



## 1.0 Definitions

The following words and terms, unless the context otherwise requires, shall have the meanings set out below. Words including the singular number include the plural and vice versa.

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“Act of God” means a cataclysmic phenomenon of nature, including earthquake, flood or cyclone. Rain, snow, wind, high water or any other natural phenomenon, which might reasonably have been anticipated from historical records of the general locality of the City, shall be deemed not to be acts of God;

“Bidder” means the individual, partnership, corporation or combination thereof, including joint venturers, who or which sign or authorize the Quotation provided to the City;

“City” means the municipal corporation, generally known as the City of Richmond.

“City’s Designated Representatives” means the City’s employees or representatives who are authorized in writing to deal with the Contractor on behalf of the City in connection with the goods, materials, equipment and services or to make decisions in connection with the Contract;

“Contract” means the agreement formed between the City and the Contractor as evidenced by the purchase order issued to the Contractor by the City;

“Contract Documents” means the purchase order, the Contractor’s Quotation, the General Conditions of Contract included herein and such other documents, including insurance documentation, letters of clearance, drawings, permits, licenses and all amendments or addenda agreed between the parties;

“Contractor” means the successful Bidder individual, partnership, corporation or combination thereof, including joint venturers, who or which is awarded the Contract;

“Delivery Date” means the date the City requires the Contractor to deliver the goods to the City’s Delivery Site;

“F.O.B.” means all costs of freight, insurance, brokerage, customs duties and all other costs of delivery to the site named as F.O.B. will be borne by the Contractor and that ownership and title to all goods, materials, and equipment are transferred to the City when same are delivered by the Contractor to the City and the risk of loss or damage to the goods, materials and equipment transfers to the City only at such time as same are received and accepted by the City at the site named as “F.O.B.”;

“HST” means the harmonized sales tax administered under the Excise Tax Act (Canada) and any successor tax or levy therefor in force from time-to-time;

“OHS Regulation” means the *Workers Compensation Act* (British Columbia), including without limitation, the Occupational Health & Safety Regulation (BC Regulation 296/97, as amended by BC Regulation 185/99) enacted pursuant to such Act, all as such Act or Regulations are amended or re-enacted from time to time.

“Quotation” means the Contractor’s offer made on the written Quotation provided to the City;

“Requirements” means all of the Specifications, Requirements and services set out by the City that describes the general Requirements that the goods, materials, equipment and services must meet and the Contractor must provide;

“Work” means all the labour, materials, equipment, supplies, services and other items necessary for the execution, completion and fulfilment of the Requirements;

“Work Site” means the site where the Work is being performed, in Richmond B.C., unless otherwise specified by the City.

## **2.0 Sub-contractors**

- 2.1 All sub-contractors are the responsibility of the Contractor.
- 2.2 The Contractor shall be held as fully responsible to the City for the acts and omissions of its sub-contractors and of persons directly or indirectly employed by the Contractor, as for the acts and omissions of persons directly employed by it.
- 2.3 The Contractor agrees to ensure performance by every sub-contractor with the terms and Requirements of the Contract Documents.
- 2.4 No sub-contractors will be permitted except those expressly named by the Contractor in writing to the City and subsequently permitted in writing by the City pursuant to Section 4.1 of these General Conditions.

- 2.5 The Contractor will list below all subcontractors it intends to use in its performance of the Work, and what parts of the Work each subcontractor will be undertaking (the “Subcontractors”).
- 2.6 The Contractor, if awarded the Contract, will engage the listed Subcontractors only, and no others in their stead, without prior written authorization of the City.
- 2.7 The Contractor, if awarded the Contract, will ensure that every Subcontractor is bounded by a legal agreement with the same terms and conditions of the Contract.

### **3.0 Independent Contractor**

- 3.1 The Contractor, its sub-contractors, the officers, directors, shareholders, partners, personnel, affiliates and agents of the Contractor and its sub-contractors are not, nor are they to be deemed to be, partners, appointees, employees or agents of the City.

### **4.0 Assignment**

- 4.1 Subject to Sections 2.4 and 4.2, the Contractor will not assign, sublet, subcontract, or let out as task work any part of the Work or any of the Contractor’s obligations of the Contract Documents to any third party, and will not assign or otherwise transfer any of the rights of payment under the Contract Documents to any third party, without in each case the prior written consent of the City which consent the City may arbitrarily withhold.
- 4.2 Despite Section 4.1, the Contractor may utilize those sub-contractors expressly stated in writing and subsequently permitted by the City but only for the Area of Responsibility set out beside their name, provided always that the Contractor may not substitute or replace those sub-contractors, or permit those sub-contractors to further assign, sub-let, subcontract, or let out as task work their obligations under the Contract documents, except in accordance with Section 4.1 above.
- 4.3 If the City should consent to any such assignment, subletting or letting out as task work of all or any part of the Work, the Contractor shall in no way be relieved from its responsibility for the fulfilment 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.

