

# Professional Services Agreement

**Proposal Number:** BQ-21-04038 R3  
**Proposal Date:** April 14, 2022  
**Expiration Date:** May 14, 2022  
**Seller:** Intelligrated Canada Limited ("Honeywell")  
**Buyer:** Amazon Canada Fulfillment Services ULC ("Amazon")

## Pricing

Pricing Breakdown	
Description	Firm Pricing
<b>Implement LSM Pre-Collision Sensors on Cross-Belt Sorters</b>	
YYZ4	\$11,084
YYZ7	\$13,729
YYC1	\$12,234
<b>Total – All Sites</b>	<b>USD \$37,047</b>

**Note:** Pricing breakdowns listed above are for accounting purposes only and should not be considered as stand-alone prices.

## Pricing Notes

01. Work performed under this proposal will be governed by the Master Design Equipment Purchase Agreement dated April 7, 2011, between Amazon Fulfillment Services, Inc., and Intelligrated Systems, LLC, and the Master Work Order for Support Services dated March 1, 2017. No new development or IP creation is contemplated by our proposed solutions.
02. Amazon agrees to pay the costs of any taxes on the material, equipment or services covered herein, including, but not limited to, federal, state, or local sales, use, or similar taxes. Unless expressly stated otherwise in this proposal, any estimated taxes contained within the proposal are provided for informational use only and such estimates are not included in the proposed fixed price.
03. The pricing shown is firm fixed pricing.
04. The pricing shown includes travel and living expenses, if applicable.

05. The pricing shown includes the cost of standard freight, if applicable. In the event requests by Amazon or changes by Amazon require expedited or inefficient shipping, such additional costs for freight will be invoiced for reimbursement, plus handling. If Honeywell prepays charges for any special routing, packing, labelling, handling, or insurance requested by Amazon, Amazon will reimburse Honeywell upon receipt of an invoice for those charges. If for any reason Honeywell's cost of freight increases by more than 10% over the price for standard freight included, the difference will be invoiced for reimbursement, plus handling.
06. Any ocean and/or air rates given in this proposal are estimates based on the current costs and are subject to change. Actual costs will be determined at the time of shipment. Any change in pricing will be handled as a change order to the contract.
07. The pricing shown is for our engineer(s) to perform the work described herein, during the schedule mutually agreed to by both Honeywell and Amazon. If such dates change at no fault of Honeywell, Amazon agrees to pay for any applicable fees as well as any loss of resource efficiency. Any delays or additional materials and/or labor required caused by non-compliance with any of the Amazon Responsibilities attached hereto, or any additional work, services, travel, time, expenses, hours, trips, or manpower required beyond the stated scope, will be addressed via change order and billed at the current rates.
08. Certain components contained in the bill of materials to be delivered may originate from multiple countries and be subject to additional tariffs. In the event of tariff increases in excess of 3% of the cost of such component between the date of the proposal and time of delivery of such component, Honeywell will issue invoices reflecting the additional tariff cost, which will be paid by Amazon. The invoices will be subject to the payment terms and/or payment scheduled incorporated in this proposal.
09. The cost of steel used in this Project is subject to changes in US Midwest Metals Market ("CRU") index after the date of this Proposal. This Project Proposal assumes the cost of steel is: \$1,475 per short ton for hot-rolled coil ("Base Steel Price");  
 "CRU Amount" means the price of Steel in accordance with the CRU index, at the Steel Reconciliation Date(s) set forth below.

Steel Reconciliation Dates	Description	Base Steel Price	Planned Steel %	Planned Steel Qty (Tons)	Actual \$ per ton at Steel Reconciliation Date	Actual Steel Qty	Pricing Variance (%)	Steel Reconciliation
N/A	Honeywell delivery of Engineering Package	\$1,475						
N/A	Change Orders							
Total Steel Reconciliation								

The Steel Reconciliation Dates are based upon the attached estimated schedule and will be updated, along with updates to the Project Schedule. As referenced in the above chart: Engineering Package means Honeywell releases the detailed mechanical and electrical engineering drawings to manufacturing. Change Orders means at or around 60 days after Final Acceptance wherein Honeywell will reconcile all purchases of steel made due to Change Orders after or not included in the above purchases and will base such reconciliation on the CRU index 60 days before First Receive.

