REGIONAL DISTRICT OF NANAIMO
ESTABLISHED 1967

GENERAL TERMS & CONDITIONS OF CONTRACT

PART 1 LAW APPLICABLE

This Contract shall be construed under and according to the laws of the Province of British Columbia, Canada.

PART 2 PRIME CONTRACTOR DESIGNATION

The Contractor must be registered with WorkSafe BC and be in good standing with remittance up to date throughout the agreement and is designated as the Prime Contractor and shall fulfill the Prime Contractor responsibilities.

PART 3 QUALITY OF WORK AND MATERIALS

The whole of the materials and/or the work, whether or not so stated herein, shall be done in the most substantial and professional manner with new materials, articles, equipment and work of the best quality and description and by employment of properly skilled trades and in strict conformity with and as required by this contract to the satisfaction of the REGIONAL DISTRICT whether or not so stated herein. Materials and equipment shall be the products of suppliers or manufacturers of established reputation engaged in the supply or manufacture of such materials or equipment.

Materials are to be installed or incorporated into the Work applied in accordance with the manufacturer's directions. Use the techniques and application best suited for the type of material being used.

PART 4 JUDGE OF WORK AND MATERIALS

The REGIONAL DISTRICT shall be the final judge of all work, materials, and plants in respect of both quality and quantity and their decisions of all questions in dispute with regard thereto will be final.

All materials shall be subject to inspection and test by and shall meet the approval of the REGIONAL DISTRICT.

In case any materials, equipment and supplies are defective in material or quality or otherwise not in conformity with the specifications of the contract, the REGIONAL DISTRICT shall have the right either to reject them or to require their correction.

Acceptance or rejection of the materials, equipment, supplies, etc. shall be made as promptly as practicable after delivery, but failure to inspect and accept or reject supplies shall not relieve the contractor from responsibility for such supplies as are not in accordance with the specifications.

PART 5 RECTIFICATION OF DAMAGE AND DEFECTS

The Contractor shall rectify any loss or damage for which, in the opinion of the REGIONAL DISTRICT, the Contractor is responsible, at no charge to the REGIONAL DISTRICT and to the satisfaction of the REGIONAL DISTRICT. In the alternative, the REGIONAL DISTRICT may repair the loss or damage, and the Contractor shall pay to the REGIONAL DISTRICT the costs of repairing the loss or damage forthwith upon demand from the REGIONAL DISTRICT. Where, in the opinion of the REGIONAL DISTRICT, it is not practical or desirable to repair the loss or damage, the REGIONAL DISTRICT may estimate the cost of the loss or damage and deduct such estimated amount from the amount owing to the Contractor hereunder.

PART 6 WARRANTY AND GUARANTEE

The work shall be warranted to be free of defects and shall be guaranteed by the Contractor for a period of one (1) year from the date of acceptance. On receipt of notice from the REGIONAL DISTRICT the Contractor shall promptly make all repairs arising out of defective work or any equipment or materials supplied by him.

The REGIONAL DISTRICT is hereby authorized to make such repairs if, ten (10) days after the giving of such notice to the Contract, the Contractor has failed to make or undertake with due diligence said repairs; provided, however, that in the case of an emergency, where, in the opinion of the REGIONAL DISTRICT delay would cause serious loss or damage, repairs may be made without notice being sent to the Contractor, and all expense in connection therewith shall be charged to the Contractor.

PART 7 ASSIGNMENT

The Contractor shall not assign, sub-contract or let out as task work any part of the work and shall not assign any interest herein or any right to payment hereunder without first having had and obtained the consent in writing of the REGIONAL DISTRICT, which consent the REGIONAL DISTRICT may withhold in its absolute discretion. If the REGIONAL DISTRICT should consent to any such assignment, sub-contracting or letting out as task work of all or any part of the work, the Contractor shall by reason thereof be in no ways relieved from his responsibility for the fulfillment of the work but shall continue to be responsible for the same in the same manner as if all the work had been performed by the Contractor himself.

