

## SCHEDULE A

to the Agreement for Non-Consulting Services  
 between Nawiinginokiima Forest Management Corporation (Company)  
 and \_\_\_\_\_ (Supplier) dated as of January 1, 2023.

### 1. BACKGROUND INFORMATION RELATING TO THE NON-CONSULTING SERVICES

Nawiinginokiima Forest Management Corporation (NFMC) is the Sustainable Forest Licence holder for the Pic and White River Forest Management Units encompassing over 1.5 million hectares (Ha) of forested land in northern Ontario. NFMC develops forest management plans, manages forest operations, supervises silviculture programs, and monitors compliance within these forests. NFMC promotes economic growth throughout the forestry sector and supports local communities through its scholarship, donation and sponsorship, and strategic initiative programs.

### 2. DESCRIPTION OF THE NON-CONSULTING SERVICES

To provide Tree Planting services for approximately 4.1 million seedlings on the Pic Forest and/or approximately 2.0 million seedlings on the White River Forest as detailed below.

Year	Forest Unit	Seedling Volume (Approximate)	Approximate Area (Ha)
2023	Pic Forest	4, 100, 000	2800
	White River Forest	2, 050, 000	1200

The Company will supply block treatment details and a map outlining the locations of the proposed treatment areas prior to tree plant start-up. The approved Annual Work Schedule is available on the eFMP website (<https://www.efmp.lrc.gov.on.ca/eFMP/home.do>) after March 1, 2023.

The Supplier will be required to, for the Pic Forest and for the White River Forest:

- Start the tree plant program May 8, 2023 (weather dependant)
- Ensure a program completion date of no later than July 6, 2023
- Arrange for the delivery of tree seedlings from the nursery storage facility to a pre-determined location as agreed to with the Company
- Off-load tree stock delivered to the Supplier from the nursery transport vehicle to the refrigerated field storage unit
- Take all reasonable precautions when loading/unloading stock from transport vehicles (no throwing boxes, strapping too tight, etc.)
- Transport stock to each field storage site and planting area, to a maximum of one day in advance unless temperatures exceed 20 degrees Celsius
  - If temperatures exceed 20 degrees Celsius unplanted stock cached on work sites must be returned to the refrigerated field storage unit
  - Subject to change upon the discretion of the Company
- Supply a minimum of one tree deliverer responsible for all delivery duties (from storage unit to the block)

- Supply a dedicated tree plant quality assessor to assess quality and to address quality issues
  - Conduct at least two plots per day on each worker present on block
  - Must submit quality tally sheets to Company field supervisor once per shift or upon the completion of each planted block
- Water, shade, or cover (silvicool tarps) stock containers throughout the program
- Provide all planting tools, stock and personnel carrying devices, radio communications and tracking equipment, safety equipment, accommodations, and fuel
  - Crew bosses must always possess hand-held radio communication devices during field operations
  - Must ensure that all supplier vehicles possess a radio that contains the following channels:
    - Cowie/Watson Channel 4 (153.650 MHz)
    - TBay 5/Truckers 5 (170.310 MHz)
    - TBay 6/Truckers 6 (171.000 MHz)
    - Channel 6 (Hart Gold) (154.550 MHz)
- Provide to the Company relevant health and safety training records, proof of third-party liability insurance, and WSIB coverage
- Adhere to the NFMC's personal protective equipment requirements for all workers including but not limited to hard hats, high-visibility shirts, ATV helmets
- Provide all the required forest fire suppression equipment in accordance with *Forest Fire Prevention Act* and the Company's fire plan
- Adhere to any relevant provincial legislation and Company policies and standard operating procedures (NFMC SOP handbook 2014) during completion of contract
- Ensure all field camps / work sites are maintained in good working order in accordance with *Health and Safety Workplace Inspection Template for Contractor Work Camps*
- Ensure all field camps / work sites are kept clean and free of wildlife attractants in accordance with *Health and Safety Workplace Inspection Template for Contractor Work Camps*
- Ensure adequate supervision of workers throughout the duration of the contract
- Camp supervisors are expected to verify completion and provide conclusion when plant areas are completed
- Ensure a maximum planter to non-planting crew boss ratio of **10 to 1** and a maximum planter to planting crew boss ratio of **5 to 1**
  - Crew bosses are to conduct at least two plots per day, per planter on their crew
- The crew boss to planter ratio or planter to planting crew boss ratio may only be increased where:
  - Prior approval has been given by the Company supervisor, and
  - Overall planting quality is greater than the minimum of 92 percent
  - Increased crew ratios will be subject to Company quality assessment results and may be reduced if deemed necessary by the Company.
- Ensure that proper field identification or spatial data is collected on partially completed plant blocks prior to leaving the forest (flag lines, GPS tracks, Avenza tracks, etc.)
- Provide updates to Company staff including daily production figures at the direction of Company field supervisors
- Submit daily locations of all plant crews the evening before or no later than 7:00 a.m. the morning of, unless otherwise agreed to by the Company representative

