

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports
Cheryl Smith
Deputy City Manager, Neighbourhood and Community-Wide Services

Subject: Ministry of Transportation DriveON Program

Date: July 17, 2024

Recommendation

That, on the recommendation of the Deputy City Managers of Finance Supports, and Neighbourhood and Community-Wide Services, the following actions **BE TAKEN**:

- a) The DriveON Program Performance Contract between His Majesty the King in Right of Ontario, as represented by the Director of Vehicle Inspection Standards, Ministry of Transportation and the Corporation of the City of London **BE APPROVED** to facilitate the City's participation in the Ontario Ministry of Transportation's DriveON Emissions and Safety Inspection Program;
- b) A Sole Source procurement in accordance with Section 14.3 (a) of the City of London's Procurement of Goods and Services Policy **BE APPROVED** with Parsons Inc. in relation to an Equipment Purchase and Maintenance Agreement and Pre-Authorized Debit Agreement required as a condition of transitioning to the DriveON Program;
- c) The Deputy City Manager, Finance Supports, or designate, **BE AUTHORIZED** to execute the above agreements and to approve and execute any amending or other agreements necessary to facilitate the City's transition to the DriveON Program;
- d) The Deputy City Manager, Neighbourhood and Community-Wide Services, or designate, **BE AUTHORIZED** to execute the above agreements and to approve and execute any amending or other agreements necessary to facilitate the City's transition to the DriveON Program; and,
- e) The attached Bylaw (Appendix "A") **BE INTRODUCED** at the Council meeting on July 23, 2024 to authorize the foregoing and direct the Civic Administration to carry out all necessary administrative actions in connection with the DriveON Program.

Executive Summary

The Ministry of Transportation (MTO) is replacing the existing paper-based safety and emissions programs for heavy and light duty motor vehicles into a single digital program called DriveON. The new program impacts existing Motor Vehicle Inspection Station (MVIS) license holders, of which Fleet Services and the London Fire Department maintain four inspection stations. To continue conducting mandatory vehicle safety inspections, Civic Administration must enroll in the DriveON program, purchase government issued inspection equipment, and train technicians.

This report requests that Council delegate the authority to Civic Administration to execute the necessary agreements to facilitate the City's transition to the DriveON Program. Although Fleet Services and the London Fire Department are submitting

distinct applications to the MTO, this document consolidates both requests into a unified report for Council's consideration.

Linkage to the Corporate Strategic Plan

This project supports the 2023-2027 Strategic Plan in the following area:

- Well-Run City, 1.1 (c) Londoners have trust and confidence in their municipal government – Continue to deliver municipal services that meet the needs of a growing and changing community.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter.

There are no relevant reports available.

1.2 Background

The current MVIS program is responsible for the regulation of vehicle inspections conducted at licensed garages, as well as the distribution of safety or structural certificates and stickers. The MVIS license holder bears full accountability for complying with all regulations in the *Highway Traffic Act*, and this license is non-transferable to other stations.

The Fleet Service and London Fire Department have four MVIS licenses and conduct mandatory inspections certifying their respective vehicles meet safety requirements. As stipulated by subsection 91(2) of the *Highway Traffic Act* and subject to requirements of *Ontario Regulation 170/22: Vehicle Inspection Centres*, no MVIS shall issue inspection certificates or stickers on vehicles that have passed inspection after August 1, 2024. Fleet Services and London Fire Department conduct hundreds of safety inspections per year and must enrol into the MTO's new digital inspection program DriveON in order to continue performing mandatory safety inspections.

2.0 Discussion and Considerations

Registration for the DriveON program is facilitated digitally via the DriveON Portal. Within the eleven-step process, the MVIS owner is required to electronically sign a Performance Contract with the Ministry (attached as Schedule "A"), Equipment Purchase and Maintenance Agreement (attached as Schedule "B") and Pre-Authorized Debit Agreement (attached as Schedule "C") with Parsons Inc. It should be noted that, in accordance with the *Municipal Act, 2001, SO 2001 c25 ("the Act") (s.8(1))*, the authority to bind the Corporation rests solely with City Council, except in cases where such authority has been formally delegated to civic administration.

In order to transition to the DriveOn program, Fleet Services and the London Fire Department are requesting authorization to execute the agreements necessary to facilitate the City's transition into the DriveON program. This report includes a proposed bylaw, attached as Appendix A, that would formally authorize the Deputy City Managers of Finance Supports and Neighbourhood and Community-Wide Services, or designates, to execute the required DriveON program agreements with the Ministry of Transportation and Parsons Inc.

2.1 Procurement Process

The implementation of the DriveON program will require maintenance personnel to utilize new inspection equipment including fit-for-purpose tablets for collecting inspection information, wireless sticker printer, and diagnostic adaptors. Fleet Services and the London Fire Department request approval to purchase the mandatory DriveON

equipment through the MTO's DriveON Portal. Parsons Inc. is the Provincial DriveON designated program service vendor that supports the purchase, delivery, installation, and repair of the inspection equipment. This request is in accordance with Section 14.3 (c) of the Procurement of Goods and Services Policy:

- 14.3 c. The complete item, service, or system is unique to one supplier and no alternative or substitute exists.

As per Section 14.5 a) of the Procurement of Goods and Services Policy, a sole source award not exceeding \$50,000 can be approved by Deputy City Manager or Council.

3.0 Financial Impact

Inspection stations that perform commercial safety inspections are required to purchase the Vehicle Inspection System Package for heavy duty vehicles through the DriveON Portal. It is estimated that between Fleet Services and the London Fire Department, eight commercial safety inspections kits are required for initial program operation with an estimated total cost of \$16,760 (excluding HST). The funding for the equipment is supported within the approved operating budgets of both Fleet Services and the London Fire Department.

Conclusion

The integration of Fleet Services and the London Fire Department into the DriveON program is a necessary step to ensure the City's continues to meet provincial regulations with inspecting and certifying vehicles for safe operation. To comply with the *Highway Traffic Act* and *Ontario Regulation 170/22: Vehicle Inspection Centres*, current MVIS license holders, which includes licenses managed by Fleet Services and the London Fire Department, must enroll in the new DriveON Program. This report requests, that due to the Ministry's necessity for electronic signatures in the agreements found in Schedules A, B, and C, that Council delegate Civic Administration the authority to execute the necessary agreements to facilitate the City's transition to the DriveON Program.

Prepared by: Drew Freeman, M.A., P.Eng.
Senior Manager, Fleet Services

Submitted by: Lynda Stewart
Director, Fleet and Facilities

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Cheryl Smith
Deputy City Manager, Neighbourhood and
Community-Wide Services

Attached: Appendix A – Proposed by-law
Schedule A – DriveON Program Performance Contract
Schedule B – Equipment Purchase and Maintenance Agreement
Schedule C – Pre-Authorized Debit Agreement

cc: Richard Hayes, Deputy Fire Chief, Operations
Sachit Tataavarti, Solicitor, Legal Services
Christina McCreery, Solicitor, Legal Services

Appendix “A”

Bill No.
2024

By-law No. A.-

A by-law to authorize and approve agreements in relation the Ontario Ministry of Transportation DriveON Program and to delegate authority to the Deputy City Manager, Finance Supports and the Deputy City Manager, Neighbourhood and Community-Wide Services or their designates, to approve and execute further agreements in relation to the DriveON Program

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting, among other things: accountability and transparency of the municipality and its operations; economic, social and environmental well-being of the municipality; and financial management of the municipality;

AND WHEREAS sections 9 and 10 and 23.1 through 23.5 of the *Municipal Act, 2001* authorize a municipality to delegate its powers and duties under this or any other Act to a person or body;

AND WHEREAS subsection 23.1 of the *Municipal Act, 2001* provides that, subject to the limitations found in sections 23.2 and 23.3 of the *Municipal Act, 2001*, S.O. 2001, c. 25, a municipality may delegate its powers and duties to a person or body;

AND WHEREAS Council delegates any authority pursuant to this by-law in accordance with Schedule “G” of By-law No. A.-6151-17 “Council Policy By-law,” as amended from time to time;

AND WHEREAS the Ontario Ministry of Transportation recently introduced the DriveON Emissions and Safety Inspection Program to combine the heavy-duty diesel vehicle emissions testing program and MTO’s Motor Vehicle Inspection Station (MVIS) Program into a single digital inspection program (the “DriveON Program”);

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The DriveON Program Performance Contract between His Majesty the King in Right of Ontario, as represented by the Director of Vehicle Inspection Standards, Ministry of Transportation and the Corporation of the City of London, attached as Schedule "A" to this by-law, is hereby authorized and approved.
2. The Equipment Purchase and Maintenance Agreement attached as Schedule "B" to this by-law and the Pre-Authorized Debit Agreement attached as Schedule "C" to this by-law between Parsons Inc. and the Corporation of the City of London are hereby authorized and approved.
3. The Deputy City Manager, Finance Supports and the Deputy City Manager, Neighbourhood and Community-Wide Services, or their designates, are hereby authorized to execute the agreements approved under sections 1 and 2 of this by-law.
4. The Deputy City Manager, Finance Supports and the Deputy City Manager, Neighbourhood and Community-Wide Services, or their designates, are hereby delegated the power to undertake any administrative actions necessary to transition the Corporation of the City of London to the DriveON Program, including the authority to approve and execute any further amending or associated agreements necessary to facilitate the City's participation in the DriveON Program.
5. The Deputy City Manager, Finance Supports, and the Deputy City Manager, Neighbourhood and Community-Wide Services, or their designates, are authorized to act under sections 3 and 4 of this by-law, subject to the following:
 - i. such agreements are in a form satisfactory to the Deputy City Manager, Legal Services;
 - ii. such actions and agreements do not require additional funding or are provided for in the City's current budget;
 - iii. such actions or agreements do not contain any financial arrangement, guarantee, indemnity or similar commitment that would increase, directly or indirectly, the indebtedness or contingent liabilities of The Corporation of the City of London;
 - iv. such actions are consistent with the principles of the City's Procurement of Goods and Services Policy; and
 - v. the authority to execute agreements shall include the authority to electronically execute said agreements on behalf of the Corporation of the City of London.
6. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on July 23, 2024

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – July 23, 2024
Second Reading – July 23, 2024
Third Reading – July 23, 2024



**DriveON Program Performance Contract
for
Private Fleet Vehicle Inspection Centres**

B E T W E E N:

HIS MAJESTY THE KING IN RIGHT OF ONTARIO, as represented by the Director of Vehicle Inspection Standards, Ministry of Transportation

(Ministry)

- and -

[Legal name of the business entity]

(Contractor)

IN CONSIDERATION of the accreditation of the Contractor as a Vehicle Inspection Centre for the DriveON Program, and subject to the terms and conditions set out below, the Ministry and the Contractor agree as follows:

1. TERM

1.1 The term of this Performance Contract (**Contract**) for participation in the Ministry's DriveON Program (**Program**) begins on the date of its acceptance by the Ministry, as set out on the last page of this Contract, and continues until May 26, 2028, subject to the provisions of this Contract (**Term**).

2. OPERATION OF A VEHICLE INSPECTION CENTRE

2.1 The Contractor agrees to operate a Stationary or Mobile Vehicle Inspection Centre (**VIC**) and to keep the books and records of the VIC at the address identified on the DriveON Portal as its principal place of business.

2.2 The Contractor agrees to equip and operate the VIC and conduct vehicle safety and/or emissions Inspections (**Inspections**) for the issuance of Annual Inspection

Certificates (**AIC**), Semi-Annual Inspection Certificates (**SAIC**), Safety Standards Certificates (**SSC**), Structural Inspection Certificates (**SIC**), and/or Emissions Inspection Certificates (**EIC**) in accordance with the DriveON Standard Operating Procedures established by the Ministry, as amended from time to time by the Ministry (**SOP**) and the Directive made pursuant to Section 100.7 of the Highway Traffic Act, as amended from time to time by the Ministry (**Directive**).

- 2.3 The Contractor agrees to operate the VIC in a safe, reasonable, and prudent manner using qualified and experienced staff, including at least one trained and registered Technician as outlined in the SOP and the Directive, and in accordance with good business practices.
- 2.4 The Contractor agrees to operate in compliance with all federal, provincial, and municipal laws and regulations including, without limitation, the tax laws of Ontario and Canada. The Contractor agrees that the Ministry may confirm tax compliance with the tax authorities of Ontario and Canada at any time during the Term.
- 2.5 The Contractor agrees not to provide Inspection services to the public and will exclusively Inspect and service their own private vehicles.

3. DOCUMENTS

- 3.1 This Contract includes the application and any documents submitted by the Contractor to the Ministry on the DriveON Portal in connection with accreditation as a VIC.
- 3.2 The provisions of the SOP and the Directive are incorporated into, and deemed to be part of, this Contract.
- 3.3 This Contract supersedes all other prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties.

4. INSURANCE

- 4.1 The Contractor agrees to maintain, in force, at all times during the Term, a policy of insurance which includes all of the following insurance coverage:
 - (a) commercial general liability of not less than \$3 million per occurrence on property damage, bodily injury, and personal injury
 - (b) for a Mobile VIC, the additional automobile insurance for any vehicle used to transport the Inspection equipment, with a limit of not less than \$3 million for third party property damage and bodily injury

Further, the Contractor agrees to add "His Majesty the King in right of Ontario as represented by the Minister of Transportation" as an Additional Insured in respect of the commercial general liability coverage described in (a) above, and shall provide to the Ministry upon request, certificates of insurance evidencing the types and amounts of insurance required by this Article and a copy of the insurance policy(ies).

4.2 The Contractor agrees to inform the Ministry immediately upon the cancellation of the above-stated policy of insurance or the removal of the Ministry as an Additional Insured.

