

PAVEMENT MARKING SERVICE AGREEMENT– ROUND 4

LOWER MAINLAND PAVEMENT MARKING SERVICE AREA

THIS AGREEMENT dated for reference the @@ day of @@, 20@@ and numbered PMSA-R4-SALM

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA as represented by the Minister of Transportation and Infrastructure

(the “**Province**”)

AND:

@Contractor Name@, a body corporate amalgamated under the laws of Canada under Certificate of Amalgamation No. @@ and extra-provincially registered in British Columbia under Certificate of Registration No. @@ and having its registered office at **@Address@**

(the “**Contractor**”)

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AND:

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(the “**Contractor**”)

WHEREAS:

- A.** The Province has agreed to appoint and retain the Contractor to provide certain Pavement Marking Services; and
- B.** the Contractor has agreed to provide the services for the Province on the terms of this Agreement.

NOW THEREFORE in consideration of the premises and the covenants, agreements, representations, warranties and payments contained in this agreement the parties agree as follows:

1 DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires:

- (a) **“Act”** means the *Transportation Act*, S.B.C. 2004, c.44; except in Schedule 13 (Privacy Protection) where it will have the meaning assigned to it in Schedule 13.
- (b) **“Accomplishment Report”** means the report made in accordance with the requirements set out in subsection 14.4 (e), which must be produced using the form located on the Ministry Website;
- (c) **“Additional Pavement Marking Services”** means those services described in subsection 5.2(d), and includes Assured Additional Pavement Marking Services and Other Additional Pavement Marking Services as defined in Schedule 5 (Additional Pavement Marking Services);
- (d) **“Additional Pavement Marking Services Unit Prices”** means those prices, applicable to a particular Contract Year, allocated to specific categories of work activities included within Additional Pavement Marking Services and described in Schedule 5 (Additional Pavement Marking Services)
- (e) **“Adjusted Annual Price”** means the sum payable by the Province to the Contractor in consideration for the provision of Core Services during a Contract Year subsequent to the first Contract Year, as calculated in accordance with Schedule 9 (Annual Adjustment Process);
- (f) **“Agreement”** means this Agreement, entitled “Pavement Marking Service Agreement - Round 4”;
- (g) **“Anniversary Date”** means, in the first year of the Term, the date which is one year after the Commencement Date and thereafter, in each successive year of the Term, the date which is one year after the previous Anniversary Date;
- (h) **“Annual Adjustment Process”** means the annual adjustment process described in Schedule 9 (Annual Adjustment Process);
- (i) **“Annual Price”** means the Base Annual Price or the Adjusted Annual Price, as the case may be, applicable to a particular Contract Year;
- (j) **“Base Annual Price”** means the sum of \$@@ payable by the Province to the Contractor in consideration for the provision of Core Services during the first Contract Year;

- (k) **“Bonds”** means the performance bond and labour and material payment bond in the format and containing the terms specified in Schedule 15 (Bonds), and includes any additional or replacement bond and any agreement extending or amending any Bond;
- (l) **“Business Day”** means a working day and excludes Saturday, Sunday, statutory holidays, or a day on which the Provincial government’s offices are closed in British Columbia;
- (m) **“Category 1 Inventory”** and **“Category 2 Inventory”** means the categories of Routine Line Inventory described in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
- (n) **“Commencement Date”** means December 16, 2018;
- (o) **“Contract Year”** means a period during the Term which commences on and includes:
 - (i) the Commencement Date and ends on but excludes the first Anniversary Date,
 - (ii) each succeeding Anniversary Date and ends on but excludes the next following Anniversary Date, or
 - (iii) the fourth Anniversary Date and ends on and includes the Expiry Date;
 - (iv) should the Initial Term be renewed, the fifth Anniversary Date and ends on but excludes the sixth Anniversary Date; or
 - (v) should the Initial Term be renewed, the sixth Anniversary Date and ends on December 15, 2025;
- (p) **“Contractor”** means @Contractor Name@;
- (q) **“Contractor’s Proposal”** means the proposal submitted by the Contractor in response to the RFP;
- (r) **“Contractor’s Quality Plan”** means a detailed document, developed by the Contractor in accordance with Article 16, that sets forth the procedures and sequence of activities aimed at translating the Contractor’s quality policy into operational results in the delivery of the Pavement Marking Services;

- (s) **“Core Services”** means the Routine Pavement Marking Services, Second Coat Application Pavement Marking Services and Quantified Pavement Marking Services and all work associated with these services, and includes, without limitation, the preparation and implementation of all plans required pursuant to the terms of this Agreement and the development, compilation and delivery to the Ministry of all reports required pursuant to the terms of this Agreement;
- (t) **“DPMMI”** means the Digital Pavement Marking Measuring Instrument described in Part B of Schedule 1 (Pavement Marking Specifications);
- (u) **“Dispute Resolution Protocol”** means the dispute resolution protocol attached as Schedule 10 (Dispute Resolution Protocol);
- (v) **“Event of Default”** means any event described in section 17.1;
- (w) **“Expiry Date”** means December 15, 2023;
- (x) **“Extension of Time”** means an extension of time to complete the work corresponding with the applicable Milestone Date, pursuant to Schedule 6 (Milestone Dates & Consideration Charges);
- (y) **“Force Majeure”** means
 - (i) acts of God, wars (declared or undeclared), revolutions, riots, insurrections, lockouts, or strikes, provided that any such event is a major disabling event or circumstance in relation to the normal operations of the party directly affected as a whole, which is beyond the reasonable control of that party and results in a material delay, interruption or failure by that party in carrying out its duties, covenants or obligations under this Agreement, provided always that lack of money, financing or credit to resolve such contingencies will not be deemed an event of Force Majeure; and
 - (ii) for the purposes of section 19.2, the failure by the Contractor to obtain or maintain in force comprehensive general liability insurance as described in Article 9, provided that:
 - (A) the Contractor has used its best efforts to obtain the insurance;
 - (B) the Contractor’s failure to retain the insurance, that is in place, is not due to the Contractor’s breach of the terms of an existing insurance contract placed in compliance with Article 9;

- (C) the Contractor's failure to obtain the insurance does not occur as a result of the Contractor's lack of money, financing or credit or due to the Contractor's performance record under this Agreement; and
 - (D) the Province and the Contractor have not resolved the issue of the Contractor's failure to obtain insurance in a manner that is acceptable to both of them.
- (z) **"Highways"** means all highways, as defined in the Act, under the administration of the Minister, or highways that are by arrangement maintained by the Province, and includes any highways described in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
- (aa) **"Initial Term"** means the initial term of this Agreement as described in section 3.2.
- (bb) **"Inventory Adjustment Unit Price"** has the meaning given to that term in Schedule 8 (Cost for Changes to Line Inventory);
- (cc) **"Line Condition Report"** means a report made in accordance with the requirements set out in subsection 14.4(b), which must be produced using the form located on the Ministry Website;
- (dd) **"Line Type Report"** means a report made in accordance with the requirements set out in subsection 14.4(j), which must be produced using the form located on the Ministry Website;
- (ee) **"Line Kilometre"** means one kilometre of any line type illustrated in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings;
- (ff) **"LKI"** means Landmark Kilometre Inventory;
- (gg) **"Longitudinal Markings"** means any longitudinal marking as described in figure 7.1, Longitudinal Markings, in the Manual of Standard Traffic Signs and Pavement Markings;
- (hh) **"Milestone Date"** means any date specified in Schedule 6 (Milestone Dates & Consideration Charges) for completion of the specific portion of the work that corresponds to that date;
- (ii) **"Minister"** means the member of the Executive Council of the Province who is charged with the administration of the Act and includes the

Minister's deputy and any person authorized to act for or on behalf of either of them with respect to any matter under this Agreement;

(jj) **“Ministry”** means the Ministry of Transportation and Infrastructure or any successor ministry thereto headed by the Minister;

(kk) **“Ministry Representative”** means the person designated as such by the Ministry;

(ll) **“Ministry Website”** means :

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/contracting-to-transportation/highway-bridge-maintenance/pavement-marking>

(mm) **“Non-Conformance Report”** means a report issued in writing by either the Ministry Representative or the Contractor that documents the Contractor's failure to comply with the terms of this Agreement and fulfill the Contractor's obligations under this Agreement;

(nn) **“OHS Regulation”** means the British Columbia Regulation 296/97 entitled “Occupational Health and Safety Regulation”;

(oo) **“Operational Day”** means any day on which the Contractor is applying pavement markings;

(pp) **“Pavement Marking Service Area”** means the area described in Schedule 3 (Pavement Marking Service Area);

(qq) **“Pavement Marking Services”** means the provision of all labour, materials and equipment for the purpose of providing the Pavement Marking Services described as such in the Pavement Marking Specifications in Schedule 1, as those Pavement Marking Services may be changed from time to time in accordance with Article 7 and includes Routine Pavement Marking Services, Second Coat Application Pavement Marking Services, Quantified Pavement Marking Services and Additional Pavement Marking Services;

(rr) **“Pavement Marking Specifications”** means collectively those specifications in Schedule 1 (Pavement Marking Specifications), and those specifications in Schedule 2 (Local Area Specifications), as such specifications may be amended by the Province from time to time by written notice to the Contractor;

(ss) **“Plate Test”** means a test, performed, for the purpose of measuring the wet mil thickness of paint (unbeaded) application. The Contractor will

be required to paint across a steel plate of approximately 12"x18" in size that has been placed on the roadway. Where appropriate, at the discretion of the Province, this test may also be used in conjunction with DPMMI data;

- (tt) **"Prime Contractor"** means the prime contractor for a workplace within the meaning of section 118 of the *Workers Compensation Act*;
- (uu) **"Province"** means Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure;
- (vv) **"Provincial Quality Plan"** means the Pavement Marking Quality Plan Manual available on the Ministry Website;
- (ww) **"Quality Assurance"** means the process of evaluating overall product or service, and a means of confirming Quality Control results;
- (xx) **"Quality Control"** means the process of checking specific product or service results to determine if they conform with relevant quality standards and identifying ways to eliminate cases of unsatisfactory product or service performance;
- (yy) **"Quantified Line Inventory"** means pavement markings identified within the Pavement Marking Service Area to be painted on a cyclical basis as described in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
- (zz) **"Quantified Pavement Marking Services"** means those services described in subsection 5.2(c);
- (aaa) **"Quantified Plan"** means an annual plan made in accordance with the requirements set out in subsection 14.4(c);
- (bbb) **"Recognized Product List"** means a reference to products for use by highway construction and maintenance contractors in providing or performing work for the Ministry of Transportation and Infrastructure.

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/engineering-standards-guidelines/recognized-products-list>
- (ccc) **"Renewal Term"** means the renewal term of this Agreement as described in section 3.4.
- (ddd) **"Repeater System"** has the meaning given to that term in Schedule 12 (Repeater System);

- (eee) **“RFP”** means the request for proposals entitled **PMSA-R4-SALM** issued by the Province in 2018 in connection with the Lower Mainland Pavement Marking Service Area;
- (fff) **“Routine Line Inventory”** means pavement markings identified within the Pavement Marking Service Area to be painted on an annual basis as described in Schedule 4 (Routine , Second Coat Application and Quantified Pavement Marking Services);
- (ggg) **“Routine Pavement Marking Services”** means those services described in subsection 5.2(a);
- (hhh) **“Safety Program”** means an occupational health and safety program initiated and maintained in accordance with the requirements set out in subsection 11.1(s);
- (iii) **“Season”** means the period from April 1st to October 31st (both dates inclusive) in each year;
- (jjj) **“Second Coat Application Line Inventory”** means pavement markings identified within the Pavement Marking Service Area to be painted a second time within a calendar year on an annual basis as described in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
- (kkk) **“Second Coat Application Pavement Marking Services”** means those services described in subsection 5.2(b);
- (III) **“Subcontractors”** means subcontractors at arm’s length to the Contractor, determined to the satisfaction of the Minister in the Minister's sole discretion, having a direct contract with the Contractor to provide labour or labour and equipment (other than hired equipment on an all found or bare rental basis) to perform Pavement Marking Services but does not include dependent contractors as defined in the *Labour Relations Code*, R.S.B.C. 1996, c.244 unless specifically approved by the Minister;
- (mmm) **“Term”** means the Initial Term or the Renewal Term;
- (nnn) **“Work Plan”** means the plan as outlined in subsection 14.4 (d).

2. REPRESENTATIONS AND WARRANTIES

2.1 The Contractor represents and warrants to the Province on the execution of this Agreement and at all times during the Term that:

- (a)** it is a corporation duly organized and validly existing under the laws of British Columbia, under the *Business Corporations Act* (Canada) or under the laws of any other province or state in which case it is registered extra-provincially in British Columbia;
- (b)** it is in good standing with respect to the filing of annual reports according to the records of the Office of the Registrar of Companies of British Columbia;
- (c)** it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;
- (d)** all necessary proceedings have been taken and done to authorize the execution and delivery of this Agreement by the Contractor;
- (e)** this Agreement has been legally and properly executed by the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms;
- (f)** this Agreement has been duly authorized by all necessary corporate action of the Contractor;
- (g)** all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement are true and correct;
- (h)** it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement;
- (i)** the observance and performance of the terms and conditions of this Agreement will not constitute a breach by it of or a default by it under:
 - (i)** any statute, regulation or bylaw of Canada or of the Province of British Columbia applicable to or binding on it,
 - (ii)** its constating documents, or
 - (iii)** any contract or agreement to which it is a party;

- (j) the authorized capital of the Contractor, if applicable, is as disclosed in Schedule 14 (Contractor Detail);
- (k) the legal and beneficial ownership and effective control of all of the authorized, issued and outstanding voting shares of the Contractor, if applicable, is as disclosed in Schedule 14 (Contractor Detail);
- (l) there are no agreements, options or rights of any kind held by any person with respect to any of the voting shares of the Contractor, if applicable, except as disclosed in Schedule 14 (Contractor Detail);
- (m) it has good safekeeping, marketable title to and possession of all its assets, free and clear of all liens, charges or encumbrances except those disclosed in Schedule 14 (Contractor Detail);
- (n) it is not a party to, or threatened with, any litigation and has no knowledge of any claims against it that would materially affect its undertaking or financial condition;
- (o) there are no liabilities of the Contractor, contingent or otherwise, that are not disclosed or reflected in Schedule 14 (Contractor Detail) herein except those incurred in the ordinary course of its business;
- (p) if the Contractor is a partnership, then the identification of all of the partners of the partnership and their respective interests in the partnership are as disclosed in Schedule 14 (Contractor Detail);
- (q) if the Contractor is a partnership and if any of the partners of the partnership are corporate entities, then
 - (i) Schedule 14 (Contractor Detail) discloses the authorized capital of each corporate partner, the legal and beneficial ownership and effective control of the authorized, issued and outstanding voting shares of each corporate partner, and any agreements, options or rights of any kind held by any person with respect to any voting shares of each corporate partner, and
 - (ii) the representations and warranties required under the other paragraphs of section 2.1 with respect to a contractor that is a corporation are true for each corporate partner;
- (r) it has filed all tax, corporate information and other returns, required to be filed by the laws of British Columbia, Canada and any other jurisdiction where it is required to file such returns, and has complied with all workers' compensation legislation and other similar legislation to which it may be

subject and has paid all taxes, fees and assessments calculated to be due by the Contractor under those laws as of the date of this Agreement;

- (s)** it is not in breach of any statute, regulation or bylaw applicable to the Contractor or its operations;
 - (t)** it holds all permits, licenses, consents and authorities issued by any federal, provincial, regional or municipal government or an agency of any of them, that are necessary in connection with the operations of the Contractor;
 - (u)** the making of this Agreement, and the performance of and compliance with the terms of this Agreement does not conflict with and will not result in a breach of, or constitute a default under, the memorandum or articles of the Contractor or the acceleration of any indebtedness under, any terms, provisions or conditions of, any indenture, mortgage, deed of trust, agreement, security agreement, license, franchise, certificate, consent, permit, authority or other instrument to which the Contractor is a party or is bound or any judgment, decree, order, rule or regulation of any court or administrative body by which the Contractor is bound or, to the knowledge of the Contractor, any statute, regulation or bylaw applicable to the Contractor;
 - (v)** it has no knowledge of any untrue or incorrect representation or assurance, whether verbal or written, given by the Contractor, its directors or officers to the Province in connection with this Agreement;
 - (w)** it has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable it to fully perform the Pavement Marking Services;
 - (x)** it has independently reviewed all labour relations issues related to the performance of the Contractor's obligations under this Agreement; and
 - (y)** it has received from the Province and reviewed the Pavement Marking Specifications.
- 2.2** All representations, warranties, covenants and agreements made in this Agreement and all certificates and other documents delivered by, or on behalf of, the Contractor are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province.
- 2.3** All statements contained in any certificate or other document delivered by or on behalf of the Contractor to the Province under this Agreement or in connection

with any of the transactions contemplated by this Agreement will be deemed to be representations and warranties of the Contractor under this Agreement.

- 2.4** The provisions of sections 2.1 and 2.2 will continue in full force and effect notwithstanding the fulfillment by the Contractor of any or all of its obligations under this Agreement or the payment by the Province to the Contractor of any or all of the monies that the Province becomes liable to pay to the Contractor pursuant to this Agreement.

3. APPOINTMENT AND TERM

- 3.1** The Province retains the Contractor to provide the Pavement Marking Services in accordance with the terms of this Agreement.
- 3.2** The Contractor will provide the Pavement Marking Services during the initial term of this Agreement which initial term will, notwithstanding the date of execution and delivery of this Agreement, be deemed to commence on the Commencement Date and will end on the Expiry Date or such date of earlier termination as may be established in accordance with Article 17 or any other termination provisions of this Agreement (the “**Initial Term**”), subject to the possible renewal of the Agreement pursuant to the terms set out in section 3.4.
- 3.3** The Province’s obligations under this Agreement are subject to the following conditions precedent:
- (a)** the Contractor fulfilling all obligations which it is required to fulfill under the RFP prior to the Commencement Date despite the Contractor’s execution of this Agreement;
 - (b)** the Contractor’s fulfillment of its obligations included in section 9.2 on or before the 30th day prior to the Commencement Date; and
 - (c)** the Contractor providing written confirmation, on or before the 30th day prior to the Commencement Date, in a form satisfactory to the Minister, that all of the representations and warranties included in Article 2 are true and accurate as of the date of the confirmation.

The foregoing conditions will be satisfied by the Contractor, on written notice to the Province, or waived by the Province, on written notice to the Contractor, to be received on the dates specified for performance, failing which this Agreement will be terminated without prejudice to the rights and remedies of the Province under the request for proposals process, this Agreement, at law and in equity.

The foregoing conditions are included for the sole benefit of the Province and may be unilaterally waived by the Province at any time prior to the dates specified for satisfaction of the conditions.

- 3.4 The Province shall be entitled, in its sole discretion, to renew the Initial Term of this Agreement for a further two Contract Years, such that the Expiry Date shall then become two Contract Years after the original Expiry Date (the “**Renewal Term**”). If the Province elects to renew this Agreement, the following provisions shall apply:
- a) The Province shall give the Contractor notice of the Province's election to renew this Agreement no later than 12 months prior to the original Expiry Date set out in this Agreement;
 - b) the Contractor must no later than 10 months prior to the original Expiry Date provide the Province with the following documents as a condition precedent of the renewal, failing which the Province shall have the option of revoking the notice of renewal with the result that the Initial Term of this Agreement shall end on the original Expiry Date:
 - (i) written evidence that the bond securities set forth in Schedule 15 (Bonds) will be kept in good standing for the Renewal Term.
 - (ii) an undertaking to provide liability insurance in the form attached in Appendix A of Schedule 16 (Undertaking To Provide Liability Insurance (Renewal Term)) with the Province notifying the Contractor of the amount of insurance to be set out in the undertaking;
 - c) the foregoing condition precedents set out in subsections 3.4(b) are included for the sole benefit of the Province and may be unilaterally waived by the Province at any time prior to the dates specified for satisfaction of the conditions; and
 - d) subject to the satisfaction of the condition precedents in subsections 3.4(b) above or the waiver of same by the Province or the Province not terminating this Agreement prior to or on the original Expiry Date for an Event of Default, the Initial Term of this Agreement shall be extended for the Renewal Term and all the terms and conditions of this Agreement shall continue to apply during the Renewal Term with any necessary changes as if the original Expiry Date had been the same as the Expiry Date of the Renewal Term.

Notwithstanding the foregoing, the Province shall be under no obligation to renew, extend or renegotiate the terms of this Agreement following its termination or expiration.

4. LEGAL RELATIONSHIP INDEPENDENT CONTRACTOR

- 4.1** The Contractor is an independent contractor and not the servant, employee, partner or agent of the Province or the Minister.
- 4.2** The Contractor will not, in any manner whatsoever, commit or purport to commit the Province or the Minister to the payment of any money to any person.
- 4.3** The Minister may, from time to time, give such instructions to the Contractor as the Minister considers necessary in connection with provision of the Pavement Marking Services, which instructions the Contractor will comply with, but the Contractor will not be subject to the control of the Minister with respect to the manner in which such instructions are carried out.
- 4.4** No partnership, joint venture or agency will be created or will be deemed to be created by this Agreement or any action of the parties under this Agreement.
- 4.5** The Contractor will, no later than 15 days after the Commencement Date, deliver to the Province,
 - (a)** written notification of the name of the person appointed by the Contractor who will discharge the responsibilities of a “qualified coordinator”, as described in the *Workers Compensation Act* and the OHS Regulation, for the Contractor; and
 - (b)** a written copy of the Safety Program.

