ATTENTION: CHIEF FINANCIAL OFFICERS/RISK MANAGERS OF SCHOOLS PROTECTION PROGRAM (SPP) AND UNIVERSITY, COLLEGE AND INSTITUTE PROTECTION PROGRAM (UCIPP) COVERED ENTITIES

SUBJECT: CONSTRUCTION COVERAGE RISK MANAGEMENT- SPP AND UCIPP

The Risk Management Branch (RMB) is the central agency responsible for providing risk management and insurance advice to BC ministries and the broader provincial public sector. RMB has negotiated with representatives from the construction industry, including architects and engineers, to develop insurance and indemnification terms for the Canadian Construction Document Committee Contract CCDC 2 – 2008, the recommended form of contract for new construction and/or renovations. RMB has also arranged an owner-controlled course of construction and wrap-up liability insurance program (the “Provincial Construction Insurance Program” or the “Program”) for the ministries and provincial public sector – which includes health, education K-12, advanced education, and crown corporations.

For SPP and UCIPP Covered Entities (Education), all construction projects greater than $250,000.00 in value must be reported to SPP or UCIPP. Attached for your records as Schedule A are the Schools and University, College & Institutions Protection Program Builder’s Risk/Course of Construction Coverage Agreement - October 1, 2014 and Builder’s Risk/Course of Construction Coverage Agreement Endorsement Amending Coverage - January 1, 2017. SPP or UCIPP will ensure the insurance coverage is placed in accordance with the Program. Projects less than $250,000.00 should usually be insured by the contractor, except in those cases where there are high-hazard or unusual exposures. Please refer to SPP or UCIPP for guidance on insurance for projects which are high hazard or have unusual exposures.
Reporting construction projects to SPP or UCIPP is critical in managing the risks of construction as well as those in the procurement and contracting stages. SPP or UCIPP will maintain a construction project registry in coordination with its Education clients and the Ministry of Education and Ministry of Advanced Education to ensure that coverage is placed such that no projects go uninsured, underinsured or insured inconsistently with the Program.

The insurance and indemnification terms for the CCDC 2 – 2008 negotiated by the RMB are discussed further below. Also discussed below are the insurance and indemnification terms for the AIBC 6C 2006 and RAIC6 2002 contracts used when Education clients are retaining the services of Architects, Engineers or other professional Consultants.

**General Contractor, Contractor and Sub-trades**

a)  **Construction Projects with an Estimated Project Cost* of Less than $250,000.00**

Construction projects costing **less than $250,000.00** are generally maintenance or small renovations projects. These projects must be contractor insured providing replacement cost coverage for the materials forming part of the work and liability coverage with limits of no less than $2,000,000.00.

For use in these instances we attach, as Schedule B, the Insurance and Indemnification Clauses to be included in supplementary conditions to the Canadian Construction Documents Committee CCDC 2 – 2008 Contract for all construction projects costing less than $250,000.

For projects costing less than $250,000.00 where you do not anticipate use of the 2008 Canadian Construction Documents Committee (CCDC) 2 documents, please contact SPP or UCIPP in order to ensure that appropriate insurance and indemnification language is used within the proposed contract and that risk management issues are properly addressed.

Where there is a concern about the contractor’s ability to meet the insurance requirements, Education clients should consult with SPP or UCIPP.

**Please note:** For construction projects costing less than $250,000.00 involving hazardous activities such as shoring, blasting, underpinning or demolition Education clients should contact SPP or UCIPP to ensure insurance and risk management issues are properly addressed.

*Estimated Project Cost means the total cost of project (e.g. all materials, labour, etc.) excluding the cost of land.*

b)  **Construction Projects With an Estimated Project Cost of $250,000.00 or Greater**

All construction projects costing $250,000.00 or greater must be owner-insured.
As noted above, the Risk Management Branch (RMB) has arranged a province-wide owner-controlled Program for the benefit of provincial agencies, including Education clients. The Program for Education clients provides a self-insured All Risks Course of Construction coverage (also called Builder’s Risk coverage) for materials forming part of the work and Wrap-up Liability coverage through a broker under contract. Wrap-up Liability provides general liability coverage to the owner as well as the contractor, subcontractors, architects, engineers and consultants performing part of the work.