5. INDEMNITY

5.1 The Contractor agrees to indemnify and save harmless the Ministry and its officers, employees, and agents from and against any claim, demand, damage, loss, expense, (including all costs incurred as a result of), or cause of action of any nature resulting from, or relating to, any of the following:

- (a) the operation of the VIC or the existence of any dangerous condition at the VIC
- (b) any breach or non-performance by the Contractor of any provision of this Contract
- (c) any damage to property, real or personal, owned by the Ministry or others, including any member of the public, caused by, or resulting from the Contractor's performance or non-performance under this Contract or the Contractor's operation of the VIC
- (d) any personal or bodily injury to, or death of, any person, including any member of the public, caused by or resulting from the Contractor's performance or non-performance under this Contract or the Contractor's operation of the VIC.

5.2 The Contractor agrees that any express or implied reference to the Ministry providing an indemnity or any other form of indebtedness or contingent liability that would directly or indirectly increase the indebtedness or contingent liabilities of the Ministry, whether at the time of execution of this Contract, or at any time during the Term, shall be void and of no legal effect.

6. EQUIPMENT

6.1 The Contractor agrees that all Inspections conducted at the VIC will be performed with equipment approved by the Ministry and such equipment will be purchased by the Contractor from the Program services vendor, Parsons Inc. (**Parsons**).

6.2 The Contractor agrees to enter into an Equipment Purchase and Maintenance Agreement (**EPMA**) with Parsons that specifies Inspection equipment pricing, configurations, replacement parts, maintenance and repair services, and warranties. The EPMA will include rights and responsibilities of the VIC and Parsons including a Ministry-approved appeal process for the Ministry to arbitrate disputes.

6.3 The Contractor agrees to provide and maintain appropriate computer hardware, software, and peripherals to provide an electronic link to the Ministry's information technology system operated by Parsons.

7. INSPECTION SERVICES

- 7.1 The Contractor agrees that every Inspection will be conducted by a Technician that has successfully completed training provided by Parsons and is registered with the Ministry. An emissions Technician must successfully complete the online emissions training, approved by the Director and can only conduct emissions Inspections as set out in the Directive, Schedule 1. All other Inspections, set out in the Directive, Schedules 2 through 5, will be conducted by Technicians according to their Certificate of Qualification as per the Building Opportunities in the Skilled Trades Act, 2021, if applicable (**Technician**).
- 7.2 The Contractor acknowledges that it is providing the Inspection services on a non-exclusive basis and that the Ministry makes no representation or guarantee that the Contractor will conduct any particular number of Inspections.

8. INSPECTION CERTIFICATES & PAYMENT UNDER CONTRACT

- 8.1 The Contractor agrees to issue an approved Vehicle Inspection Report (**VIR**) for every vehicle Inspected. A VIR for a vehicle that passes an Inspection will contain a Vehicle Inspection Certificate Number (**VICN**). The Contractor agrees that the Ministry will charge a fee as set out in Regulation 170/22 for each VIR that contains a VICN that applies to an AIC, SAIC, SSC, SIC, or EIC. Fails, aborts, or incomplete Inspection results will generate a VIR without a VICN and will not trigger a fee chargeable to the Contractor.
- 8.2 Payments by the Contractor pursuant to Section 8.1 of this Contract shall be made in accordance with the SOP and a Pre-Authorized Debit (**PAD**) Agreement which outlines the process for the Ministry to draw on the Contractor's Canadian bank account to pay for an AIC, SAIC, SSC, SIC, or EIC. The debits will occur on a weekly basis. Contractors are responsible for correctly inputting their banking data into the system to authorize the PAD. Where a Contractor has input incorrect banking information, the Contractor's Inspection equipment will be locked out until the Ministry is satisfied that the bank account information has been corrected. It is the Contractor's responsibility to alert Parsons that their bank account has been updated to initiate removal of the lockout of the Inspection equipment.
- 8.3 Non-Sufficient Funds (**NSF**) Policy - Contractors must ensure that their account balance is sufficient to cover weekly Inspection volume for their VIC, plus any amounts due to Parsons in accordance with the EPMA.

Contractors are responsible for any NSF charges incurred. Where a Contractor has a frozen or closed bank account or insufficient funds to enable a debit, the Contractor's Inspection equipment will be locked out until the Ministry is satisfied that their bank account has been sufficiently replenished, and any outstanding amounts have been collected. It is the Contractor's responsibility to alert Parsons that the account is ready to be drawn upon to remove a lockout of the Inspection equipment.

9. INCREASE OR DECREASE BY MINISTRY

9.1 Notwithstanding Article 8, the Ministry may from time to time during the Term, on at least 10 calendar days written notice, increase or decrease the fee as set out in regulation by such amount as the Ministry may determine.

10. AUDIT, INSPECTION AND COOPERATION

10.1 The Contractor agrees to permit the Ministry, Parsons, the Ministry's independent auditor, or such other persons as the Ministry may specify to audit, inspect, or review the books, records, and operations of the Contractor by covert or overt means, electronically, by telephone, or otherwise, from time to time, with or without notice, and the Contractor agrees to provide all reasonable access, cooperation and assistance for such purposes.

10.2 The Contractor agrees to provide reasonable cooperation to all contractors retained by the Ministry to provide services related to the Program, as identified by the Ministry.

10.3 Upon receipt of a request from the Director of Vehicle Inspection Standards, Ministry of Transportation, or such other person as the Ministry may designate, the Contractor agrees to provide all reasonable information and documentation to the Ministry and its contractors in respect of the operation of the VIC.

11. DATA AND INFORMATION

11.1 The Contractor acknowledges that the data collected as a result of an Inspection are the sole and exclusive property of the Ministry.

11.2 The Contractor agrees that all information obtained by the Contractor in conducting Inspections will be used solely for the purposes of the Program and will not otherwise be used or disclosed.

12. INSPECTION EQUIPMENT LOCKOUT

12.1 The Contractor acknowledges that the Ministry or Parsons may lockout the Contractor's Inspection equipment in accordance with the SOP. A lockout will prevent the Contractor from providing Inspections. If the Contractor resolves the matter that caused the lockout, to the satisfaction of the Ministry or Parsons, the Contractor may thereafter resume operation as a VIC.

13. PERFORMANCE INTERVIEW

13.1 The Ministry, on not less than 3 business days notice, may require the Contractor to attend before the Director of Vehicle Inspection Standards, Ministry of Transportation, or such other person as the Ministry may designate, for a performance interview to review the operation of the VIC. The Contractor agrees to attend any performance interview and to bring such books, records, and staff of the VIC as the Ministry may specify in the notice.

14. SUSPENSION AND TERMINATION

14.1 The Contractor agrees that, in the event that it breaches any provision of this Contract, the Ministry may in its sole discretion:

- (a) issue a suspension notice immediately suspending the accreditation of the Contractor for such period of time as may be set out in the suspension notice; or
- (b) issue a termination notice immediately terminating this Contract and revoking the accreditation of the Contractor,

and the Contractor acknowledges that the Ministry is not required to conduct a performance interview before issuing either a suspension notice or a termination notice.

14.2 If the Ministry issues a suspension notice or a termination notice, the Contractor shall immediately complete all of the following:

- (a) cease to operate or hold itself out as an accredited VIC
- (b) cover or remove from the VIC the Program sign and Program materials obtained from the Ministry
- (c) cover or remove the Official Marks from any other sign or materials, including websites, of the Contractor, and cease the display or use of any sign or materials containing an Official Mark
- (d) upload all offline Inspections.

14.3 If the Contractor resolves to the satisfaction of the Ministry the matter that caused the Ministry to issue the suspension notice, then the Ministry may on written notice to the Contractor revoke the suspension notice and the Contractor may thereafter resume operation as a VIC.

14.4 The Contractor agrees to allow the Ministry, or such other persons as the Ministry may specify, to enter and inspect the VIC immediately upon the issuance of a suspension notice or a termination notice, and to cover or remove the Program sign and Program materials if the Contractor has not immediately done so, and to remove, cover, or destroy any sign or materials of the Contractor that display an Official Mark.

14.5 The Contractor acknowledges and agrees that it is responsible for and can be suspended or terminated in respect of the actions of its partners, directors, officers, agents, and employees, including Technicians.

15. APPEAL PROVISION

15.1 The Ministry and the Contractor agree that the Contractor may appeal the issue of a suspension notice or termination notice issued under Article 14 to a single arbitrator under an arbitration established pursuant to the Arbitration Act, 1991 (Ontario).

15.2 An appeal under Section 15.1 shall be made by notice in writing delivered to the Ministry within 15 calendar days of the issue of the suspension notice or termination notice, as the case may be.

15.3 The Contractor agrees that the arbitration must be established by an executed arbitration agreement and concluded within 12 months from the date of the issued suspension notice or termination notice. If the arbitration is not concluded within the 12-month period, then the appeal right shall be considered waived by both the Ministry and Contractor.

16. EXPERTS

16.1 The Contractor acknowledges that the Ministry may obtain advice and assistance from experts and advisors, including Parsons, for the purposes of administering this Contract, conducting a performance interview, issuing a suspension notice or issuing a termination notice, or in an arbitration.

17. REPRESENTATION AND WARRANTY

17.1 The Contractor represents and warrants that all information contained in the application and in any documents submitted by the Contractor to the Ministry in connection with accreditation as a VIC, or the administration of the Contract, or inputted into the DriveON Portal, is true, correct, and accurate.

18. NOT AGENTS

18.1 The Contractor and its partners, directors, officers, agents, and employees, which include Technicians, are not employees or agents of the Ministry.

19. CONFLICT OF INTEREST

19.1 The Contractor and its partners, directors, officers, agents, and employees, which include Technicians, shall not engage in any activity or provide any product or service in respect of the Program where such activity, or the provision of such product or service, creates an actual or potential conflict of interest (in the sole opinion of the Ministry) with the Contractor's obligations as a VIC. For certainty, it is a conflict of interest to offer a product or service that removes, bypasses, defeats or renders inoperative all or part of a motor vehicle's emission control system or modifies a motor or motor vehicle in any way that results in increased emissions from the level to which it was originally designed or certified by the manufacturer of the motor or motor vehicle.

19.2 The Contractor acknowledges that the Ministry may engage contractors to provide services related to the Program including Inspection equipment, training, contact centre, information systems, quality assurance/quality control auditing, independent auditing, and any other services required to carry out the Program, and the Contractor agrees that no shareholder, partner, director, officer, or key management employee shall directly or indirectly, own, have an interest in or participate in the management of any of the contractors providing such services.

19.3 The Contractor must disclose to the Ministry without delay any actual or potential situation which may reasonably be interpreted as either a conflict of interest or a

potential conflict of interest, and the Contractor shall not engage in the conduct out of which it is conflicted unless and until the Ministry notifies the Contractor to proceed notwithstanding the actual, apparent or potential conflict.

- 19.4 The Ministry may terminate this Contract in the event of a breach of this section by the Contractor, in addition to any other remedies that the Ministry may have in law or in equity.

20. PROMOTION RESTRICTIONS & NON-DISPARAGEMENT

- 20.1 Any publicity or publications related to the Contract shall be at the sole discretion of the Ministry. The Ministry may, in its sole discretion, acknowledge the services provided by the Contractor pursuant to this Contract in any such publicity or publication, including a Program website. The Contractor shall not make use of its association with the Ministry or the Program without the prior written consent of the Ministry. Without limiting the generality of this section, the Contractor shall not, among other things, at any time directly or indirectly communicate with the media in relation to the Contract or the Program, unless it has first obtained the express written authorization to do so by the Ministry.

- 20.2 The Contractor shall not disparage the Program orally or in writing, and will not publish, post, or otherwise release any material in written or electronic format (including social media posts), make speeches, gain interviews, or make public statements that mention the Program without the prior written consent of the Ministry.

- 20.3 The Contractor shall not use or attempt to use its association with the Program or the Ministry which would be contrary to law, common decency or good morals or otherwise be improper or detrimental to the Program or the Ministry.

21. NON-TRANSFERABLE

- 21.1 The Contractor acknowledges that accreditation as a VIC and this Contract are not transferable or assignable, in whole or in part, to another person or to another location without the prior written approval of the Ministry.

22. TERMINATION OF CONTRACT ON NOTICE

- 22.1 The Ministry, in its sole and absolute discretion, may terminate this Contract at any time prior to May 26, 2028, on not less than six (6) months written notice to the Contractor. In that event, all of the following apply:

- (a) this Contract is terminated as of the date set out in the notice
- (b) the Contractor shall comply with all the obligations set out in Article 14
- (c) the Ministry has no further obligation or liability to the Contractor in connection with this Contract or the Program.

- 22.2 Article 15 (Appeal Provision) does not apply to a termination notice issued under Article 22.

23. CROSS-DEFAULT CLAUSE

- 23.1 The Contractor acknowledges that a breach by the Contractor of any provision of this Contract shall be deemed to be a breach of any other contract that the Contractor has entered into with the Ministry. Further, the Contractor acknowledges that a breach by the Contractor of a provision of any other such contract shall be deemed to be a breach under this Contract.

24. OFFICIAL MARKS & PROGRAM SIGNAGE

- 24.1 The Official Marks created for the Program and registered in accordance with the Trade-marks Act (Canada) are set out in the SOP.

The Ministry hereby licenses the Contractor to use the Official Marks solely for the purposes of its activities as a VIC. The Ministry may on written notice permit the Contractor to use other marks of the Ministry for the Program. Use of the Official Marks shall be in accordance with all directives and policies outlined in the SOP. This licence expires immediately upon the suspension, termination, or expiration of this Contract.

- 24.2 The Ministry will not supply the Contractor with a Program sign, nor is the Contractor permitted to display a Program sign as it may cause confusion to the public.

25. SECURITY CLEARANCE CHECKS

- 25.1 Upon notification from the Ministry, the Contractor shall require any director, officer, agent, contractor, sub-contractor, or employee including Technician, engaged in the delivery of goods or performance of services under this Contract to undergo security clearance checks in accordance with the Ontario government's policy at the Contractor's cost.

