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**SUPPLEMENTARY GENERAL CONDITIONS FOR THE STIPULATED PRICE CONTRACT BETWEEN OWNER AND TRADE CONTRACTOR FOR CONSTRUCTION MANAGEMENT PROJECTS – for use with CCDC-17, 2010**

**PART 2 ADMINISTRATION OF THE CONTRACT**

**GC 2.3 REVIEW AND INSPECTION OF THE WORK**

2.3.2 Add, in the first sentence “review,” before the word “tests” and amend the clause to read:

If work is designated for review, tests, inspections or approvals in the Contract Documents, or by the instructions of the Construction Manager or the Consultant, or by the laws or ordinances of the Place of the Project, the Trade Contractor shall give the Construction Manager reasonable notification of when the work will be ready for review, test, inspection or approval. The Trade Contractor shall arrange for and shall give the Construction Manager reasonable notification of the date and time of inspections by other authorities.

2.3.4 Replace “special” with “review,” and add “review,” before the third instance of “inspections” and amend the clause to read:

If the Trade Contractor covers, or permits to be covered, work that has been designated for review, tests, inspections or approvals before such special reviews, tests, inspections or approvals are made, given or completed, the Trade Contractor shall, if so directed, uncover such work, have the reviews, inspections, tests or approvals satisfactorily completed, and make good covering work at the Trade Contractor's expense.

Add:

2.3.8 If the Consultant is required to make more than one review of rejected work or if the Consultant performs additional reviews due to failure of the Work to comply with the application for status of completion made by the Trade Contractor, the Trade Contractor shall compensate the Owner for such additional Consultant services including expenses incurred. Adjustment for such compensation shall be made as outlined under PART 6 CHANGES IN THE WORK.

2.3.9 If the Construction Manager is required to make more than one review of rejected work or if the Construction Manager performs additional reviews due to failure of the Work to comply with the application for status of completion made by the Trade Contractor, the Trade Contractor shall compensate the Owner for such additional Construction Manager services including expenses incurred. Adjustment for such compensation shall be made as outlined under PART 6 CHANGES IN THE WORK.

**PART 3 EXECUTION OF THE WORK**

**GC 3.6 SUPERVISION**

3.6.1 Delete the last sentence and add the following:

“The appointed Trade Contractor representative shall not be changed without consultation with and written acceptance of the Owner, such acceptance not to be unreasonably withheld provided the Trade Contractor representative is a person that the Owner considers to be equal

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or better than the person being replaced.”

### **GC 3.7 SUBCONTRACTORS AND SUPPLIERS**

3.7.4 Add at the end of the sentence “, as outlined in GC 6.3 – CHANGE DIRECTIVE.”

## **PART 4 ALLOWANCES**

### **GC 4.1 CASH ALLOWANCES**

4.1.2 Add, after the first sentence:

“Unless noted otherwise in this Contract, none of the work included in the drawings and specifications is to be paid for by the cash allowances. The cash allowances are for the Owner's use, at the Owner's sole discretion.”

## **PART 5 PAYMENT**

### **GC 5.2 APPLICATIONS FOR PROGRESS PAYMENT**

5.2.4 Add, after the first sentence:

“A second schedule, stating the anticipated monthly progress payments, is to be submitted upon request of the Payment Certifier.”

Add:

5.2.6.3 The Trade Contractor shall with each and every application for payment subsequent to the first, submit a current CCDC 9A (Statutory Declaration of Progress Payment Distribution by Contractor) in effect at time of bid closing, which shall be completed (including the seal), and sworn before a Notary Public or a Commissioner for Oaths for the Province of British Columbia.

Add:

5.2.6.4 The Trade Contractor shall with each and every application for payment subsequent to the first, submit a current CCDC 9B (Statutory Declaration of Progress Payment Distribution by Sub-Contractor) in effect at time of bid closing, from each Trade Sub-Contractor, which shall be completed (including the seal), and sworn before a Notary Public or a Commissioner for Oaths for the Province of British Columbia.

Add:

5.2.6.5 The Trade Contractor shall with each and every application for payment, submit a current WorkSafe BC Letter to the Contractor, confirming the Trade Contractor is in good standing.

Add:

5.2.8 An application for payment shall be considered complete only after all evidence has been submitted (including supporting documentation) as the Payment Certifier may reasonably require.