- Return all stock shipping containers or boxes to the applicable tree seedling nurseries with reasonable minimal damages or dispose of said containers/boxes as directed by the nursery and approved by the Company
- Agree not to assign or subcontract any part of this Agreement without the prior written consent of the Company. If the Company approves the Supplier hiring a sub-contractor, the Supplier agrees to retain competent sub-contractors and shall ensure that the sub-contractor complies with all applicable laws, regulations, Supplier health and safety requirement and Company Health and Safety Program. Sub-contractor employees, for the purpose of this Agreement, shall be deemed to be employees of the Supplier
- Supply a refrigerated unit (reefer) and have unit maintained to a standard that will allow for continuous operation of the unit during the term of the Agreement. The unit's operating condition will be monitored and documented twice daily as a minimum
- Transportation of the stock from the cold storage facilities to a predetermined location as agreed to by the Company

The Company will provide through its own staff or third-party:

- Plant program geo-referenced .pdf maps (block and index maps)
- A start-up meeting with Supplier supervisors and crew bosses
- Overall supervision and monitoring of the tree plant
- Daily plant quality assessments used for payment calculations

### 3. PAYMENT RATES

#### a) Total Amount Payable

Notwithstanding anything else in the Agreement to the contrary, the total amount payable by the Company to the Supplier, including all applicable taxes, under the Agreement shall not exceed **\$0,000,000.00** Cdn. funds.

#### b) Fixed Rates

The following rates shall remain fixed during the term of the Agreement:

- **\$ 000.00 /1,000 trees** plus HST.

Refill rates are eligible to planting areas that contain previously planted stock whereby planters are instructed to space off said previously established stock and fill voids. This rate will not be applicable to blocks that are designated as a re-plant, or when planters are instructed to space off naturals per section 5.0, paragraph a) ii) below.

This rate is subject to the conditions of section 5.0, 6.0, 7.0 and 8.0 of the Agreement. No other charge shall be payable by the Company under the Agreement to the Supplier other than the fixed rates established under the Agreement.

No penalty fee(s) will be accepted by the Company if the Company chooses to terminate the Agreement at an earlier date due to unsatisfactory results provided by the Supplier.

**The Company reserves the right to seek additional service providers without penalty, if crew/staff provided by the Supplier drop below 60 percent of what was originally provided at the commencement of the tree plant program.**

#### **4. INVOICES AND PAYMENT**

The Supplier shall provide the Company with an invoice no more than every two weeks after the successful completion or delivery and acceptance by the Company of any of the Non-Consulting Services described above. Each invoice shall include: (i) the purchase order number assigned to the Agreement by the Company, if applicable, (ii) a brief description of the non-consulting services provided, (iii) the rates for the non-consulting services, and (iv) taxes, if payable by the Company, identified as separate items. Each invoice shall be divided **by forest** and include the following:

- a) Total planted by block/species
- b) Total planted by License (Pic Forest or White River Forest)
- c) Plant quality where applicable for adjusted rates
- d) Identification of whether invoice is interim or final
- e) Final invoices are to include final planting maps (GIS useable format) indicating trees planted by species

The Company shall approve or reject the invoice within fifteen business days. If the invoice is rejected, the Company will advise the Supplier promptly in writing and the Supplier shall provide additional information as required by the Company to substantiate the invoice.