5. PAVEMENT MARKING SERVICES

- 5.1** The Contractor will provide Pavement Marking Services to the Province, on or in respect of all Highways within the Pavement Marking Service Area, in accordance with the terms and conditions of this Agreement.
- 5.2** Pavement Marking Services are comprised of the following four general groups of pavement marking activities to be performed by the Contractor for the purpose of facilitating the safe and efficient movement of traffic on Highways through the use of pavement markings, all of which are to be performed in accordance with the applicable specifications set out in Schedule 1 (Pavement Marking Specifications):

- (a)** Routine Pavement Marking Services, which consist of the annual painting and repair of all of the Routine Line Inventory identified in Appendix A of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) and in accordance with the quantity set out in section 2(a) of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services); and
- (b)** Second Coat Application Pavement Marking Services, which consist of the annual painting and repair of all of the Second Coat Application Line Inventory identified in Appendix B of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) and in accordance with the quantity set out in section 2(b) of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services); and
- (c)** Quantified Pavement Marking Services, which consist of the painting and repair on a cyclical basis as determined by the Contractor and approved by the Province, of all or any of the Longitudinal Markings identified in Appendix C of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) and in accordance with the quantity set out in section 2(c) of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services); and
- (d)** Additional Pavement Marking Services, which are those services related to pavement marking that are provided pursuant to Schedule 5 (Additional Pavement Marking Services).

6. CHANGES TO LINE INVENTORY

6.1 Subject to section 6.5, the Province may, in its sole discretion and for any other purpose whatsoever, including the commencement, completion, suspension, or administration of construction or improvement projects relating to one or more of the Highways or portions thereof, on 10 days' written notice to the Contractor, make an addition or deletion to the quantity of Routine Line Inventory, Second Coat Application Inventory and/or Quantified Line Inventory within the Pavement Marking Service Area, as set out in Schedules 4 (Routine, Second Coat Application and Quantified Pavement Marking Services), and:

- (a)** if the effective date of the notice is between the first day of the Contract Year and the end of the Season, the Contractor will, as soon as practicable in that Season, commence performing the changed services and, subject to section 6.3, the Contractor will not be entitled to any additional compensation in any form whatsoever, nor will the compensation payable hereunder be reduced; or

- (b) if the effective date of the notice given is after the completion of the most recent Season and prior to the end of the current Contract Year, the Contractor will perform the changed services in the subsequent Contract Year, compensation for which will be incorporated into that subsequent Contract Year's Adjusted Annual Price.
- 6.2 If a notice is delivered under section 6.1, then the Minister will make the calculations as set out in Part 2 of Schedule 8 (Cost for Changes to Line Inventory).
- 6.3 If the Province issues a notice under section 6.1 that has an effective date within the Season, and which results in a cumulative annual net increase or decrease of 2%, or greater, of the Annual Price, then:
 - (a) the new Annual Price will be adjusted *pro rata* for the remainder of the Contract Year by multiplying the change in quantity of Routine Line Inventory and/or Quantified Line Inventory by the Inventory Adjustment Unit Price; and
 - (b) any resulting payment adjustments will be made to and reflected in the next payment installment due under Schedule 7 (Fees).
- 6.4 Notwithstanding the effective date of any notice issued pursuant to section 6.1, such notice of additions or deletions to the annual quantity of Line Kilometres to be painted under Quantified Pavement Marking Services will only be given at annual adjustment time (not in the middle of the year) to provide the Contractor enough time to plan the work.
- 6.5 If, during the first Contract Year, the Province becomes aware of a discrepancy between the number of Line Kilometres estimated in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) to comprise the Routine Line Inventory and the actual annual quantity of Line Kilometres comprising the Routine Line Inventory, then the Contractor, on written notice from the Province of the necessary adjustment to the Routine Line Inventory, will perform the changed services for the rest of the Term at no additional cost to the Province, provided that:
 - (a) the Contractor will paint a quantity of Line Kilometres that is equal to the Proposed Combined Levels of Routine, Second Coat Application and Quantified (which is defined as the sum of the fixed level of Routine Line Inventory and Second Coat Application Line Inventory plus the proposed level of Quantified Line Inventory) that is submitted by the Contractor in their proposal, such that:
 - (i) if the Province gives notice that it overestimated the quantity of Line Kilometres comprising the Routine Line Inventory, the difference

between the number included in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) and the actual number required to be painted will be added to the number of Line Kilometres comprising the Quantified Line Inventory identified in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services); or

- (ii) if the Province gives notice that it underestimated the quantity of Line Kilometres comprising the Routine Line Inventory, the difference between the number included in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services) and the actual number required to be painted will be subtracted from the annual quantity of Line Kilometres comprising the Quantified Line Inventory identified in Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services).

6.6 Only single occurrences with additions or deletions greater than one kilometre will be considered for calculations in this Article.

6.7 The Contractor will be limited to the compensation adjustments specified in sections 6.1 and 6.3, and the Contractor will have no other remedies, either in contract under this Agreement or for claims for damages in tort, with respect to any notices issued under section 6.1.

7. CHANGES TO PAVEMENT MARKING SERVICES

7.1 In order to promote and enhance public safety and efficiency, the Contractor will:

- (a) in consultation with the Province, continually review and re-evaluate the Pavement Marking Services and, in conducting that review, take into account changing technology in the pavement marking industry, changing economic and environmental conditions and changing public requirements;
- (b) advise the Province if the Contractor considers that any part of the Pavement Marking Services should be changed in a material way, and submit the proposed change to the Province for its consideration; and
- (c) co-operate with and make commercially reasonable efforts to assist the Province with its tests to accommodate new pavement marking technology.

- 7.2** The Province may, in the Province's sole discretion, either as a result of reviews, advice or proposals made under section 7.1, or on the Province's own initiative, change the Pavement Marking Services, including changes to the Specifications, by delivery of written notice to the Contractor, specifying the change, and the Contractor will forthwith perform the Pavement Marking Services, as so changed.
- 7.3.** If a notice is delivered under section 7.2, then the Contractor and the Province will enter into negotiations to determine the appropriate compensation adjustment for the change to the Pavement Marking Services.
- 7.4** If the parties are unable to reach an agreement on compensation under section 7.3 within 60 days of notification being given under section 7.2, then the matter may be referred by either party directly to arbitration pursuant to sections 18.5 and 18.6, and in determining that issue the arbitrator will take into consideration:
- (a)** service level changes relative to existing obligations;
 - (b)** the practical effect of the change on the business operations of the Contractor, including direct cost increases and decreases and the indirect cost of a reduction in the Pavement Marking Services without a corresponding reduction in fixed and overhead costs;
 - (c)** whether, in the aggregate, the change in compensation, as negotiated under section 7.3, will result in an improvement or deterioration in the Contractor's financial condition; and
 - (d)** the provisions of this Agreement.

8. REPEATER SYSTEM

- 8.1** The Province permits the Contractor to use the Repeater System during the Term subject to the terms and conditions set out in Schedule 12 (Repeater System) and the Contractor agrees to observe and comply with these terms and conditions.

9. INSURANCE AND INDEMNITY

- 9.1** The Contractor will obtain and maintain in force during the Term:
- (a)** commercial general liability insurance providing coverage of not less than \$5 million inclusive per occurrence, and \$10 million in the annual aggregate, for bodily injury, death and property damage and including loss of use of property, which may arise directly or indirectly out of the acts or omissions of the Contractor, or Subcontractors, including all persons, firms or corporations who perform any of the Pavement Marking Services, or

any of them, in any way relating to the performance of services within the Pavement Marking Service Area or the performance of services otherwise under this Agreement, with the Province added as an additional named insured in the manner specified in Schedule 16 (Insurance and Securities);

- (b)** automobile liability insurance in an amount not less than \$5 million and automobile physical damage insurance including collision and comprehensive coverage, covering all automobiles and vehicles owned, rented or leased by the Contractor, that are required by law to be licensed; and
- (c)** equipment insurance covering all equipment owned, rented or leased (with policy limits and conditions that may be applicable to any rental or lease agreements) by the Contractor and utilized in the performance of the Pavement Marking Services by the Contractor, or Subcontractors, including all persons, firms or corporations who perform any of the Pavement Marking Services, or any of them, against "all risks" of loss or damage

and the terms of the foregoing insurance coverage will meet the insurance requirements in Schedule 16 (Insurance and Securities) and will be placed with an insurer or insurers acceptable to the Minister.

- 9.2** Evidence satisfactory to the Minister that the insurance required under section 9.1 has been obtained must be submitted by the Contractor to the Minister not later than the 30th day prior to the Commencement Date and the Contractor will, upon the request of the Minister made at any time or times, submit to the Minister evidence, satisfactory to the Minister, that the insurance remains in force and effect.
- 9.3** The Contractor will ensure that the insurance described in section 9.1 may not be cancelled or materially changed in any way whatsoever without the insurer or insurers giving not less than 30 day's prior written notice to the Province and if notice of cancellation or material change is given the Contractor's obligations under section 9.1 will continue in effect.
- 9.4** The Contractor will provide 30 day's written notice to the Minister of any expiry, non-renewal, lapse, refusal to extend by the insurer, cancellation or any material change of the insurance policy or policies required by the Contractor pursuant to this Article.
- 9.5** The Contractor will, at the request of the Minister, in the Minister's sole discretion, secure insurance to replace the insurance coverage provided in compliance with section 9.1 with new coverage terms or increased policy limits, as specified by the Minister.

- 9.6** The Minister may, in the Minister's sole discretion, review the insurance requirements stipulated by this Article and Schedule 16 (Insurance and Securities) and the Contractor will cooperate as required to implement any changes arising from this review.
- 9.7** The Contractor will indemnify and save harmless the Province and the Minister from and against all claims, liabilities, demands, losses, damages, costs and expenses, legal defence costs and expenses, fines, penalties, assessments and levies made against or incurred, suffered or sustained by the Province and the Minister or either of them at any time or times (whether before or after the expiration or sooner termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Contractor and the Contractor's Subcontractors, servants, employees, agents, management, shareholders, directors and suppliers or any of them pursuant to this Agreement including any claim against the Province for failure to supervise or inspect the work which is performed by the Contractor pursuant to this Agreement which indemnity will survive the expiration or sooner termination of this Agreement.

10. BONDS

- 10.1** The Contractor will obtain and maintain the Bonds in full force and effect during the Term, in accordance with the format and terms specified in Schedule 15 (Bonds).
- 10.2** The Bonds will both be issued by one surety company, or one group of surety companies, that are created and existing under the laws of Canada and duly authorized to transact the business of suretyship in Canada, and the Bonds will be delivered by the Contractor to the Province prior to or on execution of this Agreement.

11. CONTRACTOR'S COVENANTS

- 11.1** The Contractor will:
- (a)** observe, abide by and comply with all laws, by-laws, orders, directions, rules and regulations of any competent government authority or branch or agency thereof directly or indirectly applicable to the Contractor, this Agreement, or the services to be performed under this Agreement;
 - (b)** ensure that the representations and warranties set forth in Article 2 are true and correct at all times during the Term and provide evidence to that effect to the Province on the written request of the Minister;

- (c) maintain its corporate existence and carry on and conduct its business in a proper business-like manner in accordance with good business practice and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles applied on a consistent basis;
- (d) within 15 days of the delivery of a written demand from the Province, provide the Province with such information and documents with respect to the affairs of the Contractor as the Province may reasonably request;
- (e) punctually pay as they become due all accounts, expenses, wages, salaries, taxes, levies, rates, fees, contributions and assessments required to be paid by it on any of its undertaking;
- (f) observe, perform and comply with each covenant and agreement on its part contained in this Agreement;
- (g) provide and maintain all financial management and technical expertise necessary for the Contractor to carry out its obligations under this Agreement;
- (h) upon request, of the Ministry Representative in accordance with section 16.8:

 - (i) deliver to the Province samples of any or all products; and
 - (ii) permit the Ministry Representative at all reasonable times to inspect the sample collection;
- (i) co-operate with and make commercially reasonable efforts to assist the Province in the completion of a maximum of two Plate Tests for each type of paint used per Season;
- (j) co-operate with the Province and any other contractors providing services to the Province in the Pavement Marking Service Area and in areas adjacent to the Pavement Marking Service Area;
- (k) perform the Pavement Marking Services in a good manner, free of defects or deficiencies and to the satisfaction of the Minister;
- (l) repair, at its own expense, all damage to government property caused by the Contractor;
- (m) continually train its staff in the safe operation of pavement marking equipment to the satisfaction of the Minister;

- (n) provide and maintain at all times sufficient staff, facilities, materials, appropriate equipment and approved subcontract agreements in place and available to it as required to fully perform the Pavement Marking Services, and in no event will the level of resources deployed in the field and ready to respond be less than what is required to supply the Routine, Second Coat Application, Quantified and Additional Pavement Marking Services and to comply with the Contractor's Quality Plan;
- (o) paint, identify and light the equipment in accordance with the requirements set out in Schedule 11 (Equipment Requirements) and such other requirements of which the Minister may advise the Contractor by written notice from time to time;
- (p) mount a DPMMI to each paint application vehicle, in compliance with Part B of Schedule 1 (Pavement Marking Specifications) and the requirements set out in subsection 14.4(f), and have each such DPMMI calibrated at least once per year by the supplier;
- (q) create and maintain an inventory of all line types in the Pavement Marking Service Area, in compliance with the reporting requirements set out in Article 14;
- (r) inspect, each year, the condition of all Longitudinal Markings, in compliance with the reporting requirements set out in subsection 14.4(b);
- (s) observe and comply with all laws, by-laws, orders, directions, rules and regulations of any competent government authority or branch or agency thereof relating to the environment or to occupational health and safety, including the *Workers Compensation Act*, and the OHS Regulation, directly or indirectly applicable to the Contractor or this Agreement, including by ensuring that the provision of and performance of the Pavement Marking Services, complies with all such laws, by-laws, orders, directions, rules and regulations;
- (t) notwithstanding any limitation in the OHS Regulation which would exempt the Contractor from the requirement to initiate and maintain an occupational health and safety program, initiate and at all times maintain an occupational health and safety program in connection with the Pavement Marking Services and this Agreement, and ensure that the occupational health and safety program:
 - (i) is designed to prevent injuries and occupational diseases within the contemplation of the *Workers Compensation Act* and the OHS Regulation;

- (ii) provides for the establishment and maintenance of a system or process to ensure compliance with the *Workers Compensation Act* and the OHS Regulation in respect of the services and this Agreement; and
 - (iii) satisfies the requirements of an occupational health and safety program under the *Workers Compensation Act* and the OHS Regulation;
- (u) carry out the responsibilities of the Prime Contractor under the *Workers Compensation Act* and the OHS Regulation, in connection with the Pavement Marking Services and this Agreement, and for the purposes of *Workers Compensation Act* and the OHS Regulation, the workplace as therein defined is the worksite at which the painting operations are currently taking place; and
 - (i) if another party is the Prime Contractor in connection with another adjacent or nearby worksite, the Contractor will continue to perform the obligations of the Prime Contractor for the worksite at which the painting operations are currently taking place and:
 - (A) cooperate with the other party so as to coordinate the health and safety activities on the adjacent or nearby worksite; and
 - (B) notify the other party of any hazard created by virtue of overlapping or adjoining work activities and ensure the hazards are addressed throughout the duration of such activities;
- (v) perform, or cause Subcontractors to perform, where applicable, all Pavement Marking Services in a manner which meets or exceeds the specifications set out in Schedule 1 (Pavement Marking Specifications);
- (w) provide to the Minister all of the Contractor information specified in Schedule 14 (Contractor Detail) with respect to a corporate Contractor, a Contractor that is a partnership and with respect to each corporate partner of a Contractor that is a partnership, no later than 30 days prior to the Commencement Date; and
- (x) comply in all respects with the terms and conditions set out in Schedule 13 (Privacy Protection)

12. ANNUAL PRICE AND FEES

12.1 In consideration of the Contractor:

- (a)** providing the Core Services and performing all other obligations of the Contractor under this Agreement, except Additional Pavement Marking Services, the Province will, subject to the terms of this Agreement including section 17.2 and subsection 19.2(b), pay to the Contractor the Annual Price corresponding to each Contract Year;
- (b)** providing the Additional Pavement Marking Services, the Province will, subject to the terms of this Agreement, pay to the Contractor fees in the amounts and in the manner set out in Schedule 5 (Additional Pavement Marking Services).

12.2 The sums described in subsection 12.1(a) constitute the maximum amounts payable to the Contractor for its performance of the Core Services and the Contractor will not be entitled to any additional compensation for its performance, whether or not the work actually undertaken by the Contractor is described in this Agreement and, without limiting the generality of the foregoing, the Contractor will not be entitled to any compensation in a Contract Year beyond the Annual Price for that Contract Year unless:

- (a)** the Annual Price is adjusted during that Contract Year in accordance with this Agreement; or
- (b)** the Contractor performs Additional Pavement Marking Services during that Contract Year at the request of the Minister in accordance with this Agreement.

12.3 Notwithstanding any other provision of this Agreement, the payment of money by the Province to the Contractor under this Agreement is subject to:

- (a)** there being sufficient monies available in an Appropriation, as defined in the *Financial Administration Act*, to enable the Province, in any fiscal year or part thereof when any payment of money by the Province to the Contractor falls due under this Agreement, to make that payment; and
- (b)** Treasury Board, as defined in the *Financial Administration Act*, not having controlled or limited, under the *Financial Administration Act*, expenditure under any Appropriation referred to in subsection (a) of this section.

12.4 All sums due and owing by the Contractor to the Province under this Agreement will be set off by the Province during the Term.

- 12.5** All payments made under this Agreement, net of sums set off as provided under section 12.4, will be paid by electronic fund transfer to the appropriate party.
- 12.6** Concurrent with each setoff payment, the Province will deliver to the Contractor an accounting of the sums due and owing by the parties under this Agreement to the date of the payment.

13. ASSIGNMENT AND SUBCONTRACTING

- 13.1** The Contractor will not without the prior written consent of the Minister assign, either directly or indirectly, this Agreement or any right of the Contractor under this Agreement.
- 13.2** The Contractor may subcontract any obligation of the Contractor under this Agreement to any person, except if the Minister has notified the Contractor that the Minister's written consent is to be obtained prior to any such subcontracting by the Contractor.
- 13.3** The appointment of Subcontractors by the Contractor will not relieve the Contractor of its responsibility to perform and comply with all terms of this Agreement, or for the quality of work, materials and services provided by it.
- 13.4** The Contractor will at all times be held fully responsible to the Province for the acts and omissions of its Subcontractors and persons employed by them and no subcontract entered into by the Contractor will impose any obligation or liability upon the Province to any such Subcontractor or any of its employees.
- 13.5** The Contractor will cause every subcontractor to be bound by the terms of this Agreement so far as they apply to the Pavement Marking Services to be performed by each subcontractor.
- 13.6** Nothing in this Agreement will create any contractual relationship between the Province and a Subcontractor of the Contractor.
- 13.7** The Minister may, without the prior consent of the Contractor, assign in whole or in part, either directly or indirectly, this Agreement or any rights of the Minister under this Agreement.
- 13.8** The Contractor will use its best efforts to co-operate with the Province, and any other interested parties to effect a full or partial assignment of the Minister's rights and obligations under this Agreement, and a reasonable transition in performance of the Pavement Marking Services as a result of any assignment, expiration or termination of this Agreement and this obligation will survive such expiration, termination or assignment.

14. RECORDS AND REPORTS

14.1 The Contractor will:

- (a)** establish and maintain at a location within British Columbia accurate books of account and records (including supporting documents) to the satisfaction of the Minister;
- (b)** give written particulars of the location within British Columbia, referred to in subsection 14.1(a), to the Minister, not later than 30 days after the Commencement Date, or give written particulars of any new location within British Columbia within 30 days of any change of location; and
- (c)** permit the Province, its servants and agents, at any time or times during normal business hours, to copy or audit, or both, any or all of the books of account and records (including supporting documents) referred to in subsection 14.1(a).

14.2 The Contractor will upon the request, from time to time, of the Minister:

- (a)** deliver to the Province copies of any or all records demonstrating the compliance of the Contractor with the laws, by-laws, orders, directions, rules and regulations referenced in section 11.1, including the *Workers Compensation Act*, and the OHS Regulation; and
- (b)** permit the Minister at all reasonable times to inspect, examine, review and copy any and all findings, data, specifications, drawings, working papers, reports, documents and material whether complete or otherwise that have been produced, received or acquired by the Contractor, the Province or the Ministry, or provided by or on behalf of the Province or the Minister to the Contractor as a result of or in connection with this Agreement.

14.3 All case files, materials, software, manuals and memoranda of any Ministry of the Province of British Columbia related to the provision of the Pavement Marking Services that are, from time to time, in the possession or control of the Contractor will at all times be the exclusive property of the Province. All aforesaid items will be immediately delivered by the Contractor to the Minister on the expiration or sooner termination of this Agreement and each aforesaid item will be immediately delivered by the Contractor to the Minister on the earlier of:

- (a)** the expiration or sooner termination of this Agreement; and
- (b)** the completion by the Contractor of the provision of services under this Agreement.