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### GC 5.3 PROGRESS PAYMENT

#### 5.3.1.2 Add:

"If, after a certificate of payment has been issued to the Owner (and prior to payment by the Owner), the Payment Certifier determines in its sole discretion on the basis of new information received after the certificate of payment has been issued that the amount certified for payment is inappropriately high or low relative to the value of the work performed, then the Payment Certifier shall issue a revised certificate of payment to the Owner and Trade Contractor reflecting the adjusted amount that the Payment Certifier determines to be properly due, and shall promptly advise the parties in writing giving reasons for the adjustment."

#### 5.3.1.3 Delete in its entirety and replace with,

"The Owner shall make payment to the Trade Contractor, on account, in the amount certified by the Consultant as provided in Article A-5 of the Agreement – PAYMENT, on or before the later of:

- twenty (20) calendar days after receipt by the Payment Certifier of the application for payment, or
- twenty-eight (28) calendar days after the last day of the payment period for which the Trade Contractor's application for payment is made."

### GC 5.4 SUBSTANTIAL PERFORMANCE OF THE WORK

#### Add:

5.4.4 Without limiting the requirements of the BC Builders Lien Act relative to the issuance and delivery of a certificate of completion (as defined in that Act):

- .1 The Payment Certifier shall issue to the Owner and copy to the Trade Contractor a certificate of payment for an amount equal to the Contract Price less:
  - .1 twice the value of any deficiencies shown on the comprehensive list of items to be completed or corrected as provided in GC 5.4.1, as determined by the Consultant;
  - .2 twice the value of incomplete work as determined by the Consultant; and
  - .3 the amounts of all previous certificates of payment.
- .2 The Owner shall make payment to the Trade Contractor in accordance with GC 5.3.1.3.

***Also, it is recommended that the 2 X factor be applied to both deficient work and incomplete work. The concept of a "Deficiency Holdback" (separate and distinct from the Builders Lien Holdback) for deficient and incomplete work is to ensure that the Trade Contractor has sufficient incentive to return to the site after Substantial Performance of the Work to rectify and complete ALL the Work and achieve "final" completion.]***

***[Note: the 2x factor should not be a problem for Trade Contractors who want to***

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***finish the job and get paid. There may be some discussion with the contracting community here, but the clause is close to being “industry standard” now. Typically both deficient work and incomplete Work are included in “punch lists” at the end of the Project and the value is multiplied by 2. That amount should be held by the Owner until ALL work has been rectified or completed – see GC 5.7.4 below (although this could be waived, depending upon the values).]***

Add:

- 5.4.5 The Owner reserves the right to take possession of and use completed or partially completed portions of the Work, in addition to occupancy conditions included in the Contract, provided that:
- .1 the designated portion of the Work is ready to be used for the purpose intended, to the satisfaction of the Consultant and authorities having jurisdiction, if required by law; and
  - .2 the Owner's possession and use do not interfere with the Work; and
  - .3 the Consultant conducts a deficiency review prior to possession by the Owner; and
  - .4 any extra costs are borne by the Owner, subject to the provisions of GC 6.5 Delays; and
  - .5 there is a written agreement between the parties for partial occupancy, as it relates to warranties, indemnification, safety and insurance items as defined by the Contract.

Add:

- 5.4.6 An application for Substantial Performance of the Work shall be considered complete only if submitted with such evidence (including supporting documentation and the requirements in GC 5.2.6.3, GC 5.2.6.4, GC 5.2.6.5 and GC 5.2.8), as the Payment Certifier may reasonably require.

**GC 5.5 PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK**

5.5.1 Add:

“When applying for release of holdback, the Trade Contractor shall submit a current CCDC 9A (Statutory Declaration of Progress Payment Distribution by Contractor) in effect at time of bid closing, and a WorkSafe BC Clearance Letter/Letter of Good Standing, from each of their Sub-contractors.”

Add:

- 5.5.1.1 When applying for release of holdback, the Sub-Contractor shall submit a current CCDC 9B (Statutory Declaration of Progress Payment Distribution by Sub-Contractor) in effect at time of bid closing, and a WorkSafe BC Clearance Letter/Letter of Good Standing.