Each invoice will be approved by the Company, within fifteen business days, before any payment is made to the Supplier and payment shall be made within thirty business days of such approval.

#### **5. PLANTING AND QUALITY SPECIFICATIONS**

- a) **The Supplier agrees to plant trees in accordance with the following specifications unless otherwise specified by the Company.**
  - i. Trees are to be planted so that the spacing between trees and rows meet Company directives. Spacing, unless otherwise specified by the Company, will be 2.4 m x 2.4 m spacing (6.0 ft), dependant on and subject to individual block density availability. If the planter has the option of plantable spots, they should choose the spot that provides wider spacing. Spacing on individual sites and areas will be based on density targets and the discretion of the Company.
  - ii. Trees are to be planted so that the spacing between planted trees and naturally occurring acceptable crop species 5.0 cm in height or greater, such as Black Spruce, White Spruce, Jack Pine, and Balsam Fir meet the same spacing requirements as previously described in paragraph a) i) above.
    - a. Note: other tree species will not be considered a crop tree
  - iii. Deviation from the spacing referred to in item a) i) and ii) is permissible where any of the following conditions are encountered: rocks, soil too shallow to accept roots of trees, pooled/standing water, tree stumps, logging slash, or any other obstacle that would impede the success or survival of planted trees. Any other permissible deviation will be at the discretion of the Company.

**b) Trees are to be planted only on sites that favour tree survival and growth as follows:**

- i. In mineral soil or any mixture of mineral soil and well decomposed organic matter, or
- ii. To the edge of swamps, where there is mineral soil exposure and a permanent water table is not apparent, or
- iii. In swamps, in sphagnum moss, or in organic layers, but not in water or
- iv. Other micro-site as directed by the Company

**c) Trees are not to be planted on the following sites:**

- v. In rotten logs, stumps or “red-rot”
- vi. At the bottom of depressions that are subject to flooding including machinery ruts
- vii. In cut banks, roadside fill, raised humps of loose soil, undecomposed organic material, duff (dead plant material such as leaves, bark, needles, twigs, and cladodes) or debris
- viii. Within six meters (6 m) of any road that is designated as a permanent road (this will be determined by the Company)
- ix. In landings, borrow pits, skid ways or other compacted areas unless specifically prescribed for treatment on the map and/or as directed by the Company

**d) The trees will be planted using the following procedure:**

- i. If the site in which a tree shall be planted is not clear, the planter will clear any duff, debris, sod, rotten wood, loose rock, and other vegetation to make the spot plantable (hand-scalp/screef). The cleared site shall not be less than **225 cm<sup>2</sup> (15 cm x 15 cm)**. The depth of the cleared site shall not be less than the depth of the mineral/organic soil up to a depth of 10 cm below the duff layer
- ii. Each planting hole shall be prepared in the approximate centre of the cleared site
- iii. Each planting hole shall be of a size that will accommodate the entire root system of a tree in a near natural arrangement
- iv. Each tree shall be planted to a depth so that after filling in and compacting soil about the roots, the soil comes to a point on the tree stem where no roots or any part of the container is exposed, and no laterals are covered with soil (planted at the natural root collar)
- v. Soil shall be filled in and compacted around the roots to remove large air pockets. The soil surrounding the root plug must not be “heeled-in” or compacted in any manner which may potentially damage the tree and/or root system
- vi. Each planted tree whose stem leans more than 30 degrees from vertical, will be considered improperly planted
- vii. Each planted tree must be capable of withstanding a reasonable tug by hand without being extracted from the soil. The only exception to this standard will be black spruce planted directly in sphagnum mosses or mini plugs
- viii. Where spacing variance results from the occurrence of rock, shallow soil, broken terrain, stumps, and other debris, or to utilize the best micro-site available; spacing control as per item 1 a) and b) must be resumed as soon as possible after any such deviation
- ix. Mini Jiffy stock handling and planting standards described in “APPENDIX I” of this contract (if applicable)

**e) Stock issues:**

- i. If the Supplier notices any issues with the nursery stock, such as botrytis (white/grey mold) at any time upon arrival to the field, the issue must immediately be brought to the attention of the Company. Affected trees should not be planted and should be set aside until a decision about a course of action is made by the Company.