- 25.2 Upon notification from the Ministry, the Contractor shall be required to provide the necessary information for each individual requiring security clearance by the Security Services and Contingency Planning Branch of the Ministry of Public and Business Service Delivery.

26. OTHER PROVISIONS

- 26.1 This Contract is governed by the laws of the Province of Ontario and the laws of Canada.

- 26.2 Counterparts - The Contract may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

- 26.3 All notices and documents required or permitted to be given by one party to the other party under this Contract shall be in writing and delivered personally, by courier or sent by email:

(a) in the case of the Ministry, to it at:

Director of Vehicle Inspection Standards
Ministry of Transportation
87 Sir William Hearst Avenue, Suite 211
Toronto, ON M3M 0B4
Email: VehicleOversight@Ontario.ca

(b) in the case of the Contractor, to the address set out on the DriveON Portal

or such other address as the party has provided by written notice to the other party.

26.4 Time shall be of the essence of this Contract.

26.5 Condonation Not a Waiver - Occurrences where the Ministry has previously forgiven or condoned the Contractor's failure to perform any of the terms or conditions of the Contract does not mean that the Ministry has waived its right to require the Contractor to perform the terms and conditions of the Contract, and the obligations of the Contractor with respect to such performance will continue in full force and effect.

26.6 For certainty, this Contract may be assigned by the Ministry to any person on not less than 60 calendar days notice to the Contractor.

26.7 **Article 3** (Documents), **Article 5** (Indemnity), **Article 8** (Inspection Certificates & Payment Under Contract), **Article 10** (Audit, Inspection and Cooperation), **Article 11** (Data and Information), **Article 14** (Suspension and Termination), **Article 15** (Appeal Provision), **Article 17** (Representation and Warranty), **Article 18** (Not Agents), **Article 19** (Conflict of Interest), **Article 20** (Promotion Restrictions & Non-Disparagement), **Article 22** (Termination of Contract on Notice), and **Article 24** (Official Marks & Program Signage) survive the expiration or termination of this Contract.

26.8 If any provision of this Contract is invalid or unenforceable, the remainder of this Contract shall not be affected.

26.9 This Contract expires on May 26, 2028.

EXECUTED on behalf of the Contractor at _____ on

(City/Town)
_____, 20____.
(Month Day)

Print Name

Title

I have the authority to bind the Contractor.

ACCEPTED AND APPROVED by His Majesty the King in Right of Ontario, as represented by the Director of Vehicle Inspection Standards, Ministry of Transportation

Date

Name:

DriveON

EQUIPMENT PURCHASE AND MAINTENANCE AGREEMENT

Prepared by: Parsons

Date: November 2022

Version: 2.2

*This is a paper version of the agreement the parties will sign electronically
Customer must set up a user account on the Program portal to access the online agreement*

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DriveON
EQUIPMENT PURCHASE AND MAINTENANCE AGREEMENT
TERMS AND CONDITIONS

1.0 AGREEMENT; PARTIES

This Equipment Purchase and Maintenance Agreement (**EPMA** or **Agreement**) is made by and between Parsons Inc., a Federally Chartered Corporation incorporated under the laws of Canada with principal place of business located at 625 Cochrane Drive, Suite 300, Markham, Ontario L3R 9R9 (hereinafter **Parsons**) and the Owner of the Vehicle Inspection Centre (**VIC**) authorized by the Province to participate in the Ontario **DriveON Program** and executing this Agreement on the signature page (hereinafter **Customer**). Customer and Parsons may be referred to herein individually as a party or collectively as the parties.

2.0 AUTHORITY

The Ontario Ministry of Transportation (the **Ministry, Province** or **MTO**) and Parsons have entered an agreement (**Provincial Agreement**) under which Parsons will provide you (**Customer**) with access to the DriveON System and Vehicle Inspection System (**VIS**) and Component purchase and Repair Services as set out in Section 5.0 “Services Provided Under This Agreement”.

3.0 TERM OF AGREEMENT

Effective Date: This Agreement takes effect upon approval of the Customer’s DriveON Enrollment Application and the signing of this Agreement by both parties.

End Date: Unless terminated by mutual written agreement of the parties, this Agreement shall remain in effect until the occurrence of any of the following events (in all cases Customer shall pay Parsons for all Services rendered prior to the date of expiration, termination or cancellation):

- 3.1 By written notice provided by Parsons, if Customer or Customer’s staff threaten or are otherwise abusive to Parsons employees, subcontractors, or other representatives,
- 3.2 By written notice provided by Parsons if any amount due to Parsons remains unpaid after exhaustion of the collection efforts set out in Section 7.4 “Faulty Payments”,
- 3.3 Unless otherwise stated in this Agreement, by written notice provided by Parsons, if Customer fails to cure any breach or default of this Agreement by Customer within thirty (30) days of Parsons providing Customer with written notice of said breach or default,
- 3.4 The date of expiration, termination or cancellation of the Provincial Agreement. In the event the Province extends the Provincial Agreement beyond the base term (May 26, 2028) this Agreement may be automatically renewed to match the term of the Provincial Agreement,
- 3.5 Customer terminates its participation in DriveON, or if Customer’s participation is terminated by the Province or Parsons,
- 3.6 If Customer (i) becomes insolvent or institutes or has instituted against it a petition for bankruptcy or is adjudicated bankrupt; (ii) executes a bill of sale, deed of trust, or a general assignment for the benefit of creditors; (iii) is dissolved or transfers a substantial portion of its assets to a third party; or (iv) a receiver is appointed for the benefit of its creditors, or a

receiver is appointed on account of insolvency.

Each party shall continue to comply with any obligations stated herein that survive the expiry or termination of this Agreement. In particular, the termination or expiration of this Agreement shall not affect the survival and continuing validity of Section 7.0 “Fees and Payments” or of any other provision that is expressly or by implication intended to continue in force after such termination or expiration.

4.0 PERFORMANCE CONTRACT; PROGRAM STANDARD OPERATING PROCEDURES (SOP); PROGRAM DIRECTIVE

As the Province’s DriveON Program Services Vendor, Parsons will perform certain services on behalf of the Ministry. Customer agrees to cooperate fully with Parsons on all such matters and to adhere to the terms and conditions of Customer’s Performance Contract, the Program SOP and Directive.

5.0 SERVICES PROVIDED UNDER THIS AGREEMENT

Parsons will sell to Customer, Vehicle Inspection Systems (VIS) and Components (**Equipment**) conforming to Provincially approved Specifications and provide Warranty and non-warranty Repair Services under the terms and conditions set out herein. Parsons will provide Vehicle Inspection Centre Technical Support Line services (**VIC Technical Support**) by various communication channels as detailed on the Program Portal. Customer will utilize the Program Portal to obtain assistance concerning all aspects of this Agreement, including but not limited to, the purchase, delivery, installation, use, and repair of Equipment; Program portal login issues; and the retirement, transfer or sale of VIS.

6.0 EQUIPMENT PURCHASES; WARRANTIES; REPAIR SERVICES

6.1 VEHICLE INSPECTION SYSTEMS AND PRICES

Customer will purchase all Vehicle Inspection Systems (VIS) and Components as required over the term of this Agreement from Parsons, unless Appendix 2, Section 2.0 “Retirement, Transfer or Sale of Equipment” applies.

This Agreement presents five Vehicle Inspection System packages designed to meet the needs of VICs with different requirements.

Customer has the option to purchase the required VIS components separately pursuant to the Equipment and Parts Price List in Table 1 at section 6.1.6 instead of ordering a Vehicle Inspection System Package.

The OneOBD with 16 PIN OBD Cable is required to perform all emissions and/or safety inspections. The OneOBD with 16 PIN OBD Cable is on backorder. Customer must purchase the OneOBD with 16 PIN OBD Cable once it is in stock to remain an accredited VIC, with the exception of VICs that only perform safety inspections on trailers or motorcycles.

- **Vehicle Inspection System Package 1** is for legacy emissions stations who want to transition their exiting Dieseltune DX270 opacity meter(s) and accessories to the Program – see Section 6.1.1

- **Vehicle Inspection System Package 2** is for legacy emissions stations who have working accessories from a Dieseltune DX240 opacity meter they want to transition to the Program – see Section 6.1.2
- **Vehicle Inspection System Package 3** is a complete package with all new inspection equipment for emissions inspections – see Section 6.1.3
- **Vehicle Inspection System Package 4** is a complete package with all new inspection equipment for conducting HDV Safety Inspections – see Section 6.1.4
- **Vehicle Inspection System Package 5** is a complete package with all new inspection equipment for conducting LDV and/or Motorcycle Safety Inspections – see Section 6.1.5

6.1.1 Legacy Emissions Station Transitioning Dieseltune DX270 Opacity Meter and Accessories

Until June 30, 2022, if Customer was a participant in the legacy MECP Ontario Heavy Duty Emissions Testing Program (**legacy emissions station**), Customer may:

- Choose to transition their legacy DX270 opacity meter(s) and the following accessories to DriveON: horizontal probe, vertical probe, oil temperature sensor, optical tachometer, optical tachometer magnetic mount and reflective tape. (**Eligible Legacy Opacity Meter and Accessories**); and/ or
- Purchase a new DX270 opacity meter(s) and/ or related accessories from Parsons.

No other opacity meter or accessories may be used in the Program.

Customer must maintain the Vehicle Inspection System in Normal Operating Condition as defined herein. There is no Warranty on Customer’s Eligible Legacy Opacity Meter and Accessories, should Repair Service be required, Customer will pay all costs to repair or replace the faulty component(s) on Eligible Legacy Opacity Meter and Accessories including related shipping costs.

Vehicle Inspection System Package 1: Legacy emissions stations transitioning an Eligible Legacy Opacity Meter and all Eligible Legacy Accessories to DriveON require the following package:

Vehicle Inspection System Package 1	
Ruggedized Tablet Computer (including licensed DriveON software)	
OneOBD with 16 PIN OBD Cable	
OneConnect Opacity Meter Wireless Communications Device	
9 PIN/ 6 PIN Adaptor	
Price*: \$1,536.00	
Add On Component to conduct Heavy Vehicle Safety Inspections	
Sticker Printer	Price*: \$666.00

* Taxes extra if applicable.

If Customer’s Eligible Legacy Opacity Meter is not in Normal Operating Condition as required, Customer must have Parsons repair it at Customer’s expense prior to it being accepted for use in the Program. If Customer prefers not to repair their legacy opacity meter, Customer may purchase a replacement opacity meter from Parsons.

If any of Customer’s Eligible Legacy Opacity Meter Accessories are not in Normal Operating Condition as required, it is not eligible to participate in the Program and Customer must purchase a replacement accessory from Parsons.

A complete price list of available VIS Components and replacement parts is set out in Section 6.1.6 Table 1 “Equipment and Parts Price List”.

6.1.2 Legacy Emissions Station Transitioning Dieseltune DX240 Accessories

Until June 30, 2022, if Customer was a legacy emissions station with a Dieseltune DX240 opacity meter(s) and related accessories, Customer cannot use their DX240 opacity meter(s) or the vertical or horizontal probes in DriveON, but is permitted to transition the following DX240 accessories: oil temperature sensor, optical tachometer, optical tachometer magnetic mount and reflective tape (**Eligible Legacy Opacity Meter Accessories**).

Customer must maintain the Customer’s Eligible Legacy Opacity Meter Accessories in Normal Operating Condition. There is no Warranty on Customer’s Eligible Legacy Opacity Meter Accessories should Repair Service be required. Customer will pay all costs to repair or replace the faulty component(s) including related shipping costs.

Vehicle Inspection System Package 2: Legacy emissions stations transitioning all Eligible Legacy DX240 Accessories to DriveON require the following package:

Vehicle Inspection System Package 2	
Ruggedized Tablet Computer (including licensed DriveON software)	
OneOBD with 16 PIN OBD Cable	
OneConnect Opacity Meter Wireless Communications Device	
9 PIN/ 6 PIN Adaptor	
DX270 Opacity Meter	
Horizontal Probe	
Vertical Probe	
Price*: \$4,615.00	
Add On Component to conduct Heavy Vehicle Safety Inspections	
Sticker Printer	Price*: \$666.00

* Taxes extra if applicable

If any of Customer’s Eligible Legacy Opacity Meter Accessories are not in Normal Operating Condition as required, they are not eligible to participate in the Program and Customer must purchase a replacement accessory from Parsons.

A complete price list of available VIS Components and replacement parts is set out in Section 6.1.6 Table 1 “Equipment and Parts Price List”.

6.1.3 Complete VIC Emissions Package

VICs who did not participate in the legacy MECP Ontario Heavy Duty Emissions Testing Program that are accredited to perform DriveON emissions inspections (**new emissions VICs**) will require the following package of equipment

Vehicle Inspection System Package 3: New emissions VICs require the following:

Vehicle Inspection System Package 3	
Ruggedized Tablet Computer (including licensed DriveON software)	
OneOBD with 16 PIN OBD Cable**	
OneConnect Opacity Meter Wireless Communications Device	
9 PIN/ 6 PIN Adaptor	
DX270 Opacity Meter	
Horizontal Probe	
Vertical Probe	
Oil Temperature Sensor	
Optical Tachometer	
Reflective Tape	
Optical Tachometer Magnetic Mount	
Price*: \$6,185.00	
Add On Component to conduct Heavy Vehicle Safety Inspections	
Sticker Printer	Price*: \$666.00

* Taxes extra if applicable.

** The OneOBD with 16 PIN OBD Cable is required to perform emission inspections on heavy vehicles manufactured with OBD. The OneOBD with 16 PIN OBD Cable is currently on backorder. Package 3 will be available for sale when the OneOBD with 16 PIN OBD Cable is in stock.

6.1.4 Vehicle Inspection Centres Performing Safety Inspections on Heavy Duty Vehicles

VICs that are accredited to perform DriveON safety inspections and issue AIC with Stickers and SAIC with Stickers will require the following package of equipment.