**GC 5.6 PROGRESSIVE RELEASE OF HOLDBACK**

Add:

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5.6.4 An application for progressive release of holdback will not be considered complete until all related documentation required for the Payment Certifier's review is received, including such evidence and supporting documentation as the Payment Certifier requires pursuant to GC 5.2.6.3, GC 5.2.6.4, GC 5.2.6.5 and GC 5.2.8.

**GC 5.7 FINAL PAYMENT**

5.7.4 Delete:

“no later than five (5) calendar days after the issuance of a final certificate for payment,”

Replace with:

“No later than thirty (30) days after the issuance of a final certificate of payment,”

Add:

5.7.5 The Consultant must verify that all deficient work has been corrected and all incomplete Work completed before final payment is made. Partial payment shall not be made for the completion of incomplete Work or correction of any deficiencies shown on the comprehensive list of items to be completed or corrected prior to the date of the issuance of the final certificate of payment.

Add:

**GC 5.10 RIGHT TO SET-OFF**

5.10 Without restricting any right of set-off as set out in s. 38 of the Financial Administration Act, the Owner may set-off against any amount payable under the Contract Documents to the Trade Contractor any amount including expenses and damages owing to the Owner by the Trade Contractor.

Add:

**GC 5.11 APPROPRIATION**

5.11 The Owner's obligation to pay money to the Trade Contractor is subject to the Financial Administration Act, which makes that obligation subject to an appropriation being available in the fiscal year of the Owner during which payment becomes due.”

**PART 6 CHANGES IN THE WORK**

**GC 6.2 CHANGE ORDER**

Add:

6.2.3 The following shall determine Trade Contractor markup on Change Orders by percentage:

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- .1 To the cost of the Work performed by the Trade Contractor directly as described in GC 6.3.7, the Trade Contractor may add a maximum of 20% markup for overhead and profit combined.
- .2 To the cost of the Work performed by Sub-Contractors for the Trade Contractor as described in GC 6.3.7, the Trade Contractor may add a maximum of ten percent (10%) markup for overhead and profit combined before the Sub-Contractor's markup.
- .3 On Work deleted from the Contract and not covered by unit prices, the credit to the Owner shall be the cost of the Work as set out in GC 6.3 – CHANGE DIRECTIVE, article 6.3.7.

## GC 6.5 DELAYS

6.5.3.3 Add the word “local” after the word “adverse”.

Add:

6.5.6 The party claiming a delay in the performance of the Work shall, with the Notice in Writing described in GC 6.5.4, submit to the Consultant and Construction Manager, within ten (10) Working Days, a detailed account of the extension of the Contract Time the party is claiming as a result of the delay and the grounds upon which the claim is based, supported by such evidence, including documentation, as the Construction Manager may reasonably require to establish the basis for the claim.

Add:

- 6.5.7 If the Construction Manager, in consultation with the Consultant and Trade Contractor, determines the Trade Contractor is delayed in performance of the Work, or any part thereof, by the Trade Contractor's action or inaction, or by delay or inaction of anyone employed or engaged by the Trade Contractor directly or indirectly, and the Contract Time is compromised:
- .1 in the absolute discretion of the Owner, the Trade Contractor shall accelerate the Work as required to meet the Contract Time.
  - .2 The Construction Manager will promptly give Notice in Writing of such determination to the Owner, Consultant and the Trade Contractor.
  - .3 The Trade Contractor shall then promptly give the Owner, Construction Manager and the Consultant Notice in Writing of specific changes to the construction scheduling and construction processes the Trade Contractor shall implement to accelerate the Work.
  - .4 The Trade Contractor shall not be entitled to payment for costs to accelerate the Work to meet the Contract Time.

## GC 6.6 CLAIMS FOR A CHANGE IN CONTRACT PRICE

6.6.1 Add “in no case more than ten (10) Working Days from the Notice of the event or series of events giving rise to the claim.”

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**PART 7 DEFAULT NOTICE**

**GC 7.1 OWNER'S RIGHT TO PERFORM THE WORK, STOP THE WORK, OR TERMINATE THE CONTRACT**

7.1.5 In the first sentence, after "paragraph 7.1.1," replace "and" with "or".

**PART 8 DISPUTE RESOLUTION**

**8.1 AUTHORITY OF THE CONSTRUCTION MANAGER AND THE CONSULTANT**

8.1.1 Delete GC 8.1.1 and replace it with:

"8.1.1 Differences between the parties to this Contract as to the interpretation, application or administration of this Contract or any failure to agree where agreement between the parties is called for, herein collectively called disputes, which are not resolved in the first instance by findings of the Construction Manager or the Consultant as provided in GC 2.2 – ROLE OF THE CONSTRUCTION MANAGER AND THE CONSULTANT, shall be settled in accordance with the requirements of this General Condition, except for any claim, disagreement or dispute arising out of the Owner's actions or determinations under GC 7.1 – OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE TRADE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT."