### **5.0 Time of the Essence**

- 5.1 For all requests made by the City pursuant to the Contract, time is of the essence. The acceptance of a late performance, with or without objections or reservations by the City, shall not waive the right to claim damages for

such breach nor constitute a waiver of the requirement of timely performance of any obligation remaining to be performed.

## **6.0 Laws, Permits and Regulations**

- 6.1 The laws of British Columbia shall govern the Contract.
- 6.2 In carrying out its obligations hereunder, the Contractor shall familiarize itself and comply with all applicable laws, bylaws, regulations, ordinances, codes, specifications and Requirements of all regulatory authorities, and shall obtain all necessary licenses, permits and registrations as may be required by law.

## **7.0 Inspection**

- 7.1 The services are subject to inspection and in case any of the services are not in conformity with the Requirements of the Contract or the Contractors' warranty (expressed or implied), the City shall have the right either to reject them or to require correction.
- 7.2 The City shall be the final judge of the services and materials in respect of both quality and quantity and its decisions of all questions in dispute with regard thereto will be final.
- 7.3 The City will not be deemed to have accepted the services by virtue of a partial or full payment for it.

## **8.0 Responsibility For Supplies**

- 8.1 The Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; and the Contractor shall bear all risks of loss or damage to rejected supplies after notice of rejection.

## **9.0 Quality of Workmanship and Materials**

- 9.1 The Contractor shall perform the services with the degree of care, skill and diligence normally applied in the performance of services of a similar nature and in accordance with sound current professional practices and conforming to the Requirements set out by the City
- 9.2 Materials, goods and equipment shall be the products of suppliers or manufacturers of established reputation engaged in the supply or manufacture of such materials of equipment.
- 9.3 Materials are to be applied in accordance with the manufacturer's directions and shall use the techniques and applications best suited for the type of material being used.

## **10.0 Warranty**

- 10.1 The Contractor warrants that the goods, materials, equipment and/or services supplied by the Contractor to the City will be in full conformity with the Specifications as well as samples, if any, then this is a sale by sample as well as by description within the meaning of the Sale of Goods Act (BC).
- 10.2 The Contractor further warrants that the goods, materials and/or equipment are of merchantable quality, and fit for the intended use and will perform according to the Requirements set out by the City
- 10.3 Equipment and materials shall be new, free and clear of all liens, charges and encumbrances, the latest model, and shall be complete with all necessary accessories for operation. All equipment and materials shall be at the risk of the Contractor until delivered to and accepted by the City.
- 10.4 At a minimum, a one (1) year parts and labour warranty shall be provided on all goods, materials, equipment and/or services provided under the Contract.
- 10.5 The Contractor warrants that its employees have the qualifications, experience, knowledge, skills and abilities necessary for the fulfilment of the Contract.

## **11.0 Indemnification and Insurance**

- 11.1 The Contractor shall indemnify, hold and save harmless the City from and against all claims, losses, damages, costs, actions and other proceedings made, sustained, brought or prosecuted in a manner based upon, occasioned by or attributable to any injury, including death, property damage, infringement or damage arising from any act or omission of the Contractor, its employees, officers, volunteers, servants, sub-contractors, or agents or persons from whom the Contractor has assumed responsibility in the performance or purported performance of the Requirements.
- 11.2 The Contractor shall indemnify the City from and against any and all liability or expenses by way of legal costs or otherwise in respect of any claim which may be made for a lien or charge at law or in equity or to any claim or liability under the Builders Lien Act, or to any attachment for debt, garnishee process or otherwise.
- 11.3 The Contractor shall assume the defence of, and indemnify and hold harmless the City and its officers, employees and agents, from and against all claims relating to materials, goods or equipment furnished and to inventions, copyrights, trade marks, or patents and rights thereto used by the Contractor in the execution of the Contract and in subsequent use and/or operation by the City.

