are related to ABSBC’s performance of the PE Services for BCH:

- (a) Demobilization Costs as defined in Schedule 17.4(a) of the AMSA;
- (b) Termination Assistance Services Fees as defined in Schedule 17.5 of the AMSA, to the extent BCH requests Termination Assistance Services;
- (c) **[Redacted]**
- (d) **[Redacted]**
- (e) the accrued but unpaid portion of the Category Management Fees (if any).

11.3 Termination For Cause. BCH may terminate the PE Services for ABSBC’s material breach of its obligations under this Schedule 4.4(d) following the process described in Section 17.1(a) of the AMSA and in which case, the provisions of Section 17.4 of the AMSA shall apply. For greater certainty, for the purposes of this Section 11.3 only, the reference in Section 17.1(a) to “terminate this AMSA, in whole but not in part” shall be replaced with “terminate the PE Services”. **[Redacted]**.

11.4 Ongoing Obligations. In the event of a termination for convenience under Section 11, ABSBC will be relieved of all further obligations under Schedule 4.4(d), including with respect to Guaranteed Saving Commitment.

11.5 No Duplication. Any and all payments made by BCH to ABSBC in connection with this Section 11 shall be without duplication.

12. Dispute Resolution

[Redacted]

13. [Redacted]

Attachment A to Schedule 4.4 (d)

PILOT SOURCING SERVICES

1. General.

1.1 Overview. Pursuant to Section 1.1 of Schedule 4.4(d) to the AMSA, the PE Services comprise two components:

- (a) the Pilot Sourcing Services, all as more particularly described in this Attachment A; and
- (b) the Strategic Sourcing Services, which include the following key services: (i) the Transformation Services; (ii) the Category Management Services; and (iii) the PE Technology Services, all as more particularly described in Attachment B to Schedule 4.4(d).

1.2 Timeline for Commencement of PE Services. For illustrative purposes, Diagram 1.2 below depicts the proposed timeline for the rollout of each of the key activities associated with the PE Services, as identified above. The actual time line and sequencing of the activities will be determined in accordance with this Attachment A.

Diagram 1.2 - Timeline for Commencement of PE Service Components

[Redacted]

1.3 Definitions. Capitalized words used in this Attachment A will have the meanings given to them in this Attachment A and if not defined herein, then such words will have the meanings given to them in the AMSA (including Schedule 4.4(d)).

2. [Redacted]

3. [Redacted]

3.1 [Redacted]

3.2 [Redacted]

3.3 [Redacted]

3.4 [Redacted]

3.5 [Redacted]

3.6 [Redacted]

3.7 [Redacted]

3.8 [Redacted]

3.9 [Redacted]

3.10 [Redacted]

3.11 [Redacted]

Diagram 3.11 – Roles & Responsibilities Matrix

[Redacted]

3.12 [Redacted]

Attachment B to Schedule 4.4(d)

STRATEGIC SOURCING SERVICES

1. General

1.1 Overview. Pursuant to Section 1.1 of Schedule 4.4(d) to the AMSA, the PE Services comprise two components:

- (a) the Pilot Sourcing Services, all as more particularly described in Attachment A; and
- (b) the Strategic Sourcing Services, which include the following key services: (i) the Transformation Services, (ii) the Category Management Services and (iii) the PE Technology Services, all as more particularly described in this Attachment B to Schedule 4.4(d).

1.2 Proposed Timeline. For illustrative purposes, Diagram 1.2 below depicts the proposed timeline for the commencement of the activities associated with each of the PE Service components identified above. The actual time line and sequencing of the detailed services will be determined in accordance this Attachment B.

[Redacted]

1.3 Definitions. Capitalized words used in this Attachment B will have the meanings given to them in this Attachment B and if not defined herein, then such words will have the meanings given to them in the AMSA (including Schedule 4.4(d)).

1.4 [Redacted]

2. [Redacted]

2.1 [Redacted]

3. [Redacted]

3.1 [Redacted]

3.2 [Redacted]

3.3 [Redacted]

3.4 [Redacted]

3.5 [Redacted]

3.6 [Redacted]

3.7 [Redacted]

3.8 BCH Roles & Responsibilities - Transformation. BCH is required to perform the following responsibilities (each a “**Procurement Responsibility**”) and BCH will perform such Procurement Responsibilities so that the start date for commencing the sourcing of a Category or Sub-Category (as determined in accordance with the processes set forth in this Section 3 and, for greater certainty, subject to SPOT approval) is not delayed as a result of BCH’s failure by four (4) or more weeks:

- (a) BCH will assign BCH personnel to assist with the Transformation Services upon the reasonable request of ABSBC, such BCH personnel to include SME support and key contacts for each Category to define and review specifications and vendor requirements;
- (b) continue to provide access to BCH TCO data elements by Category or Sub-Category, if applicable, and provided such data elements are readily available;
- (c) provide standard form template RFx Documentation and standard form template contracts to ABSBC; and
- (d) participate in the negotiation of final contracts with the successful proponent, if BCH determines that BCH representation during the negotiations is desirable, or if BCH’s participation is required.