8.1.3 Delete the first sentence of GC 8.1.3 and replace it with:

"If a dispute is not resolved promptly, then either the Construction Manager pursuant to GC 2.2.1.3 or the Consultant pursuant to GC 2.2.2.2 will give such instructions, orders, directions or decisions, as in the opinion of the Construction Manager or Consultant as applicable, are necessary for the proper performance of the Work and to prevent delays pending settlement of the dispute. The Trade Contractor shall closely track all costs and impacts associated with such notice, instruction, order, direction or decision while reserving its right to dispute the notice, instruction, order, direction or decision."

**GC 8.2 NEGOTIATION, MEDIATION AND ARBITRATION**

Amend the title for GC 8.2 to:

**"GC 8.2 NEGOTIATION AND ARBITRATION"**

Replace all of GC 8.2 with the following:

**"Resolution Process**

- 8.2.1 Any of the times specified in this GC 8.2 – NEGOTIATION AND ARBITRATION may be varied by mutual agreement of the parties.
- 8.2.2 Pursuit of the resolution of a dispute under any part of this GC 8.2 - NEGOTIATION AND ARBITRATION does not relieve either party of its responsibility to continue to

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comply with its obligations under this Contract and ensure timely performance of those obligations.

8.2.3 The Trade Contractor agrees that, if the Owner has reasonably determined that the Trade Contractor has any involvement in, or has pertinent information related to, a dispute involving any or all of the Consultant, the Construction Manager any Trade Subcontractor or other contractor or subcontractor involved in the Project then, upon request by the Owner, the Trade Contractor will attend and participate in that dispute resolution process.

8.2.4 The parties will bear their own costs in any dispute.

#### **Amicable Negotiations**

8.2.5 The Owner and the Trade Contractor agree that, both during and after the performance of the Work, each of them shall:

- .1 make bona fide efforts to resolve any dispute arising between them by amicable negotiations; and
- .2 provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate the resolution of any dispute.

8.2.6 In order to facilitate negotiations, a party initiating a dispute shall promptly provide to the other party:

- .1 full written particulars of the dispute including:
  - the nature of the dispute;
  - entitlement to additional money;
  - magnitude of the dispute; and
  - any request for an extension of time (including number of days of such extension);
- .2 relevant provisions of the Contract; and
- .3 any other relevant facts, information and documents.

Upon receipt of the above information, the other party shall, within five (5) business days, provide to the party initiating the dispute a summary of its position regarding the dispute including relevant provisions of the Contract, any counter-claim being advanced and any other relevant facts, information and documents.

8.2.7 After the party initiating the dispute has received the summary of the position of the other party as described in paragraph 8.2.6, the Trade Contractor's representative and the Owner's representative shall use all reasonable efforts to resolve the dispute. If the parties fail to resolve the dispute within ten (10) business days after receipt of the summary, then either party may give notice to the other that the dispute must be referred to binding arbitration under paragraph 8.2.8.

#### **Arbitration**

8.2.8 Where a dispute has not been resolved through amicable negotiations and upon receipt of the notice described in paragraph 8.2.7 requiring arbitration, the parties shall refer the dispute to a single arbitrator who shall resolve the dispute by final and binding arbitration under the rules of the British Columbia Mediation and Arbitration Institute and based solely on the basis of written material provided in accordance with paragraph 8.2.10.