- 11.4 The Contractor will indemnify, hold, and save harmless the City from and against all claims, losses, damages, costs, actions, and other proceedings, made, sustained, brought or prosecuted in manner, based upon, occasioned by, attributable to any injury, including death, property damage, infringement, or damage arising from any act or omission of the Contractor, his employees, officers, volunteers, servants, or agents or persons from whom the Contractor has assumed responsibility in the performance or purported performance of this agreement
- 11.5 The Contractor shall, at his own expense, through the terms of the contract secure, maintain, and pay for the following coverages:
- a) Comprehensive General Liability Insurance with a limit of not less than \$5,000,000 inclusive per occurrence for bodily injury and property damage and \$5,000,000 for personal injury. The policy or policies shall cover all premises and operations necessary or incidental to the performance of this agreement and include but not necessarily be limited to the following coverages:
    - 1. Contractual liability assumed under this agreement.
    - 2. Contingent employer's liability with respect to operations of sub-contractors.
    - 3. Owner's protective liability.
    - 4. Cross liability.
    - 5. Automobile liability (non-owned, hired).
    - 6. Completed operations liability 24 months after completed operations.
    - 7. Voluntary medical payments.
  - b) "Course of Construction" Property Damage Insurance covering all risks of physical loss or damage on an occurrence basis, including loss of use of property, and including losses or damage from flood or earthquake. The coverage provided shall amount to no less than eighty (80%) percent of the total value of the work done and material delivered to the site, or under the control of the Contractor, payable to the City and Contractor as their interests may appear, and protecting each in such terms as will preclude subrogation claims by the insurer against anyone insured thereunder.
- 11.6 The City, its officers, officials, and employees shall be added as an additional insured on all such policies. All such insurance provided by these policies shall be primary regardless of any insurance or self insurance that may be enforced at the time of any loss or claim that insures the City, its officers, officials, and employees.

- 11.7 The policy or policies shall be underwritten by an insurance company or companies licensed to do business in the Province of British Columbia and who meet with the reasonable approval of the City. Prior to the commencement of the work defined by this agreement, the Contractor shall furnish the City through the Office of the Manager Purchasing and Risk a certified original copy of all such policies as evidence that such insurance is in force. The Contractor agrees that such insurance policies cannot be cancelled, lapsed, or materially changed without at least thirty (30) days' written notice to the City.
- 11.8 Maintenance of such insurance and the performance of the Contractor of his obligations under this clause shall not relieve the Contractor of liability under the indemnification provisions here and above set forth. The foregoing insurance provisions shall not limit the insurance required by Municipal, Provincial, or Federal law
- 11.9 It shall be the full responsibility of the Contractor to determine whether any additional insurance coverage is necessary and advisable for its own protection and/or to fulfil its obligations under this Contract. Any such additional insurance shall be provided and maintained by the Contractor its own expense.
- 11.10 It is understood that this agreement is strictly between the Contractor and the City and the Contractor is an independent contractor for the City and no employment relationship, partnership, agency, or joint venture exists between the City, the employees of the Contractor and/or its agents and/or their employees, and/or its Contractors and/or their employees. Any disputes between the Contractor and any of its employees and/or its agents and/or their employees and/or their Contractors and/or their employees shall be resolved by the Contractor with no involvement by the City.

## **12.0 Termination**

- 12.1 The City will advise the Contractor by written notice of its intent to terminate the whole or any part of the Contract in any one of the following circumstances:
- a) if the Contractor fails to make delivery of the goods, materials, equipment and/or services within the time specified, or fails to perform any other provisions, terms or conditions of the Contract within the time specified, or within a reasonable time if no time is specified;
  - b) in the event that the Contractor performs any act or does anything by which the City shall incur any liability whatsoever;
  - c) any failure of the Contractor to meet the safety Requirements of the Contract;

- d) 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 City requiring the City to pay any portion due to the Contractor under the Contracts; or
  - e) in the event that the Contractor is adjudged bankrupt or if it makes a general assignment for the benefit of creditors or if it becomes insolvent or if it should take the benefit of any Act that may be in force for bankrupt or insolvent debtors.
- 12.2 Upon termination of the Contract, the City shall have no obligation to the Contractor except for such services and/or goods as have been supplied up to the date of the termination of the Contract(s).
- 12.3 Upon termination of the Contract(s) in whole or in part, the City may procure similar goods, materials, equipment and/or services and the Contractor shall be liable to the City for any excess costs for such similar goods, materials, equipment and/or services. The Contractor shall not be liable for any excess costs if failure to perform arises by reason of strikes, lockouts, Acts of God or acts of the City. The City will not be liable where Delivery Sites are not available due to strikes, lockouts or Acts of God.

### **13.0 Payments**

- 13.1 The Contractor shall be paid net thirty (30) days from receipt of invoice and acceptance of the goods, materials, equipment and/or services, whichever is the later.

### **14.0 Taxes**

- 14.1 Unless otherwise provided herein, the Contractor shall pay all sales or excise taxes in force during the term of the Contract, provided that any increase or decrease in such taxes shall increase or decrease the amount due under the Contract(s).
- 14.2 Invoices shall show the appropriate amounts for HST.