For use in these instances we attach, as Schedule C, the Insurance and Indemnification Clauses to be included in supplementary conditions to the CCDC 2 – 2008 contract where the project is insured by the owner and has a total value of $250,000.00 or greater.

**Hot Roofing**

Hot roofing refers to any procedure “involving the use of hot material” meaning hot asphalt, hot bitumen, hot tar and similar materials and/or “application of heat” including, but not limited to, the use of welding equipment, a torch, an open flame, a hot air gun, an electric heat seaming device or similar type of equipment. Where projects over $250,000.00 require hot roofing, the contractor or its subcontractor must maintain commercial general liability insurance with limits of not less than $2,000,000.00 to protect Education clients/owner. Education clients should be added as an additional insured under this coverage. This requirement is depicted in Schedule C and evidence must be provided in a certificate of insurance.

**It is necessary for Education clients to make application under the Provincial Construction Insurance Program for each project and, accordingly, we attach the link to the required Construction Insurance Underwriting Questionnaire located at:** http://www.bcspp.org/ or http://www.bcucipp.org/ under the “Forms” tab. You must submit the completed questionnaire at least THREE (3) WEEKS PRIOR TO THE COMMENCEMENT OF CONSTRUCTION to allow SPP and UCIPP time to place the project with insurers. It can be faxed to SPP or UCIPP at (250) 356-6222 or e-mailed to Protection.Program@bcspp.org or Protection.Program@bcucipp.org. Education clients are directed to contact SPP or UCIPP at (250) 356-1794 if you have any questions about placing insurance under the Program.

c) **Projects carried out in high density, urban centres**

Projects carried out in high density, urban centres may expose adjacent structures and their occupants to loss. In these instances, liability insurance limits higher than the Ten Million ($10,000,000.00) contained in the insurance clause of Schedule C may be required. **Education clients should contact SPP or UCIPP prior to the RFP stage of any projects that are carried out in high density, urban centres in order that increased limits under the Program can be addressed.**
Architects, Engineers and other professional Consultants

Where Architects, Engineers and other professional Consultants are engaged in the design or management of a construction project, Education clients are required to ensure these professionals are sufficiently insured for loss arising out of errors and omissions related to the delivery of professional services.

The AIBC Standard Form of Contract between Client and Consultant Contract 6C 2006 (AIBC 6C 2006) and The Canadian Standard Form of Contract for Architectural Services Document Six, 2002 and/or 2006 (RAIC 6 2002 and/or 2006) are commonly used within the industry and among the Education clients.

In instances when Education clients enter into a contract with a consultant, we attach Schedule D1 (Insurance and Indemnification Clauses to be included in supplementary conditions to AIBC 6C 2006 and RAIC6 2002) and D2 (Insurance and Indemnification Clauses to be included in supplementary conditions to RAIC6 2006). These clauses, to be inserted into supplementary conditions, also delete a limitation of liability that is unacceptable to the Province.

Where you do not anticipate use of either the Client and Consultant Contract 6C 2006 (AIBC 6C 2006) or The Canadian Standard Form of Contract for Architectural Services Document Six, 2002 and/or 2006 (RAIC 6 2002 and/or 2006), please contact SPP or UCIPP in order to ensure that appropriate insurance and indemnification language is used within the proposed contract and that risk management issues are properly addressed.

Design Build Projects and Other Projects Requiring Special Attention

The contract and insurance considerations associated with design-build projects and other projects requiring special attention may require insurance and indemnification language different from that in the attached Schedules. (An example of a project requiring special attention includes, but is not limited to, those with significant demolition aspects.) Construction Managed (Construction Manager as “agent” or Construction Manager “At Risk”) and Public Private Partnership (P3) agreements also present unique insurance and risk challenges that require special attention. Accordingly, it is important to contact SPP and UCIPP at the early stages of planning for these projects, prior to the RFP stage, in order to ensure that appropriate contract, insurance and indemnification provisions are in place.

Evidence of Coverage

When requesting evidence of coverage from contractors, architects, engineers and consultants it is important to ensure that the terms of the contract have been met and are detailed in the evidence provided. We attach, as Appendix 1 (within Schedule B), a Certificate of Insurance to be provided to the contractor that must be completed by his or her insurance broker or agent. If the evidence of coverage presented to you is in a form other than the attached certificate of insurance, careful scrutiny is required to ensure all the contractual obligations are met.