Vehicle Inspection System Package 4: VICs that conduct HDV Safety Inspections require the following:

Vehicle Inspection System Package 4	
Ruggedized Tablet Computer (including licensed DriveON software)	
Sticker Printer	
Price*: \$1,904.00	
OBD Components**	
OneOBD with 16 PIN OBD Cable **	Price*: \$137.00
9 PIN/ 6 PIN Adaptor ***	Price*: \$54.00

* Taxes extra if applicable.

** The OneOBD with 16 PIN OBD Cable is required to perform safety inspections on heavy vehicles manufactured with OBD. The OneOBD with 16 PIN OBD Cable is currently on backorder. VICs must purchase the OneOBD with 16 PIN OBD Cable once it is in stock.

*** VICs that perform inspections on heavy vehicles that have either a 9 PIN or a 6 PIN OBD connector, must also purchase the 9 PIN / 6 PIN Adaptor, in addition to the OneOBD with 16 PIN OBD Cable.

VICs that only perform trailer safety inspections, are not required to purchase OneOBD with 16 PIN OBD Cable and the 9 PIN / 6 PIN Adaptor.

6.1.5 **Vehicle Inspection Centres Performing Safety Inspections on Light Duty Vehicles and Motorcycles**

VICs that are accredited to perform DriveON safety inspections on light duty vehicles and/or motorcycles will require the following package of equipment.

Vehicle Inspection System Package 5: VICs that conduct LDV and/or Motorcycle Safety Inspections require the following:

Vehicle Inspection System Package 5	
Ruggedized Tablet Computer (including licensed DriveON software)	
Price*: \$1,399.00	
OneOBD with 16 PIN OBD Cable **	Price*: \$137.00

* Taxes extra if applicable.

** The OneOBD with 16 PIN OBD Cable is required to perform safety inspections. The OneOBD with 16 PIN OBD Cable is currently on backorder. VICs must purchase the OneOBD with 16 PIN OBD Cable once it is in stock.

VICs that only perform motorcycle safety inspections, are not required to purchase the OneOBD with 16 PIN OBD Cable.

6.1.6 Equipment and Parts Price List

A complete price list by VIS Component is set out in the table below.

Table 1
Equipment and Parts Price List

Equipment (VIS Components)	Warranty*	Price**
Ruggedized Tablet Computer	4 years	\$1,399.00
Refurbished Tablet Computer	6 months	\$1,189.00
OneOBD (includes 16 PIN Cable)	2 years	\$137.00
Refurbished OneOBD (includes 16 PIN Cable)	6 months	\$136.00
Sticker Printer	2 years	\$666.00
Refurbished Sticker Printer with power supply	6 months	\$450.00
OneConnect Opacity Meter Wireless Communications Device	2 years	\$747.00
9 PIN/ 6 PIN Adaptor	2 years	\$54.00
Opacity Meter - Includes Opacity Meter Cable (15m)	2 years	\$3,079.00
Refurbished Opacity Meter	6 months	\$2,800.00
Horizontal Probe	2 years	\$196.00
Vertical Probe	2 years	\$126.00
Oil Temperature Sensor	2 years	\$123.00
Optical Tachometer	2 years	\$222.00
Reflective Tape (100 inches)	2 years	\$61.00
Optical Tachometer Magnetic Mount	2 years	\$41.00
Oil Temperature Extension Cable	2 years	\$66.00
Replacement Parts		
OneConnect Opacity Meter Wireless Communications Device Power Supply	2 years	\$43.00
16 PIN OBD Cable	2 years	\$66.00
Ruggedized Tablet Computer Charger	2 years	\$61.00
Sticker Printer (Printer Only; Only available to purchase to replace a defective sticker printer not covered under warranty)	2 years	\$548.00
Sticker Printer Power Supply	2 years	\$61.00
Sticker Printer Ribbon*** (74 meters)	N/A	\$64.00
Sticker Printer Print Head	2 years	\$221.00

Equipment (VIS Components)	Warranty*	Price**
Blank Sticker Stock*** (Per Sticker)	N/A	\$0.35
Opacity Meter Cable (15m) Sampling Head Cable with Connector (Communication cable w/Barrel connector)	2 years	\$381.00
Opacity Meter Cable Kit (with end plate) Fixed Outlet Assembly with Sampling Head Cable with Connector (DX270 Cable Assembly 20m)	2 years	\$582.00
Optical Tachometer Cable	2 years	\$72.00
Replacement Tablet Computer Rechargeable Battery – 60W	1 year	\$249.00
Reusable Shipping Container for Opacity Meter	N/A	\$60.00

* All Warranties are subject to the terms and conditions stated herein including but not limited to Sections 6.6, 6.10, 6.14, 6.15, and 6.16.

** Taxes extra if applicable.

*** There is no charge to the VIC for Sticker Printer Ribbon or Blank Sticker Stock or shipping of these items during the Term unless the Sticker Printer Ribbon or Blank Sticker Stock are stolen, lost, damaged, or otherwise missing as outlined in Section 8

6.1.7 Standard Paper Printer: Parsons does not offer standard paper printers, toner or paper for sale to VICs. In addition, Parsons does not offer any standard paper printing services through the Tablet Computer. Vehicle Inspection Reports are provided in Adobe Acrobat PDF format and can be emailed to the VIC's email address, enabling VICs to print the documents on their own paper printer.

6.2 REFURBISHED VIS COMPONENTS

Subject to availability, Parsons may offer refurbished Components as defined herein for sale to Customer at a reduced price compared to new Components. For clarity, if Customer requires Components and no refurbished Component is available, Customer must purchase new Component at full price. Prices for refurbished Components are set out in Section 6.1.6, Table 1.

6.3 ORDERING VEHICLE INSPECTION SYSTEMS

Upon execution of this Agreement by the parties and the signing of Customer's Performance Contract by the Ministry, Customer may order a Vehicle Inspection System and/ or Components.

6.4 SHIPMENT OF EQUIPMENT

6.4.1 **Initial Equipment Order:** Parsons will ship a Vehicle Inspection System (VIS) to the VIC within sixty (60) days of placement of Customer's order. Upon delivery of the VIS and completion of all Readiness Requirements as defined herein, Customer will unpackage the VIS and follow the step-by-step setup instructions provided with the VIS, power up the VIS and follow the onscreen instructions to perform a guided orientation of

the VIS. Upon completion, the Customer's VIS will be activated to perform vehicle inspections.

6.4.2 Orders for Additional Equipment Subsequent to VIC's activation in the Program:

Parsons will ship new or Refurbished Equipment within two (2) Business Days of Customer placing an order, unless otherwise stated herein.

6.4.3 Repaired Components Not Covered Under Warranty: Parsons will ship repaired Components within two (2) Business Days of Customer approving Parsons' repair quotation, unless otherwise stated herein.

6.4.4 Replacement Components Provided Under Warranty: Parsons will ship replacement Components to Customer within two (2) Business Days of Customer's request for support, unless otherwise stated herein.

For all orders, Customer will receive an email notification with shipment tracking information upon shipment.

6.5 CUSTOMER VEHICLE INSPECTION SYSTEMS ACCEPTANCE

Vehicle Inspection Systems require Customer's signature upon delivery. If delivered by common carrier, Customer shall inspect the shipment's packaging for visible damage and if applicable, will note the damage on carrier's shipping receipt. Unless properly used for return of a Component to Parsons, removal and disposal of packing materials for VIS or Components are the responsibility of Customer and shall be done in compliance with all municipal, provincial, and federal laws, regulations, and guidelines. It is recommended that Customer keep the Tablet Computer original packaging and/ or opacity meter original shipping container for ease and safety of future shipping of the Tablet Computer and/ or opacity meter for repairs, if required.

6.6 EQUIPMENT WARRANTIES; WARRANTY DURATION

Parsons shall be the only provider of Equipment Repair Services to Customer. Parsons provides all new Equipment and/ or Refurbished Equipment sold hereunder, and any Equipment Repair Services provided at Customer's expense hereunder, with a Repair Services Warranty as described herein at no additional cost to Customer (**Repair Services Warranty** or **Warranty**). Equipment Warranty coverage, terms of coverage, duration of Warranty and related terms and conditions are set out below.

6.6.1 Parsons Warranties: Parsons warrants that the Equipment (including any necessary repaired and/or replacement Components in connection with the Repair Services) delivered hereunder shall conform to Provincial Specifications, descriptions, and other conditions of this Agreement; be free from liens and encumbrances with good title conveyed upon full payment of the purchase price; and be fit and safe for their intended purpose.

6.6.2 Repair Services provided under Warranty: For all Equipment under Warranty, Parsons will repair or replace it as required to return it to Normal Operating Condition as defined

herein at Parsons' expense. All Repair Services Warranties cover manufacturing defects and will be provided in accordance with the terms of this Agreement. Parsons does not provide services onsite at the VIC.

6.6.3 Duration of Warranty Coverage: All new and/ or Refurbished Equipment purchased hereunder, any Equipment Repair Services provided at Customer's expense hereunder, and/ or Replacement Equipment provided under warranty hereunder, qualify for Warranty coverage as follows:

6.6.3.1 **New Tablet Computer:** Parsons will delay the start of Customer's new Tablet Computer Warranty when it is included in Customer's initial Equipment order placed during the Program rollout as follows:

6.6.3.1.1 Initial Equipment Order: Warranty services provided for four (4) years beginning on the earlier of the following dates:

- the first activation/ connection of Customer's Vehicle Inspection System to the DriveON network following receipt of new Tablet Computer by Customer.
- thirty (30) days following receipt of new Tablet Computer by Customer.

6.6.3.1.2 Other Orders: Warranty services provided for four (4) years beginning on the date the new Tablet Computer is received by Customer.

6.6.3.1.3 Tablet Computer Rechargeable Battery: Parsons warrants Rechargeable Tablet Computer Batteries will be free of manufacturing defects as set out below:

6.6.3.1.3.1 Rechargeable Battery in new Tablet Computer: Battery is covered for three (3) years beginning when the Tablet Computer warranty takes effect as set out in this section. If Parsons replaces Customer's battery under Warranty, the remaining balance of the Warranty period on the original Battery will transfer to the Replacement Battery.

6.6.3.1.3.2 Rechargeable Battery in Refurbished Tablet Computer: Battery is covered for six (6) months beginning on the date the refurbished Tablet Computer is received by Customer.

6.6.3.1.3.3 Replacement Tablet Computer Rechargeable Battery purchased by Customer: If Customer's battery is no longer under warranty, Customer must purchase a Replacement Tablet Computer Rechargeable Battery

from Parsons and Parsons will provide a one (1) year Warranty from the date the Replacement Tablet Computer Rechargeable Battery is received by Customer.

6.6.3.1.3.4 For clarity, the above Warranties do not cover the battery capacity decline that happens to all rechargeable batteries over time and with the use of the battery.

6.6.3.2 **Other New Equipment (excluding new Tablet Computer):** Parsons will delay the start of Customer's new Equipment Warranty when it is included in Customer's initial Equipment order placed during the Program rollout as follows:

6.6.3.2.1 Initial Equipment Order: Warranty services provided for two (2) years beginning on the earlier of the following dates:

- the first activation/ connection of Customer's VIS to the DriveON network following receipt of the new VIS by Customer,
- thirty (30) days following receipt of the new VIS by Customer.

6.6.3.2.2 Other Orders: Warranty services provided for two (2) years beginning on the date the new Equipment is received by Customer.

6.6.3.3 **Refurbished Component:** If Customer purchases refurbished Components as defined herein, Warranty services are provided for six (6) months beginning on the date the refurbished Component is received by Customer.

6.6.3.4 **Repaired Equipment:** If Customer's out-of-warranty Equipment is repaired by Parsons at Customer's expense, Parsons provides a six (6) month Warranty on any repaired Equipment, beginning on the date the repaired Equipment is received by Customer.

6.6.3.5 **Replacement Equipment Provided Under Warranty by Parsons:** Should Parsons replace Customer's Equipment under Warranty, the remaining balance of the Warranty period on the original Equipment will transfer to the Replacement Equipment. There shall be no additional warranty on Replacement Equipment.

6.6.4 **Warranty Coverage on Parts Within Larger Components:** Warranties cover repair or replacement of any defective Equipment and/ or any defective Equipment repair provided hereunder, including the cost of labour required to perform the repair or replacement. For clarity, if the defective part being replaced/ repaired is a part within a larger component, this Warranty extends to only the repaired or replaced part and not the entire component.

6.6.5 Unexpired Term: Any unexpired term remaining on any Equipment Warranty will expire upon completion of the base term of this Agreement, May 26, 2028, unless this Agreement is renewed in accordance with Section 3.4, with the Province extending the Provincial Agreement for up to three (3) additional years, in which case the Warranty will extend beyond May 26, 2028 to the earlier of (a) the end of the original Warranty term or (b) the end of the extended term of this Agreement.

6.7 REPAIR SERVICES: ELIGIBLE LEGACY OPACITY METERS

If Customer's Eligible Legacy Opacity Meter requires Repair Service, Customer will be responsible for all costs to repair or replace the legacy opacity meter including but not limited to all related shipping costs. For clarity, Parsons will prepay all required shipments described in this Section 6.7 and for billing and payment purposes Parsons will include shipping fees with its charges to Customer for legacy opacity meter repairs and/ or the purchase of a new opacity meter.

