
SCHEDULE 15-4**REGULATORY STANDARDS****1. General Requirements**

- (a) Project Co acknowledges that the City has the authority under the Delegation Agreement to regulate any matters covered by Parts III and IV of the Canada Transportation Act (CTA) and by the Railway Safety Act (RSA) relating to the design, construction, operation, maintenance, safety and security, as well as the rates and conditions of service of the System.
- (b) As a component of the Project Scope, Project Co shall assist the City in the development of the OLRT Regulations and the supporting policies, procedure manuals, guidelines, and related administrative documentation required to facilitate the timely and efficient adoption of the OLRT Regulations by the City, including the related administrative and enforcement procedures and policies (collectively the “Support Documentation”).
- (c) Project Co, in consultation with the City, shall investigate and consider appropriate regulatory standards and supporting documentation for the System having regard to its technical features and operating environment. The City, as the regulating body under the Delegation Agreement, will have final approval of the OLRT Regulations and Support Documentation before any or all of it is adopted.
- (d) Project Co acknowledges that the OLRT Regulations will become part of the definition of Applicable Laws in this Project Agreement when adopted by the City.
- (e) Project Co and the City acknowledge that the OLRT Regulations and Support Documentation may not be required to support or facilitate all aspects of, or all activities comprising, the Work, the Maintenance Services or the System. The appropriate scope, detail and timetable for adoption of the OLRT Regulations over time shall be based on the City’s intention to regulate the design, construction, operation, maintenance, safety and security of the System in a prudent and timely manner generally consistent with other regulatory authorities of municipal light rail transit systems in Canada and elsewhere, having regard to; the Delegation Agreement; the design, technical features and anticipated operating conditions of the System; and the safety and security of the public.

2. Scope of Service

- (a) The OLRT Regulations and Support Documentation will be comprehensive in nature, consistent with the requirements of the Delegation Agreement and this

Project Agreement, and based on generally recognized and/or adopted codes, standards, practices, design references, safety and security principles and guidelines for other light rail transit systems operating in comparable conditions to those contemplated for the System.

- (b) The OLRT Regulations and Support Documentation will include, at a minimum, the following elements:
 - (i) Safety Management System (SMS);
 - (ii) Security Management System (SeMS);
 - (iii) Threat and Vulnerability Assessment System(TVA);
 - (iv) Standard Operating Procedures (SOP);
 - (v) LRT Operating Rules and Procedures; and
 - (vi) Monitoring and Enforcement Procedures and/or Manuals
- (c) Project Co shall ensure that individuals with appropriate competencies and demonstrated experience undertake the development and completion of the elements of work listed in this Section 2.0.
- (d) Project Co shall submit for approval by the City the draft OLRT Regulations and Support Documentation or portions thereof, including the elements listed in Section 2.0(b), on a schedule and timetable that is aligned to the Works Schedule and which is developed by Project Co in consultation with the City (“**Regulations Timetable**”).
- (e) Subject to Section **Error! Reference source not found.**, Project Co shall work with the City in a cooperative and collaborative manner in the ongoing development of the OLRT Regulations and Support Documentation, including the elements in Section 2(b) throughout the Maintenance Term, including the identification and adoption of such changes as the City may, in its discretion, but with the input of Project Co, deem advisable.
- (f) With respect to the Stage 2 System, the City acknowledges that Project Co’s obligation in Section 2(e) above shall be limited to such input as can reasonably be expected from Project Co in its capacity as the provider of the Maintenance Services to the Stage 2 System.

3. Timing and Protocol for Approval

- (a) Project Co shall develop the OLRT Regulations and Support Documentation and submit the same to the City for approval according to the Regulations Timetable and according to the following process:

Submission Requirements and Timing

- (i) from time to time during the Construction Period, Project Co shall submit for timely approval by the City the OLRT Regulations and related Support Documentation that may be appropriate to support the commencement and completion of scheduled work packages, programs or delineated work or service activities;
- (ii) all other proposed OLRT Regulations and related Support Documentation that are planned or scheduled to be adopted prior to the commencement of transit services on the Stage 1 System shall be submitted by Project Co for approval by the City in a manner consistent with the Regulations Timetable and in any event no later than 90 days prior to the Revenue Service Availability Date;
- (iii) modified or supplemental OLRT Regulations and related Support Documentation that may be proposed for adoption following the commencement of transit services on the System, shall be submitted by Project Co to the City for approval no later than 60 days prior to the required or recommended implementation date; and
- (iv) all submissions shall be in writing setting out the full text of the proposed OLRT Regulation and related Support Documentation together with a brief explanatory note setting out the reason or purpose for the proposed regulation;

City Response and Timing

- (v) the City shall initially respond to each proposed OLRT Regulation and related Support Documentation submission within 14 Business Days of receipt of Project Co's written submission confirming either its approval or rejection (with reasons) of the proposed OLRT Regulation, the extent to which the City requires further information from or consultation with, or training services from Project Co, if any, and the timetable in which the City requires this to occur;
- (vi) the City shall endeavour to complete its review of all submissions made by Project Co in accordance with the foregoing submission requirements by the later of: (A) the date mutually agreed to by City and Project Co for

each submission; and (B) the date that falls 30 days following the City's receipt of the submission from Project Co;

- (vii) if the City should fail to respond to Project Co within the stipulated time period described in the foregoing paragraph (vi) Project Co may claim that a Compensation Event, Delay Event or Excusing Cause (as applicable) has occurred; and
- (viii) if the City's request for information and follow up consultation from Project Co provided for in subparagraph (v) will most likely result in Project Co having to utilize more than 8,000 cumulative aggregate hours of Project Co staff resource time for all submissions made to that date and all forecasted submissions planned to be completed prior to the Revenue Service Availability Date for consultation with and reporting to the City, then Project Co may treat this City request as a Variation in accordance with Schedule 22.

- (b) To the extent applicable to the Project Scope, Project Co shall not commence or carry out any construction activity comprising any portion of the Work or Project Scope unless the OLRT Regulations or Support Documentation that may be appropriately required to support or facilitate that particular portion of the Work or Project Scope have been adopted by the City, or alternatively the City has confirmed in writing to Project Co that there are no OLRT Regulations that are required by the City to apply to such activity.

4. Relief for Project Co

- (a) If the City does not approve any of the Project Co proposed OLRT Regulations or Support Documentation, Project Co may claim a Compensation Event, Delay Event, or Excusing Cause, as applicable, in accordance with the terms of this Agreement where Project Co demonstrates:
 - (i) the proposed OLRT Regulation(s) or Support Documentation is consistent with the requirements of Section 2.0(a); and
 - (ii) the City's refusal to approve the OLRT Regulation(s) or Support Documentation has resulted or will result in a delay or incremental expense or liability to Project Co in the performance of Project Scope that cannot be reasonably mitigated by Project Co.