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- 8.2.9 The arbitrator shall be chosen by mutual agreement between the Trade Contractor and the Owner. If the Trade Contractor and the Owner cannot reach agreement on an arbitrator within ten (10) business days, the Owner and Trade Contractor agree that they will jointly request the British Columbia Mediation and Arbitration Institute to appoint an arbitrator.
- 8.2.10 Upon appointment of the arbitrator, the parties shall provide the arbitrator with copies of the material and documents described in paragraph 8.2.6 as well as any initial determinations made by the Consultant or Construction Manager. The party initiating the dispute shall provide a brief of its position to the arbitrator and the other party within ten (10) business days of appointment of the arbitrator. The other party will then, within ten (10) business days of receipt of that brief, provide a response to the arbitrator and the party initiating the dispute. If the arbitrator determines that it will be of assistance, he or she may request the party initiating the dispute to provide a reply to the response within ten (10) business days of the arbitrator's request.
- 8.2.11 The Owner and the Trade Contractor shall share the costs of the arbitration and the arbitrator equally.”

## PART 10 GOVERNING REGULATIONS

### GC 10.2 LAWS, NOTICES, PERMITS, AND FEES

Add:

- 10.2.8 The Trade Contractor shall provide to the Consultant and Construction Manager copies of all relevant inspection reports from the various authorities having jurisdiction within two (2) Working Days of their receipt.

### GC 10.4 WORKERS' COMPENSATION

Add:

- 10.4.3 The Trade Contractor is not formally designated as the “prime contractor”, unless agreed to by both parties. The BC Workers Compensation Act requires the Owner to assume the role prime contractor unless otherwise a written agreement exists with another party.

## PART 11 INSURANCE AND CONTRACT SECURITY

**GC 11.1—INSURANCE**, replace entirely with the following:

- 11.1.1 Without restricting the generality of GC 12.1—INDEMNIFICATION, insurance and coverage will be arranged and paid for as under-noted:

### (a) Wrap-up Liability Insurance

- 1) The Owner shall provide, maintain and pay for Commercial General Liability Insurance with a limit of Ten Million Dollars (\$10,000,000.00), inclusive per occurrence, Twenty Million Dollars (\$20,000,000.00) general aggregate for bodily injury, death, and damage to

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property including loss of use thereof, product/completed operations liability with a limit of Ten Million Dollars (\$10,000,000.00) annual aggregate.

- 2) The insurance shall cover the Owner, Trade Contractors and Trade Subcontractors, Architects, Engineers, Consultants and anyone employed by them to perform a part or parts of the Work but excluding suppliers whose only function is to supply and/or transport products to the project site. The insurance does not extend to any activities, works, jobs or undertakings of the insureds other than those directly related to the Work of this Contract.
- 3) The insurance shall preclude subrogation claims by the insurer against anyone insured hereunder.
- 4) The insurance shall include coverage for:
  - 01 Products and Completed Operations Liability (twenty-four (24) months);
  - 02 Cross Liability (or Severability of Interests);
  - 03 Shoring, Blasting, Excavating, Underpinning, Demolition, Piledriving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable;
  - 04 Limited Pollution Liability (Two Million Dollars (\$2,000,000.00));
  - 05 Broad Form Tenants Legal Liability (One Million Dollars (\$1,000,000.00));
  - 06 Operation of Attached Machinery; and
  - 07 Forest Fire Fighting Expenses (One Million Dollars (\$1,000,000.00)).
- 5) Any applicable deductible shall not exceed Ten Thousand Dollars (\$10,000.00) except with respect to loss or damage arising from hot roofing operations where the deductible shall not exceed Twenty-Five Thousand Dollars (\$25,000.00).
- 6) This insurance shall be maintained continuously from commencement of the Project until the date of final certificate for payment is issued or when the insured project is completed and accepted by or on behalf of the Owner, whichever occurs first, plus with respect to completed operations cover a further period of twenty-four (24) months.
- 7) If the Project is a renovation involving hot roofing work, the roofing contractor will provide, maintain and pay for a liability policy insuring hot roofing operations with a limit of Two Million Dollars (\$2,000,000) inclusive per occurrence against bodily injury and property damage. The Owner shall be added as an additional insured. This policy will be treated as primary coverage and the Owner's Wrap up Liability Insurance will be treated as excess coverage.

This insurance shall be maintained continuously from commencement of hot roofing work until such work is completed.

Such insurance shall include, but not be limited to:

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- 01 Premises and Operations Liability;
- 02 Products and Completed Operations;
- 03 Owner's and Contractor's Protective Liability;
- 04 Blanket Written Contractual Liability;
- 05 Contingent Employer's Liability;
- 06 Personal Injury Liability;
- 07 Non-Owned Automobile Liability;
- 08 Cross Liability;
- 09 Employees as Additional Insureds; and
- 10 Broad Form Property Damage.