If Customer's Eligible Legacy Opacity Meter requires Repair Service, Customer will contact VIC Technical Support for assistance by telephone, tablet video conference or chat and will participate in troubleshooting procedures, as requested by the Parsons Equipment Technical Support Personnel (**Parsons Technical Support Agent** or **Parsons Agent**). Provided Customer has complied in a timely manner with all of its obligations under this Agreement, Parsons will provide opacity meter Repair Services as set out below:

- 6.7.1 Parsons will provide Customer with remote technical support resolution within one (1) Business Day of receipt of Customer's request for support.
- 6.7.2 If Parsons is unable to resolve the issue remotely, a loaner opacity meter will be shipped to the VIC within two (2) Business Days of receipt of Customer's request for support.
- 6.7.3 Customer will use the packaging provided with the loaner opacity meter to package Customer's opacity meter suitably to ensure it will not be further damaged in transit. If Customer fails to use the packaging provided by Parsons, Customer will pay the cost to repair the opacity meter if it is damaged in transit. Parsons will provide shipping labels for printing by Customer. When the packaged Equipment is ready for shipment, Customer will contact the courier who will pick up the package from the VIC and deliver it to Parsons where Parsons will evaluate it and provide a repair quotation for Customer's approval.
- 6.7.4 If Customer approves the repair quotation, Parsons will complete the repair and ship Customer's opacity meter to the VIC, or
- 6.7.5 if Customer does not approve the repair or if Parsons deems Customer's opacity meter to be unrepairable, Customer will purchase new or Refurbished Equipment. If Customer requests return of Customer's unrepaired opacity meter, Parsons shall return it to Customer and Customer shall pay for shipping.

- 6.7.6 Customer will install and activate any repaired/ replaced opacity meter promptly upon receipt and reuse the packaging material provided to package the loaner opacity meter for return to Parsons.
- 6.7.7 Customer is responsible for the cost to repair the loaner opacity meter if loaner is damaged while in VIC's possession or if Customer fails to use the packaging provided by Parsons to ship the loaner opacity meter back to Parsons and the loaner is damaged in transit. If Customer fails to return the loaner opacity meter as required herein within five (5) Business Days of VIC's receipt of Customer's purchased or repaired opacity meter, Customer will be charged the full price of a new opacity meter for the unreturned loaner opacity meter and all reusable shipping containers.

6.8 REPAIR SERVICES: ALL EQUIPMENT (EXCLUDING ELIGIBLE LEGACY OPACITY METERS)

If Customer's Equipment requires Repair Service (excluding legacy opacity meters which are addressed in Section 6.7 "Repair Services: Eligible Legacy Opacity Meters"), Customer will contact VIC Technical Support for assistance by telephone, tablet video conference or chat and will participate in troubleshooting procedures, as requested by the Parsons Agent. Provided Customer has complied in a timely manner with all of its obligations under this Agreement, Parsons will provide Repair Services as set out in Sections 6.8.1 and 6.8.2 below.

- Repair Services and Related Shipping Costs: All shipments required under this section will be performed by Parsons' designated courier service, unless Customer chooses to drop off or pick up the Equipment at Parsons' facility as described in Section 6.11. Parsons will prepay all required courier shipments, and:
- If Customer's Equipment is covered under Warranty, Parsons will pay all shipping costs.
- If Customer's Equipment is not covered under Warranty, Customer will pay all shipping costs, which will be included with Parsons' charges to repair or replace the Equipment.

6.8.1 Tablet Computers

- 6.8.1.1 Parsons will provide Customer with remote technical support resolution within one (1) Business Day of receipt of Customer's request for support.
- 6.8.1.2 If Parsons is unable to resolve the issue remotely, Parsons will provide shipping labels for printing by Customer. Customer will package the Tablet Computer suitably to ensure it will not be further damaged in transit. When the packaged Tablet Computer is ready for shipment, Customer will contact the courier who will pick up the package from the VIC and deliver it to Parsons.
- 6.8.1.3 If Customer's Tablet Computer is covered under Warranty, Parsons will repair or replace Customer's Tablet Computer as applicable and ship it back to the VIC within two (2) Business Days of receipt of Customer's Tablet Computer at no cost to Customer.
- 6.8.1.4 If Customer's Tablet Computer is not covered under Warranty:

- 6.8.1.4.1 Parsons will evaluate it and provide a repair quotation for Customer's approval. Parsons will repair Customer's Tablet Computer and ship it back to the VIC within two (2) Business Days of receiving Customer's approval to proceed with the repair.
- 6.8.1.4.2 If Customer does not approve Parsons' repair quotation, or if Parsons deems Customer's Tablet Computer to be unrepairable, and Customer requires a replacement Tablet Computer, Customer must purchase a new or refurbished Tablet Computer from Parsons.
- 6.8.1.5 Customer will install and activate Customer's repaired/ replaced Tablet Computer promptly upon receipt and dispose of the packaging material as described in Section 6.5 "Customer Vehicle Inspection System Acceptance".
- 6.8.2 **All Other Equipment** (excludes Tablet Computers, legacy opacity meters and legacy opacity meter accessories):
 - 6.8.2.1 Parsons will provide Customer with remote technical support resolution within one (1) Business Day of receipt of Customer's request for support.
 - 6.8.2.2 If Customer's Equipment is covered under Warranty and Parsons is unable to resolve the issue remotely, Replacement Equipment will be shipped to the VIC within two (2) Business Days of receipt of Customer's request for support.
 - 6.8.2.3 If Customer's Equipment is not covered under Warranty and Parsons is unable to resolve the issue remotely, the Parsons Agent will give the VIC the option of (1) ordering the required Replacement Equipment from Parsons, and/ or (2) if applicable, having Parsons authorize its courier to pick up the Equipment and deliver it to Parsons for Parsons to inspect, repair and return the Equipment to Customer.
 - 6.8.2.3.1 If Customer chooses to order the required Replacement Equipment, Parsons will process the order and ship the Replacement Equipment to Customer within two (2) Business Days of receipt of Customer's request for support.
 - 6.8.2.3.2 If Customer chooses to have Parsons repair the Equipment:
 - 6.8.2.3.2.1 Parsons will initiate a service request and authorize a courier to pick up the Equipment from the VIC.
 - 6.8.2.3.2.2 Parsons will provide shipping labels for printing by Customer and Customer will package the Equipment suitably to ensure it will not be damaged in transit.

- 6.8.2.3.2.3 If Customer is sending an out-of-warranty opacity meter to Parsons for servicing, Parsons recommends shipping the unit in a hard shipping container to prevent the opacity meter from being damaged while in transit. If Customer chooses to ship an opacity meter to Parsons without hard packaging, Customer assumes the risk should the Equipment be damaged in transit.
 - 6.8.2.3.2.4 When the packaged Equipment is ready for shipment, Customer will contact the courier who will pick up the package from the VIC and deliver it to Parsons.
 - 6.8.2.3.2.5 Parsons will evaluate the Equipment and provide a repair quotation for Customer's approval.
 - 6.8.2.3.2.6 Parsons will repair Customer's Equipment and ship it back to the VIC within two (2) Business Days of receiving Customer's approval to proceed with the repair.
 - 6.8.2.3.2.7 If Customer elects not to proceed with the repair, or if Parsons deems Customer's Equipment to be unrepairable, and Customer requires Replacement Equipment, Customer must purchase new or Refurbished Equipment from Parsons.
 - 6.8.2.3.2.8 Parsons will collect any fees due under this section as set out in Section 7.2 Terms of Payment.
- 6.8.2.4 Customer will install and activate Customer's repaired/ replaced Equipment promptly upon receipt and keep, reuse or dispose of the packaging material as described in Section 6.5 "Customer Vehicle Inspection System Acceptance".

6.9 DAILY CUT-OFF TIME

Without exception, all orders for Equipment (purchased or provided under Warranty hereunder), Equipment repairs, and Repair Services response times set out in this Agreement are subject to a 3:00PM (eastern) **Daily Cut-off Time**, after which time any order for Equipment, repair quote authorization and/ or any request for Equipment Repair Service is deemed to have been received the following Business Day.

6.10 EQUIPMENT WARRANTIES: OTHER TERMS AND CONDITIONS

All Equipment warranties are subject to the following additional terms and conditions:

- 6.10.1 When Parsons requires Customer to return a failing Component replaced under Warranty, Parsons will provide shipping labels for printing by Customer and

Customer will ship the faulty Component (at Parsons' expense), suitably packaged per Parsons' instructions, within five (5) Business Days of receiving the replacement for the failing Component. Provided Customer follows such instructions, Parsons is responsible for loss of, or damage to, the Component while in transit. If Customer does not return the failed Component to Parsons as required, Customer shall pay Parsons for the failed Component.

- 6.10.2 If Repair Services under Warranty involve the exchange of a faulty VIS Component, the replacement Component becomes the property of Customer at no additional cost, but the item replaced and returned to Parsons shall no longer be the property of Customer. Customer represents and warrants that all returned VIS Components or other items shall be the same as those delivered to Customer.
- 6.10.3 If Parsons provides a VIS Component under Warranty to replace a failing Component and requires Customer to return the failed Component to Parsons as required hereunder, and such Component is then determined to be in Normal Operating Condition or has been damaged due to accident, misuse or abuse by Customer (as more fully detailed in Section 6.16 "Warranty Service Exclusions"), Parsons will notify Customer of this determination by email, including an outline of the nature of the damage that invalidates the Warranty, accompanied by a picture of the damage. In such instances, Customer agrees to reimburse Parsons for the cost of the replacement Component and the cost of shipping the suspect Component to Parsons. Customer understands that Customer then shall own both the new Component shipped to Customer and the original Component returned to Parsons, which shall be returned to Customer at Customer's expense, unless Customer directs otherwise.
- 6.10.4 If Customer disagrees with the finding by Parsons that Customer has damaged the Component causing the Equipment to be disqualified from Warranty coverage, Customer may initiate the dispute resolution process set out in Section 11.0.

6.11 EQUIPMENT REPAIR/ REPLACEMENT: CUSTOMER DROP OFF/ PICK UP

Before 3:00 PM during business hours Monday to Friday, Customer may drop off and/ or pick up Equipment or Components including opacity meters and loaner opacity meters for repair, replacement and/ or return at Parsons' warehouse/ repair centre located at the address provided on the Program Portal, however Customer will contact VIC Technical Support and complete all required diagnostic procedures before returning any item for repair or replacement. For clarity, Parsons cannot guarantee same day repairs and Customer must contact VIC Technical Support to schedule a time prior to visiting the warehouse/ repair centre.

6.12 EQUIPMENT RECEIVED DAMAGED BY CUSTOMER

If Equipment or part thereof provided under Warranty, or purchased from Parsons by Customer hereunder, is received damaged, inoperable or is otherwise faulty upon receipt, Customer must advise VIC Technical Support by email within ten (10) Business Days of receipt. If Customer

fails to do so, such Equipment or part shall be deemed to have been received by Customer in good working order.

6.13 CUSTOMER FAILS TO ACCEPT DELIVERY OF EQUIPMENT SHIPMENT

Delays in receipt of any Equipment caused by Customer's failure to accept delivery at Customer site during Customer's normal hours of operation will result in a delay in Customer's VIS becoming operational. Under such circumstances, Customer will pay any shipping fees required to redeliver the Equipment.

6.14 REPAIR OR REPLACEMENT

Repair or replacement of a faulty Component that restores a Vehicle Inspection System to operating conditions pursuant to the Specifications (**Normal Operating Condition**) shall constitute fulfillment of all Warranty obligations under this Agreement on the part of Parsons. Replacement Components provided herein may not be new but will be in good working order and functionally equivalent or superior to the item replaced. The Warranties set out in this Agreement are in lieu of all other warranties expressed or implied, including without limitation any Warranty of merchantability or fitness of the services for any particular purpose. Equipment, the DriveON System, and/or Repair Services provided hereunder are otherwise provided "as is — with all faults."

6.15 WARRANTY LIMITATIONS

Parsons warrants that the Repair Services provided under Warranty under this Agreement shall be provided in a commercially reasonable manner and shall include only the repair or replacement (at Parsons' sole discretion) of Components of the Vehicle Inspection System in accordance with the Repair Services descriptions and limitations contained herein, accomplished by dispatch of Components to the VIC for installation by Customer and/ or the repair of the Equipment at Parsons warehouse/ repair centre. Parsons gives no warranties of any kind, express or implied, for any goods or services not supplied by Parsons. Any modifications to a Vehicle Inspection System that are not provided by or approved by Parsons or use of a Vehicle Inspection System for anything other than DriveON, shall void all Warranty obligations.

6.16 WARRANTY SERVICE EXCLUSIONS

Warranty coverage on Equipment is subject to the following exclusions:

Equipment lost, stolen, or damaged by losses, vandalism, fire, water, oil, grease, exposure to excessive heat or cold, chemicals (including but not limited to toluene, benzene and xylene), misuse, accident, abuse, unauthorized modification, unsuitable physical or operating environment, improper installation of Replacement Equipment by Customer; operation outside the designated inspection area, maintenance by an unauthorized party; damage to any VIS Component due to the action or inaction of Customer (including but not limited to damage to an opacity meter or rechargeable battery due to Customer's failure to operate and maintain the Equipment in accordance with the manufacturer and/or Parsons/ MTO instructions and to

maintain the Equipment in good working order at all times); damage to Equipment due to operation of computer tablet battery while in overcharged or undercharged condition; failures caused by a product or utility connection for which Parsons is not responsible; installation of, and paying any charges for, internet and/or telephone services; paper and/or Repair Services for any printer not ordered hereunder from Parsons; Equipment with removed or altered Vehicle Inspection System or Component identification labels including date of manufacture codes; service to any computer tablet or rechargeable battery damaged by Customer's use of a tablet charger not provided by Parsons; service of any Equipment or software alterations not authorized by Parsons including but not limited to any installation by Customer of a feature, device, part, option, alteration, component, consumable, software and/or attachment or the like not provided by Parsons (**tampering**). If Customer's Equipment is deemed unsuitable for Warranty coverage under this section, the Equipment must be restored to Normal Operating Condition at Customer's expense to regain Warranty status. In addition, if Customer is found to have tampered with the Equipment, Customer will pay Parsons' inspection and/or diagnostic fee(s) as applicable, calculated in accordance with Section 7.3.2 "Other Service Fees", for any services required to identify the tampering and/or resolve issues associated with Customer's tampering with Equipment.