SPP and UCIPP are available to assist Education clients in reviewing any such evidence provided.
Capital Construction Procurement Checklist

Education clients are reminded that all publicly-funded sector entities are responsible for acquiring and managing their own capital construction and compliance with government’s capital policy as described in the Capital Asset Management Framework (CAMF). The Ministry of Finance also published the Capital Construction Procurement Checklist which provides that, as part of an overall audit process, the preparation of construction contracts must adequately reflect selected risk allocation. Criteria include agencies “contact the Risk Management Branch, Ministry of Finance, to ensure contract documents include government’s standard indemnity, insurance or other risk management related clauses” The forms in the attached Bulletin meet these criteria and are approved by RMB.

PRIOR TO BEGINNING THE TENDERING PROCESS FOR AN ANTICIPATED CONSTRUCTION PROJECT, EDUCATION CLIENTS ARE ADVISED TO CONTACT SPP OR UCIPP TO DISCUSS THE PARTICULARS OF THE SPECIFIC PROJECT AND DETERMINE WHAT ASPECTS OF THE PROJECT, IF ANY, REQUIRE SPECIALIZED ATTENTION.
SCHOOLS and UNIVERSITY, COLLEGE & INSTITUTIONS PROTECTION PROGRAM

BUILDER'S RISK/COURSE OF CONSTRUCTION COVERAGE AGREEMENT

OCTOBER 1, 2014

AND

BUILDER'S RISK/COURSE OF CONSTRUCTION COVERAGE AGREEMENT

ENDORSEMENT AMENDING COVERAGE

JANUARY 1, 2017

(Attached as separate documents)
EDUCATION AND ADVANCED EDUCATION
(PUBLIC SCHOOL DISTRICTS AND PUBLIC POST SECONDARY INSTITUTIONS)
CONTRACTOR INSURED CONSTRUCTION PROJECTS

Indemnification and Insurance Clauses
(to be included in Supplementary Conditions to the CCDC 2 – 2008 Contracts for Education projects with an Estimated Project Cost of less than Two Hundred and Fifty Thousand ($250,000.00) Insured by the Contractor)

Note: Estimated Project Cost means the total cost of project (e.g. all materials, labour, etc.) excluding the cost of land.

MODIFICATIONS TO GENERAL CONDITIONS

GC 11.1—INSURANCE, replace entirely with the following:

11.1.1 The Contractor shall, without limiting its obligations or liabilities herein and at its own expense, provide and maintain the following insurances with insurers licensed in British Columbia and in forms and amounts acceptable to the Owner:

(a) Commercial General Liability Insurance in an amount not less than Two Million Dollars ($2,000,000.00) inclusive per occurrence against bodily injury and property damage. The Owner is to be added as an additional insured under this policy. Any deductible applicable to property damage shall not exceed Five Thousand Dollars ($5,000.00) or such other reasonable deductible. Such insurance shall include, but not be limited to:

.01 Products and Completed Operations Liability (Twenty-Four (24) months);
.02 Owner’s and Contractor’s Protective Liability;
.03 Blanket Written Contractual Liability;
.04 Contingent Employer’s Liability;
.05 Personal Injury Liability;
.06 Non-Owned Automobile Liability;
.07 Cross Liability;
.08 Employees as Additional Insureds;
.09 Broad Form Property Damage;
.10 Elevator and Hoist Liability;

.11 Operation of Attached Machinery;

and where such further risk exists:

.12 Shoring, Blasting, Excavating, Underpinning, Demolition, Pile driving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable;

.13 Limited Pollution Liability in an amount not less than Two Million Dollars ($2,000,000.00); and

.14 Broad Form Tenants Legal Liability.

This insurance shall be maintained continuously from commencement of the Work 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.

(b) **Property** insurance which shall cover, on a replacement cost basis, all property, of every description, to be used in the construction of the Work, against “All Risks” of physical loss or damage, including earthquake and flood, while such property is being transported to the site, and thereafter throughout erection, installation and testing and such insurance shall be maintained until Substantial Performance of the Work. Such policy of insurance shall extend to protect the interest of the Owner, and shall contain a waiver of subrogation against the Owner. Any deductible shall not exceed Five Thousand Dollars ($5,000.00) or such other reasonable deductible for each and every occurrence except for the peril of flood, which may include a maximum deductible of Twenty Five Thousand Dollars ($25,000.00), and earthquake, which may include a maximum deductible of Ten Percent (10%) based upon the total project value insured.