**6. QUALITY ASSESSMENTS**

**a) Plot structure**

- i. Company sampling intensity will be on a one plot per five-hectare basis, or as needed. Plots with no planted trees will be excluded from the assessment only if it is determined the entire plot is unplatable
- ii. Sampling locations will be determined prior to the block being planted, in a grid-like pattern. Plot locations will be provided to the Supplier following the Company assessment
- iii. Plots will be circular with a radius of 3.99 metres and an area of approximately fifty (50) square metres

**b) Field assessment / tally procedure**

- i. Plots will be tallied and recorded on Company provided forms and be given to the NFMFC site supervisor daily whenever reasonably feasible.
- ii. The number of plantable spots in each plot will be determined and recorded in the tally program. "Plantable spots" is the optimum number of trees that could be planted on an acceptable micro-site at the prescribed spacing
- iii. All missed plantable spots will be tallied
- iv. All excess trees will be tallied
- v. All planted trees in a plot will be assessed as to their quality of planting. Unsatisfactorily planted trees will be recorded under one of the following planting infractions (a tree deemed to be unsatisfactory will only be tallied once)

**6.b.1. Excess (excess trees)**

- i. Deviation from the prescribed spacing specifications that results in a plot density above or below the 10 percent allowance (i.e., <9 trees or >11 trees per plot where 10 trees meet desired spacing at 6ft.)
- ii. More total trees than acceptable after adjusted plantable spots

**6.b.2. Microsite (insuitable microsite)**

- i. Rotten log, pure duff, stumps
- ii. Bottom of gullies or depressions subject to flooding
- iii. Cut banks, roadside fill, raised humps of loose soil or debris
- iv. Other, as designated in writing by the Company representative

**6.b.3. Firm (firmness)**

- i. Trees around which soil has not been packed firmly. The tree can be easily pulled out by a reasonably firm tug

**6.b.4. Root (root placement)**

- i. Where the tree is not placed in the planting hole with roots/plug in a near-natural or vertical arrangement (J-roots)
- ii. Roots are doubled up, twisted, and tangled or container stock with excessive damage
- iii. Roots are exposed
- iv. The planting hole is not large enough to accommodate the entire root system or plug of the tree

**6.b.5. Depth (planting too deep)**

- i. The tree has been planted above the natural root collar
- ii. Living lateral branches of foliage or needles buried in the soil

**6.b.6. Shallow (planting too shallow)**

- i. Where a tree has been planted below the natural root collar, and;
- ii. Where the plug is exposed

**6.b.7. Position (position of crown and stem)**

- i. The tree is planted in a leaning position (greater than 30° from vertical)

**6.b.8. Handscalp / Screening (when required)**

- i. The tree is planted in a spot that required scalping (**15 cm X 15 cm X 10 cm deep**) for removal of debris, duff, sod, rotten wood, moss (excluding sphagnum moss only), loose rock, or minor vegetation to expose mineral soil

**6.b.9. Spacing**

- i. Deviation from prescribed spacing specifications where site conditions did not prohibit proper placement, an allowance of 10 percent on either side of the total number of plantable spots will be allowed on each plot. This will be allowed for by the adjusted number of plantable spots
- ii. More than one (1) tree or container per hole

Any comments or remarks deemed pertinent by the assessor will be recorded.

## 7. SUMMARY AND PAYMENT CALCULATIONS

The following summary and calculations will be completed for each assessment for each planted block and then again at the completion of the planting project:

- a) Total number of adjusted plantable spots
- b) Total number of trees planted
- c) Total number of unsatisfactorily planted trees
- d) Planting quality, as follows

Plant Quality (%) = [Total # of Acceptable Planted Trees] / [Adjusted plantable spots] x 100

## 8. PAYMENT CALCULATIONS

### a) Number of trees paid for

The Supplier agrees that the total number of trees paid for under this Agreement

- Shall not exceed the total number of trees delivered and
- Is subject to an audit by the company.