6.17 SECURITY

Customer agrees that only the VIC Owner (or delegate) and qualified Inspection Technicians will be allowed to use the Vehicle Inspection System (with the exception of prospective technicians using the Vehicle Inspection System in training mode for the purpose of becoming an Inspection Technician). Customer agrees that Customer is responsible for any and all Vehicle Inspection System and/or DriveON System access and security controls and tools (such as passwords and Wi-Fi access), that such controls and tools will not be shared, will be kept secure, and that Equipment will not be left unattended while an authorized user is logged in. Customer will ensure all Inspection Technicians and other VIC staff are aware of and adhere to these requirements.

If Customer's Vehicle Inspection System is stolen or Customer suspects any unauthorized person has gained access to Customer's Vehicle Inspection System or in the event of any security breach that may impact the DriveON System, Customer will notify VIC Technical Support immediately. Customer will cooperate with Parsons to investigate any security breach if requested by Parsons. Parsons shall have sole discretion to disable or suspend any Customer's account for failure to notify the VIC Technical Support team or if the breach jeopardizes the security of DriveON.

7.0 FEES AND PAYMENTS

Parsons will charge Customer Equipment purchase fees and other fees as described below when applicable. All invoices and related payments will be issued/ processed electronically.

Parsons will not issue or mail paper invoices to Customer. Parsons will add all applicable taxes to its fees, as required.

7.1 METHOD OF PAYMENT

Parsons will accept only preauthorized debit transactions (**PAD**) transactions (electronic bank-to-bank transfers) to pay any and all amounts due to Parsons under this Agreement.

PAD Agreement: To facilitate PAD transactions Customer must complete and e-sign Parsons' online PAD Agreement while logged into Customer's DriveON account. The bank account designated by Customer to be used for PAD transactions must be a chequing account and must be sufficiently funded to ensure that PAD transactions to pay for Vehicle Inspection System purchases and/or other Parsons fees are successfully processed by Customer's bank when submitted. Customer must ensure that the designated chequing account information Parsons has on file is updated as required and must sign a new PAD Agreement if the information changes (for example, if Customer changes banks). Customer agrees to waive any transaction processing waiting period requirements that may be imposed by Parsons' bank or Customer's bank.

7.2 TERMS OF PAYMENT

Parsons will process payment in full upon placement of Customer's order or upon Customer's approval of Parsons' Equipment repair quotation, as applicable.

7.3 OTHER FEES

Customer agrees to pay the following fees (if applicable) in accordance with the terms of this Agreement. Unless otherwise indicated, all such fees will be paid as incurred. Taxes are extra, if applicable.

7.3.1 Equipment Repair and/or Component Replacement: If Customer's Equipment is not covered under a Warranty hereunder, or if covered under Warranty and Section 6.16 "Warranty Service Exclusions" applies, Customer will pay all costs to repair the Equipment including shipping. In such instances, replacement Components are priced in accordance with Section 6.1.6, Table 1 "Equipment and Parts Price List" and repair labour (if required) will be charged as set out in Table 2 in Section 7.3.2 below. Parsons will provide a quotation/ invoice to be approved by Customer prior to Customer incurring any repair charges. Payment is due as set out in Section 7.2 "Terms of Payment".

7.3.2 Other service fees: Any billable service, including but not limited to Equipment inspection and/or diagnostic fees payable under Section 6.16 "Warranty Service Exclusions" (if applicable), provided by Parsons during the term of this Agreement that is not specified in the Agreement shall be charged to Customer on a time and materials basis with Components priced in accordance with Section 6.1.6, Table 1 "Equipment and Parts Price List" and labour charges determined as set out in Table 2 below. In all cases Parsons will provide a repair quotation for Customer's approval prior to Customer incurring any repair charges.

Table 2
Equipment Repair Service Rates – Non-Warranty Repair Services

Parsons will charge Customer at the rates below for any non-warranty Equipment Repair Services that require Parsons technician services applicable under Section 7.3.1 “Equipment Repair and/or Component Replacement”. These rates apply to work performed to diagnose, inspect and/ or repair any VIS Equipment and/or Opacity Meters. Labour hours are rounded up to nearest ½ hour for billing purposes. Labour charges are in addition to any required replacement Components or other parts required to complete the repair.

VIS Equipment (including opacity meters)	Time	Price*
Non-warranty service rate	First Half Hour	\$75.00
Non-warranty service rate	Each Additional Half Hour	\$70.00

* Taxes extra, if applicable

7.4 FAULTY PAYMENTS

If Customer’s PAD payment transaction is not accepted/ successfully processed for any reason (**faulty payment**):

- 7.4.1 Parsons will provide notice by email and/ or phone advising Customer of the faulty payment and how to resolve the issue, and
- If Customer’s order has not been shipped, the order will be placed on hold until Customer’s faulty payment transaction has been remedied; and
 - Customer’s Vehicle Inspection System will be locked out. Parsons will unlock it in accordance with Section 7.4.3.
- 7.4.2 Customer must remedy the cause of the faulty payment and advise Parsons when so done and Parsons will resubmit the payment transaction.
- 7.4.3 Parsons will unlock Customer’s Vehicle Inspection System when satisfied Customer has sufficiently remedied the cause of the faulty payment and any outstanding amounts have been collected.
- 7.4.4 Future Equipment Orders (if applicable): If any Customer PAD payment transaction hereunder is/ was faulty as set out in this section for any reason not attributed to Parsons, Parsons may, at Parsons’ sole discretion in each case, require a four (4) Business Day shipping hold be placed on Customer’s future orders to ensure successful processing of Customer’s payment transaction before shipping Customer’s order.
- 7.4.5 If the faulty payment is not remedied within thirty (30) days of the lockout, Parsons may initiate termination of this Agreement under Section 3.2. In addition, Parsons will, at Parsons’ sole discretion, take any steps deemed necessary to collect all amounts owing, including any legal action necessary to recover these cost/fees

plus any associated penalties, assessments, settlement sums, and attorney, consultant, or expert fees.

7.5 DISPUTED AMOUNTS

If Customer disagrees with an item or amount charged by Parsons, Customer may initiate the dispute resolution process detailed in Section 11.0.

Customer shall not withhold, retain or defer payment of any amount due to Parsons by reason of any dispute, counterclaim, or set off that it may allege against Parsons hereunder. If a dispute arises concerning a PAD payment, invoice or other charge, if Customer does not give Parsons written notice (email) of a dispute within ten (10) days from the date of the invoice and/ or charge, such Invoice or other charge shall be deemed correct, undisputed and binding on Customer.

7.6 TAXES

Pricing set out in this Agreement does not include taxes unless so indicated. Parsons will add all applicable taxes as required to all amounts charged to Customer in connection with this Agreement, including, but not limited to, the Harmonized Sales Tax (HST) or Provincial Sales Tax (PST). If Customer is not required to pay sales tax, Customer must provide an appropriate tax exemption certificate. Sales tax will be shown separately when charged and will be paid by Customer to Parsons.

7.7 VEHICLE INSPECTION SYSTEM LOCKOUTS

7.7.1 Parsons Lockout

Customer acknowledges and agrees that Customer's Vehicle Inspection System may be prevented from performing vehicle inspections (**lockout**) as set out in Section 7.4 "Faulty Payments". Customer agrees that said lockout shall not constitute a breach of this Agreement by Parsons and that Parsons is due any and all amounts payable to Parsons by Customer in accordance with the terms of this Agreement.

Customer will advise Parsons when the situation that caused the lockout has been remedied, upon which Parsons will resubmit Customer's PAD transaction and remove the lockout, subject to the terms of Section 7.4 "Faulty Payments".

7.7.2 Provincial Lockout

Customer acknowledges and agrees that Parsons, upon receiving direction to do so by the Province, may lockout Customer's Vehicle Inspection System if Customer violates the terms of Customer's Performance Contract, Program Directive and/ or the Program SOP, including but not limited to Customer's failure to pay the Province fees due thereunder, or if Customer's fee payment to the Province is faulty. Customer agrees that said lockout shall not constitute a breach of the Agreement by Parsons and that Parsons is due any and all amounts payable to Parsons by Customer in accordance with the terms of this Agreement.

Customer's Vehicle Inspection System will be unlocked in accordance with the terms of Customer's Performance Contract, Program Directive and/ or the Program SOP.

8.0 STICKER PRINTER AND CONSUMABLES

If the VIC is accredited to perform HDV Safety Inspections, Customer must purchase an equipment configuration that includes a sticker printer. All sticker printer ribbons, replacement parts and sticker stock used in the sticker printer must be sourced from Parsons. Parsons will:

- Provide sticker printers for purchase by Customer,
- Provide blank Sticker stock at no cost to Customer. Parsons will ship, at no cost to the Customer, valid Sticker stock fulfilment requests within one (1) Business Day of receipt of the fulfillment request. Parsons reserves the right to review and adjust sticker orders as required to ensure consistency with historical volumes and/or the VIC's current inspection volumes as applicable. Customer will be responsible for paying for replacement Sticker stock and shipping costs if the sticker stock is stolen, lost, damaged or otherwise missing, and
- Provide sticker printer ribbons at no cost to Customer. Parsons will ship, at no cost to the Customer, valid sticker printer ribbon fulfilment requests within two (2) Business Days of receipt of the fulfillment request. Parsons reserves the right to review and adjust printer ribbon orders as required to ensure consistency with historical volumes and/or the VIC's current inspection volumes as applicable. Customer will be responsible for paying for replacement sticker printer ribbons and shipping costs if the sticker printer ribbon is stolen, lost, damaged or otherwise missing.

VIC Ceases Operations: If Customer's VIC ceases to operate in the DriveON Program for any reason, Customer will return any blank sticker stock in Customer's possession to Parsons.

OTHER TERMS AND CONDITIONS

9.0 CUSTOMER OBLIGATIONS

Customer shall: (1) Ensure that sufficient information is given to Parsons in sufficient time to enable the Repair Services to be performed, (2) Operate and maintain all Equipment according to procedures provided by the Equipment manufacturer and/or Parsons, including but not limited to, those pertaining to the Tablet Computer, OneOBD, opacity meters, sticker printers and rechargeable Tablet batteries; (3) Operate and/ or store Tablet Computer(s), sticker printer(s), sticker printer ribbons and blank sticker stock in a secure location that is climate controlled; (4) Cooperate fully with Parsons in all matters relating to the performance and administration of this Agreement; (5) Participate in Equipment troubleshooting procedures as directed by Parsons when requested; (6) Participate in the download and installation of designated VIS software update(s) from the DriveON System, in accordance with instructions provided by Parsons if requested; and (7) Perform all

Customer's requirements under this Agreement in accordance with all applicable federal, provincial, and municipal laws, and regulations including but not limited to the Program SOP and Directive.

10.0 LIMITATIONS ON USE

Customer acknowledges and agrees: (1) Vehicle Inspection System purchased hereunder shall be used exclusively for DriveON-related business and for approved functions associated with DriveON and shall not be used for any other commercial, personal, family, or household purpose; (2) to acquire Vehicle Inspection System only for its own use and not for resale, remarketing, or leasing; (3) the VIS is a CLOSED SYSTEM designed to perform ONLY DriveON functions and is not useful for any other non-DriveON purposes; (4) that Customer shall not attempt to open, reverse engineer, deconstruct, decompile, modify, debug or otherwise tamper with the VIS Tablet hardware, software or firmware or to install or have installed on the tablet any software or hardware not provided by Parsons; (5) that Customer is responsible for ensuring that all Equipment is used only in accordance with the terms and conditions of this Agreement and that all DriveON inspections conducted on Customer's Vehicle Inspection System are performed in accordance with Provincial requirements including but not limited to those included in the Program SOP, Program Directive and/ or Customer's Performance Contract.

11.0 DISPUTE RESOLUTION

Should Customer have a complaint relating to the services provided hereunder by Parsons, such as a disagreement pertaining to Parsons' provision of Equipment and/or Warranty services hereunder, an amount charged by Parsons to Customer, or the interpretation of the terms of this Agreement (**dispute**), the parties agree to the following process:

- 11.1 Customer will contact VIC Technical Support by phone, email or web ticket and advise Parsons of the nature of the dispute,
- 11.2 Open a ticket to create a record of the dispute,
- 11.3 Parsons will contact Customer within three (3) Business Days of logging the ticket,
- 11.4 Both Parsons and Customer will make a good faith effort to mutually resolve the dispute as quickly as practicable, however if the dispute has not been resolved within two (2) Business Days of Parsons contacting Customer the matter will be escalated by Parsons to the Ministry,
- 11.5 Parsons will add all Customer initiated dispute data received to the dispute ticket file for Ministry review,
- 11.6 The Ministry will review the information provided in the System and may contact Customer and/ or Parsons to request additional information, seek clarification, and/ or ask additional questions as required to ensure the Ministry has all the information required to arbitrate the dispute,

- 11.7 The Ministry will convey its decision to the parties in writing within ten (10) Business Days, and
- 11.8 The parties agree that the decision of the Ministry will be final and binding on both parties.

12.0 LIMITATION OF LIABILITY; INDEMNIFICATION OF PARSONS BY USER

Neither party is responsible to the other for failure to fulfill any obligation under this Agreement due to a cause(s) beyond the non-performing party's control (a **"Force Majeure" event**) as defined herein.

Parsons is not liable to Customer for any event of delayed performance, or complete or partial non-performance, resulting directly or indirectly from Customer's failure to comply with any of its obligations hereunder. Parsons does not warrant uninterrupted or error-free operation of the DriveON System, Vehicle Inspection System or of any other product or Services hereunder or that Parsons will correct all defects. The liability of Parsons in respect of any claim whatsoever (including, without limitation, claims based on breach of Warranty, breach of contract, negligence or strict liability in tort) for loss, damage or expense of any nature and howsoever arising hereunder shall in no circumstances exceed a total aggregate sum equal to the amount paid hereunder by Customer for the twelve (12) months prior to the date of the claim. Parsons shall have no liability for any indirect, incidental or consequential damages or loss (including, without limitation, loss of profits, loss of use, and loss of goodwill, economic or special damages).