(c) **Automobile Liability Insurance**

The Contractor (or Contractor’s 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.

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

When applicable, the Contractor (or Contractor’s Subcontractors) shall provide, maintain and pay for liability insurance with respect to all 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 liability. The Owner must be included as an additional insured but only with respect to liability arising out of the 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) Contractors Pollution Liability Insurance

When applicable, the Contractor (or Contractor’s Subcontractors) shall provide, maintain and pay for Contractor’s Pollution Liability, where the Contractor’s performance (or Contractor’s 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 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 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 All the foregoing insurance shall be primary and not require the sharing of any loss by any insurer of the Owner.

11.1.3 The Contractor shall provide the Owner with proof of insurance for those insurances required to be provided by the Contractor prior to the commencement of the Work. Such evidence shall be in the form of the Owner’s certificate of insurance (copy attached – Appendix 1). When requested by the Owner, the Contractor shall provide certified copies of required insurance policies. The Contractor must cause all Subcontractors to comply with the insurance requirements outlined herein.

11.1.4 All required insurance shall be endorsed to provide the Owner with thirty (30) days advance written notice of cancellation or adverse material change.

11.1.5 The Contractor hereby waives all rights of recourse against the Owner with regard to damage to the 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 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 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 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:

.1 In respect to losses suffered by the Owner and the 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 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.
CERTIFICATE OF INSURANCE

Part 1  To be completed by the Owner

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<th>THIS CERTIFICATE IS REQUESTED BY and ISSUED TO</th>
<th>AGREEMENT IDENTIFICATION NO.</th>
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<td>NAME of office</td>
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| OWNER CONTACT PERSON                        |                              |
| NAME & TITLE                                | PHONE NO (                   )|
|                                             | FAX NO (                     )|

| MAILING ADDRESS                             | POSTAL CODE                  |
| CONTRACTOR NAME                             |                              |
| CONTRACTOR ADDRESS                          | POSTAL CODE                  |

Part 2  To be completed by the Insurance Agent or Broker

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<th>INSURED NAME</th>
<th>ADDRESS</th>
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<th>OPERATIONS INSURED</th>
<th>PROVIDE DETAILS</th>
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<th>TYPE OF INSURANCE</th>
<th>COMPANY NAME, POLICY NO. &amp; BRIEF DESCRIPTION</th>
<th>EXPIRY DATE YYYY/MM/DD</th>
<th>LIMIT OF LIABILITY/AMOUNT</th>
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This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

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<th>AGENT OR BROKER ADDRESS</th>
<th>PHONE NO (               )</th>
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SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) DATE SIGNED
EDUCATION AND ADVANCED EDUCATION
(PUBLIC SCHOOL DISTRICTS AND PUBLIC POST SECONDARY INSTITUTIONS)
OWNER INSURED CONSTRUCTION PROJECTS

Indemnification and Insurance Clauses
(to be included in Supplementary Conditions to the
CCDC 2 – 2008 Contracts for Education projects insured by
the Owner with an Estimated Project Cost of Two Hundred and Fifty Thousand
($250,000.00) or greater)

Note: Estimated Project Cost means the total cost of project (e.g. all materials, labour, etc.)
excluding the cost of land.

MODIFICATIONS TO GENERAL CONDITIONS

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 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, Contractors and Sub-contractors,
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 which will carry a deductible of Two Million Dollars ($2,000,000).

6) If the Project requires hot roofing work, the Contractor (or Contractor’s Subcontractors) will provide, maintain and pay for a Commercial General Liability Insurance in the amount of Two Million Dollars ($2,000,000.00) inclusive per occurrence against bodily injury and property damage. The Owner shall be added as an additional insured. Such insurance shall be primary and include, but not be limited to:

.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.
6) This insurance shall be maintained continuously from commencement of the Work 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.

(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 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 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 completed values at time of loss. 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 Contractor, 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 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 Contractor (or Contractor’s 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.
(d) **Aircraft and/or Watercraft Liability Insurance**

When applicable, the Contractor (or Contractor’s 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 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) **Contractors Pollution Liability Insurance**

When applicable, the Contractor (or Contractor’s Subcontractors) shall provide, maintain and pay for Contractor’s Pollution Liability, where the Contractor’s performance (or Contractor’s 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 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 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 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 Contractor to obtain.