PART 8 TERMINATION

The REGIONAL DISTRICT may by written notice to the Contractor terminate the whole or any part of this contract in any one of the following circumstances:

a) If the Contractor fails to perform the work within the time specified herein or any extension thereof.

b) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and in any of these circumstances, does not cure such failure within a period of ten (10) days, or such longer period as the REGIONAL DISTRICT may authorize, in writing, after receipt of notice from the REGIONAL DISTRICT specifying any such failure.

d) In the event that the Contractor performs any act or does anything by which the REGIONAL DISTRICT shall incur any liability whatsoever.

e) The REGIONAL DISTRICT may terminate the Agreement, without any cost or penalty or consequence whatsoever, if it concludes, acting reasonably on the information available to it, that the Contractor is in material non-compliance with, or has been convicted of a material offence or violation of, health, safety, labour or environmental laws.

f) In the event that any creditor of the Contractor causes a writ of execution or similar writ or court order to be served upon the REGIONAL DISTRICT requiring the REGIONAL DISTRICT to pay to such creditor or to a sheriff or other public official or to the Court any portion of the consideration due to the Contractor under this Contract.

g) In the event that the Contractor shall be adjudged bankrupt or if it should make a general assignment for the benefit of creditors or if it becomes insolvent or is appointed by a creditor of if it should take the benefit of any Act that may be in force for bankrupt or insolvent debtors.

Upon termination of the Contract as aforesaid, the REGIONAL DISTRICT shall have no obligation to the Contractor except for such labour and materials as have been supplied or performed up to the date of the termination of the Contract.

PART 9 STATUTES, MUNICIPAL BY-LAWS, AND PERMITS

Unless otherwise noted, the Contractor shall take out all necessary permits and licenses required to permit the Contractor to perform its obligations under the Contract. The Contractor shall give all notices and comply with all REGIONAL DISTRICT regulations, all laws, by-laws, ordinances, rules, and regulations, whether federal, provincial, or municipal, relating to the business it carries on and the services provided pursuant to the Contract, including the Workers' Compensation Act and the Employment Standards Act.

PART 10 SITE INSPECTION

The Contractor shall make site inspections of all appropriate areas to determine their general condition and to ensure the fulfillment of the contract requirements.

PART 11 USE OF PREMISES

The Contractor shall abide by, and shall ensure its employees abide by, all appropriate regulations, including but not limited to regulations relating to fire, safety, parking, traffic control and health. The Contractor will ensure that all of its employees are aware of the applicable regulations.

PART 12 DAMAGE TO PERSON AND PROPERTY

The Contractor shall use due care that no persons are injured, no property damaged or lost, and no rights are infringed in the performance of the Work, and the Contractor shall be solely responsible for all loss, damages, costs and expenses in respect of any injury to persons, damage of property, or infringement of the rights of others incurred in the performance of the Work or caused in any other manner whatsoever by the Contractor, or its employees.

PART 13 CLEAN UP

The Contractor shall at all times conduct the work in an orderly and reasonably tidy manner, and shall at suitable intervals remove any accumulation of rubbish or refuse materials. At no time shall any person employed by the Contractor or by any of his Subcontractors discard any litter or garbage on or adjacent to the site, except into a suitable container. Upon completion and before final acceptance of the work, the Contractor shall remove all rubbish, surplus, or discarded materials and equipment and shall leave the site in a clean and neat condition.

PART 14 CURRENCY OF PAYMENT

All reference to money in this Contract shall refer to and mean lawful money of Canada.

PART 15 DAMAGES FOR DELAY

If the work is not completed and/or the materials delivered before or upon the expiration of the time limited therefore all costs which the REGIONAL DISTRICT shall be put to by reason thereof shall be charged to the Contractor.

PART 16 PAYMENTS

The Contractor will be solely responsible for invoicing the REGIONAL DISTRICT ensuring to include the REGIONAL DISTRICT's Purchase Order number on all invoices to assure timely payment.

All invoices are subject to prior review and approval by the REGIONAL DISTRICT and approved invoices will be paid on a net 30 day basis unless otherwise negotiated and agreed to in writing.

If the REGIONAL DISTRICT does not approve of the services or part of them which are the subject of the invoice, the REGIONAL DISTRICT shall advise the Contractor in writing of the reasons for non-approval and the Contractor shall remedy at no additional cost to the REGIONAL DISTRICT before the REGIONAL DISTRICT shall be obliged to pay the invoice or any part of it, as the case may be.

PART 17 CHANGE ORDERS

If for any reason it may become desirable during the course of the work to change the alignment, dimensions, or design, or to add to or to omit portions thereof, the REGIONAL DISTRICT reserves the right to issue change orders to give effect to such changes as may, in the opinion of the REGIONAL DISTRICT be necessary or desirable.

The change may or may not result in a change in the amount of work. If the changes do, in the opinion of the REGIONAL DISTRICT, change the amount of the work, the contract price shall be adjusted as mutually agreed between the Contractor and the REGIONAL DISTRICT.

PART 18 PROTECTION OF REGIONAL DISTRICT AGAINST CLAIMS

The Contractor shall assume the defense of and indemnify and hold harmless the REGIONAL DISTRICT and its officers, employees and agents, from and against all claims relating to materials furnished and to inventions, copyrights, trademarks, or patents, and rights thereto used by the Contractor in the execution of this contract and in subsequent use and/or operation by the REGIONAL DISTRICT.