In the event of any claim, Customer will provide Parsons with written notice of the facts alleged to justify such claim within thirty (30) days of their discovery by Customer. Parsons shall not be liable for any claim for loss, damage or expense unless suit is brought within two (2) years from the date of performance by Parsons of the Service which gives rise to the claim.

Parsons does not assume any of Customer's risks associated with Customer's participation in DriveON or Customer's use of the DriveON System and/or Vehicle Inspection System, nor does it provide any form of insurance or guarantee to Customer in this regard. To protect itself against damage or loss, Customer should consult their insurance provider.

Customer shall hold harmless and indemnify Parsons and its directors, officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature arising from the actions or inactions of the Province and/or Customer and any of their respective personnel, Inspection Technicians, operators, agents, representatives and/or subcontractors, including all legal expenses and related costs, howsoever arising. Such claims may include, but are not limited to, any personal or bodily injury to, or death of, any person, including the Province (and its officers, directors, employees, and agents) and any member of the public, caused by or resulting from Customer's performance or non-performance under this Agreement or Customer's operation of the VIC.

13.0 CONFIDENTIAL PROGRAM INFORMATION; INDEMNIFICATION

Confidential Program Information includes any and all information provided or otherwise disclosed to Customer by, or on behalf of, Parsons in any form or otherwise collected by Customer in any manner as a result of Customer's participation in DriveON, including, but not limited to, motorist information, DriveON inspection procedures, and/ or the results of DriveON inspections. For clarity, confidential Program information includes, but is not limited to, any and all personally identifiable information of the public. Customer shall maintain in strict confidence, and shall not disclose to any third party, any confidential Program information observed by or disclosed to it pursuant to this Agreement. Customer shall safeguard the confidential and proprietary nature of the confidential Program information with at least the same degree of care as it holds its own confidential or proprietary information of like kind, which shall be no less than a reasonable degree of care.

Indemnification: Customer acknowledges and agrees that any and all confidential Program information provided or disclosed by Parsons in any form, or otherwise collected by Customer in the process of performing DriveON inspections and/or related vehicle repairs (if applicable) is the sole and exclusive property of the Province and is to be used solely for the purpose of enabling Customer's participation in DriveON. Customer agrees that all confidential Program information will be used solely for such purposes and will not otherwise disclosed. Customer will ensure that all of Customer's employees involved in providing DriveON services are aware of, and abide by, this requirement. Customer hereby agrees to indemnify and save harmless the Province and Parsons and its officers, directors, employees, and agents from and against any claim, demand, damage, loss, expense (including all costs incurred as a result of), or cause of action of any nature resulting from or relating to Customer's failure to maintain the confidentiality of confidential Program information.

The provisions of this Section 13.0 shall survive the termination or expiration of this Agreement for a period of 10 years.

14.0 PRIVACY POLICY FOR CAMERAS

Customer will follow all Program SOP, Program Directive and/ or Performance Contract requirements concerning the use of cameras and recorded images and videos, including but not limited to, the authorized uses of cameras in the Program and the posting of the required of the sign(s) provided by the Province to alert the VIC's customers of their presence. Customer will ensure only certified Inspection Technicians access the Vehicle Inspection System and that all such personnel are aware of and adhere to the Program SOP, Program Directive and/ or Performance Contract requirements.

15.0 INTELLECTUAL PROPERTY

Customer acknowledges and agrees that Parsons is the licensor of the rights to the Intellectual Property relating to the VIS software (**Parsons Property**). Parsons hereby grants to Customer a non-assignable, non-transferable, nonexclusive right to use Parsons Property supplied to it solely to the extent necessary to enable Customer to use the

Vehicle Inspection System and participate in DriveON during the term of this Agreement. Customer's licence shall automatically terminate upon termination or expiration of this Agreement or may be terminated immediately by Parsons in the event of Customer breach. Customer shall not acquire any other right, title, or interest in or to the Parsons Property. Customer acknowledges and agrees that it will not: (a) copy, backup, or reproduce the VIS Software, or make or permit additional installations of the VIS Software for any purpose; (b) merge the VIS Software with any other software; (c) translate, adapt, vary, or modify the VIS Software; (d) copy or reproduce the VIS Software or any of the provided materials for any purpose; (e) assign this Agreement or transfer, loan, share, lease, rent, export, sell, grant a sublicense to any other party, assign, distribute, publish, charge, pledge, encumber, commercially exploit, or otherwise deal with the VIS Software, or have any software written or developed that is based on or derived from the VIS Software, unless expressly authorized by the Licensor in writing; (f) reverse engineer, decompile or disassemble the VIS Software, or otherwise attempt to derive the source code of the VIS Software; (g) use the VIS Software except as authorized herein; (h) remove any proprietary notices, labels or marks from the VIS Software; and/or (i) permit third parties to use the VIS Software in any way that would constitute a breach of this Agreement.

16.0 PUBLICITY

Customer agrees not to use or publicize the name (including trademark or logo), or identify as a supplier, Parsons, its subcontractors, suppliers or vendors in any advertising or promotion without Parsons's prior written consent in each instance.

17.0 CUSTOMER INFORMATION

Customer will provide and maintain as current all Customer/VIC information required under this Agreement and stored on the DriveON System including, but not limited to, VIC address, Customer's billing address, bank information, site contact and billing contact information. Changes to Customer/ VIC information can only be made by Customer's authorized representative(s) while logged into their DriveON account.

Customer agrees to allow Parsons (including its agents, representatives, suppliers, and subcontractors) to securely store Customer/VIC contact information, such as names, phone numbers, bank account information and email addresses and to use such information solely as it relates to this Agreement or under any other agreement with Parsons or for purposes of DriveON, or to communicate with Customer as required regarding the Vehicle Inspection System and/or DriveON.

18.0 NOTICES

Any notice required to be given hereunder shall be in writing and shall be deemed to have been sufficiently given if provided by email or facsimile. Recipient shall provide acknowledgement of receipt if requested by sender. If delivered to Customer, the notice shall be sent to the attention of Customer at the email address (or facsimile number) set out in the Customer contact information stored in the DriveON System and maintained by Customer. If delivered to Parsons, the notice shall be sent to the attention of Program

Manager at the email address (or facsimile number) set out by Parsons on the Program Portal.

19.0 GOVERNING LAW

A. The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario applicable therein without regard to the principles of conflicts of law.

B. All actions and proceedings under this Agreement not covered by Section 11.0 Dispute Resolution shall be brought exclusively in the Ontario courts located in the Greater Toronto area. The parties hereby waive (i) any objection that it may have at any time to the venue of the proceedings in any such court, (ii) any claim that such proceedings have been brought in an inconvenient forum, and (iii) the right to object, with respect to such proceedings, that such court does not have any jurisdiction over such party.

20.0 ASSIGNMENT

Customer shall not assign any of its rights, nor shall it delegate or subcontract any of its duties and obligations under this Agreement without the prior written consent of Parsons, which may be withheld at its discretion.

21.0 FORCE MAJEURE

Neither party shall be liable for any failure to perform or any delays in performance, and shall be deemed not to be in breach or default of its obligations set forth in this Agreement, if, to the extent and for so long as such failure or delay is due to any causes that are beyond its reasonable control including, without limitation, such causes as intervening act of God or public enemy, war, terrorism, blockade, civil commotion, fire, flood, tidal wave, earthquake, epidemic, pandemic, quarantine restriction, a stop-work order or injunction issued by a court or public authority having jurisdiction, governmental embargo, work stoppages due to labor disputes, cable cuts, acts of the local telephone exchange company or Customer's internet service provider, courier service delays, or acts of any other third party not under the parties' reasonable control, all or any of which delays the performance of any obligation created by this Agreement beyond its scheduled time (**Force Majeure Event**). If Parsons is unable to perform all or part of the services for any cause whatsoever outside Parsons's control, including a Force Majeure Event, or if Customer fails to comply with any of its obligations hereunder, Parsons shall nevertheless be entitled to payment for all services rendered and other fees incurred hereunder.

22.0 SEVERABILITY

If and solely to the extent that any court or tribunal of competent jurisdiction holds any provision of this Agreement to be unenforceable in a final non-appealable order, such unenforceable provision shall be stricken, and the remainder of this Agreement shall not be affected thereby. In such event, the parties shall in good faith attempt to replace any unenforceable provision of this Agreement with a provision that is enforceable and that comes as close as possible to expressing the intention of the original provision.

23.0 ENTIRE AGREEMENT

This Agreement, including all of terms and conditions contained herein, together with its Appendices and any attachments and amendments hereto, constitutes the entire agreement with respect to its subject matter and merges and supersedes all prior discussions and writings with respect to thereto. There are no warranties, representations or understandings made in connection with this Agreement or contemporaneous with the execution hereof, except as set forth in this Agreement.

No modification or alteration of this Agreement or any Appendices or attachments hereto shall be binding upon the parties unless contained in a writing signed by a duly authorized agent for each respective party and specifically referring hereto or thereto.

Execution of Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date Customer's online DriveON Enrollment Application is approved and this Agreement has been signed by both parties (**Effective Date**). The parties acknowledge and agree that this Agreement will be signed electronically, and that said electronic signatures will be equally binding and have the same effect as if the Agreement had been signed by hand.

FOR CUSTOMER:

Legal Name of Business	<input type="checkbox"/> Corporation
	<input type="checkbox"/> Sole Proprietor
Registered Business Name (<i>DBA Name</i>)	
Street Address	
Town/ City/ Province	Postal Code
Mailing Address Same as above <input type="checkbox"/>	
Town/ City/ Province	Postal Code
Telephone Number	Fax Number
Email Address	

Electronic Signature - Customer

Name of Person Electronically Signing this Agreement

Title of Person Electronically Signing this Agreement

The person named above must have the authority to bind Customer

- By clicking on this box, I confirm that I have the authority to bind Customer.
- By clicking on this box, I confirm that I have read this Agreement, understand and accept its terms and conditions and that I am signing the Agreement on behalf of Customer.

Electronic Signature - Parsons Inc.

By: _____

Name: _____

Authorized Representative

Appendix 1 Definitions

As used in this Agreement, the following terms shall have the meanings set forth below.

Accreditation: means the series of tasks an applicant must complete prior to entering a Performance Contract with the Province to become a Vehicle Inspection Centre; “Accredited” shall have a corresponding meaning.

AIC: means **Annual Inspection Certificate** which is the Certificate issued to a truck or trailer that passes a Safety Inspection and Emissions Inspection (if required on diesel).

Business Day: means any working day, Monday to Friday inclusive, but excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day which the Province has elected to be closed for business.

Components: means the individual parts of a Vehicle Inspection System, for example the Tablet Computer.

Customer: see “Vehicle Inspection Centre Owner”.

Daily Cut-off Time: means 3:00PM eastern time, the time after which any order for Equipment, repair quote authorization and/ or any request for Equipment service is deemed to have been received the following Business Day.

DriveON Program, DriveON or Program: means Ontario's integrated vehicle safety and emissions inspection program, including any changes made to the Program from time to time.

DriveON System or System: means the technology solution required to operate and support the DriveON Program.

Eligible Legacy Opacity Meter: means a Dieseltune DX270 opacity meter utilized by an emissions station participating in the Province's legacy MECP Ontario Heavy Duty Emissions Testing Program as described in Section 6.1.1.

Eligible Legacy Opacity Meter Accessories: means accessory equipment used with a Dieseltune DX270 or DX240 opacity meter by an emissions station participating in the Province's legacy MECP Ontario Heavy Duty Emissions Testing Program and that is eligible to be transitioned into the Program as detailed in Section 6.1.1 (DX270 accessories) and Section 6.1.2 (DX240 accessories).

Emissions Inspection is outlined in the Directive, Schedule 1 and pertains to the Opacity Test and/or OBD Test required for Commercial Heavy Diesel Vehicles.

Enrollment Application: means an online application and supporting documentation submitted by Customer, the approval of which will enable Customer's participation in the DriveON Program. Details are provided on the Program portal.

Equipment: means a Vehicle Inspection System or Components that are part of a Vehicle Inspection System.

Expiry Date: means May 26, 2028, or if the original term is extended, the final date of the extended term.

Inspection means a Safety Inspection of a vehicle by a Technician operating from an accredited Vehicle Inspection Centre using National Safety Code Standard 11, Part B and modifications to NSC11B specified in the Directive, Schedule 2 as the prescribed standards to issue AICs with Stickers, SAICs with Stickers, and SSCs for HDVs; or pursuant to the Directive, Schedule 3 to issue SSCs for LDVs; or pursuant to the Directive, Schedule 4 to issue SSCs for Motorcycles.

Inspection Technician: for definition, refer to the Program Directive.

Intellectual Property: means any intellectual, industrial or other proprietary right of any type in any form protected or protectable under the laws of Canada, any foreign country, or any political subdivision of any country, including, without limitation, any intellectual, industrial or proprietary rights protected or protectable by legislation, by common law or at equity.

Invoice: means an electronic receipt provided by Parsons upon Customer placing/ paying for an order, listing the equipment or services purchased and price paid.

Ministry, MTO or the Province: means His Majesty the King in right of Ontario, as represented by the Minister of Transportation, their agents or service delivery successors.

Normal Operating Condition: means Equipment that functions in accordance with the Provincially approved specifications of the physical, operational, and performance features of Vehicle Inspection System.

On-Board Diagnostic or OBD: means a computer-controlled vehicle information system for monitoring selected parameters within the vehicle electronic engine management and emissions control systems to detect their deterioration and/or failure and store an appropriate Diagnostic Trouble Code (DTC) for later retrieval and illuminate the instrument cluster mounted malfunction indicator lamp (MIL) to alert the driver of system deterioration or failure.