The 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 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 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 Contractor and/or Contractor’s Subcontractors, as may be applicable, shall be responsible for any deductible amounts under the policies of coverage and insurance except for perils of flood and earthquake.

11.1.6 The Contractor shall provide the Owner with proof of insurance for those insurances required to be provided by the Contractor prior to the commencement of the Work in the form of a completed certificate of insurance. The Contractor shall also provide a certified copy of any required policies to the Owner upon request. The Contractor must cause all Subcontractors to comply with the insurance requirements outlined herein.

11.1.7 The Owner shall not be responsible for injury to the Contractor’s employees or for loss or damage to the Contractor’s or to the 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 Contractor hereby waives all rights of recourse against the Owner or any other contractor with regard to damage to the 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 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 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 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:

.1 In respect to losses suffered by the Owner and the 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 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.
MODIFICATIONS TO GC8

Delete GC8 entirely and,

Replace with:

8.1 The Architect carries professional errors and omissions liability insurance coverage, and the policy is available for inspection by the Client at all times, upon request.

8.2 The Architect hereby agrees to indemnify and save harmless the Client, its successor(s), assign(s) and authorized representative(s) and each of them from and against losses, claims, damages, actions, and causes of action, (collectively referred to as “Claims”) that the Client may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, that arise out of errors, omissions or negligent acts of the Architect or their Sub-Consultant(s), servant(s), agent(s), or employee(s) under this Agreement, excepting always that this indemnity does not apply to the extent, if any, to which the Claims are caused by errors, omissions or the negligent acts of the Client, its other Consultant(s), assign(s) and authorized representative(s) or any other persons.

8.3 The Architect shall be entitled to rely upon published product information by manufacturers and shall not be liable for relying on information or representation which it reasonably believes to be accurate.

8.4 The Architect shall not:

8.4.1 Be required to make exhaustive or continuous on-site reviews;

8.4.2 Be responsible for acts or omissions of the contractor, subcontractors, suppliers or any other persons performing any of the Work, or for failure of any of them to carry out the Work in accordance with Contract Documents;

8.4.3 Have control, charge or supervision, or responsibility for construction means, methods, techniques, sequences, or procedures, or, for safety precautions and programs required in connection with the Work; and
8.4.4 Be responsible for any and all matters arising from Toxic or Hazardous Substances or Materials, unless matters are due directly and arising from the Architect’s design errors or omissions, or due to their faulty instructions to contractors, subcontractors or any other persons performing the Work.

8.5 The Client acknowledges that either the Architect or the Client may engage Consultants on behalf of and for the benefit and convenience of the Client; and agrees that the Architect shall not be liable to the Client, in contract or in tort, for the acts, omissions or errors of such Consultants when retained by the Client. Nothing in this clause shall derogate from the Architect’s duty of coordination.

8.6 At the Client’s option, the Architect shall, at its own expense, promptly assume the defence of any claim, suit or other proceeding brought against the Architect and their respective servant(s), agent(s), or employee(s) under this Contract.

8.7 If some or any encumbrance of any kind or nature be placed upon or obtained against the property of the Client in, or as a result of any proven legal liability of the Architect and their respective servant(s), agent(s) or employee(s), the Architect shall forthwith cause the same to be discharged. In the event that the Architect shall fail to remove the said encumbrance(s), then the Client shall have the right to pay whatever monies may be necessary to fully discharge any and all such encumbrance(s) and all of its costs may be deducted from monies otherwise payable to the Architect, and the Client shall furthermore be entitled to any additional costs that it may thereby incur.

8.8 General requirements:

8.8.1 All insurance policies, which the Architect is required to obtain, shall provide that the insurance shall not be cancelled without the insurer giving at least thirty days (30) prior written notice to the Client.

8.8.2 All insurance which the Architect is required to obtain shall be with Insurers registered in and licensed to underwrite such insurance in Canada. All such insurance shall be at no expense to the Client.

8.8.3 The Architect may take out such additional insurance as it may consider necessary and desirable. All such additional insurance shall be at no expense to the Client.