14.4 The Contractor will:

- (a)** provide to the Minister, as required by the Minister from time to time, reports relating to the compliance of the Contractor with the laws, by-laws, orders, directions, rules and regulations referenced in section 11.1, including the *Workers Compensation Act* and the OHS Regulation;
- (b)** provide the Line Condition Report in the required Excel spreadsheet format, which is located on the Ministry Website, to the Ministry Representative, no later than April 1st of each year, in accordance with the following requirements:

 - (i)** provide an assessment of all lines on all Highways identified in Appendix C of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
 - (ii)** identify lines that do not require re-painting on all Highways identified in Appendix A of Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services);
 - (iii)** identify lines as 'Poor' if, when compared to ASTM Method D913 photo No. 2 - 60%, 60% or less of the line is visible;
 - (iv)** identify lines as 'Fair' if, when compared to ASTM Method D913 photo No. 4 - 77%, if no less than 61% and no more than 77% of the line is visible; and
 - (v)** identify lines as 'Good' if, when compared to ASTM Method D913 photo No. 6 - 92%, no less than 78% of the line is visible; and
 - (vi)** identify the line type of the Poor, Fair and Good sections of the Highways by LKI segments and partial segments; the segments/partial segments must not be longer than 10 km and must have the same start and end coordinates as in the Line Type Report and the Accomplishment Report; and
 - (vii)** identify the start and end coordinates (latitude and longitude) of each section.
- (c)** provide a proposed Quantified Plan to the Ministry Representative for approval; no later than April 15th of each year, and

 - (i)** when the proposed Quantified Plan has been submitted by the Contractor to the Ministry Representative for approval, the Ministry Representative will, as soon as is reasonably practicable, and in any event no later than 10 Business Days after receiving the

- proposed plan, advise the Contractor whether the proposed plan is satisfactory, and if not satisfactory, in what respects it is not satisfactory;
- (ii) if the Ministry Representative advises the Contractor that the proposed Quantified Plan is satisfactory, the proposed plan will be the Quantified Plan for that year;
 - (iii) if, pursuant to paragraph (i) of this subsection, the Ministry Representative advises the Contractor that the proposed Quantified Plan is not satisfactory, within 10 Business Days of being so advised, the Contractor will submit a second proposed plan to the Ministry Representative for approval, and the Ministry Representative will, as soon as is reasonably practicable, and in any event no later than 10 Business Days after receiving the second proposed plan, advise the Contractor whether the proposed plan is satisfactory;
 - (iv) if the Ministry Representative advises the Contractor that the second proposed Quantified Plan is satisfactory, the second proposed plan will be the Quantified Plan for that year;
 - (v) if the Contractor either does not submit a proposed Quantified Plan by April 15th of that year, or if the Contractor does not, pursuant to paragraph (iii) of this subsection, submit a second proposed Quantified Plan that is satisfactory to the Ministry Representative, the Minister may impose on the Contractor a Quantified Plan for that year by delivering to the Contractor a copy of that Quantified Plan as prepared by the Minister.
- (d) provide the Work Plan to the Ministry Representative, no later than the 25th day of each month for the following month. The Work Plan will include the location and week of planned Routine Pavement Marking Services, Second Coat Application Pavement Marking Services and Quantified Pavement Marking Services outlined in section 5.2.
- (e) provide the Accomplishment Report in the required format, which is located on the Ministry Website , to the Ministry Representative no later than the 5th Operational Day of each month for the prior month. In the Accomplishment Report, the Contractor will:
- (i) set out monthly and contract year-to-date summaries and locations of all performed Routine Pavement Markings Services, Second Coat Application Pavement Marking Services and Quantified Pavement Marking Services and all work performed under Additional Pavement Marking Services;

- (ii) identify locations by LKI segments and partial segments; the segments/partial segments must not be longer than 10 km and must have the same start and end coordinates as in the Line Type Report and the Line Condition Report; and
 - (iii) identify the start and end coordinates (latitude and longitude) of each section;
 - (f) provide to the Ministry Representative, within 5 Business Days upon request, reports relating to the operation of the DPMMI and the data collected by using the DPMMI, details of which are outlined in Part B of Schedule 1 (Pavement Marking Specifications), including, without limitation, the following information:
 - (i) the raw data from the DPMMI in a Microsoft Excel spreadsheet format;
 - (ii) site specific and/or entire logs of raw data files from the DPMMI, as requested; and
 - (iii) proof of calibration for each DPMMI unit, for each year of that unit's operation;
 - (g) provide to the Ministry Representative, within 5 Business Days upon request, detailed records that reference load slips for paint, bead and any other product used in the provision of the Services, including quantities and locations used;
 - (h) provide to the Ministry Representative, within 5 Business Days upon request, a written declaration that products used by the Contractor:
 - (i) are listed on the British Columbia Ministry of Transportation & Infrastructure's Recognized Products List;
 - (ii) have not been modified or tampered;
 - (iii) have been stored and applied in accordance with manufacturers recommendations;
 - (iv) have not passed expiry date at time of application;
 - (i) provide to the Ministry Representative, within 15 Business Days upon request, certificates of product quality as provided to Contractor by manufacturer;

- (j)** provide to the Ministry Representative no later than December 15 of each Contract Year, the Line Type Report containing a current inventory of all types of lines in the Pavement Marking Service Area, in the required Microsoft Excel spreadsheet format which is located on the Ministry Website; and which must meet the following requirements:

 - (i)** locations must be identified by LKI segments and partial segments; the segments/partial segments must not be longer than 10 km and must have the same start and end coordinates as in the Accomplishment Report and in the Line Condition Report;
 - (ii)** the start and end coordinates (latitude and longitude) of each section must be identified;
 - (iii)** the aggregate length of each line type must be identified.
- (k)** provide to the Ministry Representative, no later than December 31st of each year, either a certificate from a senior officer or director of the Contractor, certifying that the Contractor's details provided in Schedule 14 (Contractor Detail) are unchanged or, if the Contractor's details have changed, a replacement for Schedule 14 (Contractor Detail), certified to be correct by a senior officer or director of the Contractor.

15. FINANCIAL AND ACCOUNTING AUDIT

- 15.1** The Province may, in its sole discretion, conduct a financial and accounting audit of the Contractor, including the right to inspect and take copies of the books and records of the Contractor upon reasonable notice and at reasonable times.
- 15.2** The Contractor will fully co-operate with the Province in conducting an audit under section 15.1.
- 15.3** The Contractor will, upon the request of the Minister, provide to the Province a copy of the audited (or if unavailable, unaudited) financial statements of the Contractor.
- 15.4** The Contractor will prepare, such financial information, reports or statements relating to the Contractor's financial condition and accounting records as the Minister may request and will deliver the same to the Minister at such time or times as the Minister may specify.

16. QUALITY MANAGEMENT

16.1 The Contractor is responsible for the quality of the Pavement Marking Services, in accordance with this Agreement, the Specifications and the Contractor's Quality Plan.

16.2 The Contractor's Quality Plan for delivery of the Pavement Marking Services will be prepared by the Contractor and provided to the Ministry Representative, and the Contractor's Quality Plan will include, without limitation, the following:

- (a)** documentation of all processes for all Pavement Marking Services in detail;
- (b)** documentation of the Contractor's processes to ensure Quality Control and Quality Assurance, outlining details on how the following tests will be performed and recorded:
 - (i)** colour
 - (ii)** dimensions
 - (iii)** retro-reflectivity:
 - sampling must be made using a sample size of 20 measurements at 5 metre intervals on a single line;
 - all measurements for retro-reflectivity must be made within a single test site and may be averaged and recorded as an average;
 - testing for retro-reflectivity must be carried out only when the newly painted surface is clean, dry, free of all excess beads, and after 24 hours of paint being applied;
 - all measurements for retro-reflectivity must be made using a Mirolux MX-30, Stripemaster or Stripemaster 2 retro-reflectometer or equivalent, as approved in writing by the Ministry. Measurements must be made using the retro-reflectometer manufacturer's instructions for operation and procedures and must be made only by competent staff;
 - (iv)** thickness and consistency; and
 - (v)** daytime visibility;
- (c)** documentation of the Contractor's processes for using and calibrating the DPMMIs, and tracking the required data from the units;
- (d)** an internal non-conformance process to be initiated by the Contractor when materials, products or Pavement Marking Services fail to meet the terms and conditions of this Agreement, outlining:

- (i) the methods used to determine the extent, location and quantity of the non-conforming material, product or Service;
- (ii) the methods used to resolve an incident or incidents of non-conforming materials, products or Pavement Marking Services, whether they be replacement, rectification or a request to the Province to accept the non-conformance;
- (iii) how the root cause leading to the non-conformance will be identified and analyzed;
- (iv) the method or methods used to ensure all similar incidents are prevented in the future;
- (v) the method or methods used to determine the effectiveness of corrective and preventive measures; and
- (vi) how the non-conformances and their resolution will be communicated within the Contractor's organization.

- 16.3** The Contractor must have the Ministry Representative's written acceptance of the Contractor's Quality Plan no later than 60 days after the Commencement Date of this Agreement. Acceptance of the Contractor's Quality Plan by the Province in no way will release the Contractor from its obligation to perform all of the terms, covenants and conditions of this Agreement, including but not limited to the Specifications, all of which are expressly reserved by the Province and that if there is any conflict between the Contractor's Quality Plan, or any part thereof, and any term of this Agreement including the Specifications, the terms of this Agreement will prevail.
- 16.4** The Contractor must implement, maintain and conform to the Contractor's Quality Plan through the Term.
- 16.5** The Contractor is responsible for continually monitoring the effectiveness of, maintaining, and revising the Contractor's Quality Plan throughout the Term and will submit any resulting amendments to the Ministry Representative for acceptance.
- 16.6** The Province may audit the Contractor's Quality Plan and conduct monitoring and auditing, at times and in accordance with the Provincial Quality Plan, in order to ensure conformance with the Specifications, the terms of this Agreement, and the Contractor's Quality Plan through review of the Contractor's work activities and performance results and to verify the effectiveness of the Contractor's processes, procedures, methods, documentation, and records.

- 16.7** The Province may issue and deliver to the Contractor a Non-Conformance Report (the “NCR”) if the results of the Province's monitoring or auditing activities indicate the Contractor is failing to conform to the terms of this Agreement.
- 16.8** The Contractor must work directly with the Ministry Representative on matters related to quality and will fully co-operate in all of the Province’s monitoring and auditing activities as described in the Provincial Quality Plan.

17. DEFAULT AND REMEDIES

- 17.1** Any of the following events will constitute an Event of Default whether the event is voluntary, involuntary or results from the operation of law or any judgment or order of any court or administrative or government body:
- (a)** the Contractor fails to observe, perform or comply with any provision of this Agreement;
 - (b)** any representation or warranty made by the Contractor in this Agreement is materially untrue or incorrect;
 - (c)** any information, statement, document, certificate or report furnished or submitted by or on behalf of the Contractor to the Province or the Minister pursuant to this Agreement, is materially untrue or incorrect;
 - (d)** the Contractor fails to deliver to the Province notice that there has occurred, or is continuing to occur, a default under this Agreement, and such notice specifies the particulars of the default;
 - (e)** there is any *bona fide* action or proceeding, pending or threatened against the Contractor, which would, in the reasonable opinion of the Minister, have a material adverse effect upon the ability of the Contractor to fulfill its obligations under this Agreement;
 - (f)** an order is made, a resolution is passed or a petition is filed, for the liquidation or winding up of the Contractor;
 - (g)** a change occurs with respect to any of the properties, assets, condition (financial or otherwise), business or operations of the Contractor which, in the reasonable opinion of the Minister, materially adversely affects the ability of the Contractor to fulfill any of its obligations under this Agreement;

- (h) the Contractor becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (i) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by, the Contractor;
- (j) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada);
- (k) a receiver or receiver-manager of any property of the Contractor is appointed;
- (l) the Contractor permits any sum, which is not disputed to be due by it, to remain unpaid after legal proceedings have been commenced to enforce payment thereof;
- (m) the Contractor ceases, in the reasonable opinion of the Minister, to carry on business as a going concern;
- (n) the Contractor, without the prior written approval of the Minister, assigns, sells or in any manner disposes of or encumbers all or any of its interest in, or rights acquired under, this Agreement;
- (o) without the prior written consent of the Minister, the direct or indirect legal or beneficial ownership and effective control of the Contractor changes from that represented in subsection 2.1 (k); or
- (p) any action is taken to enforce any security interest, charge or encumbrance granted, created or issued by the Contractor.

17.2 On the happening of an Event of Default, or at any time thereafter, the Minister may deliver written notice to the Contractor specifying the Event of Default and the Province may, at its option, elect to do any one or more of the following:

- (a) pursue any remedy available to it at law or in equity;
- (b) retain as a holdback from any payment due to the Contractor under subsection 12.1(a), if the Event of Default is a failure to perform any of the Pavement Marking Services in accordance with this Agreement, an amount equal to twice the value of the Pavement Marking Services not performed, such value to be determined by the Minister in the Minister's sole discretion;
- (c) take all actions in its own name or in the name of the Contractor that may reasonably be required to cure the Event of Default in which case all

payments, costs and expenses incurred will be payable by the Contractor to the Province on demand and set off against any sums owing by the Province to the Contractor present or future, including any amount retained as a holdback under subsection 17.2 (b);

- (d) require the Contractor to cure the Event of Default within a time period specified by the Minister;
- (e) if an Event of Default with respect to which an amount has been retained as a holdback under subsection 17.2 (b):
 - (i) has been cured by the Contractor to the satisfaction of the Minister within a time period specified by the Minister, then the Province may pay the amount retained to the Contractor, or
 - (ii) is not curable or has not been cured by the Contractor to the satisfaction of the Minister, within a time period specified by the Minister, then the Province may keep the amount retained as a reduction of fees otherwise payable to the Contractor under Part I of the Schedule 7 (Fees) and the Contractor and the Province agree that an amount equal to twice the value of the Pavement Marking Services not performed, determined according to subsection 17.2 (b), is an appropriate estimate of the losses and damages incurred by the Province arising from the Contractor's default, after taking into account the Province's increased administration costs, the costs of hiring an alternate Contractor to perform the Pavement Marking Services, the delays in the performance of those services and the costs associated with traffic closures or delays, if any, which resulted from the default;
- (f) waive the Event of Default; and
- (g) terminate this Agreement, subject to the expiration of any time period specified by a notice delivered pursuant to subsection 17.2 (d).

17.3 The rights, powers and remedies conferred on the Province under this Agreement are not intended to be exclusive and each will be cumulative and in addition to and not in substitution for every other right, power and remedy existing or available to the Province under this Agreement, any other agreement, at law or in equity and the exercise by the Province of any right, power or remedy will not preclude the simultaneous or later exercise by the Province of any other right, power or remedy.

17.4 No failure or delay on the part of either party to complain of an act or failure of the other party or to declare such other party in default, irrespective of how long

such act or failure to act will continue, will constitute a waiver by such party of its rights under this Agreement.

- 17.5** No interest will be payable by the Province on any amount retained as a holdback in accordance with subsection 17.2 (b).

18. DISPUTE RESOLUTION

- 18.1** Upon a dispute arising out of or in connection with any provision of this Agreement, the parties will consider in good faith whether to elect to follow the Dispute Resolution Protocol set out in Schedule 10 (Dispute Resolution Protocol) in attempting to resolve the dispute.
- 18.2** The parties will confirm in writing any election by them to follow the Dispute Resolution Protocol in respect of a particular dispute and upon any such election being made, unless otherwise agreed by the parties, the Dispute Resolution Protocol will be binding on them in respect of that dispute.
- 18.3** Nothing in this Article obliges a party to elect to follow the Dispute Resolution Protocol in respect of a particular or any dispute.
- 18.4** Subject to sections 18.1 to 18.3, any disputes arising out of or in connection with this Agreement may be referred by either party to, and finally resolved by, arbitration pursuant to the *Commercial Arbitration Act*.
- 18.5** Notwithstanding sections 18.1 to 18.4, any dispute arising out of or in connection with section 7.4 of this Agreement or section 5 of Schedule 9 (Annual Adjustment Process) may be referred by either party to, and finally resolved by, arbitration pursuant to the *Commercial Arbitration Act*.
- 18.6** If either party, pursuant to section 18.4 or section 18.5, decides to refer a dispute arising out of or in connection with this Agreement to be finally resolved by arbitration, then:
- (a)** the parties must chose and appoint a mutually acceptable arbitrator within 15 days of when the party wanting to refer the subject dispute to arbitration notifies the other party of that decision to refer;
 - (b)** the arbitrator to be appointed must have qualifications, by profession or occupation, and experience relevant to the issues in the subject dispute for which the arbitrator is to be appointed, provided that no person will be nominated or appointed as arbitrator who is, or at any time has been, interested in the business affairs of the Contractor or any consultant or subcontractor of the Contractor;

- (c) if the parties fail to agree on a suitable arbitrator to be appointed within the time period referenced in subsection 18.6(a), either party may apply to the British Columbia International Commercial Arbitration Centre for appointment of a neutral, independent person to act as a neutral, independent arbitrator for the subject dispute; and
- (d) in the absence of any written agreement otherwise, the place of arbitration will be either Victoria or Vancouver, British Columbia, at the Province's option.

19. FORCE MAJEURE

19.1 An event of Force Majeure will only be considered if it occurs during the Season.

19.2 If an event of Force Majeure occurs or is likely to occur, then:

- (a) the party directly affected will notify the other party immediately, and will use commercially reasonable efforts to remove, curtail or contain the cause of the delay, interruption or failure and to resume with the least possible delay performance of its duties, covenants and obligations under this Agreement; and
- (b) if the party directly affected by the event of Force Majeure is the Contractor, then the Province will not be obliged to pay to the Contractor any amounts pursuant to Part I of Schedule 7 (Fees) attributable, as determined by the Minister, to the period during which the event of Force Majeure is continuing.

19.3 Notwithstanding the Contractor's inability to supply Pavement Marking Services while the event of Force Majeure continues, the Contractor must re-schedule the performance of the Pavement Marking Services to ensure that all Pavement Marking Services scheduled for the then current Contract Year are performed during that Contract Year.

19.4 If the Contractor is faced with delays in the performance or completion of work under the Contract as a result of either picketing by a union or unions, or some other form of protest, it will immediately, at its own expense and for the purpose of allowing the work to continue or be completed without further delay,

- (a) in the case of picketing by a union or unions, take all necessary steps to seek a cease and desist order or orders from the Labour Relations Board of British Columbia; or
- (b) in the case of interference from a non-unionized person or persons, take all necessary steps to seek an injunction or injunctions from the Supreme Court of British Columbia.

20. NOTICES

20.1 Any notice, document, statement, report, demand to be given or made under this Agreement, will be in writing and may be given or made by personal delivery to the party to whom it is to be given or made, from either party or the Minister, or by mailing in Canada with postage prepaid addressed,

(a) if to the Province, Minister or the Ministry Representative (or all of them):

Ministry of Transportation and Infrastructure
Suite 310 – 1500 Woolridge Street
Coquitlam, British Columbia
V3K 0B8

Attention: Ministry Representative

with a copy to:

Ministry of Transportation and Infrastructure
Rehabilitation and Maintenance Branch
4C-940 Blanshard Street
Victoria, British Columbia
V8W 9T5 53E6

Attention: Manager, Maintenance Contracts Procurement

(b) and if to the Contractor:

@Contractor Name@
@Address@

Attention: @@

and any such notice, document, statement, report, or demand so mailed will be deemed given to and received by the addressee on the third Business Day after the mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report, demand or payment will be deemed given to and received by the addressee when actually delivered to the particular address set out above.

20.2 Any notice, document, statement, report, or demand to be given or made under this Agreement may be transmitted by electronic mail to the party to whom it is to be given or made, by transmission from either party or the Minister, to the applicable electronic mail address, as follows:

(a) if to the Province, Minister or the Ministry Representative (or all of them):

Email: @@,

Attention: Ministry Representative

with a copy to:

Email: Maintenance.Programs@gov.bc.ca.

Attention: Manager, Maintenance Contracts Procurement

(b) and if to the Contractor:

Email: @@;

Attention: @@

and any such notice, document, statement, report, or demand so transmitted will be deemed given to and received by the intended recipient, when capable of being retrieved by the intended recipient at the particular electronic address above.

20.3 Either party may, from time to time, advise the other by notice in writing of any change of address or electronic mail address of the party giving such notice and, from and after the giving of such notice, the address or electronic mail address therein specified will, for purposes of this Agreement, be deemed to be the address or electronic mail address of the party giving such notice.

21. MISCELLANEOUS

21.1 Any public announcement relating to this Agreement will be arranged by the Province in consultation with the Contractor.

21.2 Any property, including Provincial Material, provided by or on behalf of the Province or the Minister to the Contractor as a result of this Agreement will be the exclusive property of the Province and will, subject to the following proviso, be delivered by the Contractor to the Minister immediately following the expiration or sooner termination of this Agreement, provided that the Minister may, at any time or times prior to the expiration or sooner termination of this Agreement, give

written notice to the Contractor requesting delivery by the Contractor to the Minister of all or any part of such property in which event the Contractor will immediately comply with such request.