The steel reconciliation shall be determined based upon the following calculation. The steel reconciliation shall be calculated by comparing the Base Steel Price and CRU Steel Price at the time of each of the Steel Reconciliation Dates. If the difference is within +10%/-15% then no reconciliation will occur. If the difference is greater than +10% or greater than -15%, the steel reconciliation amount for that Steel Reconciliation Date will be calculated by multiplying the actual amount of steel used since the last Steel Reconciliation Date, as measured in tons, by the increase or decrease between the Base Steel Price and the CRU Steel Price.

Should Honeywell, in the absence of an Amazon requested change, Amazon caused delay, or Force Majeure Event, deviate from the steel reconciliation dates (with respect to either using an accelerated schedule or delayed schedule and/or securing either an increased quantity or reduced quantity of steel), Honeywell may not be entitled to any credit and may be obligated to provide a reduction to Amazon. To the extent these instances occur, the parties will assess the reason for the variation either in timing or steel quantity between the original Steel Reconciliation Date and the actual Steel Reconciliation Date.

10. The cost of aluminum and/or copper used in this project is subject to changes in US Midwest Metals Market ("CRU") index, published April 2022 (<http://www.crugroup.com>). Pursuant to the CRU index, this proposal assumes the cost of aluminum and/or copper is:
- \$3,429 per Metric Ton for aluminum; and
  - \$10,320 per Metric Ton for copper cathode

If the CRU Amount is more than 5% above the Base Amount at or around the time of first shipment, then Honeywell will issue invoices reflecting the Increased Cost, which will be paid by Company. The invoices will be subject to the payment terms and/or payment schedule incorporated in this proposal. "Increased Cost" means the difference of "CRU Amount" minus the "Base Amount" multiplied by the Material used in the Project.

"CRU Amount" means the price for the Material listed in the CRU at or around first shipment. "Base Amount" means the price for Material, including those listed in the bullet points above. "Material" means the aluminum and/or copper materials listed in the bullet points above, in addition to amounts for estimated quantities of component metals (e.g., nuts, bolts, screws, guarding) and scrap as applicable to the Project.

11. All buyout items or labor included in this Proposal are subject to change at the time Honeywell places the order with the applicable vendors. Any adjustment in price and/or lead time will be reflected in a change order(s).
12. If Honeywell's production or purchase costs for the Product, Equipment or Work (including without limitation costs involving energy, equipment, labor, regulation, transportation, packaging, raw material, manufacturing, supplies, parts or components) increases by more than 5% over Honeywell's costs included in the Price for the Product or Equipment as of the date of this Proposal, then Honeywell may, increase the Price commensurate with such cost increases using the Change Order process.
13. As with our 2021 Amazon Go Live Proposals, Honeywell has not included any COVID related costs in our 2022 Amazon Go Live Proposals including this proposal. We expect there will likely be some related COVID costs incurred in the execution of this project. We will discuss these costs with Amazon as they surface just like we are currently doing with Amazon on our 2021 Amazon Go Live Projects.

## Warranty

- The above pricing includes a 1-year warranty on the Hardware and Services provided herein.

## Payment

The following payment terms will be followed upon receipt of a compliant Purchase Order ("PO") or execution of this agreement:

- 30 percent upon receipt of a compliant Purchase Order or execution of this agreement – payable net 60 days.
- 70 percent invoiced upon Final Acceptance – payable net 60 days.

## Items Incorporated

Contract documents noted in the table below or attached hereto are incorporated herein by reference. In the event of any conflict or inconsistency in these documents, priority shall be given in descending order of precedence. If marked yes below, document is attached:

Document	Attached
Work performed under this proposal will be governed by the Master Design Equipment Purchase Agreement dated April 7, 2011, between Amazon Fulfillment Services, Inc., and Intelligrated Systems, LLC, and the Master Work Order for Support Services dated March 1, 2017	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Professional Services Agreement	N/A
Attachment A - Proposal BQ-21-04038 R3	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Amazon shall purchase and Honeywell shall provide the services as described in this Professional Services Agreement and in accordance with the specifications, terms and conditions identified above that form part of this agreement (the Agreement). Due to the nature of this offering, each party's liability to the other party for a claim of any kind arising out of, or related to, this Agreement, whether in contract, in tort (including negligence or strict liability), under any warranty, or otherwise, will be limited to monetary damages and the aggregate amount thereof for all claims will in no event exceed the Fees and Expenses under this Proposal. Under no circumstances will either party be liable to the other party for indirect, special, incidental or consequential damages (including lost profits), even if the parties have been advised of the possibility of such damages, or for warranties granted to any third party. Neither party will be liable for any delays in the performance of any of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, fire, labor dispute, wars, riots, acts or orders of any civil or military authority, acts of God, judicial action, embargo, epidemics, pandemics, disease, whether local or national, unavailability or shortages of materials or equipment, failures or delays in delivery of vendors and suppliers or delays in transportation. Seller will not be in breach or liable for any delays, suspension (formal or informal), or damages in the performance of its obligations hereunder due to delays caused by Buyer or Buyer's other contractors, including Buyer's actions or inactions. Acceptance of this offer, whether by execution hereof or submission of a purchase order, constitutes agreement that the terms of this Agreement govern such transaction. Any additional or different terms contained in Amazon's documents are deemed to be material alterations and notice of objection to and rejection of them is hereby given.

IN WITNESS WHEREOF, both parties have caused the Agreement to be executed by their duly authorized representatives.

**Amazon Canada Fulfillment Services ULC  
(Buyer)**

**Intelligrated Canada Limited  
(Seller)**

Signed \_\_\_\_\_

Signed \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# **Implement LSM Pre-Collision Sensors on Cross-Belt Sorters**

Attachment A - Proposal # BQ-21-04038 R3

Presented to: Amazon Canada Fulfillment Services ULC

Multiple Sites

April 14, 2022

---

*Presented by:*

**Honeywell**

Ethan Rowley

Account Manager, Lifecycle Sales

---

Table of Contents

1. Scope of Work..... 4

2. Project Schedule ..... 4

    2.1. Preliminary Project Schedule.....4

3. Project Final Acceptance..... 5

4. Honeywell Responsibilities ..... 6

5. Amazon Responsibilities ..... 6

6. Safety Standards Compliance ..... 8

    6.1. System Industry Safety Standards Compliance .....8

    6.2. OSHA and Industry Safety Standards Compliance by Amazon .....9

    6.3. Arc Flash Hazards Analysis Service .....10

    6.4. Pre-Start Health and Safety Review (PHSR) .....10



## Use & Disclosure Limitation

The subsequent pages of this proposal contain information, including the whole or portion or phase of technical information, designs, processes, procedures, approaches, methods and techniques, technical specifications, concepts, characteristics, descriptions, rates, pricing, contracting approaches, financial information and other trade secret or confidential information prepared and owned by Honeywell ("Information"). This Information is proprietary to Honeywell and is disclosed to Amazon on the title page hereof under terms of confidentiality or any applicable confidentiality or non-disclosure agreement between Honeywell and Amazon, and for the sole purpose of Amazon's evaluation of Honeywell as a prospective contractor. By accepting receipt of this proposal, Amazon acknowledges that this proposal is the confidential information of Honeywell, with the exception of information contained within the proposal that was previously provided by Amazon and as such is subject to the confidentiality restrictions herein and use of this proposal or parts thereof for any other purpose without the written consent of Honeywell is prohibited. Amazon must hold this proposal confidential to the same standards that it holds its own information confidential. HONEYWELL HAS RELIED ON INFORMATION PROVIDED BY AMAZON IN THE DEVELOPMENT OF THIS PROPOSAL. HONEYWELL DISCLAIMS LIABILITY FOR ALL LOSS OR DAMAGE RESULTING FROM INACCURACY IN AMAZON-PROVIDED INFORMATION. IF A CONTRACT IS AWARDED BASED ON THIS PROPOSAL, ANY ADJUSTMENTS TO THE SCOPE OF SUCH CONTRACT REQUIRED AS A RESULT OF INCORRECT OR INCOMPLETE RECIPIENT-PROVIDED INFORMATION MAY RESULT IN ADJUSTMENTS TO THE CONTRACT SCHEDULE OR PRICE.