**(b) Property Coverage**

- 1) The Owner shall provide, maintain and pay for Course of Construction coverage, against "All Risks" of physical loss or damage, and will cover all materials, property, structures and equipment purchased for, entering into, or forming part of the Work whilst located anywhere within Canada and continental United States of America (excluding Alaska) during construction, erection, installation and testing, but such coverage shall not include coverage for Trade Contractor's equipment of any description. Such coverage shall be maintained until Substantial Performance of the Work. There will be a deductible of Ten Thousand Dollars (\$10,000.00) for each and every occurrence where the project value is Ten Million Dollars (\$10,000,000.00) or less and a deductible of Twenty-Five Thousand Dollars (\$25,000.00) for each and every occurrence where the project value is exceeding Ten Million Dollars (\$10,000,000.00) except for the peril of earthquake which shall have a five percent (5%) (subject to minimum Two Hundred Fifty Thousand Dollars (\$250,000.00)) deductible based upon the total project value insured. A one day waiting period for each month of the estimated project term subject to a minimum waiting period of thirty (30) days shall apply with respect to soft costs.
- 2) The coverage shall include as a protected entity, each Trade Contractor, Trade Subcontractor, Architect or Engineer who is engaged in the Project.
- 3) The coverage will contain a waiver of the Owner's rights of subrogation against all protected entities except where a loss is deemed to have been caused by or resulting from any error in design or any other professional error or omission.
- 4) The Trade Contractor shall, at his own expense, take special precaution to prevent fires occurring in or about the Work and shall observe, and comply with, all insurance policy warranties and all laws and regulations in force respecting fires.

**(c) Automobile Liability Insurance**

The Trade Contractor (or Trade Subcontractors) shall provide, maintain and pay for Automobile Liability Insurance in respect of all owned or leased vehicles if used directly or indirectly in the performance of the Work, subject to limits of not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence. The insurance shall be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

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**(d) Aircraft and/or Watercraft Liability Insurance**

When applicable, the Trade Contractor (or Trade Subcontractors) shall provide, maintain and pay for liability insurance with respect to owned or non-owned aircraft and watercraft if used directly or indirectly in the performance of the Work, subject to limits of not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof and including aircraft passenger hazard where applicable. The Owner must be included as an additional insured but only with respect to liability arising out of the Trade Contractor's performance of the Contract. The insurance shall be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

**(e) Trade Contractors Pollution Liability Insurance**

When applicable, the Trade Contractor (or Trade Subcontractors) shall provide, maintain and pay for Trade Contractor's Pollution Liability, where the Trade Contractor's performance (or Trade Subcontractors performance) of the Work is associated with hazardous materials clean-up, removal and/or containment, transit and disposal. This insurance must have a limit of liability not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence insuring against bodily injury, death, and damage to property including loss of use thereof. The Owner must be included as an additional insured but only with respect to liability arising out of the Trade Contractor's performance of the Contract. Such insurance shall not be impaired by any time element limitations to the pollution event, biological contaminants (without limitation, mould and bacteria), asbestos, or lead exclusions. Any "insured vs. insured" exclusion shall not prejudice coverage for the Owner and shall not affect the Owner's ability to bring suit against the Trade Contractor as a third party.

If any such insurance is provided on a claims-made basis and that insurance is cancelled or not renewed, such policy must provide a twenty-four (24) month extended reporting period.

- 11.1.2 The description of the Owner arranged insurance described herein is provided on a summary basis only and is not a statement of the actual policy terms and conditions. The Owner does not represent or warrant that the Owner arranged insurance contains insurance for any and all losses. It is the Trade Contractor's responsibility to ascertain the exact nature and extent of coverage provided by the Owner arranged insurance, to review all policies pertaining thereto and to obtain any other insurance that it may be prudent for the Trade Contractor to obtain.

The Trade Contractor shall provide, maintain and pay for any additional insurance which they are required to provide by law or which they consider necessary.

- 11.1.3 The Owner shall, upon request, provide the Trade Contractor with proof of insurance for those coverages and insurances required to be provided by the Owner prior to commencement of the Work and subsequent certified copy of policies within a reasonable time period thereafter.
- 11.1.4 Where applicable, any Trade Contractor insurance required under this section 11.1.1 must be endorsed to provide the Owner with thirty (30) days advance written notice of cancellation, or adverse material change.
- 11.1.5 The Trade Contractor and/or Trade Subcontractors, as may be applicable, shall be responsible for any deductible amounts under the policies of coverage and insurance except for perils of

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flood and earthquake.