- 21.3** The Contractor will treat as confidential and will not, without the prior written consent of the Minister, publish, release, or disclose, or permit to be published, released or disclosed either before or after the expiration or sooner termination of this Agreement, any information, except insofar as such publication, release or disclosure is required by law or is necessary to enable the Contractor to fulfill the obligations of the Contractor under this Agreement.
- 21.4** The Contractor will not, during the Term, perform a service for or provide advice to any person, firm or corporation or other legal entity where the performance of the service or the provision of the advice may or does, in the reasonable opinion of the Minister, give rise to a conflict of interest between the obligations of the Contractor to the Province under this Agreement and the obligations of the Contractor to such other person, firm or corporation or other legal entity.
- 21.5** This Agreement constitutes the entire agreement between the parties in respect of the subject matter of this Agreement and no understandings, representations, contracts, or agreements, oral or otherwise, exist between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement. The Contractor agrees that in entering into this Agreement the Contractor has not and does not rely upon any previous representation of the Province, or of servants, employees, agents, or representatives of the Province, whether expressed or implied, or upon any inducement or agreement of any kind or nature. All prior understandings, negotiations, representations, contracts or agreements are hereby canceled.
- 21.6** Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.
- 21.7** Public disclosure of this Agreement, any documents or other records pertaining to this Agreement or those agreements which are in the custody or under the control of the Province, will be governed by the *Freedom of Information and Protection of Privacy Act*.
- 21.8** Time will be of the essence of this Agreement.
- 21.9** All provisions of this Agreement in favour of the Province and all rights and remedies of the Province, either at law or in equity, will survive the expiration or sooner termination of this Agreement.

- 21.10** This Agreement will enure to the benefit of and be binding upon the Province and its assigns and Contractor and its successors and permitted assigns.
- 21.11** No waiver by either party of a breach or default by the other party in the observance, performance or compliance of any of its obligations under this Agreement will be effective unless it is in writing and no such waiver will be deemed or construed to be a waiver of any other breach or default, and failure or delay on the part of either party to complain of an act or failure of the other party or to declare such other party in default, irrespective of how long such failure or delay continues, will not constitute a waiver by such party of any of its rights against the other party.
- 21.12** If any provision of this Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be valid and enforceable to the extent permitted by law.
- 21.13** This Agreement may only be amended by a further written agreement executed by both parties.
- 21.14** The Contractor will use commercially reasonable efforts to adopt electronic modes of communication and transfer of information in formats and through modes of communication specified by the Province.

22. INTERPRETATION

- 22.1** A reference in this Agreement:
- (a)** to a statute whether or not that statute has been defined, means a statute of the Province of British Columbia unless otherwise stated and includes every amendment to it, every regulation made under it and any enactment passed in substitution therefore or in replacement thereof; and
 - (b)** to any other agreement between the parties means that other agreement as it may be amended from time to time by the parties.
- 22.2** Unless the context otherwise requires, any reference to “this Agreement” means this instrument, all of the Schedules attached to it and all documents, manuals or publications referenced in the Schedules and any reference in this Agreement to any Article, section, subsection or paragraph by number is a reference to the appropriate Article, section, subsection or paragraph in this Agreement.
- 22.3** The headings or captions in this Agreement are inserted for convenience only and do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement.

- 22.4** In this Agreement, “person” includes a corporation, firm, association and any other legal entity and wherever the singular or masculine is used it will be construed as if the plural, the feminine or the neuter, and wherever the plural or the feminine or the neuter is used it will be construed as the singular or masculine, as the case may be, had been used where the context or the parties so require.
- 22.5** Each Schedule attached to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 22.6** In this Agreement, the words “including” and “includes”, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement.
- 22.7** All dollar amounts expressed in this Agreement refer to lawful currency of Canada.

22.8 This Agreement will be governed by, construed and interpreted in accordance with the law of the Province of British Columbia, without regard to choice of law principles, and the Contractor and the Province will be deemed to have hereby attorned to the exclusive jurisdiction of the Courts of competent jurisdiction within the Province of British Columbia with respect to all legal proceedings arising out of or related to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

SIGNED on behalf of **HER MAJESTY**)
THE QUEEN IN RIGHT OF THE)
PROVINCE OF BRITISH COLUMBIA by) (Seal)
a duly authorized representative of the)
Minister of Transportation and)
Infrastructure on the ____ day of)
_____, 20__ in the presence of:)
_____)
(Witness) _____) For the Minister of Transportation and
Infrastructure

THE common seal of _____))
was hereunto affixed on the ____ day of)
_____, 20__ in the presence of:)
_____))
(Signature) _____) (c/s)
_____))
(Title) _____))
_____)

SCHEDULES INDEX

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SCHEDULE “1”

PAVEMENT MARKING SPECIFICATIONS

A. MATERIALS

The Contractor will use, unless otherwise approved in writing by the Province;

- (a)** traffic paint and thermoplastic material in accordance with the Recognized Products List from the British Columbia Ministry of Transportation and Infrastructure;
- (b)** white paint that conforms to US Federal specification 595b White 17886;
- (c)** yellow paint that conforms to US Federal specification 595b Yellow 33538; and
- (d)** glass beads in accordance with the “Enhanced Glass Beads” category within the Recognized Products List from the British Columbia Ministry of Transportation and Infrastructure;

The Contractor will dispose of all waste material in an environmentally appropriate manner and in accordance with any applicable legislation.

B. DPMMI

1. Each paint application vehicle must have mounted on it a DPMMI that will be used to track data at an interval no greater than every 15 seconds at all times during paint application.

(a) The data to be tracked will include:

- (i) date;
- (ii) time;
- (iii) location;
- (iv) speed of vehicle;
- (v) paint application thickness (wet mils);
- (vi) distance painted;
- (vii) glass bead application rate;
- (viii) road temperature;

- (ix) air temperature;
 - (x) paint temperature.
- 2. The Contractor is responsible to accurately track the road and exact location on the road that all recorded data applies to.
- 3. If, for any reason, the DPMMI becomes inoperable, the Contractor will immediately advise the Ministry Representative. The Contractor will inform the Ministry Representative of the area that has been painted without the DPMMI and a date when the instrument will be back in operation. If the instrument will be out of service for 5 or more Operational Days, the Contractor may be required to provide documentation from the manufacturer regarding the problem and the proposed date for the solution.

C. INTERPRETATION

Whenever more than one Pavement Marking Specification or more than one part of a Pavement Marking Specification applies to a particular Highway location, condition, circumstance or activity, the Contractor will comply with each and every applicable Pavement Marking Specification or part of a Pavement Marking Specification.

D. PAVEMENT MARKING SERVICES COMPLETION

Wherever the time within which work must be performed by the Contractor under these Pavement Marking Specifications exceeds the time remaining in the Term, the Contractor will, notwithstanding any other provision of these Pavement Marking Specifications, perform the work prior to the end of the Term.

E. REFERENCED MANUALS

The following sets out a list of manuals that are referenced throughout these Pavement Marking Specifications and are required by the Contractor to perform the Pavement Marking Services. It is the Contractor's obligation to obtain these manuals and maintain them throughout the term of this Agreement.

- The latest edition of the Manual of Standard Traffic Signs and Pavement Markings, Ministry of Transportation and Infrastructure, which can be accessed through the following Internet address:
http://www.th.gov.bc.ca/publications/eng_publications/electrical/MoST_PM.pdf
- The latest edition of the Recognized Products List, Ministry of Transportation and Infrastructure, which can be accessed through the following Internet address:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/engineering-standards-guidelines/recognized-products-list>

- The latest edition of the Traffic Management Manual for Work on Roadways, Ministry of Transportation and Infrastructure, which can be accessed through the following Internet address:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/engineering-standards-guidelines/traffic-engineering-safety/trafficmanagementmanual>

- Technical Bulletins, Engineering, Ministry of Transportation and Infrastructure, which can be accessed through the following Internet address:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/engineering-standards-guidelines/technical-bulletins/bulletins-traffic-electrical>

- The latest edition of the Landmark Kilometre Inventory (LKI) for non-CIS users, Ministry of Transportation and Infrastructure, which can be accessed through the following internet address:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/engineering-standards-guidelines/landmark-kilometre-inventory>

- The latest edition of the Equipment Rental Rate Guide, available through the BC Roadbuilders and Heavy Construction Association.

B.C. MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE

PAVEMENT MARKING SPECIFICATION #1

Longitudinal Markings

1. OBJECTIVE

To facilitate the safe and efficient movement of traffic on Highways through the use of Longitudinal Markings to delineate, guide and inform Highway users.

2. DETAILED PERFORMANCE SPECIFICATIONS

The Contractor must:

- (a)** perform all work in accordance with the Traffic Management Manual for Work on Roadways;
- (b)** layout Longitudinal Markings on new asphalt in accordance with the Manual of Standard Traffic Signs and Pavement Markings; with payment in accordance with Appendix A of Schedule 5 (Additional Pavement Marking Services)
- (c)** layout, with no additional payment, Longitudinal Markings in areas where the previous markings are not visible in accordance with the Manual of Standard Traffic Signs and Pavement Markings or as instructed by the Ministry Representative;
- (d)** ensure all surfaces are clean prior to painting Longitudinal Markings;
- (e)** paint all Longitudinal Markings in accordance with the Manual of Standard Traffic Signs and Pavement Markings;
- (f)** paint existing Longitudinal Markings to match those in the field, provided the existing markings conform to the Manual of Standard Traffic Signs and Pavement Markings;
- (g)** contact the Ministry Representative about any existing Longitudinal Markings that do not conform to the Manual of Standard Traffic Signs and Pavement Markings prior to proceeding with the painting;
- (h)** paint all Longitudinal Markings at a wet thickness of not less than 18 mils;
- (i)** on new asphalt, apply 2 coats of paint, each coat to be applied at a wet thickness of not less than 18 mils and the Contractor will be entitled to payment for each applied coat at the Additional Pavement Marking

Services Unit Rate for Longitudinal Markings in Appendix A of Schedule 5 (Additional Pavement Marking Services);

- (j) ensure all Longitudinal Markings have well defined edges and are free of tire tracking, with no splatter, excessive overspray or other defects;
- (k) ensure lateral deviation from any existing Longitudinal Markings do not exceed 10mm;
- (l) ensure Longitudinal Markings are straight, or of uniform curvature, and conform with the alignment;
- (m) ensure the following dimensional criteria are met:
 - (i) Longitudinal Markings cannot exceed a dimensional width of 110mm for specified 100mm wide line. No tolerance below 100mm is allowed for the specified 100mm line;
 - (ii) Longitudinal Markings cannot exceed a dimensional width of 210mm for specified 200mm wide line. No tolerance below 200mm is allowed for the specified 200mm line;
 - (iii) the distances between the lines for double solid and simultaneous solid and broken cannot exceed a dimensional separation of 110mm. No tolerance below 100mm is allowed;
 - (iv) Longitudinal Marking lane lines cannot exceed a maximum dimensional length deviation of +/- 100mm for the specified length; and
 - (v) no spaces between broken lines can exceed a maximum dimensional length deviation of +/- 100mm from the specified length of space;
- (n) apply glass beads immediately following the paint application at a uniform application rate; and
- (o) ensure the following retro-reflectivity properties are achieved:

Colour	<i>Initial (for at least 30 days from time of application)</i>	<i>End of Season</i>
White	275 millicandela m ⁻² .lux ⁻¹	150 millicandela m ⁻² .lux ⁻¹
Yellow	200 millicandela m ⁻² .lux ⁻¹	100 millicandela m ⁻² .lux ⁻¹

B.C. MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE

PAVEMENT MARKING SPECIFICATION #2

Transverse Markings

1 OBJECTIVE

To facilitate the safe and efficient movement of traffic on Highways through the use of Transverse Markings to delineate, guide and inform Highway users.

2. DETAILED PERFORMANCE SPECIFICATIONS

The Contractor must:

- (a)** perform all work in accordance with Schedule 5 (Additional Pavement Marking Services);
- (b)** perform all work in accordance with the Traffic Management Manual for Work on Roadways;
- (c)** layout Transverse Markings in accordance with the Manual of Standard Traffic Signs and Pavement Markings;
- (e)** ensure all surfaces are clean prior to painting Transverse Markings;
- (f)** paint or apply thermoplastic Transverse Markings in accordance with the Manual of Standard Traffic Signs and Pavement Markings;
- (f)** when applicable, ensure grinding is:
 - (i)** uniform in depth, has well defined edges and is free of other defects;
 - (ii)** to a minimum of 3mm and a maximum of 5mm depth below final surface grade;
 - (iii)** performed using equipment appropriate for the surfaces, materials and volumes to be removed and/or grooved;
- (g)** paint all Transverse Markings at a wet thickness of not less than 18 mils;
- (h)** apply thermoplastic markings at a minimum finished thickness of 3mm;
- (i)** ensure all painted Transverse Markings are free of tire tracking, with no splatter, excessive overspray or other defects;

- (j) ensure all thermoplastic markings are uniform in thickness and free of tire tracking, or other defects;
- (k) ensure the ends of all chevrons, crosshatching, and stop bars are within 50mm of the centre of the intersecting longitudinal line;
- (l) ensure all Transverse Markings have well defined edges;
- (m) apply glass beads immediately following the paint or thermoplastic application over the entire surface of the marking, and at a uniform application rate;
- (n) ensure the following retro-reflectivity properties are achieved for painted and thermoplastic Transverse Markings:

<i>Colour</i>	<i>End of Season</i>
White	150 millicandela m ⁻² ·lux ⁻¹
Yellow	75 millicandela m ⁻² ·lux ⁻¹

- (o) ensure 100% of the markings are still visible at the end of the Season in which they were installed, and 70% are still visible at the start of the following Season.

SCHEDULE “2”
LOCAL AREA SPECIFICATIONS

Lower Mainland Pavement Marking Service Area
Lower Mainland Local Area Specification #1 (LMLAS #1)

Hours of Work Restrictions

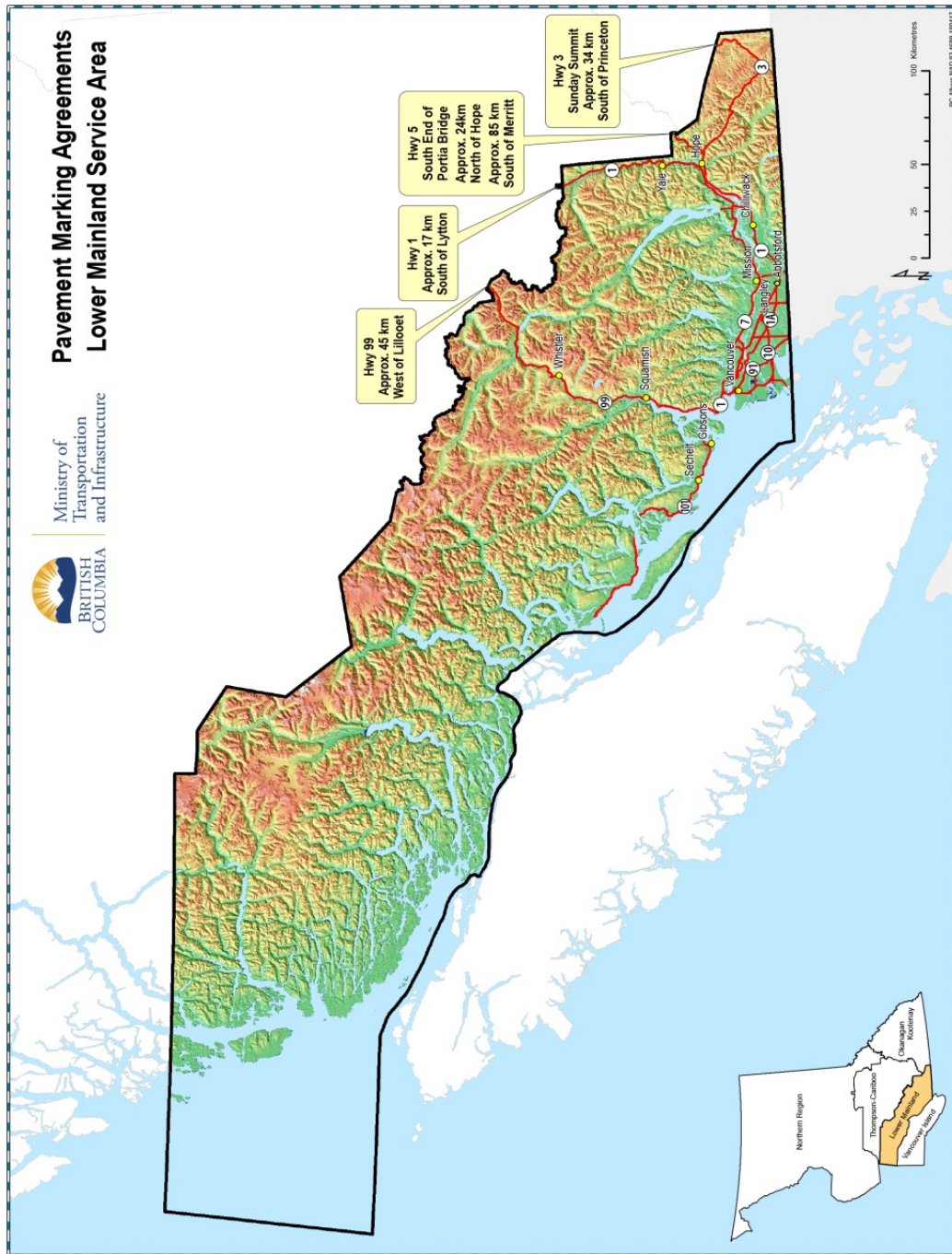
1. No work will be carried out during the following restrictions without written approval from the Ministry Representative:
 - (a) The Contractor is advised that work on the Highway will not be permitted during any long weekends associated with a statutory holiday, starting at 12:00 noon the day prior to the long weekend or statutory holiday and continuing until 9:00 a.m. the day following the long weekend or statutory holiday, and that traffic volumes may necessitate cessation of Highway operations prior to that time. For the purposes of this Schedule, Easter Monday will be considered a statutory holiday.
 - (b) The Contractor is advised that work on the Highway will not be permitted during peak traffic volume periods. Peak traffic volume periods in the Pavement Marking Service Area are as follows:
 - (i) Highway 1 between Horseshoe Bay Ferry and First Avenue Underpass:
5:00am to 8:00pm in both directions, Monday to Friday
 - (ii) Lions Gate Bridge and/or Stanley Park Causeway:
5:00am to 11:59pm, Monday to Saturday
9:30am to 10:30pm, Sunday
 - (iii) All other Category 1 Inventory listed in Highway Maintenance Service Area 4 and Highway Maintenance Service Area 6 as set out in Appendix A of Schedule 4:
 - (a) 5:00am to 9:00am and 3:00pm to 6:00pm Monday to Friday;
and
 - (b) when traffic volumes are in excess of 1500 per open lane;
and
 - (c) when major/special events occur at BC Place, Pacific Coliseum and other major venues;

2. The Contractor will work with the Ministry Representative to schedule around periods of special events.

SCHEDULE "3"

PAVEMENT MARKING SERVICE AREA

LOWER MAINLAND



SCHEDULE “4”

ROUTINE, SECOND COAT APPLICATION AND QUANTIFIED PAVEMENT MARKING SERVICES

1. The Province has endeavored to provide as accurate an estimate of the quantity of Line Kilometres comprising the Routine Line Inventory, Second Coat Application Line Inventory and Quantified Line Inventory identified in Part 2 of Appendix A, B and C to this Schedule, as is reasonably practicable; however, all such information is an estimate only and has been supplied solely as a guideline for Contractors. Such information is not guaranteed, represented or warranted to be accurate, complete, comprehensive, exhaustive or reliable by the Province in whole or in part and should not be considered or treated as such by a Contractor.
2. The total quantity of Line Kilometres to be painted annually for this Pavement Marking Service Area is @@.
- (a) The annual quantity of Line Kilometres to be painted under Routine Pavement Marking Services is 2,504;
 - (b) The annual quantity of Line Kilometres to be painted under Second Coat Application Pavement Marking Services is 829.
 - (c) The annual quantity of Line Kilometres to be painted under Quantified Pavement Marking Services is @@.

Definitions:

In this Schedule, unless the context otherwise requires:

Median Line: means the yellow line indicating the inside edge of a Divided Highway

Divided Highway: means a highway where traffic travelling in different directions is separated by:

- (i) a median barrier
- (ii) a raised or depressed median
- (iii) double solid centerlines spaced at least 1.8m apart

All **yellow lines at left turn lanes** will be considered centerline, e.g., refer to figures 7.27 to 7.31 of the Manual of Standard Traffic Signs and Pavement Markings but note that these examples are not all encompassing.

Two-way left turn lanes will be considered median as depicted in figure 7.32 of the Manual of Standard Traffic Signs and Pavement Markings.

APPENDIX “A” (SCHEDULE 4)

Routine Pavement Marking Services

Lower Mainland Pavement Marking Service Area

PART 1

1. Routine Pavement Marking Services consist of the annual painting and repair of the annual quantity of Routine Line Inventory, whether Category 1 Inventory or Category 2 Inventory as described in subsections 1(a) and (b), as follows:
 - (a) The Contractor must annually paint and repair all Longitudinal Markings, with the exception of Median Lines, as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings which comprise Category 1 Inventory identified within the Pavement Marking Service Area, as set out in Part 2 of this Appendix;
 - (b) The Contractor must annually paint and repair all Longitudinal Markings, with the exception of Median Lines and edge lines, as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings which comprise Category 2 Inventory identified within the Pavement Marking Service Area, as set out in Part 3 of this Appendix;
2. Notwithstanding section 1 above, the Ministry Representative, in their sole discretion, may reallocate lines to other locations within the Service Area under the following conditions:
 - (a) selected upcoming projects
 - (b) lines or portions thereof that do not require repainting based, in part, on the Contractor's Line Condition Report
 - (c) lines or portions thereof that do not require repainting based, on the presence of durable products.