OneConnect: see “Opacity Meter Wireless Communications Device”

OneOBD: A device capable of communicating with a vehicle through a gateway or directly on the vehicle BUS as it is defined by SAE J1979 or SAE J1939.

Opacity Meter Wireless Communications Device or OneConnect: A wireless transmitter interface device required to equip opacity meters for wireless operation for use in DriveON.

PAD Agreement: means an online agreement signed VIC owner/ delegate to authorize PAD transactions (bank-to-bank transfers) to pay amounts due to Parsons under this Agreement.

Parsons Technical Support Agent or Parsons Agent: means Parsons personnel who interact with Vehicle Inspections Centres and the Ministry, in person, by telephone, by chat, or by email as a technical representative of the Program.

Performance Contract: means the contract between the Province and the Vehicle Inspection Centre, which details the respective obligations of the two parties in performing Inspection services.

Person or person: any natural person, entity, corporation, general partnership, limited partnership, proprietorship, other business organization, trust, union, association or governmental authority.

Personal Information: means recorded information about an identifiable individual or that may identify an individual.

Preauthorized Debit or **PAD**: means a pre-authorized bank to bank transfer used to remit amounts due from one party to the other under this Agreement.

Program: see “DriveON Program”.

Program Directive: means the document authored by the Ministry pursuant to Section 100.7 of the Highway Traffic Act that specifies the Inspection procedures and equipment and performance standards for issuance of safety standards certificates, annual/semi-annual inspection certificates with stickers and emissions inspection certificates.

Program Portal or **portal**: the online gateway used to access the DriveON System and services.

Program Standard Operating Procedures or **Program SOP**: means the document authored by the Ministry that specifies the rules that must be followed by Vehicle Inspection Centres and Technicians when conducting DriveON Inspections.

Provincial Specifications: see “Specification(s)”.

Readiness Requirements: means prerequisites Customer must complete to prepare for activation of Vehicle Inspection System as described on the Program portal.

Refurbished Equipment: means VIS hardware, Components or parts that has been previously used and repaired by the hardware manufacturer or Parsons.

Repair Services: means the Equipment repair services provided by Parsons under the terms and conditions set out in this Agreement. Repair Services are free of charge to Customer when their Equipment is covered under a Warranty; Customer pays for Repair Services provided hereunder for Equipment that is not covered under a Warranty.

Repair Services Warranty: see “Warranty”.

Replacement Equipment: means new or refurbished VIS hardware, Components or parts.

Ruggedized Tablet Computer or **Tablet Computer**: means a ruggedized mobile device equipped to Provincial Specifications as defined herein.

SSC: means **Safety Standard Certificate** which is the Certificate issued to a vehicle that has completed a Safety Inspection, and where applicable, an Emissions Inspection, in accordance with the inspection standards in the Directive and meets the required equipment and performance standards with a pass result that certifies it is fit to be plated for on road use.

SAE: means the “Society of Automotive Engineers”.

SAIC: means **Semi-Annual Inspection Certificate** which is the Certificate issued to buses, Accessible Vehicles, School Purposes Vehicles and U10 Vehicles that pass a Safety Inspection and Emissions Inspection (if required on diesel). SAICs are not required for personal use buses with a GVWR of 4500 kg or less.

Specification(s), specification, Equipment Specification, or Provincial Specification(s): means documentation approved by the Province that describes all aspects of the vehicle Inspection Equipment hardware and software functionality, including the physical, operational, and performance features of Vehicle Inspection System and the DriveON System.

Sticker: means a vehicle specific decal that is generated by the Vehicle Inspection System application and specialized sticker printer that will be applied to the vehicle that was Inspected and passed the Safety Inspection.

Tablet Computer: see “Ruggedized Tablet Computer”.

Term: means the period of time from the Effective Date up to and including the earlier of: (i) the Expiry Date or (ii) the date of termination of the Contract in accordance with its terms.

Vehicle Inspection Centre or VIC: means a facility accredited by the Ministry to perform DriveON Inspections in accordance with the terms of their Performance Contract.

Vehicle Inspection Report or VIR: means the document issued by a Vehicle Inspection Centre following a vehicle Inspection that contains the vehicle emissions and/or safety equipment and performance standards information collected on the date the document was issued.

Vehicle Inspection Centre Owner, VIC Owner, Customer or Owner means the owner of the Vehicle Inspection Centre and/or a delegate appointed by the owner to act on the owner’s behalf with sufficient authority to bind the owner in matters pertaining to this Agreement.

Vehicle Inspection System or VIS: means a Ministry approved inspection hardware and software configuration that meets Program Specifications to inspect vehicles.

VIS: see “Vehicle Inspection System”.

Warranty: means a warranty provided to Customer free of charge with the purchase of new Equipment or Refurbished Equipment and/ or on Equipment repaired by Parsons at Customer’s expense hereunder.

The definitions in this Appendix 1 shall apply equally to both the singular and plural forms of the terms defined. As used in this Agreement, (1) the words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation”; (2) the words “hereof,” “herein,” “hereby” and derivatives or similar words refer to this entire Agreement; (3) all references to Sections shall be deemed references to sections of this Agreement, and all references to Appendices shall be deemed references to Appendices to this Agreement, unless the context shall otherwise require; and (iv) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless otherwise specified.

--- End of Appendix 1---

Appendix 2

Retirement, Transfer or Sale of VIS Equipment

Customer may retire a Vehicle Inspection System purchased hereunder from DriveON service or sell or otherwise transfer said VIS to another Person; however, all such retirements, transfers or sales must be coordinated through Parsons. Customer must complete and submit an Equipment Withdrawal Form available on the Program Portal before attempting to sell, transfer or retire Equipment.

- 1.0 General terms and conditions: retirement, transfer, or sale of Equipment:
 - 1.1 If Customer retires from service, sells or otherwise transfers Equipment, this Agreement and the services provided hereunder are not transferable but shall remain in force for the remaining Vehicle Inspection System(s) situated at Customer's VIC. If the VIC has no remaining Vehicle Inspection System(s), this Agreement shall terminate in accordance with Section 3.5 "Term of Agreement",
 - 1.2 Prior to any retirement, transfer or sale, Customer will perform a data file refresh to upload all offline inspections performed that have not been uploaded from the Vehicle Inspection System to the DriveON System.
 - 1.3 If Customer's Tablet Computer(s) will be no longer used in in the Program for any reason, Customer will allow Parsons (at Parsons' sole discretion) to remove and/ or disable any or all Program related software. Customer consents to allow, and will cooperate as needed to facilitate, Parsons performing this task remotely, if so requested.
- 2.0 Transfer or Sale of Vehicle Inspection Systems:
 - 2.1 Customer may transfer Equipment to another facility owned by Customer. As all Vehicle Inspection Systems are linked to a specific inspection facility in the DriveON System, Customer must coordinate any such transfer through Parsons.
 - 2.2 Customer may sell Equipment to another DriveON participant for continued use in the Program, subject to the following terms and conditions:
 - 2.2.1 The purchaser/ recipient of Equipment (**Transferee**) is (or will be) a DriveON-accredited Vehicle Inspection Centre with DriveON agreements in place with Parsons and the Province,
 - 2.2.2 The Equipment must have been purchased from Parsons during DriveON by a DriveON participant or be an Eligible Legacy Opacity Meter transitioned into the Program by a legacy emissions station,
 - 2.2.3 Equipment warranties are not transferrable,
 - 2.2.4 Transferee assumes all risk associated with its purchase transaction with the Equipment seller.

--- End of Appendix 2 ---

--- End of EPMA ---

Pre-Authorized Debit (PAD) Agreement
 between Customer as Payor and
 Parsons Inc. (**Parsons**) as Payee

1. Customer Information

Legal Name of Business Entity:	
Business Number:	
Street Address:	
City / Municipality:	Postal Code:
Email:	
Telephone Number:	

2. Customer Financial Institution and Account Information

Name:	
Address:	
Postal Code:	
Phone Number:	
Transit Number:	
Institution No.	
Account Number:	

3. Pre-Authorized Debit (PAD) Terms and Conditions

1. Scope

Customer acknowledges that this Authorization is provided for the benefit of Parsons and Customer's Financial Institution and is provided in consideration of Customer's Financial Institution agreeing to process debits against the Customer's account as indicated in accordance with the rules of the Canadian Payments Association (CPA). [Our Systems & Rules | Payments Canada](http://www.payments.ca/our-systems-rules) at www.payments.ca/our-systems-rules.

2. Validity of Authority

Customer warrants and guarantees to Parsons that all persons whose signatures are required to sign on this account have authorized this agreement and such authorization is in a form that constitutes proper authority for Customer's Financial

Institution to debit Customer's account.

3. Authority to Debit Account and PAD Purpose

Customer and Parsons have entered into an Equipment Purchase and Maintenance Agreement (**EPMA**) to facilitate Customer's participation in the Ontario Ministry of Transportation Integrated Vehicle Safety and Emissions Inspection Program (**IVSEIP**). Customer hereby authorizes Parsons to draw on Customer's account with Customer's Financial Institution specified above for the purpose of collecting amounts due to Parsons under the EPMA as follows:

Customer agrees to pay Parsons for IVSEIP equipment, equipment repairs and/ or other products or services purchased by Customer or otherwise incurred in accordance with Customer's EPMA. All amounts payable under the EPMA are due upon placement of Customer's order, upon Customer approval of Parsons' repair quotation and/or as set forth in the EPMA, as applicable.

Customer acknowledges that the PADs authorized under this Agreement are Business PADs.

4. Nature, Amount and Timing of PAD

The amounts of the PADs made under this Agreement may be variable and the PADs will be debited as charges are incurred. The amount debited will be determined as follows:

- the price of IVSEIP equipment and/ or other products purchased, and/ or repairs performed, priced as established in the EPMA and set out in an invoice or approved repair quotation; plus,
- any outstanding amounts owing to Parsons that have yet to be collected.

5. Changes to Agreement/ Cancellation of Agreement

Customer may make changes to the account information in this Agreement by changing their information in the Program Inspection Centre Administration Application (**ICAA**) on the Portal, thereby creating a new PAD Agreement with the updated account information for signature (electronically) by Customer. The new Agreement will be effective on the next PAD file creation following the change in information.

Customer may cancel this Agreement at any time by delivering written notice to Parsons. The cancellation of the Agreement will be effective within 5 business days of such delivery. The cancellation of this Agreement will cancel all existing pre-arranged PAD payment schedules and will also initiate a lockout on the Inspection Equipment, which will prevent Customer from providing Inspections. This PAD Agreement applies only to the method of payment and does not otherwise have any bearing on the payment obligations of Customer to Parsons. To obtain a sample cancellation form, or for more information on the right to cancel a PAD Agreement, contact your financial institution or visit www.payments.ca.

6. Acceptance of Delivery of Authorization

Customer acknowledges that providing and delivering this agreement to Parsons constitutes delivery by it to Customer's Financial Institution. Any delivery of this authorization to Parsons constitutes delivery by Customer.

7. Waiver of Pre-notification

Customer understands that no pre-notification shall be required prior to a PAD being exchanged or cleared and Customer hereby expressly agrees to waive any requirement for pre-notification.

Customer authorizes and instructs Parsons to represent, without pre-notification, a dishonoured PAD transaction.

8. Validation by Processing Institution

Customer acknowledges that the Processing Financial Institution is not required to verify that a PAD has been issued in accordance with the particulars of Customer's PAD Agreement including, but not limited to, the amount.

Customer acknowledges that the Processing Financial Institution is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by Parsons as a condition to honouring a PAD issued or caused to be issued by Parsons on Customer's account.

9. Recourse Statement

Customer has certain recourse rights if any debit does not comply with this PAD agreement. For example, Customer has the right to receive reimbursement for any PAD that is not authorized or is not consistent with the terms of the PAD Agreement. To obtain more information on recourse rights, Customers may contact their financial institution or visit www.payments.ca.

A PAD may be disputed by Customer under the following conditions:

- (i) the PAD was not drawn in accordance with Customer's PAD Agreement;
or
- (ii) Customer's PAD Agreement was revoked or cancelled.

In order to be reimbursed, Customer acknowledges that a declaration to the effect that either (i) or (ii) took place must be completed and presented to the above indicated branch of Customer's Financial Institution holding Customer's account up to and including ten (10) business days, after the date on which the debit in dispute was posted to Customer's account.

Customer acknowledges that a claim on the basis that Customer's PAD Agreement was revoked or cancelled, or for any other reason, is a matter to be resolved solely between Parsons and Customer when disputing any PAD after ten (10) business days.

10. Disclosure of Information Consent

Customer consents to the disclosure of any personal information that may be contained on this PAD Agreement to the Financial Institution at which Parsons maintains its account to be credited with the PADs as far as any such disclosure of personal information is directly related to and necessary for the proper application of Rule H1 of the CPA at www.payments.ca/sites/default/files/h1eng.pdf.

11. Customer Acceptance

Customer acknowledges that it has read, understands, and accepts the terms and conditions of this Agreement.

12. Parsons Contact Information

Customer may contact Parsons regarding this PAD Agreement or any PAD transaction processed hereunder as follows:

Vehicle Inspection Centre Technical Support
Parsons Inc.
625 Cochrane Drive, Suite 300,
Markham, Ontario L3R 9R9
Email: Available on the Program Portal
Phone: 1-833-420-2110

4. Acknowledgment

Customer acknowledges and agrees that its execution of this PAD Agreement shall give effect to each deposit of funds as if Customer had provided original authorized signatures in respect of each such deposit.

EXECUTED on behalf of Customer at _____ on the _____ day of
(City/Town)

_____, _____
(Month)

Print Name

Owner _____
Title

I have authority to bind Customer.

By checking on this box, I confirm that I have Authority to bind Customer.

By checking on this box, I confirm that I have read this Agreement and that I am signing this Agreement on behalf of Customer.