- 11.1.6 The Trade Contractor shall provide the Owner with proof of insurance for those insurances required to be provided by the Trade Contractor prior to the commencement of the Work in the form of a completed certificate of insurance. The Trade Contractor shall also provide a certified copy of any required policies to the Owner upon request. The Trade Contractor must cause all Trade Subcontractors to comply with the insurance requirements outlined herein.
- 11.1.7 The Owner shall not be responsible for injury to the Trade Contractor's employees or for loss or damage to the Trade Contractor's or to the Trade Contractor's employees' machinery, equipment, tools or supplies which may be temporarily used or stored in, on or about the premises during construction and which may, from time to time, or at the termination of the contract, be removed from the premises. The Trade Contractor hereby waives all rights of recourse against the Owner or any other Trade Contractor with regard to damage to the Trade Contractor's property.

**GC 11.2 CONTRACT SECURITY (for projects of One Hundred Fifty Thousand Dollars (\$150,000.00) or greater), delete entirely and replace with the following:**

- 11.2.1 The Trade Contractor shall prior to commencement of the Work furnish performance and labour and material payment bonds within fourteen (14) days of the date of this Contract. Each bond must be in a sum equal to 50% of the total Contract price. The bonds must be issued on the latest CCDC-221 or CCDC-222 approved forms or other such forms approved by the Surety Association of Canada and issued by a surety company registered in the Province of BC or another surety company acceptable to the Owner. The Trade Contractor must maintain the bonds in good standing until the fulfilment of the Contract.

**GC 12.1 – INDEMNIFICATION, delete GC 12.1.1 and 12.1.2 and replace with the following:**

**GC 12.1 – INDEMNIFICATION**

- 12.1.1 Without restricting the parties' obligation to indemnify as described in paragraphs 12.1.4 and 12.1.5, and excepting always losses arising out of the independent acts of the party for whom indemnification is sought, the Owner and the Trade Contractor shall each indemnify and hold harmless the other from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings whether in respect to losses suffered by them or in respect to claims by third parties that arise out of, or are attributable in any respect to their involvement as parties to this contract, provided such claims are:

.1 caused by:

- (1) the acts or omissions of the party from whom indemnification is sought or anyone for whose acts or omissions that party is liable, or
- (2) a failure of the party to the Contract from whom indemnification is sought to fulfill its terms or conditions; and

.2 made by Notice in Writing within such periods as prescribed by the Limitation Act of the Province of British Columbia.

- 12.1.2 The obligation of either party to indemnify as set forth in paragraph 12.1.1 shall be limited as follows:

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Owner's Name:	Section:	

.1 In respect to losses suffered by the Owner and the Trade Contractor for which insurance is to be provided by the owner pursuant to GC 11.1 – INSURANCE, the limit of the GENERAL LIABILITY COVERAGE – GC 11.1.1(a) or the limit of the PROPERTY COVERAGE – GC 11.1.1(b) whichever is pertinent to the loss.

.2 In respect to losses suffered by the Owner and the Trade Contractor for which insurance is not required to be provided by either party in accordance with GC 11.1 – INSURANCE, the greater of the Contract Price as recorded in Article A-4 – CONTRACT PRICE or Two Million Dollars (\$2,000,000.00), but in no event shall the sum be greater than Twenty Million Dollars (\$20,000,000.00).

.3 In respect to claims by third parties for direct loss resulting from bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, the obligation to indemnify is without limit. In respect to all other claims for indemnity as a result of claims advanced by third parties, the limits of indemnity set forth in paragraphs 12.1.2.1 and 12.1.2.2 shall apply.

## GC 12.3 – WARRANTY

12.3.6 Add:

The Trade Contractor shall also bear all costs involved in removing, replacing, repairing, or restoring aspects of the Work that may be affected in the process of making the correction.

Add:

12.3.8 Where a material, product or installation covered by warranty fails, the stipulated warranty and warranty period shall be renewed for the specific work being replaced or repaired, with the exception of warranties referred to in GC 12.3.7.