The minimum length removed at any one location will be one Line Kilometre and the minimum length reallocated at any one location will be five Line Kilometres.

PART 2

CATEGORY 1 ROUTINE INVENTORY IN PAVEMENT MARKING SERVICE AREA

HM SA	Hwy #	Description	Line KMs
4	99	Sea to Sky Highway, Function Junction to Alpine Road	25
	99/1A	Taylor Way, Marine Drive, Lions Gate Bridge Road. Chilco Street to Trans Canada Highway	25
	HM SA04 Subtotal		50
6	1	Trans Canada Highway. PMH1 Boundary approx. 900 metres west of Glover Road Overpass to 264th Street Interchange	58
	7B	Mary Hill Bypass. PMH1 Boundary arroxx. 500 metres west of the Coquitlam River bridge to Lougheed Highway (Highway 7)	40
		Bridgeport Road, between River Road and 25 west of St. Edwards Drive	8
		Sea Island Way/No. 3 Road between west end of Moray Bridge and the Highway 99 Interchange, including No. 3 Road between Bridgeport Road and Sea Island Way	8
	HM SA06 Subtotal		114
7	1	Trans Canada Highway. 264th Street Interchange to Jackass Mountain	831
	3	Southern Trans-Provincial Highway. Trans Canada Highway (Highway 1) to Sunday Summit (Regional Boundary)	399
	5	Coquihalla Highway. Southern Trans-Provincial Highway (Highway 3) to Portia	126
	HM SA07 Subtotal		1356
CATEGORY 1 INVENTORY - TOTAL			1520

Note: Includes all interchanges and on or off ramps in their entirety with the exception of Median Lines.

PART 3

CATEGORY 2 ROUTINE INVENTORY IN PAVEMENT MARKING SERVICE AREA

HM SA	Hwy #	Description	Line KMs
4	1	Trans-Canada Highway. Horseshoe Bay to approx. 400 metres west of 1 st Street Overpass in Vancouver	93
	99	Sea to Sky/Duffey Lake Highway. Alpine Way to Regional Boundary at Blowdown Creek	99
	HM SA04 Subtotal		192
5	101	Sunshine Coast Highway. Langdale to Lund	168
	HM SA05 Subtotal		168
6	7	Lougheed Highway. Ottawa Street (Coquitlam) to west abutment of Stave River Bridge	71
	10	Ladner – Livingstone Interchange. Highway 91 to Trans-Canada Highway at 232 nd Street	65
	13	Aldergrove - Bellingham Highway. US Border to Trans-Canada Highway	14
	15	Pacific Highway - US Border to 150 metres south of the Golden Ears Connector (96th Street)	46
	17	Tsawwassen Highway. North end of Tsawwassen Ferry Causeway to Highway 99 Interchange	15
	91	Annacis Island/Richmond Highway. Highway 99 (Delta) to Highway 99 (Richmond)	63
	91A	Queensborough Connector. Highway 99 to north end of Queensborough Interchange including Marine Drive east to Sixth Street.	5
	17A	Hwy 99 - Hwy 17 at 28 Ave	11
	99	Vancouver-Blaine Highway. US Border to north end of Oak Street Bridge in Vancouver	120
		Eighth Ave, Surrey between approx. 75 metres east of 165th Street To approx. 35 metres east of Highway 15	5
HM SA06 Subtotal			415
7	7	Lougheed Highway. Stave River Bridge to Trans-Canada Highway	120
	9	Rosedale-Agassiz Bypass Highway. Trans-Canada Highway to Harrison Hot Springs	18
	11	Huntington-Mission Highway. US Border to Lougheed Highway (Highway 7)	45
		Columbia Valley Road	18
		Agassiz By-Pass between Highway 9 and Highway 7	4

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	Mt. Lehman Road between Highway 1 and Threshold Drive	4
	HM SA07 Subtotal	209
	CATEGORY 2 INVENTORY - TOTAL	984

PART 4

FIXED LEVEL OF ROUTINE INVENTORY IN LOWER MAINLAND PAVEMENT MARKING SERVICE AGREEMENT

DESCRIPTION	Line KMs
Category 1 Inventory - Total	1520
Category 2 Inventory - Total	984
Fixed Level of Routine Inventory	2504

Note: HMSA means Highway Maintenance Service Area. For further details, go to:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/contracting-to-transportation/highway-bridge-maintenance/highway-maintenance/boundary-maps>

APPENDIX “B” (SCHEDULE 4)

Second Coat Application Pavement Marking Services

Lower Mainland Pavement Marking Service Area

PART 1

1. Second Coat Application Pavement Marking Services consist of the annual painting and repair of the annual quantity of Second Coat Application Line Inventory, whether Category 1 Inventory or Category 2 Inventory as described in subsections 1(a) and (b), as follows:
 - (a) The Contractor must annually paint and repair all Longitudinal Markings, with the exception of Median Lines, as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings which comprise Category 1 Inventory identified within the Pavement Marking Service Area, as set out in Part 2 of this Appendix;
 - (b) The Contractor must annually paint and repair all Longitudinal Markings, with the exception of Median Lines and edge lines, as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings which comprise Category 2 Inventory identified within the Pavement Marking Service Area, as set out in Part 3 of this Appendix;
2. Notwithstanding section 1 above, the Ministry Representative, in their sole discretion, may reallocate lines to other locations within the Service Area under the following conditions:
 - (d) selected upcoming projects
 - (e) lines or portions thereof that do not require repainting based, in part, on the Contractor's Line Condition Report
 - (f) lines or portions thereof that do not require repainting based, on the presence of durable products.

The minimum length removed at any one location will be one Line Kilometre and the minimum length reallocated at any one location will be five Line Kilometres.

PART 2

CATEGORY 1 SECOND COAT APPLICATION INVENTORY IN PAVEMENT MARKING SERVICE AREA

HM SA	Hwy #	Description	Line KMs
4	99	Sea to Sky Highway, Function Junction to Alpine Road	25
	HM SA04 Subtotal		25
7	1	Trans Canada Highway. 264th Street Interchange to Vedder	180
	3	Southern Trans-Provincial Highway. Trans Canada Highway (Highway 1) to Sunday Summit (Regional Boundary)	399
	5	Coquihalla Highway. Southern Trans-Provincial Highway (Highway 3) to Portia	126
	HM SA07 Subtotal		705
CATEGORY 1 INVENTORY - TOTAL			730

Note: Includes all interchanges and on or off ramps in their entirety with the exception of Median Lines.

PART 3

CATEGORY 2 SECOND COAT APPLICATION INVENTORY IN PAVEMENT MARKING SERVICE AREA

HM SA	Hwy #	Description	Line KMs
4	99	Sea to Sky/Duffey Lake Highway. Alpine Way to Regional Boundary at Blowdown Creek	99
	HM SA04 Subtotal		99
CATEGORY 2 INVENTORY - TOTAL			99

PART 4

FIXED LEVEL OF SECOND COAT APPLICATION INVENTORY IN PAVEMENT MARKING SERVICE AREA

DESCRIPTION	Line KMs
Category 1 SCA Inventory - Total	730
Category 2 SCA Inventory - Total	99
Fixed Level of Second Coat Application Inventory	829

Note: HMSA means Highway Maintenance Service Area. For further details, go to:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/contracting-to-transportation/highway-bridge-maintenance/highway-maintenance/boundary-maps>

APPENDIX “C” (SCHEDULE 4)

Quantified Pavement Marking Services

Lower Mainland Pavement Marking Service Area

PART 1

1. Quantified Pavement Marking Services consist of the painting and repair on a cyclical basis of the Longitudinal Markings identified in Part 2 of this Appendix. The locations will be determined annually by the Contractor and approved by the Province based, in part, on the Line Condition Report.
2. The Quantified inventory is comprised of all lines not included in Category 1 Inventory or Category 2 Inventory identified in Appendix A or Appendix B, as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings.

PART 2

QUANTIFIED LINE INVENTORY IN PAVEMENT MARKING SERVICE AREA TO BE PAINTED UNDER QUANTIFIED PAVEMENT MARKING SERVICES (UP TO THE ANNUAL QUANTITY IDENTIFIED IN SECTION 2 OF THIS SCHEDULE)

HM SA	Hwy #	Description	Line KMs
4	1	Trans-Canada Highway. Horseshoe Bay to approx. 400 metres west of the 1st Street Overpass in Vancouver	154
	99	Alpine Way to terminus of edge line on Highway 99/Duffy Lake Road	96
	99/1A	Taylor Way, Marine Drive, Lions Gate Bridge Road. Chilco Street to Trans Canada Highway	2
		Pemberton Portage Road. From Highway 99 at Mt. Currie to end of road at D'arcy.	38
		Pemberton Meadows Road. From Highway 99 to end of pavement.	50
		Mt. Seymour Park	25
		Mount Seymour Parkway	3
		Fern Avenue	3
		Main Street in North Vancouver	3
		Cypress Bowl Road	31
	HM SA04 Subtotal		405
5	101	Sunshine Coast Highway. Saltery Bay to Lund	74

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	101	Sunshine Coast Highway. Langdale to Earls Cove	160
	HM SA05 Subtotal		234
6	1	Trans Canada Highway, PMH1 Boudary, approx. 900 metres west of Glover Road Overpass to 264th Street Interchange	27
	7	Lougheed Highway Ottawa St (Coquitlam) to west abutment of the Stave River Bridge	86
	7B	Mary Hill Bypass. PMH1 Boundary arroxx. 500 metres west of the Coquitlam River bridge to Lougheed Highway (Highway 7)	15
	10	Ladner – Livingstone Interchange. Highway 91 to Trans-Canada Highway at 232 nd Street	89
	13	Aldergrove - Bellingham Highway. US Border to Trans-Canada Highway	23
	15	Pacific Highway. US Border to Trans-Canada Highway	58
	17	Tsawwassen Highway. North end of Tsawwassen Ferry Causeway to Highway 99 Interchange.	25
	91	Annacis Island/Richmond Highway. Highway 99 (Delta) to Highway 99 (Richmond)	146
	91A	Queensborough Connector. Highway 99 to north end of Queensborough Interchange including Marine Drive east to Sixth Street	43
	17A	Hwy 99 - Hwy 17 at 28 Ave	40
	99	Vancouver – Blaine Highway. US Border to north end of Oak Street Bridge in Vancouver	203
		Deltaport Way	29
		Eighth Avenue in Surrey	5
		Bridgeport Road, between River Road and 25 west of St. Edwards Drive	2
		Annacis Island Movable Bridge	1
	HM SA06 Subtotal		792
7	7	Stave River Bridge to Hope	179
	9	Rosedale Agassiz to Harrison Hot Springs	28
	11	Huntington-Mission Highway. US Border to Lougheed Highway (Highway 7)	75
	1	Trans Canada Highway. 264th Street Interchange to Jackass Mountain	234
	3	Southern Trans-Provincial Highway. Trans Canada Highway (Highway 1) to Sunday Summit (Regional Boundary)	120
	5	Coquihalla Highway. Southern Trans-Provincial Highway (Highway 3) to Portia	54

	Old Hope Princeton Highway. Trans-Canada Highway to Southern Trans Provincial Highway (Highway 3)	10
	Hunter Creek Scales	1
	Agassiz Bypass	7
	Lillooet Avenue	1
	Rockwell Drive	6
	Haig Weigh Scales	2
	Chilliwack Lake Road	42
	Vedder Mountain Drive	2
	Columbia Valley Hwy: Henderson - Chilliwack Lake Rd	11
	Mt Lehman Rd - Hwy 1 and Threshold Drive	1
	Bridal Falls Road	7
	Sumas Mountain Road	4
	Yale Road	7
	HM SA07 Subtotal	791
	QUANTIFIED LINE INVENTORY - TOTAL	2222

Note: HMSA means Highway Maintenance Service Area. For further details, go to:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/contracting-to-transportation/highway-bridge-maintenance/highway-maintenance/boundary-maps>

SCHEDULE “5”

ADDITIONAL PAVEMENT MARKING SERVICES

1.0 Definitions

1.1 In this Schedule, unless the context otherwise requires:

- (a) “Delta Island”** means triangle shaped island at an intersection as pictured in figure 7.23 of the Manual of Standard Traffic Signs and Pavement Markings;
- (b) “Directional Dividing Line”** means a pavement marking used on 2-way facilities to separate traffic moving in opposite directions;
- (c) “Divided Highway”** means a highway where traffic travelling in different directions is separated by:
 - (i)** a median barrier
 - (ii)** a raised or depressed median
 - (iii)** double solid centerlines spaced at least 1.8m apart;

All **yellow lines at left turn lanes** will be considered centerline, e.g., refer to figures 7.27 to 7.31 of the Manual of Standard Traffic Signs and Pavement Markings but note that these examples are not all encompassing.

Two-way left turn lanes will be considered median as depicted in figure 7.32 of the Manual of Standard Traffic Signs and Pavement Markings.

(d) “Assured Additional Pavement Marking Services” means the following project work initiated and authorized by the Ministry Representative:

- (i)** new Longitudinal Markings;
- (ii)** new Transverse Markings (painted and/or thermoplastic); and
- (iii)** Layout of new Longitudinal Markings, new Left Turn Lanes, new Delta Islands and new Transverse Markings.

(e) “Layout of Delta Island” means establishment of the location for Delta Islands.

(f) “Layout of Left Turn Lane” means the establishment of the location for Left Turn Lanes.

(g) **“Layout of Longitudinal Markings”** means the establishment of the location for all new Longitudinal Markings as per the Manual of Standard Traffic Signs and Pavement Markings.

(h) **“Layout of Transverse Markings”** means establishment of the location for all new Transverse Markings.

(i) **“Left Turn Lane”** means Left Turn Lane markings as described in section 7.8 of the Manual of Standard Traffic Signs and Pavement Markings and its associated diagrams.

(j) **“Longitudinal Markings”** means Longitudinal Markings as described in figure 7.1 of the Manual of Standard Traffic Signs and Pavement Markings.

(k) **“Other Additional Pavement Marking Services”** means work initiated and authorized by the Ministry Representative other than Assured Additional Services and includes but is not limited to:

- (i) repaint of Longitudinal Markings;
- (ii) repaint of Transverse Markings;
- (iii) application of products specified by the Ministry for the purpose of testing particular material on trial basis;
- (iv) re-application of thermoplastic Transverse Markings.

(l) **“Transverse Markings”** means Transverse Markings as described in section 7.3 of the Manual of Standard Traffic Signs and Pavement Markings and associated diagrams.

1.2 All other capitalized words and phrases will have the meaning ascribed to them in the Agreement.

2.0 Description of Additional Pavement Marking Services

2.1 Additional Pavement Marking Services include Assured Additional Pavement Marking Services and Other Additional Pavement Marking Services.

2.2 Subject to subsection 2.2(a), and provided the Contractor is not in material breach of this Agreement, the Ministry Representative will provide all Assured Additional Pavement Marking Services work to the Contractor, and not to another contractor, and the Contractor will be required to perform such Assured Additional Pavement Marking Services;

(a) notwithstanding the foregoing, in certain limited circumstances the Province may, in its sole discretion, allocate Assured Additional Pavement Marking Services work to another contractor where the Province has an obligation

outside of this Agreement, some examples of which may be an arrangement with a First Nation, a private developer or a municipality.

- 2.3 Assured Additional Pavement Marking Services will not be undertaken by the Contractor unless authorized in writing by the Ministry Representative.
- 2.4 The Province makes no guarantee, representation or warranty of any kind with regard to the amount of either Assured Additional Pavement Marking Services or Other Pavement Marking Services that the Province will be requiring from the Contractor during the Term.
- 2.5 The Province makes no guarantee, representation or warranty of any kind as to whether the Province will use the Contractor to perform any Other Additional Pavement Marking Services during the Term of the Agreement.
- 2.6 The Province reserves the right to:
 - (a) direct the Contractor to perform Other Additional Pavement Marking Services;
 - (b) utilize another contractor to perform Other Additional Pavement Marking Services, or
 - (c) complete Other Additional Pavement Marking Services by its own forces.

3.0 *Commencement and Completion of Additional Pavement Marking Services*

- 3.1 The Ministry Representative will advise the Contractor, in writing, when a project for which the performance of Additional Pavement Marking Services is required is ready.
- 3.3 The Contractor must complete Assured Additional Pavement Marking Services within two weeks of being notified by the Ministry Representative that a project is ready. Failure to meet the completion date will result in consideration charges being applied in accordance with Schedule 6 (Milestone Dates and Consideration Charges).
- 3.4 Where the completion of Additional Pavement Marking Services has been delayed due to the action or inaction of a third party, the Province will either grant the Contractor a time extension or terminate the assignment. For greater certainty and for the purposes of this section 3.4, a third party does not include an employee of the Contractor or a Subcontractor.

4.0 Payment for Additional Pavement Marking Services

4.1 The Contractor will perform Additional Pavement Marking Services in accordance with the Additional Pavement Marking Services Unit Prices in Appendix A to this Schedule with the following understanding:

(a) Layout of new Longitudinal Markings will be paid:

- (i)** only for the establishment of new markings where no markings previously existed;
- (ii)** only for sites where a minimum of 500 meters of continuous directional dividing line is required to be laid out. Multiple occurrences of sections less than 500 meters are not cumulative and will not be paid;
- (iii)** based on the length of the site regardless of the number or configuration of lanes in each direction of travel, changes in the profile or other features. A separate payment for the Layout of Left Turn Lane(s) and Layout of Delta Island(s) will be made as required in accordance with their respective Additional Pavement Marking Services Unit Price;
- (iv)** once for the length of the site with the exception of Divided Highway, which will be paid once in each direction for the portions that are Divided Highway.

(b) Layout of Delta Island will be paid:

- (i)** only for the establishment of new markings where no markings previously existed;
- (ii)** one unit for each Delta Island, regardless of the size of the Delta Island or whether the Delta Island is raised or not;

(c) Layout of Left Turn Lane(s) will be paid:

- (i)** only for the establishment of new markings where no markings previously existed;
- (ii)** one unit for each Left Turn Lane. In the event the Left Turn Lanes are in opposing directions, two units will be paid. Dual left turn lanes as described in figure 7.31 of the Manual of Standard Traffic Signs and Pavement Markings will be paid as one unit;

- (d) Layout of Transverse Markings will be paid only for the establishment of new markings where no markings previously existed.
 - (e) Projects must have two applications of paint and the Contractor will be compensated for each application. For clarity, on project work, the Additional Pavement Marking Services Unit Price for Longitudinal Pavement Markings will be paid for each coat applied.
- 4.2 When the Ministry Representative directs the Contractor to perform Other Additional Pavement Marking Services for which there is no Additional Pavement Marking Services Unit Price, the Ministry Representative will ask the Contractor to submit a quote that is inclusive of all of the Contractor's costs.
- 4.3 In the event the quote submitted by the Contractor is not acceptable to the Province, the Contractor will perform Other Additional Pavement Marking Services as directed by the Province pursuant to section 4.2, and the Province will compensate the Contractor for time, equipment and material plus mark-ups as set out in Appendix B to this Schedule.
- 4.4
 - (a) In the event a Contractor arrives at the project site and it is not ready to be marked, the Contractor will immediately contact the Ministry Representative for instructions. The Ministry Representative will either instruct the Contractor to remain at the project site until it is ready, in which case, the Province will pay the Contractor a standby charge of \$500 per hour for any delay beyond two hours per day, up to a maximum of \$4,500.00 per day. The standby charge will be prorated for any part of an hour. Alternatively, the Province may release the Contractor, in which case, no standby charge will be paid. Delays due to weather will not be considered for the purpose of applying standby charges.
 - (b) In the event the Contractor is required to re-mobilize to a project (due to the project not being ready) after August 1st, the Province will pay:
 - (i) \$2,000, if the Contractor has to travel at least 200 km but less than 500 km from the closest crew's location to the project; or,
 - (ii) \$4,000, if the Contractor has to travel 500 km or more from the closest crew's location to the project.
- 4.5 In the event the Contractor is required to perform Assured Additional Pavement Marking Services on a project prior to the first day of the Season or after the last day of the Season, the Province will pay \$2,000 per project for mobilization.
- 4.6 In the event the Contractor is required to perform Other Additional Pavement Marking Services prior to the first day of the Season, the Province will pay \$2,000

per Highway Maintenance Service Area in which work is performed for mobilization.

- 4.7** If the Contractor is assigned Other Additional Pavement Marking Services after the last day of the Season, the Province will pay \$2,000 per Highway Maintenance Service Area in which work is performed for mobilization.

5.0 *Standards for Additional Pavement Marking Services*

- 5.1** All Additional Pavement Marking Services must comply with Schedule 1 (Pavement Marking Specifications);

6.0 *Invoicing for Additional Pavement Marking Services*

- 6.1** The Contractor must invoice the Province with accompanying supporting documentation within 30 days of fully completing the Additional Pavement Marking Services. The invoice must:
- (a)** reference the project number and name as identified on the project list for each job;
 - (b)** include a list of the units for each item as per Appendix A to this Schedule for each job;
 - (c)** detail the line type (eg. centerline, edge line, etc.) and quantity for each job.
- 6.2** In the event the Contractor fails to submit an invoice for reimbursement within 30 days of final completion of this work, the Contractor may no longer be entitled to reimbursement from the Province pursuant to this Schedule at the Province's discretion.