PART 19 INSURANCE

Insurance Obtained by Contractor

General

The Contractor shall itself and cause each subcontractor to obtain and maintain, at its own expense, the insurance set out below until all conditions of the Contract have been fully complied with.

Commercial General Liability Insurance

Commercial General Liability Insurance providing third party bodily injury, death, and property damage coverage in an amount of not less than $5,000,000 per occurrence, indicating that the

REGIONAL DISTRICT is added as Additional Insured. The policy shall include Premises and Operations Liability; Contractor's Protective Liability with respect to the operations of sub-contractors; Completed Operations Liability; Contractual Liability; Non-Owned Automobile Liability; and a Cross Liability and/or Severability of Interest clause protecting each insured to the same extent as if they separately insured.

The policy shall also contain a clause providing that the REGIONAL DISTRICT will receive 30 days' notice of cancellation or of any material change in coverage which will reduce the extent of coverage provided to the REGIONAL DISTRICT.

The Contractor shall file with the REGIONAL DISTRICT, prior to the commencement of work, a certificate of insurance in a form acceptable to the REGIONAL DISTRICT evidencing this policy. The Contractor shall also file with the REGIONAL DISTRICT evidence of the renewal on this policy. The Contractor is responsible for paying all deductibles.

Automobile Third Party Liability Insurance

A Standard Owner's Form Automobile Policy for each vehicle used in the performance of the Contract and regulated by the Insurance (Motor Vehicle) Act or similar legislation. The Third-Party Legal Liability Limits are to be in an amount not less than $2,000,000 per occurrence.

Contractor's Equipment Insurance

The Contractor shall maintain an All-Risk insurance policy covering all construction equipment, mobile equipment, miscellaneous equipment, tools, office contents and other miscellaneous property whether owned, leased or rented or for which the Contractor may be responsible, that is used in any way in connection with this Contract.

Other Insurance

The Contractor and subcontractors shall provide at their own cost any additional insurance which they are required by law to provide or which they consider necessary.

Waiver of Subrogation

Each insurance policy obtained by the Contractor, or any subcontractor shall include the following clause:

"Waiver of Subrogation

It is understood and agreed that in the event of a loss and upon payment of any claim hereunder, the insurer will waive its right of subrogation against the REGIONAL DISTRICT and any of their servants, agents, employees, parent, subsidiary, affiliated or related firms."

PART 20 FORCE MAJEURE

Neither party shall be responsible for any delay or failure to perform its obligations under this agreement where such a delay or failure is due to fire, flood, explosion, war, embargo, governmental action, pandemic, epidemic, act of public authority, act of God or to any other cause beyond its control, except labour disruption. In the event force majeure occurs, the party who is delayed or fails to perform shall give prompt notice to the other party and shall take all reasonable steps to eliminate the cause. Should the force majeure event last longer than 30 calendar days, the REGIONAL DISTRICT may terminate this agreement immediately by written notice to the contractor without further liability, expense, or cost of any kind.

PART 21 DISPUTE RESOLUTION

21.1 If the parties to this Agreement are unable to agree on the interpretation or application of any provision in the Agreement, or are unable to resolve any other issue relating to this Agreement, the parties agree to the following process in the order it is set out:

(a) the party initiating the process will send written notice to the other party (the "Dispute Notice"); and

(b) the parties will promptly, diligently and in good faith, including the senior management of both parties, take all reasonable measures to negotiate an acceptable resolution to the disagreement or dispute.

(c) if the dispute is not resolved through collaborative negotiation within 30 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the Mediate BC Society and will be held in Nanaimo, BC., unless otherwise agreed.

PART 22 INDEPENDENT CONTRACTOR

The Contractor shall be, and in all respects be deemed to be, an independent contractor and nothing in this *Agreement* shall be construed to mean that the Contractor is an employee of the REGIONAL

DISTRICT or that any agency, joint venture, or partnership exists between the *Contractor* and the *REGIONAL DISTRICT*.

PART 23 HOURS OF WORK

The Owner and the Contractor will mutually agree on the days and hours of work.

PART 24 CSA SEAL or PROVINCIAL CERTIFICATE APPROVAL

All electrical material and equipment, and all manufacturing and assembling procedures and workmanship, shall be in accordance with the requirements of the current edition and revisions of the Canadian Electrical Code Part 1 (CSA Standard C22.1 – 2021) as adopted and amended by the Province of British Columbia (hereinafter referred to as the "Electrical Code"), as amended from time to time.

