

**NEW PAYMENT AND INVOICING LANGUAGE  
SERVICES AGREEMENT**

**Effective Date: August 4, 2020**

**Excerpt of relevant provisions, as amended, from Appendix B Terms of Payment:**

**B.6 PAYMENT REQUEST** - Upon achieving a payment milestone if the Contract Documents define a milestone payment regime, or otherwise within ten days before the end of a month, the Contractor's Representative shall submit to BC Hydro's contract administrator, for entry into BC Hydro's system as a service entry sheet ("**SES**") and approval, a payment request (the "**Payment Request**") with:

- (a) details of the Work completed during the applicable payment period and the amount of the payment for which certification is sought; and
- (b) the calculations of the amount claimed for the Work completed during that payment period.

If instructed by Hydro's Representative, Contractor shall submit the Payment Request online, as an SES, in a manner directed by Hydro's Representative.

**B.7 SUPPORTING DATA** - Contractor shall submit with each Payment Request any supporting documentation, data and computations required by Hydro's Representative. Without limitation, Contractors shall submit the following:

- (a) a statement declaring that the Work completed during the applicable payment period has been completed in accordance with the requirements of the Contract, and giving particulars of any defects or deficiencies in the Work which have not yet been rectified;
- (b) a statement providing particulars of any Claims that exist or are expected relating to or arising out of the Work, including the Work completed during the applicable payment period;
- (c) copies of all Contractor reporting forms required by Appendix F – Indigenous Engagement, if any; and
- (d) any other documents required by Hydro's Representative, acting reasonably.

**B.8 PAYMENT** - On being satisfied that the Work identified in a Payment Request submitted under Clause B.6 has been performed in accordance with the requirements of the Contract and that the amount of the Payment Request is in accordance with the Contract, BC Hydro shall certify the amount to be paid to Contractor and a written certification notice will be issued to Contractor, all subject to BC Hydro's withholding, retention (of holdback or otherwise) and set-off rights under the Contract, as applicable. Following the certification:

- (a) if Contractor is enabled with Evaluated Receipt Settlement ("**ERS**"), then BC Hydro shall pay Contractor the amount certified for payment 30 days after the date of the certification notice. Invoices shall not be required or accepted;

- (b) if Contractor is not-enabled with ERS then, upon receipt of the certification notice, Contractor shall login to Ariba and create an invoice in the amount certified for payment. Provided the invoiced amount is as certified, BC Hydro shall pay Contractor the amount certified for payment 30 days after receipt of the invoice. Unless otherwise authorized by BC Hydro in writing (see below), Contractor shall use Ariba to transact all orders and invoicing under the Contract. Contractor may contact the BC Hydro Accounts Payable team at [AccountsPayable@bchydro.com](mailto:AccountsPayable@bchydro.com) or at 604-663-3572 for setup assistance, invoicing or payment inquiries. BC Hydro shall pay any transaction fees that Ariba charges for the transaction of orders or invoicing under the Contract.

### **Exception for Suppliers Unable to Use Ariba**

By exception and written approval by Hydro's Representative only, if Contractor is unable to use Ariba then, upon receipt of the certification notice, instead of creating an invoice in Ariba as per clause B.8(b) above, Contractor may submit an invoice to BC Hydro Accounts Payable team by email at [AccountsPayable@bchydro.com](mailto:AccountsPayable@bchydro.com), unless otherwise agreed by BC Hydro. BC Hydro shall pay Contractor the amount of the invoice 30 days after receipt of the invoice by the BC Hydro Accounts Payable team.

### **All invoices must include the following information:**

1. Contractor Name
2. Contractor Address
3. Addressee (BC Hydro Accounts Payable)
4. BC Hydro Outline Agreement (OA) # (if applicable)
5. BC Hydro Order Number: PO # (Purchase Order #)
6. GST Registration Number
7. Invoice Number
5. Total Invoice Value with GST, and PST (where applicable) clearly identified
  - State any applicable holdback amount, and/or any other deduction amount, before invoice total
  - GST and PST to be invoiced on gross invoice value (inclusive of any holdback amount)
  - If applicable, include the corresponding OA/PO line item, quantity and unit price.
6. Contact name and e-mail address

**Electronic (EFT) Payment of Invoices (Canadian Suppliers)** – All invoice payments from BC Hydro to Contractor shall be made by direct deposit using Electronic Funds Transfer (EFT). An email remittance advisory will be sent to notify Contractor once a payment is deposited.