APPENDIX “A” (SCHEDULE 5)

Additional Pavement Marking Services Unit Rates

Item	Unit of Measurement	Year 1 Unit Prices
Longitudinal Pavement Markings (Paint & Repaint)	line km	\$ @ @ @
Painted Transverse Markings (Paint & Repaint)	m2	\$ @ @ @
Thermoplastic Transverse Markings (Application)	m2	\$ @ @ @
Layout of Longitudinal Line	line km	\$ @ @ @
Layout of Delta Island	ea	\$ @ @ @
Layout of Left Turn Lane	ea	\$ @ @ @
Layout of Transverse Markings	m2	\$ @ @ @
Grinding for inlaid markings	Cost plus markup	
Ferry Costs	Cost plus 10%	

APPENDIX “B” (SCHEDULE 5)

Markups for time, equipment and materials

1. Labour

1.1 Fees for labour will, subject to the terms of this Agreement, be an amount equal to the total of:

- (a)** the actual wages and salaries, including benefits, food and lodging, paid or incurred directly by the Contractor in respect of the Contractor's labour and supervisory personnel who are actively and necessarily engaged on the particular item of work performed by the Contractor, if supported by written statements of account establishing to the satisfaction of the Minister, recorded time and hourly rates of pay for that labour and supervision, and
- (b)** plus 20% of the total costs calculated under subsection 1.1 (a) of this Schedule to cover the Contractor's profit, and any and all other costs of the Contractor, including without limitation, the Contractor's overhead, supervision, insurance and bonding costs and expenses.

1.2 The fees for labour will not include

- (a)** any payment or costs incurred by the Contractor for operators of hired equipment, as described in the Ministry's Hired Equipment Policy;
- (b)** labour costs incurred by the Contractor in connection with or under subcontracts; or
- (c)** costs incurred by the Contractor for general supervision, administration, or management time spent on the item of work.

2. Equipment

2.1 Fees for equipment will, subject to the terms of this Agreement, be an amount equal to the total of the following items, plus 15%.

- (a) Fees for equipment owned or leased by the Contractor will be an amount equal to the applicable “All Found Less Operator” rate set out in the “Equipment Rental Rate Guide” published by the B.C. Road Builders & Heavy Construction Association and authorized by the Province, in effect at the time that the item of work is performed, or, if the Equipment Rental Rate Guide is silent as to the applicable rate, the rate will be the rate that is agreed upon by the Province and the Contractor prior to use of the equipment in the performance of the applicable item of work, being full payment and reimbursement for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment.
- (b) Fees for hired equipment will be an amount equal to the applicable “All Found” rate set out in the Equipment Rental Rate Guide described in subsection 2.1 (a) of this Appendix, in effect at the time that the applicable item of work is performed, or, if the Equipment Rental Rate Guide is silent as to the applicable rate, the rate will be the rate that is agreed upon by the Province and the Contractor prior to use of the equipment in the performance of the applicable item of work is performed, being full payment and reimbursement for the operator, and for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment.

3. Materials

- 3.1 Fees for materials will, subject to the terms of this Agreement, be an amount equal to the aggregate of the following items, plus 10%.
 - (a) Fees for materials will be an amount equal to the actual costs incurred by the Contractor for materials supplied in the performance of the applicable item of work at invoice costs (which includes all freight and express charges, all taxes, and all other costs incurred by the Contractor to supply the materials delivered and used to perform the applicable item of work, at the site).
 - (b) Fees for subcontracts will be an amount equal to actual costs incurred by the Contractor for subcontracts with Subcontractors in the performance of the applicable item of work at invoice costs.

SCHEDULE “6”

MILESTONE DATES AND CONSIDERATION CHARGES

PART 1

1. The Contractor will:

- (a) complete the Routine Pavement Marking Services by September 15th of each year with the exception of:

HM SA	Hwy #	Cat.	Description	Line KMs	Completion Date
7	1	1	Trans Canada Highway. 264th Street Interchange to Jackass Mountain lane lines and centerlines	398	May 15th
7	3	1	Southern Trans-Provincial Highway. Trans Canada Highway (Highway 1) to Sunday Summit (Regional Boundary) lane lines and centerlines	189	May 15th
7	5	1	Coquihalla Highway. Southern Trans-Provincial Highway (Highway 3) to Portia lane lines and centerlines	64	May 15th
6	7	2	Lougheed Highway. Ottawa Street (Coquitlam) to west abutment of Stave River Bridge	71	June 1st
7		2	Columbia Valley Road	18	June 1st
4	99	2	Sea to Sky/Duffey Lake Highway. Alpine Way to Regional Boundary at Blowdown Creek	99	July 1st
7	1	1	Trans Canada Highway. 264th Street Interchange to Jackass Mountain remaining lines	433	July 1st
7	3	1	Southern Trans-Provincial Highway. Trans Canada Highway (Highway 1) to Sunday Summit (Regional Boundary) remaining lines	210	July 1st

7	5	1	Coquihalla Highway. Southern Trans-Provincial Highway (Highway 3) to Portia remaining lines	62	July 1st
Total Line KMs				1544	

- (b) complete the Second Coat Application Pavement Marking Services between August 15th and September 30th of each year;

Note: HMSA means Highway Maintenance Service Area. For further details, go to:

<https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/contracting-to-transportation/highway-bridge-maintenance/highway-maintenance/boundary-maps>

- (c) complete the Quantified Pavement Marking Services by October 31st of each year; and
- (d) complete the Assured Additional Pavement Marking Services within two weeks of being notified by the Ministry Representative that a project is ready, pursuant to Schedule 5 (Additional Pavement Marking Services).

PART 2

- 2.** The Contractor will complete the Pavement Marking Services in accordance with the Milestone Dates listed in Part 1 of this Schedule and any amendment thereto. If the Contractor fails to achieve completion of any specified portion of the Services on or before the corresponding Milestone Date, then without limiting any other remedy available to the Ministry under this Agreement, the Minister may elect to proceed with one or more of the following:

 - (a)** terminate this Agreement;
 - (b)** require the Contractor to pay the sum of \$1,000 per day for contracts where the Annual Price is less than \$2,000,000, or \$2,500 per day for contracts where the Annual Price is \$2,000,000 or more, as consideration for late completion for each day or part thereof between the specified Milestone Date and the date on which the corresponding Services are completed; and
 - (c)** extend the Milestone Date for such period as the Ministry Representative determines, without requiring the Contractor to pay any consideration during such extended time.
- 3.** If the Ministry elects to extend a Milestone Date pursuant to section 6 of this Schedule and the Contractor does not complete the Pavement Marking Services on or before such extended Milestone Date then, upon written notice by the Ministry Representative to the Contractor, the Ministry may avail itself of any remedy available to the Ministry under this Agreement, including without limitation one or more of the remedies specified in section 2 of this Schedule.
- 4.** It is a condition of any extension to the Milestone Date pursuant to subsection 2(c) of this Schedule that the Contractor will proceed diligently to complete the services.
- 5.** Any payment to be made by the Contractor pursuant to subsection 2(b) of this Schedule relates directly to the performance by the Contractor of a condition, covenant or promise in this Agreement and will not be construed by the parties as punitive but as importing a reasonable measure by mutual consent of the minimum damages caused to the Ministry by the Contractor's failure or neglect.
- 6.** The Ministry may grant an Extension of Time for the impact on any Milestone Date of a material delay, cessation or stoppage in the performance of the Pavement Marking Services, or any part thereof, caused by any one of the following events:

 - (a)** a strike (including illegal work stoppage or slow down), lockout or other labour dispute;

SCHEDULE “7”

FEES

PART 1 CORE SERVICES - ANNUAL PRICE

1. For its provision of Core Services during each Contract Year, the Province will pay to the Contractor the Annual Price applicable to that Contract Year, payable in 12 installments. Payment will be made in accordance with Appendix A to this Schedule on the Business Day immediately following the last day of each Contract Month, except for the installment applicable to the last Contract Month during the Term which, subject to the holdback provisions in Part 2 of this Schedule, will be due 15 days after the end of the Term.
2. For Core Services, each payment described in section 1 of this Schedule:
 - (a) constitutes the maximum amount payable to the Contractor for performing the Core Services pursuant to the terms of this Agreement, during the applicable payment period.
 - (b) comprises full payment for the applicable percentage of the Annual Price during the applicable Contract Year.
3. Subject to the terms of this Agreement, the Contractor will not be entitled to any additional compensation for a payment period, regardless of the quantities of Core Services performed by the Contractor during that payment period.

PART 2 FINAL PAYMENT HOLDBACK

4. The Province may:
 - (a) retain as a holdback up to the full amount of the final monthly payment due under Part 1 of this schedule if the Minister is satisfied that all Pavement Marking Services required to be performed by the Contractor during the Term have been completed in accordance with this Agreement; and
 - (b) apply all or part of the amount retained as a holdback under subsection 4(a) of this Schedule to the cost to the Province of completing any Pavement Marking Services which the Contractor failed to perform during the Term, prior to paying any remaining balance of that amount to the Contractor.
5. No interest will be payable by the Province on any amount retained as a holdback in accordance with section 4 of this Schedule.

APPENDIX “A” (SCHEDULE 7)

Payment Schedule

Lower Mainland Service Area

First Contract Year

Payment Due Date	Payment Period	Payment Amount
January 16, 2019	December 16, 2018 to January 15, 2019	6.25% of Annual Price
February 16, 2019	January 16, 2019 to February 15, 2019	6.25% of Annual Price
March 16, 2019	February 16, 2019 to March 15, 2019	6.25% of Annual Price
April 16, 2019	March 16, 2019 to April 15, 2019	6.25% of Annual Price
May 16, 2019	April 16, 2019 to May 15, 2019	12.5% of Annual Price
June 16, 2019	May 16, 2019 to June 15, 2019	12.5% of Annual Price
July 16, 2019	June 16, 2019 to July 15, 2019	12.5% of Annual Price
August 16, 2019	July 16, 2019 to August 15, 2019	12.5% of Annual Price
September 16, 2019	August 16, 2019 to September 15, 2019	6.25% of Annual Price
October 16, 2019	September 16, 2019 to October 15, 2019	6.25% of Annual Price
November 16, 2019	October 16, 2019 to November 15, 2019	6.25% of Annual Price
December 16, 2019	November 16, 2019 to December 15, 2019	6.25% of Annual Price

Note: As per Section 1 of Part 1 of this Schedule, the installment applicable to the last contract month during the Term will be paid 10 Business Days after the end of the Term.

(Schedule 7)

SCHEDULE “8”

COST FOR CHANGES TO LINE INVENTORY

PART 1 DEFINITIONS

- 1.1** In this Agreement, “**Inventory Adjustment Unit Price**” means, for the first Contract Year, the sum of \$@@ and, for subsequent Contract Years, the Inventory Adjustment Unit Price for the first Contract Year as adjusted by applying the Price Adjustment Factor for each of those subsequent Contract Years as set out in Schedule 9 (Annual Adjustment Process).

PART 2 CALCULATION OF THE CHANGES TO QUANTITY OF LINE

- 2.1** If a notice is delivered under section 6.1 and if the change to Routine Line Inventory, Second Coat Application Inventory or Quantified Line Inventory is other than zero, then the Minister will calculate the value of the change to Routine Line Inventory, Second Coat Application Line Inventory and Quantified Line Inventory by multiplying the sum of all Line Kilometres that have been added or deleted during the Contract Year by the Inventory Adjustment Unit Price. The resulting value will become the value referenced in the definition of Changes to Line Inventory for the purpose of Schedule 9 (Annual Adjustment Process).
- 2.2** Then the Minister will also calculate the percentage change resulting from that notice by dividing the value of Changes to Line Inventory (as numerator) by the Annual Price (as denominator), and expressing the result as a percentage; and will notify the Contractor of the results of such calculations.

SCHEDULE “9”

ANNUAL ADJUSTMENT PROCESS

1. DEFINITIONS

1.1 In this Schedule, unless the context otherwise requires:

- (a) **“Annual Average”** means a 12 month average of a series for an Index Year;
- (b) **“Base Year”** means the Index Year immediately preceding the current Index Year
- (c) **“Changes to Pavement Marking Services”** means, in respect of a Contract Year:
 - (i) an amount equivalent to the value of the changes to Pavement Marking Services for the immediately preceding Contract Year which would have resulted (calculated in accordance with provisions of section 7.3 of this Agreement) based on the assumptions that
 - (A) any changes to the Pavement Marking Services made by the Minister during that immediately preceding Contract Year under section 7.2 of this Agreement were made on the first day of that immediately preceding Contract Year, and
 - (B) no adjustment in the Annual Price applicable to that immediately preceding Contract Year was made pursuant to Article 6 of this Agreement
- (d) **“Changes to Line Inventory”** means, in respect of a Contract Year:
 - (i) an amount equivalent to the value of the changes to the Routine Line Inventory, Second Coat Application Line Inventory and Quantified Line Inventory for the immediately preceding Contract Year which would have resulted, calculated in accordance with the provisions of Schedule 8 (Cost for Changes to Line Inventory) based on the assumptions that:
 - (A) any changes to the Routine Line Inventory, Second Coat Application Line Inventory or Quantified Line Inventory

made by the Province during that immediately preceding Contract Year under section 6.1 of this Agreement were made on the first day of that immediately preceding Contract Year,

(B) no adjustment in the Annual Price applicable to that immediately preceding Contract Year was made pursuant to Article 7 of this Agreement.

- (e) **“Current Year”** means the most recent Index Year;
- (f) **“Draw Date”** means the day on which Statistics Canada’s Catalogues and Tables identified in subsection 1.1(h) of this Schedule become available for the purpose of computing the Price Adjustment Factor;
- (g) **“Index Year”** means a contiguous 12 month time period beginning January 1 and ending December 31;
- (h) **“Price Adjustment Factor”** means, in respect of an Index Year, the aggregate of
 - (i) **40% for the paint** component (the portion of the Annual Price assumed to represent paint costs):

Series: Consumer Price Index (“CPI”); British Columbia.

Source: CANSIM Table 326-0020; Statistics Canada; available electronically at the following site:

<http://www.statcan.gc.ca/start-debut-eng.html>
(enter table # 326-0020)

Timing: The April release of Table # 326-0020. The April edition includes revised data for the last month of the previous year.

Calculation: The paint component of the Price Adjustment Factor is calculated as follows:

The annual rate of change in the British Columbia Consumer Price Index is calculated first by using the Annual Average of the index for the Current Year minus the Annual Average of the index from the Base Year divided by the Annual Average from the Base Year.

- (ii) **35% for the labour** component (the portion of the Annual Price assumed to represent labour costs):

Series: Survey of Employment, Payrolls and Hours (SEPH), fixed weighted index of average hourly earnings for all employees, by North American Industry Classification System (NAICS); Industrial aggregate excluding unclassified businesses.

Source: CANSIM Table 281-0039, Statistics Canada, available at the following site:

<http://www.statcan.gc.ca/start-debut-eng.html>
(enter table 281-0039)

Timing: Each spring (usually April), Statistics Canada will provide the Province with a letter to indicate the revised official statistics for Table 281-0039. The provided data will take into account the historical revision. The data will include the previous 2 years of monthly data.

Calculation: The labour component of the Price Adjustment Factor is calculated as follows:

The Annual Average of the labour index for the Current Year minus the Annual Average of the labour index for the Base Year divided by the Annual Average of the labour index for the Base Year.

(iii) **12% for the accommodation** component (the portion of the Annual Price assumed to represent accommodation costs):

Series: Traveller accommodation services price index; Business Clients;

Source: CANSIM Table 332-0026, Statistics Canada, available electronically at the following site:

<http://www.statcan.gc.ca/start-debut-eng.html>
(enter table 332-0026)

Timing: The April edition of Statistics Canada Table 332-0026 will be used to calculate the year over year percentage change for the accommodation component of the Price Adjustment Factor. The April edition includes finalized data for the previous year.

Calculation: The accommodation component of the Price Adjustment Factor is calculated as follows:

The Annual Average of the accommodation index for the Current Year minus the Annual Average of the accommodation index for the

Base Year divided by the Annual Average of the accommodation index for the Base Year;

and

- (iv) **5% for the fuel** component (the portion of the Annual Price assumed to represent fuel costs):

Series: Industrial product price indexes for selected groups within North American Product Classification Systems (NAPCS); British Columbia; Diesel fuel.

Source: Statistics Canada, Table 329-0076, available electronically at the following site:

<http://www.statcan.gc.ca/start-debut-eng.html>
(enter table 329-0076)

Timing: The April edition of Statistics Canada Table 329-0076 will be used to calculate the year over year percentage change for the fuel component of the Price Adjustment Factor. The April edition includes revised data for the last four months of the previous year.

Calculation: The fuel component of the Price Adjustment Factor is calculated as follows:

The Annual Average of the fuel index for the Current Year minus the Annual Average of the fuel index for the Base Year divided by the Annual Average of the fuel index for the Base Year.

2. CALCULATION OF PRICE ADJUSTMENT FACTOR

- 2.1** The Minister will, no later than April 30, or as soon as reasonably practicable after production of the statistical series referenced in subsection 1.1(h) of this Schedule:
- (a)** calculate the Price Adjustment Factor for the calendar year; and
 - (b)** provide to the Contractor copies of the calculations.
- 2.2** Two sample Price Adjustment Factor calculations are set out in Appendix B attached to this Schedule.
- 2.3** In the event that any index referenced in the definition of Price Adjustment Factor is not available, then another similar index may be selected by the Minister after consultation with the pavement marking contractors.

3. OTHER CALCULATIONS

- 3.1** Commencing at the end of each Contract Year, the Minister will, no later than April 30, or as soon as reasonably practicable:
- (a)** calculate the Changes to Line Inventory and the Changes to Pavement Marking Services for the Contract Year;
 - (b)** calculate the Adjusted Annual Price for the Contract Year in accordance with the formula set out in Appendix A to this Schedule;
 - (c)** calculate the Inventory Adjustment Unit Price for the Contract Year by adjusting the Inventory Adjustment Unit Price in effect at the beginning of the immediately preceding Contract Year by the Price Adjustment Factor; and
 - (d)** calculate the Additional Pavement Marking Services Unit Prices for the Contract Year by adjusting the Additional Pavement Marking Services Unit Prices in effect at the beginning of the immediately preceding Contract Year by the Price Adjustment Factor.

4. PROVISION OF CALCULATIONS AND NOTICE OF FEES ADJUSTMENTS

- 4.1** The Minister will provide to the Contractor copies of the calculations described in sections 2 and 3 of this Schedule forthwith upon the completion of the calculations.

5. CALCULATION DISAGREEMENTS

- 5.1** If the Contractor should disagree with any of the calculations referenced in sections 2 and 3 of this Schedule, the Contractor may, within 30 days of receipt of the calculations, notify the Province in writing of its disagreement, specifying the reasons therefore; and
- 5.2** If the parties are unable to resolve a disagreement referenced in section 5.1 of this Schedule within 30 days of notification, then the disagreement may be referred by either party directly to arbitration pursuant to section 18.5 and 18.6 of this Agreement.

6. CALCULATIONS FINAL AND BINDING

- 6.1** Subject to section 5 of this Schedule, the calculations of the Minister described in sections 2 and 3 of this Schedule will be final and binding on the parties.

7. DELIVERY OF REVISED SCHEDULES AND TABLES

- 7.1** As soon as reasonably practicable after the calculations described in section 4 of this Schedule become final and binding pursuant to section 6.1 of this Schedule or Article 18 of this Agreement, the Minister will prepare and deliver to the Contractor, a revised Schedule 4 (Routine, Second Coat Application and Quantified Pavement Marking Services), Appendix A to Schedule 5 (Additional Pavement Marking Services), Appendix A to Schedule 7 (Fees) and Schedule 8 (Cost for Changes to Line Inventory) reflecting those calculations and adjusted fees, as applicable.

8. ROUNDING

- 8.1** The numbers:
- (a)** used in any of the calculations made in accordance with this Schedule and the numbers resulting from the calculations made under subsection 2.1(a) of this Schedule will be rounded, as necessary, to four decimal places;
 - (b)** resulting from the calculations made under subsections 3.1 (b), (c) and (d) of this Schedule will be rounded, as necessary, to two decimal places; or
 - (c)** resulting from the calculations made under subsection 3.1(a) of this Schedule will be rounded, as necessary, to the nearest Line Kilometre.

APPENDIX “A” (SCHEDULE “9”)

Adjusted Annual Price Formula

1. The formula for calculating the Adjusted Annual Price for a Contract Year under subsection 3.1(b) of this Schedule is:

$$[A + B + C] \times D$$

where the capital letters in this formula have the following meanings:

- “A” equals the Annual Price for the immediately preceding Contract Year prior to the making of any adjustments during that immediately preceding Contract Year pursuant to Articles 6 or 7 of this Agreement;
 - “B” equals the value of the Changes to Line Inventory for the Contract Year;
 - “C” equals the value of the Changes to Pavement Marking Services for the Contract Year;
 - “D” equals one plus the Price Adjustment Factor for the Current Year.
2. A sample calculation of the Adjusted Annual Price is set out in Appendix C attached to this Schedule.

APPENDIX “B” (SCHEDULE “9”)

Sample Price Adjustment Factor Calculation

The Price Adjustment Factor is an annual adjustment for variable costs only. The Province estimates that the variable costs are 92% of the total costs. These variable costs are outside the direct control of the Contractor and specifically exclude fixed costs which take the form of overhead and profit.