Only approved materials and equipment shall be used and where specified materials and equipment do not have current approval, as required by the Electrical Code, the Contractor shall offer approved substitutes.

Each completed assembly shall carry the approval seal either of the Inspection Department, and where alterations are required by the Department the Contractor shall make these at his own expense. The Contractor shall pay all fees and costs incurred in obtaining the required approvals.

PART 25. COMPETENCY and QUALIFICATIONS

The Contractor will employ properly licensed, trained, and unimpaired workers throughout the duration of the contract.

PART 26 CONFIDENTIALITY AND PRIVACY

26.1 Confidentiality

The Contractor will keep strictly confidential any information supplied to, obtained by, or which comes to the knowledge of the Contractor as a result of, relating to or arising out of the performance of the Services and this Contract (the "**Confidential Information**") and will not disclose such Confidential Information.

Notwithstanding the preceding sentence, the Contractor may disclose the Confidential Information:

(a) with the prior written consent of RDN;
(b) in strict confidence to the Contractor's professional advisors;
(c) to Subcontractors who, in each case, need to know the applicable Confidential Information for the purposes of performing the Services; and
(d) as otherwise required by law or permitted by this Contract.

The Contractor will require all Personnel and Subcontractors to enter into an agreement with the Contractor containing provisions in the same form as those found herein.

26.2 Exceptions to Confidentiality Obligations

The obligations of confidentiality will not apply to:

(a) information that is, or subsequently becomes, publicly available other than through a breach of this Contract or through a breach of a confidentiality agreement which another person has entered into concerning the Confidential Information;
(b) information that the Contractor already possessed independently before commencing the Services;
(c) information that is rightfully received from a third party without breach of any obligation of confidentiality by such third party; or
(d) information which is independently developed without the use of the Confidential Information.

26.3 Collection or Use of Confidential Information

Except with the prior written consent of the RDN, the Contractor will not collect or use, and will ensure that its professional advisors and Subcontractors do not collect or use, the Confidential Information for any purpose other than complying with the terms of this Contract or performing the Services. Without limiting the generality of the foregoing, except with the prior written consent of RDN, the Contractor will not collect or use, and will ensure that its professional advisors and Subcontractors do not collect or use, the Confidential Information to advance the commercial or other interests of the Contractor or any Subcontractor or any entity affiliated with the Contractor or any Subcontractor.

26.4 Privacy

The Contractor acknowledges that the RDN is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 165, as amended ("**FOIPPA**"), and accordingly, any documents, information and data submitted to RDN by the Contractor under this Contract, as well as any resultant studies, documents, information, and date received by the RDN may be disclosed under FOIPPA. The Contractor will not do or omit to do

anything that causes the RDN to be not in compliance with FOIPPA.

26.5 Publicity

The Contractor will not issue any press release or speak to the media about this Contract or the subject matter of this Contract without the prior written consent of the RDN, which consent may be unreasonably withheld. The Contractor will refer all media inquiries relating to the Services or the Contract to the RDN.

PART 27. UTILITY LOCATION

It is the responsibility of the Contractor to locate any utilities in the vicinity of any construction, exploration, or investigation prior to the commencement of any work.

PART 28. BUILDER'S LIEN

If applicable, the Contractor shall, at its own expense, cause any and all builders liens and other liens for labour, services or materials alleged to have been furnished with respect to the lands comprising the work site or the work which may be registered against or otherwise affect the lands or the work, except liens properly filed by the Contractor on its own behalf, to be paid, satisfied, released or vacated forthwith after the REGIONAL DISTRICT has sent written notice of any claim for any such lien. In the event of a bona fide dispute regarding the validity or correctness of any claim for such lien, the Contractor shall be entitled to defend against a claim for such lien in any proceedings brought in respect therefor after first paying into court the amount claimed plus any interest payable, or providing sufficient security therefor and such cost as the court may direct and registering all such documents as may be necessary to cancel such lien, or providing such other reasonable security in respect of such claims as the REGIONAL DISTRICT may in writing approve. Upon receiving satisfactory security for any costs and an indemnity in writing from the Contractor, the REGIONAL DISTRICT may authorize the Contractor to apply to the court in the name of the REGIONAL DISTRICT to have any lien removed upon payment into court or deposit in court of satisfactory security therefor.

PART 29 CONTRACT DOCUMENTS

"Contract Documents" consist of the following documents:

(1) The duly executed Agreement
(2) The General Conditions
(3) The duly executed Tender Form
(4) Addenda
(5) Drawings & Specifications
(6) The Tender Documents