8.9 The Architect shall provide and maintain continuously from the commencement of the Work the following insurance which shall be placed with such company or companies and in such form and amounts and with such deductibles as may be acceptable to the Client:

8.9.1 Professional Errors and Omissions Liability Insurance protecting the Architect, his insurable Sub-Consultant(s) and their respective servant(s), agent(s) or employee(s) against any loss or damage arising out of the professional services rendered by the Architect, his Sub-Consultants and their respective servant(s), agent(s) or employee(s) under this Agreement. Such insurance shall be for an adequate amount acceptable to the Client and shall in any event be not less than:

8.9.1.1 For construction valued at $0.00 to $2.5 million: $250,000 per occurrence;

8.9.1.2 For construction valued at $2.5 million to $7.5 million: $500,000 per occurrence;
8.9.1.3 For construction valued at $7.5 million to $15.0 million: $1,000,000 per occurrence;

8.9.1.4 For construction valued over $15.0 million to $30.0 million: $2,000,000 per occurrence; and

8.9.1.5 For construction valued over $30.0 million to $75.0 million: $5,000,000 per occurrence.

Structural, Mechanical, Electrical and Civil Sub-Consultants Insurance coverage to be based on the value of their scope of work. All other specialty Consultants to carry a minimum $250,000 errors and omissions insurance despite the value of their scope of work.

8.9.2 Automobile Liability insurance on all licensed vehicles owned by or leased to the Architect, protecting against damages arising from bodily injury (including death) and from claims for property damage arising out of their use in the operations of the Architect, its Sub-Consultant(s) and their respective servant(s), agent(s), or employee(s) under this Agreement. Such insurance shall be for an adequate amount acceptable to the Client and shall in any event be not less than $2,000,000 inclusive of any one accident.

8.9.3 The Architect shall ascertain that all Sub-Consultants employed by the Architect carry insurance in the form and limits specified in paragraphs 8.9.1 and 8.9.2 above, and shall provide evidence of the policies upon Client request.

8.9.4 All insurance described in paragraphs 8.9.1 and 8.9.2 must:

8.9.4.1 Be primary; and

8.9.4.2 Not require the sharing of any loss by any insurer of the Client.

8.9.5 If the Client is to insure against professional liability on a single Project basis for the Architect and all Consultants, the coverage referred to under paragraph 8.9.1 above is not required during the period that the single Project insurance is in force.

8.9.6 The Architect shall provide:

8.9.6.1 Evidence of insurance in the form of the Client’s Certificate of Insurance (copy attached) of all required insurance; and

8.9.6.2 Certified copies of required policies upon written request.
Schedule D2

Insurance and Indemnification Clauses
(to be included in supplementary conditions to the Canadian Standard Form of Contract for Architectural Services Document Six 2006 Edition – RAIC6 2006)

(Note: The word “Architect” used in this Section can also be read to include Consultants, Engineers, Surveyors, Construction and Project Managers and Applied Science Technologists)

MODIFICATIONS TO GC7

Delete GC7.1 through GC7.6 entirely and,

Replace with:

7.1 The Architect carries professional errors and omissions liability insurance coverage, and the policy is available for inspection by the Client at all times, upon request.

7.2 The Architect hereby agrees to indemnify and save harmless the Client, its successor(s), assign(s) and authorized representative(s) and each of them from and against losses, claims, damages, actions, and causes of action, (collectively referred to as “Claims”) that the Client may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, that arise out of errors, omissions or negligent acts of the Architect or their Sub-Consultant(s), servant(s), agent(s), or employee(s) under this Agreement, excepting always that this indemnity does not apply to the extent, if any, to which the Claims are caused by errors, omissions or the negligent acts of the Client, its other Consultant(s), assign(s) and authorized representative(s) or any other persons.

7.3 The Architect shall be entitled to rely upon published product information by manufacturers and shall not be liable for relying on information or representation which it reasonably believes to be accurate.

7.4 The Architect shall not:

7.4.1 Be required to make exhaustive or continuous on-site reviews;

7.4.2 Be responsible for acts or omissions of the contractor, subcontractors, suppliers or any other persons performing any of the Work, or for failure of any of them to carry out the Work in accordance with the Contract Documents;

7.4.3 Have control, charge or supervision, or responsibility for construction means, methods, techniques, sequences, or procedures, or, for safety precautions and programs required in connection with the Work; and
7.4.4 Be responsible for any and all matters arising from Toxic or Hazardous Substances or Materials, unless matters are due directly and arising from the Architect’s design errors or omissions, or due to their faulty instructions to contractors, subcontractors or any other persons performing the Work.