SAMPLE 1

Component	Base Year Average Annual	Current Year Average Annual	Calculation	% Change		% Weighting	Inflation
	(E)	(F)					
Paint	105.21	108.25	$(F-E)/E$	2.8895%		40%	1.1558%
Labour	129.95	134.77	$(F-E)/E$	3.7091%		35%	1.2982%
Accommodation	113.06	111.69	$(F-E)/E$	-1.2117%		12%	-0.1454%
Fuel	228.6	233.38	$(F-E)/E$	2.0910%		5%	0.1045%
Aggregate							2.4131%
Price Adjustment Factor $(1 + \text{Aggregate})$							1.02413

NOTE: The numbers used in this sample calculation are for illustrative purposes only

APPENDIX “B” (SCHEDULE 9) Con’t.

Sample Price Adjustment Factor Calculation

SAMPLE 2

Component	Base Year Average Annual	Current Year Average Annual	<i>Calculations</i>	% Change		% Weighting	Inflation
	(E)	(F)					
Paint	109.87	113.51	$(F-E)/E$	3.3130%		40%	1.3252%
Labour	133.68	134.25	$(F-E)/E$	0.4264%		35%	0.1492%
Accommodation	112.25	113.47	$(F-E)/E$	1.0869%		12%	0.1304%
Fuel	229.87	232.69	$(F-E)/E$	1.2268%		5%	0.0613%
Aggregate							1.6662%
Price Adjustment Factor $(1 + \text{Aggregate})$							1.0167

NOTE: The numbers used in this sample calculation are for illustrative purposes only

APPENDIX "C" (SCHEDULE "9")

Sample Adjusted Annual Price Calculation

Annual Price of \$1,200,000 for immediately preceding Contract Year (Contract Year 1)		\$1,200,000.00	(A)
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The value of the Changes to Line Inventory for the immediately preceding Contract Year in accordance with section 6.1 of this Agreement	+/-	\$10,000.00	(B)
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The value of the Changes to Pavement Marking Services for the immediately preceding Contract Year in accordance with sections 7.1 to 7.4 of this Agreement	+/-	(\$5,000.00)	(C)
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SUB-TOTAL		<hr/> \$1,205,000.00	
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Price Adjustment Factor (from Sample #1 of Appendix B to this Schedule) rounded to 4 decimal points as per subsection 8.1(a) of this Schedule	x	<u>1.0282</u>	(D)
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ADJUSTED ANNUAL PRICE FOR CONTRACT YEAR 2		\$1,238,981.00	
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NOTE: The numbers used in this sample calculation are for illustrative purposes only.

SCHEDULE “10”

DISPUTE RESOLUTION PROTOCOL

- 1.** The Contractor and the Ministry Representative will meet to discuss and attempt to resolve the dispute.
- 2.** If there is no resolution within 5 calendar days of this meeting, the Contractor will set out its position and proposed resolution in writing, stating the applicable Articles of this Agreement involved, and forward this written proposal to the Executive Director, South Coast Region.
- 3.** The Executive Director, South Coast Region, on behalf of the Ministry, must provide a written response within 14 calendar days of receipt of the Contractor's Proposal, not including statutory holidays.
 - (a)** This response must either:
 - (i)** indicate agreement with the Contractor's position and proposed resolution;
 - (ii)** propose an alternative to the Contractor's proposed resolution, with written reasons for the alternative; or
 - (iii)** reject the Contractor's proposed resolution with written reasons for the rejection.
 - (b)** If the Ministry fails to provide a written response within the time period set out in this section, the Contractor may invoke section 18.4 of this Agreement and refer the matter to arbitration.
 - (c)** If either paragraphs (ii) or (iii) of subsection 3(a) occur, the Contractor may either accept the Ministry's response or invoke section 18.4 and refer the matter to arbitration.
- 4.** Time limits referenced in this Schedule may be extended by mutual written agreement, provided that such extensions of time do not exceed an additional 14 calendar days in total.

SCHEDULE “11”

EQUIPMENT REQUIREMENTS

The following are the minimum standards for the operation of the Contractor's equipment fleet. These requirements apply to vehicles and equipment licensed for operation on provincial Highways including all contractor-owned or leased equipment.

1. DEFINITIONS

1.1 In this Schedule, unless the context otherwise requires:

- (a)** “**Operational Vehicles**” means, all vehicles used in the performance or inspection of activities, whether rolling or stopped, related to pavement marking of the highway system;
- (b)** “**Stripes**” means light retroreflective high conspicuity markings diamond grade ASTM 9 that are 3” in width in an alternating red and white pattern affixed directly onto Operational Vehicles;
- (c)** “**Surfaces**” means light retroreflective high conspicuity markings hi-intensity grade ASTM 3 or diamond grade ASTM 9 in a checkerboard/harlequin pattern with a minimum of 3 rows and 3 columns of alternating black and yellow or green squares between 200mm and 300mm wide affixed directly onto the rear of Operational Vehicles;

All other capitalized words and phrases will have the meaning ascribed to them in the Agreement.

2. LIGHTING, COLOUR AND MARKINGS

2.1 Equipment lighting must conform to Division 4 of the Motor Vehicle Act Regulations (B.C. Reg. 26/58).

2.2 All Operational Vehicles must be equipped with amber rotating beacon as shown in Appendix A and Appendix B of this Schedule which meet the following requirements:

- (a)** have 360° visibility;
- (b)** be permanently mounted;
- (c)** be visible under all operating conditions;
- (d)** have light intensity sufficient to warn motorists of the vehicle or equipment's presence under variable operating conditions;
- (e)** be dimmable for night work; and

- 2.3** High intensity lamps must be utilized during daylight hours.
- 2.4** Lighting used to warn traffic of over-width projections must have light intensity sufficient to warn motorists under all variable operating conditions.
- 2.5** Technically improved lighting, approved by the Ministry may be used, provided the standards outlined in this Schedule are not altered in a way that would affect public or operator safety.
- 2.6** All Operational Vehicles must be painted at least 80% Sherwin-Williams school bus yellow or if no longer available, a similar colour as selected by the Ministry.
- 2.7** Operational Vehicles shall display the Contractor's company identification which shall:
- (a)** be retroreflective engineering grade ASTM 1 at a minimum; and
 - (b)** have lettering 50mm in height or greater; and
 - (c)** be placed in accordance with Appendix A and Appendix B of this Schedule.
- 2.8** Operational Vehicles shall have Stripes on at least 70% of the body length and shall be placed at a minimum of 1m above the ground level as shown in Appendix A and Appendix B of this Schedule.
- 2.9** Operational Vehicles shall have Surfaces on at least 70% of the rear width of the Operational Vehicle as shown in Appendix A and Appendix B of this Schedule.
- 2.10** All Operational Vehicles must conform to the most recent Transport Canada's Technical Standard Document No.108, Revision 6, section S8.2 - Conspicuity Systems (notwithstanding that this standard refers only to trailers and truck tractors, it is required that it apply to all Operational Vehicles).
- 2.11** All sub-contracted/hired equipment that is not operating as part of a paint train:
- (a)** is exempt from the colour requirements outlined in this policy;
 - (b)** must comply with the Traffic Management Manual for Work on Roadways;
 - (c)** must display a temporary magnetic-mount amber rotating beacon provided the light output is not diminished from the requirements set out in section 2.2.
- 2.12** For greater certainty, all sub-contracted/hired equipment operating as part of a paint train must meet all requirements of this Schedule.

APPENDIX “A” (SCHEDULE 11)

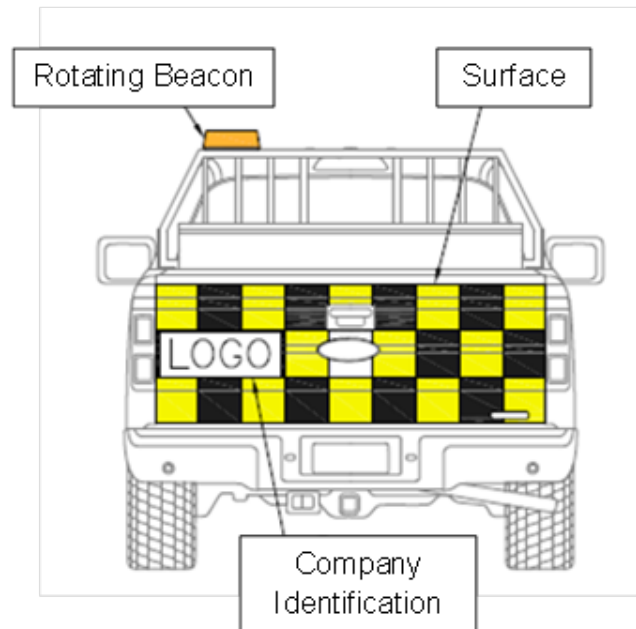
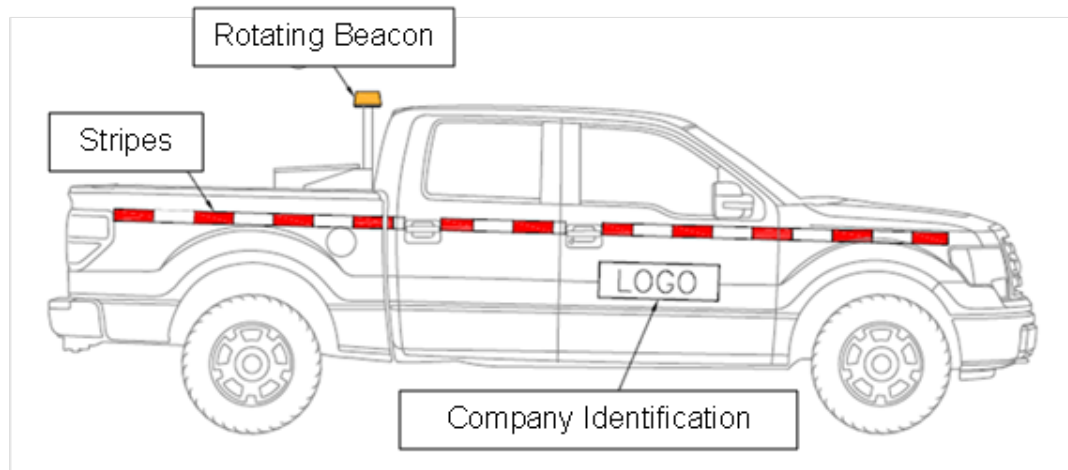
Escort Vehicles



Ministry of
Transportation
and Infrastructure

Appendix A Escort Vehicle

Pavement Marking Services Agreement
Vehicle Marking and Lighting Requirements



APPENDIX “B” (SCHEDULE 11)

Stripers



Ministry of
Transportation
and Infrastructure

Appendix B Striper

Pavement Marking Services Agreement
Vehicle Marking and Lighting Requirements



SCHEDULE “12”

REPEATER SYSTEM

1. **“Repeater System”** means the mountain-top radio equipment, control console equipment, telecommunications circuits, satellite back-up systems, and control room operating staff provided by the Province.
2. The Province will provide the Repeater System to the Contractor without charge for the use of the Contractor in performing the Pavement Marking Services on the terms and conditions set out in this Schedule.
3. The Contractor will use the Repeater System solely for the purposes of performing the Pavement Marking Services.
4. Any radio equipment owned by the Contractor and which may be used on the Repeater System will be approved by the Minister before being used on the Repeater System.
5. Pursuant to Article 4 of this Schedule the Contractor will take all reasonable means to repair faulty radio equipment not owned by the Province which detrimentally affects the normal operation of the Repeater System.
6. The Repeater System will at all times remain the property of the Province.
7. The Province will, at the Province's expense, provide routine maintenance of the Repeater System as the Minister in the Minister's sole discretion may consider necessary from time to time.
8. The Province may replace the Repeater System or any part of the Repeater System which the Minister determines, in the Minister's sole discretion, has exceeded its useful life expectancy.
9. The Contractor will ensure that all of its personnel operating radio equipment through the Repeater System are licensed to operate mobile radio equipment by Industry Canada.
10. The Contractor will use radios on the Repeater System which have the following specifications:
 - Operating frequency 142-150Mhz
 - Maximum power output of 50W
 - Sub audible tone capable (CTCSS)
 - Narrow band channel spacing
 - Minimum of 24 channels
 - 12 button DTMF key pad
 - Transmitter time-out timer
 - Type approval from Industry Canada

SCHEDULE “13”

PRIVACY PROTECTION

(BC Government Privacy Protection Schedule E)

<https://www2.gov.bc.ca/gov/content/governments/services-for-government/information-management-technology/privacy/agreements-contracts/privacy-protection-schedule>

Definitions

1. In this Schedule,
 - (a) “**access**” means disclosure by the provision of access;
 - (b) “**Act**” means the *Freedom of Information and Protection of Privacy Act*;
 - (c) “**contact information**” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (d) “**personal information**” means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act; and
 - (e) “**privacy course**” means the Province’s online privacy and information sharing training course.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor’s obligations, or the exercise of the Contractor’s rights, under the Agreement.

4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

Privacy Training

6. The Contractor must ensure that each person who will provide services under the Agreement that involve the collection or creation of personal information will complete, at the Contractor's expense, the privacy course prior to that person providing those services.
7. The requirement in section 6 will only apply to persons who have not previously completed the privacy course.

Accuracy of personal information

8. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

9. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

10. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.

11. When issuing a written direction under section 10, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 12.
12. Within 5 Business Days of correcting or annotating any personal information under section 10, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
13. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

14. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

15. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

16. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

17. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

18. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

19. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

20. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
- (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases “foreign demand for disclosure” and “unauthorized disclosure of personal information” will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

21. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase “unauthorized disclosure of personal information” will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

22. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor’s premises to inspect any personal information in the possession of the Contractor or any of the Contractor’s information management policies or practices relevant to the Contractor’s management of personal information or the Contractor’s compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

23. The Contractor must in relation to personal information comply with:
- (a) the requirements of the Act applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.

(Schedule 13)

24. The Contractor acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

25. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

26. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

27. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
28. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
29. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
30. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
31. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 32, the law of any jurisdiction outside Canada.
32. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

SCHEDULE "14"

CONTRACTOR DETAIL

Complete Corporate or Partnership Name: _____

Jurisdiction of Incorporation or Registration: _____

Incorporation or Registration No: _____

Date of Incorporation or formation of Partnership: _____

DIRECTORS

Name	Address

OFFICERS

Name	Office Held

Authorized Shared Capital

Special Rights Applicable to Each Class of Authorized Share Capital

Voting Agreements

Encumbrances

SHAREHOLDERS/PARTNERS*		
Name	Address	No of Shares held (legally and/or beneficially)/ Partnership in a %

*If any of the Partners are corporate entities, then a separate Schedule 14 (Contractor Detail) for each corporate partner must be completed and delivered in accordance with subsection 11.1(w) of this Agreement.

SCHEDULE “15”

BONDS

SPECIMEN LABOUR AND MATERIAL PAYMENT BOND

No.

\$ _____

Note: This Bond is issued simultaneously with a Performance Bond in favour of the Obligee conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS, that _____

CONTRACTOR'S NAME _____ as Principal, (the "Principal"), and

SURETY / INSURANCE COMPANY OR COMPANIES NAME(S)
AND ADDRESS(ES) _____, a

corporation or corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as Surety (the "Surety" if one surety is named in this Bond and the "Co-Sureties" if more than one), is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee, (the "Obligee"), for the use and benefit of the Claimants (defined below), their and each of their heirs, executors, administrators, successors and assigns, in the amount of _____ Dollars (\$) of lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Obligee, dated the _____ day of _____, 20____ for Pavement Marking entitled Pavement Marking Service Agreement Round 4 Lower Mainland Pavement Marking Service Area (the "Contract"), for a five (5) year term from _____ (Commencement Date) to _____ (Expiry Date) that may be extended for a further two year period to _____ all in accordance with its provisions, and which document is incorporated by reference as part of this Bond;

AND WHEREAS, concurrently with the issuance of this Bond, the Surety has issued a Performance Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Obligee (the "Performance Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that, if the Principal shall make payment to all Claimants for all labour and material used or

reasonably required for use in the performance of the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract; provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment shall be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published before the period during which the equipment was used in the performance of the Contract.
2. The Principal and the Surety or Co-Sureties, as the case may be, hereby jointly and severally agree with the Obligee that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may use the name of the Obligee to sue on and enforce the provisions of this bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon subject to the following terms and conditions: the Obligee is not to be obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond; and if any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligee by reason thereof.
3. No suit or action shall be commenced hereunder by any Claimant:

- (a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety or Co-Sureties, as the case may be, and the Obligee, stating with substantial accuracy the amount claimed and at least 90 days shall have passed since the notice was given. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligee, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the contract is located. Such notice shall be given:
- (1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the builders lien Legislation applicable to the Claimant's contract with the Principal (whichever is the greater), within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal.
 - (2) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;
- (b) after the expiration of one (1) year following the earlier of:
- (1) the expiry of:
 - (i) the Initial Term (defined below) if the Surety elects not to extend this Bond for the Renewal Term (defined below); or
 - (ii) the Renewal Term;or
 - (2) the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract.
- (c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the Contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety or Co-Sureties, as the case may be, agree(s) not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.
5. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety or Co-Sureties, as the case may be, of builders liens which may be filed of record against the subject matter of the contract, whether or not claim for the amount of such lien be presented under and against this Bond.
6. The Surety or Co-Sureties, as the case may be, shall not be liable for a greater sum than the specified penalty of this Bond.
7. The term of this Bond is for five (5) years only, beginning at 12:01 am pacific time on the ___ day of ____, 20____, and ending at 12:00 midnight pacific time on the ___ day of ____ 20____ ("Initial Term"). The Initial Term may be extended, solely at the option of the Surety, for a renewal term of an additional two (2) years, ending at 12:00 midnight pacific time on the ___ day of ____, 20____ ("Renewal Term"). If the Surety or Co-Sureties elect(s) not to extend the bond at the end of the Initial Term, they must so inform the Obligee in writing prior to one hundred twenty (120) days before the Initial Term ends. If the Surety or Co-Sureties do not so inform the Obligee of their intention not to extend the bond as stated herein, this Bond will automatically be deemed extended for the Renewal Term.
8. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the Performance Bond are extended for the Renewal Term.

SPECIMEN PERFORMANCE BOND

NO. _____ \$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that

_____ **CONTRACTOR'S NAME** _____ as principal ("the Principal")
and _____ **SURETY / INSURANCE COMPANY'S OR COMPANIES'**
NAME(S) AND ADDRESS(ES) _____, a corporation or

corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as Surety (the "Surety" if one Surety is named in this Bond and the "Co-Sureties" if more than one), is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee ("the Oblige") in the amount of _____ Dollars (\$) , of lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Oblige, dated the _____ day of _____, 20__ for Pavement Marking entitled Pavement Marking Service Agreement Round 4 Lower Mainland Pavement Marking Service Area (the "Contract"), for a five (5) year term from _____ (Commencement Date) to _____ (Expiry Date) that may be extended for a further two year period to _____ all in accordance with its provisions, and which document is incorporated by reference as part of this Bond;

AND WHEREAS concurrently with the issuance of this Performance Bond the Surety has issued a Labour and Material Payment Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Oblige (the "L&M Payment Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that if the Principal shall promptly and faithfully perform that portion of the Contract that corresponds with the Initial Term or Renewal Term (as those terms are defined herein), as the case may be, then this Obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. If the Obligee declares an Event of Default, as defined in the Contract, then upon written notice of same being given by the Obligee to the Surety or Co-Sureties as the case may be, the following shall apply:
 - (a) if the work is not taken out of the Principal's hands, by the Obligee, the Obligee may require the Surety or Co-Sureties, to remedy the default giving rise to the Event of Default, in which case the Surety or Co-Sureties shall cause the Principal to remedy the Event of Default within thirty (30) days of the date the Surety or Co-Sureties received the written notice from the Obligee or, if the Principal has not remedied the Event of Default, the Surety or Co-Sureties shall, subject to the Bond Amount, remedy the Event of Default within a further period of fifteen (15) days; and/or;
 - (b) the Obligee may, whether or not the Contract is terminated, and whether or not the Contract is taken out of the Principal's hands by the Obligee, take reasonable steps to cure the Event of Default itself or to cause the Event of Default to be cured by other persons, and then make demand under this Bond for indemnification by the Principal and Surety or Co-Sureties for the costs thereof after making all reasonable adjustments and credits under the Contract, in which case the resulting cost, including but not limited to the costs of the Event of Default and administrative costs of the Obligee, determined by the Obligee, shall be paid by the Principal within thirty (30) days of demand by the Obligee or, failing payment by the Principal, shall be paid, subject to paragraph 2 of this Bond, by the Surety or Co-Sureties within the following fifteen (15) day period; and/or
 - (c) the Obligee may take the Contract out of the Principal's hands, in which case:
 - (i) if after written notice has been given to the Surety or Co-Sureties of the Event of Default, the Surety or Co-Sureties and the Obligee agree in writing, the Surety or Co-Sureties may complete or cause to be completed the Contract, through methods including, but not limited to using the employees, equipment and subcontractors of the Principal;
 - (ii) absent such agreement,
 - (1) the Obligee will request proposals from not less than two pavement marking contractors who are then performing pavement marking services in other areas in British Columbia;
 - (2) the Obligee will, with consultation from the Surety or Co-Sureties, if requested by the Surety or Co-Sureties, evaluate all proposals PROVIDED THAT the final selection of a replacement contractor

shall be within the sole discretion of the Obligee, after consultation with the Surety or Co-Sureties.