Certain Honeywell products may include software and technology that collects and transmits information about how, and under what conditions, the Honeywell product is used and functions. This information may include, but is not limited to, information regarding user input (such as touch panel, keyboard, and trigger use), production data, voice/audio capture, information from any sensors, and use with peripherals. None of this data includes information that would allow Honeywell to associate it with a specific named person, and Honeywell will not identify it as originating from Amazon, its Affiliates, or its Authorized Users except (a) in providing information to Amazon, or (b) with Amazon's express permission. This data may be used by Honeywell for purposes including, but not limited to, assistance with product repairs, diagnostics, research, product development, and quality control/improvement.

# 1. Scope of Work

The scope of this project is the implementation of the LSM Pre-Collision Sensors on the existing Cross-Belt Sorters at multiple Amazon facilities as listed below.

The Scope of Work includes the following:

- Project Management and Engineering.
- Hardware – Pre-Collision Sensors (P/N 466D911). System quantity per site (as listed below), plus one spare per site.
  - YYZ4 – qty 2
  - YYZ7 – qty 9
  - YYC1 – qty 5
- Technical Support – includes remote preparation, installation, and testing of updated PLC and ICW software code.

Final implementation to be coordinated by Amazon once the sensor installation by Amazon RME is complete.

**This Scope of Work does not include any manuals or training from Seller.**

## 2. Project Schedule

The Project Schedule attached hereto is based upon Honeywell standard timeframes. As you are aware due to the global COVID-19 pandemic, Honeywell, its suppliers, and many country, municipal and provincial governments, continue to implement certain requirements, such as restricted travel, localized quarantines or mandated health screenings. Additionally, the pandemic and other factors have resulted in a global shortage of certain commodities. As such the Project Schedule may be revised to address schedule changes as a result of such impacts.

### 2.1. Preliminary Project Schedule

Honeywell and Amazon will mutually agree upon the timing of the mechanical modification. The current lead-time is approximately 8-12 weeks and is subject to change based upon when the purchase order is received. Project schedule may be affected by projects currently in the Honeywell backlog. Parts installation will be by Amazon RME and the installation timeline is based upon best estimates and cannot be guaranteed due to circumstances beyond the control of Honeywell. Honeywell customer support will make the needed software changes and test upon completion of the installation by Amazon RME of all Pre-Collision Sensors.

The following timelines are approximate only:

- Estimated Order Date: Q2 2022
- Engineering and Order Entry: 4 weeks
- Manufacturing: 8 weeks
- Installation by Amazon RME at three sites (Estimated at 23 weeks utilizing standard 2-hour downtime windows)
- Remote Commissioning by Honeywell Technical Support: 16 weeks
  - Installation and testing during standard 2-hour downtime window
  - Note that Installation and Remote Commissioning durations are directly dependent on Amazon's installation schedule

## 3. Project Final Acceptance

As applicable, Honeywell will perform the following for testing and verification of the Equipment and/or Controls once installation is complete. No product or rate testing is included unless specifically set forth herein.

Final Acceptance will be the earlier of completion of the Work through testing as set forth below, or the first commercial use of the Work by Amazon, either of which may occur in stages for portions of the Work. If Final Acceptance occurs in stages, the final payment shall be paid proportionately to the portion accepted. Should Amazon delay testing necessary to verify completion or fail to provide adequate product or personnel for such testing, Final Acceptance will be deemed to be the date testing was set to occur.

### 01. Equipment Walkthrough Inspection

A walkthrough inspection will be conducted by Honeywell to verify that any Mechanical Equipment is properly installed. This walkthrough will ensure that Equipment and wiring installation is performed in a satisfactory manner regarding workmanship, quality, building interfaces, and design parameters.

Each piece of Equipment will be turned on and mechanically adjusted to ensure that it is functioning per specifications.

## **02. Functional Testing**

The Equipment will be run using controls software, independent of the existing equipment and Host. If applicable, new Software and/or messaging interfaces will be tested.

Amazon may be required to provide test product for use by Honeywell.

## **03. Integrated Functional Testing**

The Equipment and/or Controls installed under this Proposal will be connected to the main system (if applicable) and integrated functionality is demonstrated. If applicable, messaging interfaces are tested.