7.5 The Client acknowledges that either the Architect or the Client may engage Consultants on behalf of and for the benefit and convenience of the Client; and agrees that the Architect shall not be liable to the Client, in contract or in tort, for the acts, omissions or errors of such Consultants when retained by the Client. Nothing in this clause shall derogate from the Architect’s duty of coordination.

7.6 At the Client’s option, the Architect shall, at its own expense, promptly assume the defence of any claim, suit or other proceeding brought against the Architect and their respective servant(s), agent(s), or employee(s) under this Contract.

7.7 If some or any encumbrance of any kind or nature be placed upon or obtained against the property of the Client in, or as a result of any proven legal liability of the Architect and their respective servant(s), agent(s) or employee(s), the Architect shall forthwith cause the same to be discharged. In the event that the Architect shall fail to remove the said encumbrance(s), then the Client shall have the right to pay whatever monies may be necessary to fully discharge any and all such encumbrance(s) and all of its costs may be deducted from monies otherwise payable to the Architect, and the Client shall furthermore be entitled to any additional costs that it may thereby incur.

7.8 General requirements:

7.8.1 All insurance policies which the Architect is required to obtain shall provide that the insurance shall not be cancelled without the insurer giving at least thirty days (30) prior written notice to the Client.

7.8.2 All insurance which the Architect is required to obtain shall be with Insurers registered in and licensed to underwrite such insurance in Canada. All such insurance shall be at no expense to the Client.

7.8.3 The Architect may take out such additional insurance as it may consider necessary and desirable. All such additional insurance shall be at no expense to the Client.

7.9 The Architect shall provide and maintain continuously from the commencement of the Work the following insurance which shall be placed with such company or companies and in such form and amounts and with such deductibles as may be acceptable to the Client:

7.9.1 Professional Errors and Omissions Liability Insurance protecting the Architect, his insurable Sub-Consultant(s) and their respective servant(s), agent(s) or employee(s) against any loss or damage arising out of the professional services rendered by the Architect, his Sub-Consultants and their respective servant(s), agent(s) or employee(s) under this Agreement. Such insurance shall be for the adequate amount acceptable to the Client and shall in any event be not less than:

7.9.1.1 For construction valued at $0.00 to $2.5 million: $250,000 per occurrence;

7.9.1.2 For construction valued at $2.5 million to $7.5 million: $500,000 per occurrence;

7.9.1.3 For construction valued at $7.5 million to $15.0 million: $1,000,000 per occurrence;
7.9.1.4 For construction valued over $15.0 million to $30.0 million: 
$2,000,000 per occurrence; and

7.9.1.5 For construction valued over $30.0 million to $75.0 million: 
$5,000,000 per occurrence.

Structural, Mechanical, Electrical and Civil Sub-Consultants Insurance coverage to be based on the value of their scope of work. All other specialty Consultants to carry a minimum $250,000 Errors and Omissions Insurance despite the value of their scope of work.

7.9.2 Automobile Liability insurance on all licensed vehicles owned by or leased to the Architect, protecting against damages arising from bodily injury (including death) and from claims for property damage arising out of their use in the operations of the Architect, its Sub-Consultant(s) and their respective servant(s), agent(s), or employee(s) under this Agreement. Such insurance shall be for an adequate amount acceptable to the Client and shall in any event be not less than $2,000,000.00 inclusive of any one accident.

7.9.3 The Architect shall ascertain that all Sub-Consultants employed by the Architect carry insurance in the form and limits specified in paragraphs 7.9.1 and 7.9.2 above, and shall provide evidence of the policies upon Client request.

7.9.4 All insurance described in paragraphs 7.9.1 and 7.9.2 must:

7.9.4.1.1 Be primary; and

7.9.4.1.2 Not require the sharing of any loss by any insurer of the Client.

7.9.5 If the Client is to insure against professional liability on a single Project basis for the Architect and all Consultants, the coverage referred to under paragraph 7.9.1 above is not required during the period that the single Project insurance is in force.

7.9.6 The Architect shall provide:

7.9.6.1.1 Evidence of insurance in the form of the Client’s Certificate of Insurance (copy attached) of all required insurance; and

7.9.6.1.2 Certified copies of required policies upon written request.