If the Obligee considers the Event of Default to represent a material risk to public safety then the Obligee may take immediate steps to protect public safety by engaging others (the "Emergency Forces") to perform such services as the Obligee may reasonably decide are required for the purpose of ensuring services, works, safeguards, environmental protection and public safety are maintained and, further, to ensure that necessary work shall reasonably proceed with minimal interruption. The Obligee and the Surety will meet at the reasonable request of the Surety, to explore methods of completing the work under the Contract, including engaging a permanent replacement contractor pursuant to the provisions of Clause 1(c) of this Bond. The Emergency Forces may remain in place until a replacement contractor is appointed or until other arrangements for completing the work or the Contract, acceptable to the Obligee, are made by the Surety or Co-Sureties.

Upon selection by the Obligee of a bidder acceptable to the Obligee, the Obligee will contract with such bidder. The Surety or Co-Sureties will pay, at the direction of the Obligee, not less frequently than every thirty (30) days, as work progresses, whether by Emergency Forces or by a replacement contractor or both, sufficient funds to pay by monthly instalments the difference between the cost of completion of all the obligations of the Principal under the Contract and the balance of the Contract price; but not exceeding, including other costs and damages for which the Surety or Co-Sureties may be liable hereunder, the Bond Amount. The term "balance of the Contract price" as used in this Bond means the total amount payable by the Obligee to the Principal under the Contract, less the amount properly paid by the Obligee to the Principal.

2. Unless otherwise agreed in writing by the Surety or Co-Sureties and the Obligee, all payments under this Bond will be made on a monthly basis such that within thirty (30) days of the end of any month for which a claim is made under this Bond, the Surety or Co-Sureties will pay to or at the direction of the Obligee:

(a) the difference between:

(i) the amount of the payment that would have been due from the Obligee to the Principal for that month pursuant to the Contract, but for the default of the Principal; and

(ii) the amount paid by the Obligee to other contractors to complete the obligations of the Principal under the contract for that month

- and -

- (b) the reasonable additional and actual direct costs incurred by the Obligee to select and retain the other contractors required to complete the work of the Principal and to direct the completion of the work for that month.

The cumulative total of the monthly payments will be subject to the final adjustment after the expiry of the original term of the Contract when all costs are known.

3. The requirement to make payment under this Bond will arise solely on the written demand for payment by the Obligee in respect of an Event of Default under the Contract or this Bond and the making of any payment under or pursuant to this Bond shall not be deemed to be an admission of liability on behalf of the Principal or Surety or Co-Sureties and will be made without prejudice to any right or cause of action which either or both the Principal or Surety or Co-Sureties may have against the Obligee. If payment has been made under or pursuant to the Bond by the Surety or if the Principal has paid to remedy the Event of Default or paid the cost of completion under the Contract, either the Principal or Surety or Co-Sureties may challenge the validity of the declaration of the Event of Default, the demand under this Bond, the accounting for Contract monies, the reasonableness or validity of the completion costs, or any other claim they may have relating to the Obligee's performance under the Contract and this Bond and make claim against the Obligee for damages.
4. Nothing herein contained shall release the Obligee from any duty to operate with the utmost good faith and to mitigate any costs or damages incurred as a result of the Event of Default. PROVIDED ALWAYS that the provision as to mitigation shall not be construed as requiring the Obligee to allow the Principal to complete the Contract.
5. Either or both the Principal or Surety or Co-Sureties may, by giving written notice to the Obligee within fourteen (14) days of receiving notice of an Event of Default from the Obligee, take the position that the notice of the Event of Default was wrongfully issued by the Obligee and claim for damages by suit, arbitration, or otherwise, provided however that neither delivery of such notice, nor any litigation, arbitration or other dispute resolution process, actual or contemplated, shall in any way delay payment from the Principal or failing payment by the Principal then from the Surety or Co-Sureties, and any payment will be made without prejudice to the

right of the Principal or Surety or Co-Sureties to pursue any claim against the Obligee by litigation, arbitration or otherwise.

6. If a Court of competent jurisdiction, or an arbitrator in any arbitration proceeding between the Obligee and any one or more of the Principal and Surety or Co-Sureties, where the agreement to arbitrate provides that the decision is to be final and binding on the parties, holds that funds are owing by the Obligee to the Principal or Surety in connection with the Contract or Bond, the Obligee shall, after the period for appeals has expired, provided no appeals have been filed, remit the amount of any judgement or award to either the Principal or the Surety or Co-Sureties, with interest as determined in accordance with the provisions of B.C. Regulation 215/83 entitled "Interest on Overdue Accounts Payable Regulation", as amended from time to time from the date of such decision by the Court or arbitrator. Subject to the judgement or award, such payment obligation shall be without prejudice to any rights available to the Obligee.
7. The Obligee shall account for any unpaid Contract monies, including any holdback monies, relating to the Contract up to the date of the Event of Default as declared by the Obligee, which are payable to the Principal, and upon written notice from the Surety or Co-Sureties shall apply those monies:
 - (a) first, to pay for labour, material, equipment and services used by the Principal in the performance of the Contract prior to the Event of Default;
 - (b) second, to reimburse the Obligee for the difference between the cost of completion and the balance of the Contract price.

Any excess and all remaining Contract monies shall be paid by the Obligee to the Surety or Co-Sureties. Subject to the terms of this Bond and the Bond Amount, the Surety or Co-Sureties shall be liable for and pay the Obligee for the difference between the cost of completion under the Contract and the balance of the Contract price if the cost of completion exceeds the Contract price, and such other costs of completing the obligations of the Principal, including reasonable additional administrative costs of the Obligee, as determined by the Obligee, acting reasonably.

8. The Surety or Co-Sureties shall not be liable for any amount in excess of the Bond Amount. The Surety shall deliver to the Obligee timely notice of the amount from time to time paid under this Bond, and the Bond Amount shall be reduced by any amounts paid by the Surety to remedy or to cause to be remedied any Event of Default, notice of which has been provided by the Obligee to the Surety, with demand for payment, and by any amounts paid by the Surety under, or pursuant to its obligations under, this Bond.

9. The Oblige, whether or not an Event of Default has occurred or been declared, may advise the Surety or Co-Sureties in writing whenever:
- (a) a Non-Conformance Report is issued by the Oblige to the Principal pursuant to Section 16.7 of the Contract;
 - (b) the Oblige issues written notice of an Event of Default to the Principal pursuant to Section 17.2 of the Contract; or
 - (c) the Oblige retains any holdback from any payment which, but for the holdback and the Oblige's reason for the holdback, would be due to the Principal under the Contract.

Copies of the Non-Conformance Report, notice of an Event of Default and notice of holdback may be provided to the Surety or Co-Sureties with the notice advising the Surety or Co-Sureties of same. Unless accompanied by a notice of a non-conformance or Event of Default and a written demand by the Oblige to the Surety or Co-Sureties requiring the Surety or Co-Sureties to fulfil its obligations under the Bond, such advice and copies of such documents shall be considered to be for general information only and shall not constitute a declaration of an Event of Default nor a call upon this Bond.

10. The term of this Bond is for five (5) years only, beginning at 12:01 am pacific time on the ___ day of ____, 20____, and ending at 12:00 midnight pacific time on the ___ day of ____ 20____ ("Initial Term"). The Initial Term may be extended, solely at the option of the Surety, for a renewal term of an additional two (2) years, ending at 12:00 midnight pacific time on the ___ day of ____, 20____ ("Renewal Term"). If the Surety or Co-Sureties elect(s) not to extend the bond at the end of the Initial Term, they must so inform the Oblige in writing prior to one hundred twenty (120) days before the Initial Term ends. If the Surety or Co-Sureties do not so inform the Oblige of their intention not to extend the bond as stated herein, this Bond will automatically be deemed extended for the Renewal Term.
12. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the L&M Payment Bond are extended for a Renewal Term(s).
13. No suit or action shall be instituted by the Oblige against the Surety or Co-Surety, or by the Surety or Co-Sureties or the Principal against the Oblige, under or pursuant to this Bond, after the expiration of two years from:
- (a) the expiry of the Initial Term if the Surety elects not to extend this Bond and the L&M Payment Bond for the Renewal Term; or

- (b) the last date on which final payment under the Contract is due, if the Surety elects to extend this Bond and the L&M Payment Bond for the Renewal Term,

whichever is applicable.

14. The penal sum of this Bond is not and shall not be deemed to be cumulative in the event the Surety elects to extend this Bond for the Renewal Term. For greater certainty, the penal sum for the Renewal Term notwithstanding any claims or payments whatsoever under this Bond in place in the Initial Term or Renewal Term, as the case may be, shall be \$_____.
15. If this Bond is issued by Co-Sureties, then the Co-Surety that signs the first signature block on this Bond shall be designated as the "Lead Surety" for the purposes of this Bond and the Co-Sureties hereby jointly and severally irrevocably: appoint and authorize the Lead Surety to act as the sole representative of and agent for the Co-Sureties, and with authority to bind the Co-Sureties, in all dealings and matters between the Co-Sureties and the Obligee arising from or relating to this Bond, including without limitation the receipt on behalf of the Co-Sureties of a written notice, of any demand or draw on this Bond issued by the Obligee and in the investigation, payment, compromise, settlement and defence of any claims, demands and draws on, arising from or related to this Bond; and, agree and acknowledge that the Obligee shall be entitled to assume that any act done, document executed or entered into or waiver given by the Lead Surety to the Obligee arising from or related to this Bond has been duly authorized by each Co-Surety and is binding upon each Co-Surety without the Obligee being under any obligation to enquire into the authority of the Lead Surety in such matters.

16. All notices and demands to be given to the Surety under this Bond shall be given to the Surety at the following address:

(Name of Surety)

(Address of Surety)

Attention: _____

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond this _____ day of _____, 20 _____.

SIGNED and SEALED

In the presence of:

SEAL

For the Principal

SEAL

For the Surety

Attorney-in-fact

SCHEDULE "16"

INSURANCE & SECURITIES

1. ISSUANCE OF INSURANCE

All insurance coverage will be issued with insurers acceptable to the Minister, and issued by companies licensed to transact business in the Province of British Columbia and Canada.

2. EVIDENCE OF COVERAGE

2.1 The following evidence of coverage will be supplied by the Contractor:

- (a) File originals or signed, certified copies of all current policies and any other endorsements necessary to comply with these insurance specifications and any other requirements outlined in the Pavement Marking Service Agreement with: **The Corporate Insurance and Bonds Manager, Ministry of Transportation and Infrastructure, P.O. Box 9850 STN Prov Govt, 4th Floor, 940 Blanshard Street, Victoria, BC V8W 9T5E6.**
- (b) If filed originals or signed, certified copies of such policies are not available as at the time that delivery by the Contractor to the Province is required, the Contractor may, as an **INTERIM** measure pending delivery of the originals and signed certified copies and subject to the condition that the Contractor complies with subsection 2.1(c) of this Schedule, deliver to the Province a duly completed Certificate of Insurance certifying to the Province that the insurance requirements have been met together with a letter from the insurer providing the Certificate of Insurance in a form acceptable to the Province confirming that the insurance referred to in the Certificate of Insurance complies with the requirements set out in the Pavement Marking Service Agreement and in particular this Schedule.
- (c) If the Contractor delivers a Certificate of Insurance, the Contractor must by no later than one hundred and twenty (120) days after the date of issuance of the Certificate, deliver originals or signed, certified copies of all current policies and necessary endorsements to the Province at the following address: **The Corporate Insurance and Bonds Manager, Ministry of Transportation and Infrastructure, P.O. Box 9850 STN Prov Govt, 4th Floor, 940 Blanshard Street, Victoria, BC V8W 9T5E6.**
- (d) Any endorsements issued must be countersigned, and only original or certified copies of endorsements are acceptable.

- (e) For Automobile Liability insurance, a duly executed Insurance Corporation of British Columbia APV 47 form may be used for evidence of coverage or renewal provided that if excess limits are purchased through private insurers, evidence will be provided by way of signed, certified copies of such policies.

3. LIABILITY POLICIES

3.1 THIRD PARTY LIABILITY INSURANCE

Commercial General Liability insurance including non-owned automobile and contractual liability insurance will be arranged with inclusive limits of not less than **FIVE MILLION DOLLARS (\$5,000,000.00)** and **TEN MILLION DOLLARS (\$10,000,000.00)** in the annual aggregate for bodily injury, death, and property damage arising from any one accident or occurrence. The insurance policy will pay on behalf of the named insureds, additional named insureds and the additional insureds under the policy for any sum or sums which the insured may become liable to pay or shall pay for bodily injury, death or property damage or for loss of use thereof, arising out of or resulting from the work or operations of the Contractor or Subcontractors, including all persons, firms or corporations who perform any of the work, in connection with the Pavement Marking Service Agreement, anywhere within Canada and the United States of America. In addition to the above limits, such liability insurance will also pay all costs, charges, and expenses in connection with any claims that may require to be contested by the insureds anywhere within Canada and the United States of America.

EXTENSION OF COVERAGE

Such liability insurance will cover liability assumed by the Contractor in connection with and applicable to the Pavement Marking Service Agreement and will include the following coverage extensions applicable to the following liability policies:

Coverage Extensions Applicable to the Commercial General Liability Policy

- * Canada and United States coverage territory
- * Products/Completed Operations 12 month extension (as more fully outlined under Article 4 of this Schedule)
- * Occurrence Property Damage
- * Broad Form Property Damage
- * Contingent Employers Liability
- * Medical Payments
- * Incidental Medical Malpractice

- * Blanket Written Contractual
- * Cross Liability (as more fully outlined under Article 4 of this Schedule)
- * Attached Machinery
- * Non Owned Automobile
- * Legal Liability for damage to hired automobiles
- * Hazardous Operations (XCU)
- * Sudden and Accidental Pollution liability coverage with a limit not less than \$2,000,000.00
- * 30 days notice of Cancellation or Limitation of cover (as more fully outlined under section 6.1 of this Schedule)

INCLUSIONS/EXCLUSIONS NOT PERMITTED

Hazardous operations, including excavation pile driving, shoring, blasting, underpinning, or demolition work or any other operation or work to be performed will not be excluded from insurance coverage.

Claims arising out of the legal liability upon the Insured at common law and extended by Statute for bodily injury or death to employees of the Insured will not be excluded. However, exclusions applicable to liability imposed upon or assumed by the Insured under any Workers Compensation Statutes or for assessment by any Workers Compensation Board will be permitted.

Liability assumed by the insureds under contract with railroad companies for the use and operation of railway sidings or crossings will not be excluded.

Liability assumed by the Contractor under and applicable to any Gravel Licenses will not be excluded.

Liability arising out of all products where the Contractor supplies the material will not be excluded.

Tort liability assumed by the Contractor under the Pavement Marking Service Agreement will not be excluded.

Exclusion of joint venture projects will not be permitted.

Other types of services not listed above, to be performed by the Contractor under the Pavement Marking Service Agreement will not be excluded.

DEDUCTIBLE

A **maximum** deductible on the primary insurance policy will be allowed for any one accident or per occurrence of up to **TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00)** on the primary insurance policy. Payment of any deductible will be the responsibility of the Contractor.

SELF-INSURED RETENTION

A **maximum** self-insured retention of up to **TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00)** for any one accident or per occurrence will be permitted for Contractors providing umbrella/excess liability insurance subject to having a **minimum** primary insurance policy of **TWO MILLION DOLLARS (\$2,000,000.00)** underlying the umbrella/excess.

3.2 AUTOMOBILE INSURANCE

Automobile Liability coverage with inclusive limits of not less than **FIVE MILLION DOLLARS (\$5,000,000.00)** providing third party liability and accident benefits insurance and automobile physical damage insurance including collision and comprehensive coverage must be provided for all vehicles required by law to be licensed that are owned, leased or rented by the Contractor, and that are used in the performance of the Pavement Marking Service Agreement.

4. ADDITIONAL CONDITIONS FOR ALL LIABILITY POLICIES (except Owned Automobile Liability Insurance)

Contractual Liability - the insurance provision set out above is the minimum coverage required by the Province under the Pavement Marking Service Agreement.

Each Liability Policy will (except Owned Automobile Liability Insurance) be endorsed as follows:

Notwithstanding any other terms, conditions, or exclusions elsewhere in this policy, it is understood and agreed that this policy is extended to include insurance coverages and clauses as follows:

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure, together with the employees, agents, and servants of the Minister, hereinafter referred to as the Additional **Named** Insured, is added as an Additional **Named** Insured, in respect of liability arising from the work or operations of the Insured and the Additional **Named** Insured in any way relating to pavement marking works and/or services in the Service Area including under the Pavement Marking Service Agreement.

The unqualified word "insured" also includes Contractors and Subcontractors including all persons, firms, or corporations who perform any part of the work under this Pavement Marking Service Agreement.

The insurance as is afforded by this policy shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. Any breach of a condition of the policy by any Insured shall not affect the protection given by this policy to any other insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.

Hazardous operations such as excavation, pile driving, shoring, blasting, under-pinning, or demolition work or any other operation or work to be performed by the Province, Contractor or Subcontractors, including all persons, firms or corporations who perform any of the work in connection with the Pavement Marking Service Agreement, will not be excluded from insurance coverage, where such type of work or operation is to be performed by any such party under the Pavement Marking Service Agreement subject to prior notification to the insurer by the Contractor.

Products and Completed Operations Hazard coverage shall be provided and such coverage shall remain in full force and effect for a period of **twelve (12)** months after the work has been completed, irrespective of the expiry date of the policy.

5. PROPERTY POLICIES

5.1 EQUIPMENT INSURANCE

The Contractor will obtain, maintain and provide evidence of "ALL-RISKS" insurance coverage, satisfactory to the Province, covering all equipment utilized in the performance of the services under the Pavement Marking Service Agreement that is owned, rented, or leased by the Contractor, or for which the Contractor may be responsible.

Policies must include the following Waiver of Subrogation:

In the event of any third party loss or damage or any physical loss or damage to the work, or Contractor's equipment, the settlement or payment of the subsequent claim shall be made without the right of subrogation against her Majesty the Queen as represented by the Minister or any employees, servants or agents of the Minister.

6. ADDITIONAL REQUIREMENTS FOR ALL POLICIES

6.1 NOTICE OF CANCELLATION, ETC.

The required insurance will not be cancelled, removed, reduced, materially changed or altered except upon written consent of the Minister, and in this connection thirty (30) days prior notice in writing must be given by Registered Mail to: **The Corporate Insurance and Bonds Manager, Ministry of Transportation and Infrastructure, ~~PO Box 9850 STN Prev Govt~~, 4th Floor, 940 Blanshard Street, Victoria, B.C. V8W ~~9T53E6~~.**

6.2 PRIMARY INSURANCE

All the foregoing insurance will be primary and not require the sharing of any loss by any other insurer of the Province.

6.3 EVIDENCE OF RENEWAL

The Contractor will furnish evidence of the renewal or extension the required policy(s) by certified copy of a renewal certificate(s) or by endorsement(s) to the policy(s) which is to be received by The Corporate Insurance and Bonds Manager at least thirty (30) days prior to the expiry date of the policy.

THE PROVINCE ASSUMES NO RESPONSIBILITY FOR THE ADEQUACY OF THE INSURANCE EFFECTED IN FAVOUR OF THE CONTRACTOR OR THE PROVINCE UNDER THE PAVEMENT MARKING SERVICE AGREEMENT

APPENDIX "A" (SCHEDULE 16)

UNDERTAKING TO PROVIDE LIABILITY INSURANCE

(RENEWAL TERM)

THIS UNDERTAKING dated as of [month/day/year] (the "Effective Date").

[Note 1. The total amount of the commercial general liability insurance coverage provided in this Undertaking must be the minimum stipulated by the Province but can be provided in more than one Undertaking via a combination of CGL/Excess/Umbrella coverage and by more than one insurer.]

To:

Her Majesty the Queen in Right of the Province of British Columbia
Ministry of Transportation (the "Province")
Alternative Service Delivery Office
Construction and Maintenance Branch
4C-940 Blanshard Street
PO Box 9850 Stn Prov Govt
Victoria, BC
V8W 9T5

Undertaking to Provide Liability Insurance

WHEREAS a Pavement Marking Services Agreement (the "Agreement") for service area (Name of service area) presently exists between the Province and _____ [Name of Contractor] for an initial term of five years, which the Province and _____ [Name of Contractor] intend to renew for a further term of an additional two years (the "Renewal Term").

We, the undersigned, as authorized representatives on behalf of _____ (NAME OF INSURANCE COMPANY) _____ do hereby undertake and agree to provide commercial general liability insurance in the amount of **FIVE MILLION DOLLARS (\$5,000,000.00)**, with an annual aggregate of **TEN MILLION DOLLARS (\$10,000,000.00)** for the Renewal Term of the Agreement. This insurance will provide coverage, terms and conditions that comply with the insurance articles and requirements as described in the Agreement apart from the amount of said insurance complying with any change to same for the Renewal Term which may have been stipulated by the Province.

We further undertake and agree to provide to the Province signed, certified copies of such policies and attached endorsements no later than ten (10) months before the commencement date of the Renewal Term of the Agreement.

THIS UNDERTAKING will remain in full force and effect, for a period of not less than ten months from the Effective Date, until and including [month/day/year] (the "Undertaking Expiry Date").

Dated at: _____
this _____ day of _____, 20____.

Signed: _____
Duly Authorized Representative of Insurance Company