Upon completion of all applicable testing, Honeywell will prepare a Final Acceptance form for execution by Amazon. Items that do not materially affect the functionality of the system will be addressed in a punch-list and will not affect Final Acceptance.

Upon completion at each site of the Project Acceptance inspection and testing as set forth above, depending on the specific project implementation Honeywell will provide one Engineer for one 4-hour shift for one day per site for remote standby support during start-up.

# **4. Honeywell Responsibilities**

Honeywell will:

- 01.** Provide equipment/components, documentation, project management, engineering, installation services, commissioning, and start-up assistance as described in the Scope of Work section of this agreement.
- 02.** Provide personnel with the knowledge and ability to perform the required services.
- 03.** Provide all Honeywell services and equipment defined within this agreement.

# **5. Amazon Responsibilities**

Amazon will:

- 01.** Provide any additional information or modifications that have not already been detailed in the Scope of Work.
- 02.** Inform Honeywell of modifications made to the Honeywell equipment and/or components prior to this proposal.

- 03.** Inform Honeywell of the type, style, and configuration of the equipment or components from another manufacturer. Honeywell is not responsible for delays or extra effort resulting from equipment additions or modifications.
- 04.** Ensure that the new and/or existing systems, equipment, controls, and devices, provided by Honeywell or other manufacturers, are in good working order and in a previously identified configuration, so as not to impact or impede the proposed scope of work and/or schedule.
- 05.** Provide for all building and/or existing equipment modifications and services required other than the equipment and services provided by Honeywell as described in the Scope of Work section of this proposal. Honeywell is not responsible for delays or extra effort resulting from the equipment functionality supplied by others.
- 06.** Provide operator and maintenance training to Amazon personnel.
- 07.** Provide any training necessary for the Honeywell team to comply with any internal Amazon safety requirements. Training duration should not exceed one hour.
- 08.** Ensure clear, adequate, and secure floor space is available to receive, stage, and store equipment and materials within reasonable distance from the work area.
- 09.** Provide qualified staff member(s) to continuously be available to assist with any parts, equipment, or building-related issues.
- 10.** Provide at least one experienced technician(s) familiar with both mechanical and electrical installation of parts and components to work continuously with Honeywell.
- 11.** Receive and stage product shipped to each site by Honeywell.
- 12.** Ensure correct quantity of parts is onsite prior to beginning installation.
- 13.** Supply, install, relocate, remove, or modify any equipment, parts, and devices not expressly listed in the Scope of Work, prior to the start of installation.
- 14.** Provide Honeywell with full, uninterrupted access to the equipment in a non-production environment per the proposed implementation plan. No other work can be performed on the equipment during the installation, commissioning, and testing time periods.
- 15.** Ensure adequate production/test product with labels and required knowledgeable management and properly trained and skilled operational personnel are available during commissioning and testing.
- 16.** Provide any necessary permits and fees.
- 17.** Provide Honeywell with up-to-date mechanical and electrical layout drawings and schematics.
- 18.** Provide Honeywell with current commented copies of the programmable logic controller program and human machine interface screen files at the time of order placement. These

fresh extractions will ensure any previous field program changes are retained and that Honeywell engineers are provided with the most current revision. All work is based on Honeywell's records for this equipment and we shall not be responsible for delays or extra effort resulting from non-Honeywell engineered additions or modifications made to the equipment.

19. Provide equipment/components, machine controls, mechanical installation, field wiring, and commissioning and testing of sensors.
20. Provide Honeywell with remote access to the existing controllers.

## 6. Safety Standards Compliance

Reference to any standards, codes of any technical society, organization or association, or Laws and Regulations herein, whether such reference be specific or by implication, will mean the standard, code, or Law or Regulation in effect on the date when the proposal is submitted.