The number of trees planted in mechanically site prepared (MSiP) ground where planted blocks contain partial preparation coverage will be calculated as follows:

# Trees in MSiP = [(Total ha of MSiP) – (Total Block Area) x Approximate Density]

### b) Project Payment

The Supplier is accountable for the delivery of a product which meets or exceeds the minimum quality standards in the contract. To achieve full (100 percent) payment, an overall minimum average of 92 percent planting quality must be achieved. If this average drops below 92 percent, payment will then be based on the bid price multiplied by the planting quality factor.

Each individual planting block (polygon) must achieve a minimum of 80 percent quality or payment for the trees planted in the block will be forfeited and the contractor may be charged liquidated damages for the trees planted. Consideration will be given in respect of extenuating circumstances where the nature of planting sites seriously compromises the ability to achieve 80 percent planting quality.



The payment from the Company to the Supplier for a completed planting project or block will be calculated as follows:

$$P = R \times NT \times PQF$$

- P = payment from the Company to the Supplier
- R = applicable rate as per \$/thousand trees
- NT = the total number of trees planted as per Schedule “E”
- PQF = the applicable Planting Quality Factor taken from the table below as determined by the Company planting assessments

**PLANTING QUALITY FACTORS**

Assessed Planting Quality (percent)	Planting Quality Factor
> or = 92	1.00
91	0.98
90	0.96
89	0.94
88	0.92
87	0.90
86	0.88
85	0.87
84	0.84
83	0.82
82	0.80
< 81	0.0

- i. Final payment shall not be issued until all mapping and summary paperwork has been satisfactorily provided by the Supplier and verified by the Company.
- ii. Final payment shall not be issued until all containers and boxes are satisfactorily returned to their appropriate suppliers (nurseries) or equivalent compensation has been paid to these suppliers. The Supplier agrees that the Company may deduct any such amounts owing to the seedling providers for containers not returned from any such payments owed by the Company to the Supplier.
- iii. Up to a \$100.00 payment for each 1,000 affected trees will apply for continued handling issues such as poor monitoring of the reefer, poor box/tree handling from the reefer to the field or within the block, insufficient silvacool tarps for the number of caches or not using them when warranted; all of which could result in immediate damage of planting stock, subpar performance and/or delayed destruction of the planting stock.

The Supplier agrees to pay to the Company as liquidated damages, \$300.00 for each 1,000 trees of large sized container stock, \$200.00 for each 1,000 trees of medium sized container stock and \$150.00 for each 1,000 trees of mini sized container stock that, in the opinion of the Company, are:

- i. rendered unsuitable for planting while under the custody and control of the Supplier
  - ii. not planted in accordance with this agreement
  - iii. lost, stolen, or missing after being received by the Contractor
- iv. The Supplier agrees to pay \$750.00 for every day extending beyond the tree plant program deadline of July 6, 2023, up until the tree plant program is complete.

Note: If field conditions delay the tree plant program start date, the program deadline may be extended by the same number of days without payment.

- v. Where in the opinion of the Company, planting quality is below acceptable levels (as per the Planting Quality Factors table), the Company reserves the right to:
- i. Give instruction that the crew boss shall supervise the crew only and not plant until planting quality is attained more than the 92 percent desired quality standard requirement for a minimum of three consecutive days, or
  - ii. To instruct the Supplier to replace the supervisor

## 9. Local and First Nation Community

The Supplier will make every attempt to hire workers from the local surrounding First Nation and Metis communities of Netmizaaggamig Nishnaabeg, Long Lake #58, Biigtigong Nishnaabeg, Ginoogaming and Constance Lake by running radio advertisements on local radio stations broadcasting from Thunder Bay to Sault Ste Marie, registering employment opportunities with all local employment offices in Manitouwadge, White River, Netmizaaggamig Nishnaabeg, Biigtigong Nishnaabeg, Long Lake #58, Wawa, Marathon, and Terrace Bay.

If successful in hiring a full crew of local First Nation community members, the Supplier will be required to supply a 12-passenger van for that crew. The supplier must also compensate these workers, on an individual basis, a minimum of \$18.00 per hour provided they plant greater than 1,500 trees per day after two weeks into the tree plant program.