Contractor shall provide written confirmation of the bank account to which payments are to be deposited, by completing and submitting a Direct Deposit Application Form ("Deposit Application"), in a form to be provided by BC Hydro, to Hydro's Representative not more than seven (7) days following execution of the Contract. All information provided in the Deposit Application shall be deemed to form part of the Contract and may be relied on by BC Hydro without further investigation. BC Hydro reserves the right (but not the obligation), at its sole discretion, to require additional evidence of the accuracy of Contractor's payment

information and Contractor shall cooperate in providing such additional evidence. Contractor shall be responsible for any EFT-related fees charged by its financial institution.

The above requirements shall also apply to any changes that Contractor wishes to make to its direct deposit information during the term of the Contract.

**Electronic (Wire Transfer) Payment of Invoices (International Suppliers)** – All invoice payments from BC Hydro to Contractor shall be made by wire transfer, bank draft or cheque at BC Hydro’s discretion. Contractor shall provide written confirmation of the bank account to which payments are to be wired, by completing and submitting a Direct Deposit Application Form (“Deposit Application”), in a form to be provided by BC Hydro, to Hydro’s Representative not more than seven (7) days following execution of the Contract. All information provided in the Deposit Application shall be deemed to form part of the Contract and may be relied on by BC Hydro without further investigation. BC Hydro reserves the right (but not the obligation), at its sole discretion, to require additional evidence of the accuracy of Contractor’s payment information and Contractor shall cooperate in providing such additional evidence. Contractor shall be responsible for any fees related to the wire payment charged by the receiving institution(s).

The above requirements shall also apply to any changes that Contractor wishes to make to its wire transfer information during the term of the Contract.

- B.9 WITHHOLDING** - Where Contractor is in default of its obligations under the Contract, other than a default respecting the time within which all or part of the Work is to be completed, Hydro’s Representative may withhold certification of all or part of any payment under any Payment Request until the default has been remedied to the satisfaction of Hydro’s Representative.
- B.10 INTERIM CERTIFICATION** - Certification of a Payment Request shall be deemed to be an interim certification only and shall not bind Hydro’s Representative in any way in the verification of final completion of the Work.
- B.11 NOT ACCEPTANCE** - Certification of a Payment Request shall not be deemed to be an acceptance of the Work by Hydro’s Representative.
- B.12 TAXES** - Contractor shall show as separate entries on each Payment Request and invoice submitted for payment, the GST and PST (where applicable) payable by BC Hydro and collectable by Contractor on the portion of the Work covered by the applicable Payment Request or invoice. GST and PST shall be calculated on gross invoice value (including any holdbacks).

If Contractor is obliged to collect GST from BC Hydro, Contractor shall be registered for GST under the *Excise Tax Act* (Canada) and shall provide to BC Hydro on all invoices Contractor’s GST registration number and all other information as may be required pursuant to the *Excise Tax Act* (Canada). If Contractor is obliged to collect PST from BC Hydro, Contractor shall be registered section 168 of the *Provincial Sales Tax Act* (British Columbia).

**B.13 NON-RESIDENT WITHHOLDING TAX** - Where Contractor is, or becomes, a non-resident of Canada (as defined in the *Income Tax Act* (Canada)), Contractor shall notify BC Hydro in writing and BC Hydro may deduct and withhold from any payments to Contractor a 15% non-resident withholding tax on the value of the Work performed in Canada, or such other amount as may be specified by Canada Revenue Agency from time to time, and remit such amount according to applicable laws, unless a Canada Revenue Agency exemption issued to Contractor has been provided to BC Hydro. Where the Contractor renders all or part of the Work outside Canada, or where materials that are included in the Contract price are installed and form part of the Work, Contractor is required to clearly and separately identify on each Payment Request the value of Work billed but not provided in Canada, and the value of materials installed. Failure to separately state these items may result in BC Hydro deducting the withholding tax on the full payment amount.

**B.14 DISPUTED PAYMENT REQUESTS** - BC Hydro reserves the right to withhold payment of any Payment Request, or, at BC Hydro's discretion, any portion of a Payment Request, which BC Hydro determines is not in accordance with the Contract and will on receipt of such Payment Request promptly notify Contractor in writing of the reason for such withholding.

Undisputed portions of Payment Requests are due 30 days after receipt of Contractor's invoice under Clause B.8 and the Work is rendered to the full satisfaction of Hydro's Representative.