### 6.1. System Industry Safety Standards Compliance

Honeywell will make reasonable efforts to minimize system operational safety issues consistent with applicable sections of the following U.S. industry safety standards for conveyors and related equipment:

- American Society of Mechanical Engineers (ASME) – ASME B20.1 – Safety Standard for Conveyors and Related Equipment
- American National Standards Institute (ANSI) – ANSI B11.19 – Performance Criteria for Safeguarding (except for bottom guarding which will comply with CEMA Guideline Safety Best Practices (SBP) 004, supplemental guarding for unit handling conveyors)
- National Fire Protection Association (NFPA) – NFPA 70 – National Electrical Code
- National Fire Protection Association (NFPA) – NFPA 79 – Electrical Standard for Industrial Machinery
- American National Standards Institute / Robotics Industry Association (ANSI/RIA) – ANSI/RIA R15.06 – Industrial Robots and Robot Systems – Safety Requirements
- Conveyor Equipment Manufacturers Association (CEMA) – CEMA Standards and SBPs

Honeywell, at its sole discretion, may deviate from the referenced industry safety standards when reasonably necessary to account for site-specific conditions, other factors that are outside of Honeywell's control, or obligations set forth in the Scope of Work. It is Amazon's responsibility to address all operational safety issues in its site-specific safety plan.

Compliance with additional regulations beyond those mentioned above for certain industry-specific safety protocols, requirements, or guidelines may not initially be included in this proposal. Any such additional protocols, requirements, or guidelines which Honeywell is requested to comply with must be provided to Honeywell. Thereafter, Honeywell will notify Amazon if there are material changes to Honeywell's costs, schedule and/or planned execution of safety practices for this Work and submit a change order addressing the material changes.

## **6.2. OSHA and Industry Safety Standards Compliance by Amazon**

The commitment of Amazon to the safe use and operation of the equipment and systems is required to minimize or reduce the risk of injury to Amazon's employees or damage to Amazon's property and equipment. Honeywell provides the following information that is generally applicable to the equipment:

- Manuals that set out safety and maintenance procedures (if part of Scope of Work)
- Warning labels

During the operation of the system installed by Honeywell, it is the responsibility of Amazon to ensure compliance with all related rules and regulations as well as the applicable industry safety standards for operation and maintenance of conveyors and related equipment in the jurisdiction where the work is being performed.

The individual elements of the upgrade and modifications proposed by Honeywell, taken together in one complete scope of work, ensure hazard mitigation techniques reach an appropriate reduced level of hazard. Amazon is advised that these modifications should not be self-performed nor implemented piecemeal. For safety and performance related reasons, Honeywell recommends that all listed upgrades be performed by Honeywell personnel. Honeywell shall not be responsible for and client hereby agrees to defend, indemnify, and hold Honeywell harmless from any claims, suits, liabilities, losses, fines, penalties, damages, and expenses that may arise due to installed upgrades performed by any party other than Honeywell.

The performance and safety related compliance of this upgrade and modification proposal is limited to the scope as expressly identified herein. Honeywell disclaims any responsibility for bringing the entire machine, operation, or system located at Amazon facility into full and complete safety and performance compliance/specification unless such work is expressly made part of this proposal.

## 6.3. Arc Flash Hazards Analysis Service

Per NFPA 70 (NEC), Articles 110.16 and 110.21, warning labels will be applied by Honeywell.

Arc flash hazards must be assessed as an element required by NFPA 70E prior to working in an energized control panel. While most of the burden for NFPA 70E compliance is placed on the employer-equipment owner and not a product supplier, Honeywell as the product supplier may conduct Arc Flash Analysis, to be provided in the form of a written report, upon request and for an additional cost. Amazon may elect to purchase this optional offering. If Amazon does not opt to purchase the Arc Flash Analysis Service, it shall be the responsibility of Amazon to complete such analysis for its respective facilities.

## 6.4. Pre-Start Health and Safety Review (PHSR)

A PHSR is a requirement of the Occupational Health and Safety Act, administered by the Ontario Ministry of Labour. A PHSR:

- Must be performed on any new or used process or equipment which has been moved into a new workplace or where a safety control has been added or modified.
- Includes a written report on the construction, addition or installation of a new apparatus, structure, protective element, process, or modification to an existing apparatus, structure, protective element, or process.
- It is the responsibility of Amazon to ensure all requirements of the Occupational Health and Safety Act and regulations are complied with in the workplace.

The cost of a PHSR, and any changes to Honeywell's proposed equipment or system identified by a PHSR, have not been included. Upon request, items identified by a PHSR will be handled as a Change Order. The Change Order will include costs for the required items and engineering services and will identify any impact to the Project Schedule.