3.9 Transformation Services Team Composition. Prior to commencing the Transformation Services, ABSBC and BCH will establish a Transformation Services team (“**Transform Team**”) for each In-Scope Category that will be the subject of the Transformation Services as follows.

- (a) *BCH Members of the Transform Team*
 - (i) *BCH SME(s)* - one or more BCH designated SMEs, who have expertise in a particular Category and/or Sub-Category. BCH SMEs will participate in the transformation process and will: (A) assist ABSBC with collecting BCH data; (B) provide primary input to the Category or Sub-Category technical and business specifications required for the RFx/Tender Process and approve specifications and business requirements for such Category or Sub-Category; (C) attend Transform Team meetings; (D) participate in preparing Transform Team deliverables; and (E) participate in the Negotiation Phase, as appropriate. The Parties anticipate that the time commitment of the operational SMEs will, on average, not exceed 10 hours per week, per Category or Sub-Category (as the case may be), for the duration of the 5-9 month Transformation Services period with respect to the Category. Additionally, functional specialists such as legal, procurement, finance and human resources support will be required for certain Categories. LOB Category experts will be part-time members of the Transform Teams while continuing to perform their regular job duties.

- (ii) *BCH Category Lead* - a BCH designated individual who, with respect to a particular Category or Sub-Category, will be the primary contact person within BCH. The BCH Category Lead will be responsible for: (A) verifying that the TCO model reflects BCH's requirements; (B) providing the BCH members of the SPOT with updates of the progress of the Category being sourced; (C) assisting with the management and leadership of the Transform Team; (D) assisting with Transform Team communications with the LOBs; (E) assisting with vendor selection and approval process; (F) assisting with negotiations during the Negotiation Phase, as determined by BCH; and (G) assisting with knowledge transfer. The BCH Category Lead's level of participation will be approximately 20 hours per week, per Category or Sub-Category (as the case may be), for the duration of the 5-9 month Transformation Services period with respect to the Category.
- (iii) *Sourcing Functional Owner* - a BCH designated individual who, with respect to all Categories, will oversee BCH responsibilities in connection with Transformation Services and issue resolution.

(b) [Redacted]

- (i) [Redacted]
- (ii) [Redacted]
- (iii) [Redacted]
- (iv) [Redacted]
- (v) [Redacted]
- (vi) [Redacted]
- (vii) [Redacted]

(c) [Redacted]

- 4. [Redacted]
- 4.1 [Redacted]
- 4.2 [Redacted]
- 4.3 [Redacted]
- 4.4 [Redacted]
- 4.5 [Redacted]

- 4.6 [Redacted]
- 4.7 [Redacted]
- 4.8 [Redacted]
- 4.9 [Redacted]
- 4.10 [Redacted]
- 4.11 [Redacted]
- 4.12 [Redacted]
- 5. [Redacted]
- 5.1 [Redacted]
- 5.2 [Redacted]
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- 5.13 [Redacted]
- 5.14 [Redacted]
- 5.15 [Redacted]
- 5.16 [Redacted]
- 5.17 [Redacted]

5.18 [Redacted]

5.19 [Redacted]

**Exhibit B-3.1
In-Scope Categories**

[Redacted]

Attachment C to Schedule 4.4(d)

BASELINE TCO

[Redacted]

Attachment D to Schedule 4.4(d)

INITIAL ABSBC KEY PERSONNEL

Overview

Per Section 9.6 of Schedule 4.4(d), the following ABSBC Key Personnel are identified on the basis of the service components of the PE Services.

- Senior Program Executive
- Procurement Director
- Sourcing Lead

Key Personnel	Attachment A	Attachment B
Senior Program Executive		X
Procurement Director – Glenn Hoskin		X
Sourcing Lead	X	X
Change Management Representative	TBD	TBD

The X's in the table represent the Services where the Key Personnel will be taking on a Key role. The Change Management Representative will be designated at a later date and TBD is defined as "To Be Determined".

Attachment E to Schedule 4.4(d)

PRINCIPLE OF CONTRACTED SAVINGS CALCULATIONS
(Section 7.3(c))

[Redacted]