### **15.0 Non-resident Withholding Tax**

- 15.1 Regulation 105(1) of the Canadian Income Tax Act requires that payments to non-residents for any work performed in Canada are subject to a Non-resident Withholding Tax of fifteen (15%) percent. Exemption from this withholding tax is available in some circumstances, but the Contractor must apply directly to the Canada Revenue Agency (CRA) at least thirty (30) days before commencing the Work.

## **16.0 Performance Bond**

- 16.1 The Contractor should include with its Quotation a letter from its bank that the Contractor has sufficient credit-worthiness to obtain from a Canadian Chartered bank an irrevocable perpetual demand letter of credit in the amount of no less than fifty (50%) percent of their bid price.
- 16.2 If requested by the City, the successful Contractor shall, within ten (10) days from the date of acceptance, provide a Performance Bond in the amount of fifty (50%) percent of the total Contract Price. The surety(s), issued by a surety company licensed to transact business in British Columbia, must be in a form and contain terms satisfactory to the City's Director of Legal Services. Cash deposits, certified cheques and letters of credit (in a form satisfactory to the City's Director of Legal Services) in the amount of fifty (50%) percent of the total Contract price are acceptable in lieu of a Performance Bond. No interest will be paid to the Contractor on cash deposits.

## **17.0 Protection of Person and Property**

- 17.1 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 services, 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 services or caused in any other manner whatsoever by the Contractor, or its employees.
- 17.2 The Contractor shall effectively warn and protect the public and other personnel from any danger as a result of the services being done.

## **18.0 Clean Up**

- 18.1 The Contractor shall at all times perform the services 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 its sub-contractors discard any litter or garbage on or adjacent to the delivery site, except into a suitable container.

## **19.0 Character of Workers**

- 19.1 On the written request of the City, the Contractor will remove any employee, Sub-Contractor or agent for any reason including but not limited to the following:
- a) Lack of or failure to obtain any required Security Clearance;

- b) Intoxication;
- c) Use of foul, profane, vulgar or obscene language or gestures;
- d) Solicitation of gratuities or tips from any person for services performed under this Agreement;
- e) Wilful, negligent or reckless action in disregard of safety or sanitary Requirements or regulations; or
- f) Any action which may constitute a public nuisance or disorderly conduct.

19.2 The Contractor will immediately comply with each such request and will then provide the City with all requested documentation verifying that the employee, Sub-Contractor or agent has been removed from further involvement with this Agreement.

## **20.0 Conduct of the Contract**

20.1 The City of Richmond's Manager, Purchasing shall have the conduct of the Purchase Order and the Contract.

## **21.0 Rectification of Damage and Defects**

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

## **22.0 Failure to Perform**

22.1 Should the Contractor neglect to execute the Requirement properly or fail to perform any provision of the Contract, the City may, without prejudice to any other right or remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment due to the Contractor.

22.2 If the Contractor fails to perform any provision of the Contract due to reasons of strike, lockout or other work stoppages, the City may upon ten (10) days written notice to the Contractor terminate the Contract without prejudice to any other right or remedy the City may have.

### **23.0 Dispute Resolution**

- 23.1 All claims, disputes or issues in dispute between the City and the Contractor shall be decided by mediation or arbitration, if the parties agree, or failing agreement, in a Court of competent jurisdiction with the Province of British Columbia and be governed by the laws of British Columbia.
- 23.2 In the event that the parties agree to arbitration pursuant to the above, the arbitration shall be governed by the rules of the British Columbia International Commercial Arbitration Centre, except that the arbitrator or arbitrators shall be agreed upon by the parties, and failing agreement by the parties, shall be appointed by a court of competent jurisdiction with the Province of British Columbia.
- 23.3 In the event that the parties agree to arbitration, the arbitration shall take place in the Lower Mainland, British Columbia and be governed by the laws of British Columbia.
- 23.4 The procedure set out in this section is not meant to preclude or discourage informal resolution of disagreements between the City and the Contractor.

### **24.0 Delivery**

- 24.1 Deliveries shall be made to the site(s) specified by the City. It is the Contractor's responsibility to ensure that all deliveries made to the City occur within the operating hours of the site(s) specified by the City.

### **25.0 Changes in Requirements**

- 25.1 The City, without invalidating the Contract, may make changes to the Contract by altering, adding or deducting from the Requirements. Subject to mutual agreement, the Contractor shall proceed with the amended Requirements and the amended Requirements shall be executed under the provisions of the Contract.
- 25.2 The Contractor must not make any changes to from the terms of the Contract unless it shall first have received the written consent of the City and no claims for additional compensation shall be valid unless the change is so ordered.