



<b>SUBJECT</b>	Museum of Anthropology Great Hall Renewal Project (Routine Capital)
<b>SUBMITTED TO</b>	Board of Governors
<b>MEETING DATE</b>	September 22, 2020
<b>SESSION CLASSIFICATION</b>	Recommended session criteria from Board Meetings Policy: OPEN
<b>REQUEST</b>	<p><b>REQUESTED – Approval</b></p> <p><b>WHEREAS</b> the Museum of Anthropology presents a significant seismic risk to the University;</p> <p><b>WHEREAS</b> through the annual Routine Capital program, the Ministry of Advanced Education, Skills and Training is projected to provide 75% of the project cost; and,</p> <p><b>WHEREAS</b> the funds will be expended over three fiscal years (2020-2021, 2021-2022 and 2022-2023),</p> <p><b>IT IS HEREBY RESOLVED</b> that the Board of Governors grants <b>BOARD 1, 2 and 3 approval</b> for the Museum of Anthropology Great Hall Renewal Project (Routine Capital), including the following:</p> <ol style="list-style-type: none"> <li>1. approval of final capital and operating budgets;</li> <li>2. approval of final funding sources and financing, if applicable;</li> <li>3. authorization to proceed to award construction contracts;</li> <li>4. approval of final funding release of \$30,355,700; and,</li> </ol> <p><b>IT IS HEREBY FURTHER RESOLVED</b> that the Board of Governors approves delegation of joint signing authority for execution of the Construction Manager Contract, a CCDC-2 Stipulated Price Construction Contract, and any other contracts necessary for the completion of the Museum of Anthropology Great Hall Renewal Project by the Vice-President Finance &amp; Operations and the Provost and Vice-President Academic, UBC Vancouver or such person who they appointed to act in their stead.</p>
<b>LEAD EXECUTIVE</b>	Peter Smailes, Vice-President Finance & Operations
<b>SUPPORTED BY</b>	John Metras, Associate Vice-President, Facilities Jennifer Sanguinetti, Managing Director, Infrastructure Development

**PRIOR SUBMISSIONS**

The subject matter of this submission has been considered previously by the Property Committee and the Board of Governors on the following occasions:

1. [April 16, 2020](#) (OPEN SESSION)  
Budget Fiscal 2020-2021 Submission to the University of British Columbia Board of Governors, April 2020
2. [April 7, 2020](#) (OPEN SESSION)  
Capital Projects Update

**EXECUTIVE SUMMARY**

In accordance with the [Capital Projects Policy](#), this Board 1, 2 & 3 approval request for the Museum of Anthropology Great Hall Seismic Renewal project is provided as part of the project management process for construction projects over \$5,000,000.

Designed by Arthur Erickson, the Museum of Anthropology (MOA) is universally considered a masterpiece of Canadian architecture. As reported in the Capital Projects Update reports to the Board, since 2014, Infrastructure Development has been working with the Routine Capital program funding, 75% of which comes from the Ministry of Advanced Education, Skills and Training (AEST), on a combined roofing, envelope and seismic upgrade project at

the Museum of Anthropology (MOA). Reports in 2014 to assess mitigation strategies for leaking MOA Great Hall skylights and overall building roofing, and to explore options to seismically upgrade the Great Hall led to a 2017/18 Routine Capital project to renew the roofing and Great Hall skylights, seal the concrete walls, and seismically upgrade the Great Hall. Roofing renewal work began in fall 2018, and is now complete. In 2019, investigation into seismically upgrading the Great Hall revealed that the Great Hall is even more seismically vulnerable than originally thought.

Since then, the team’s further in-depth investigation revealed that replacing the existing structure of the Great Hall would lead to a situation whereby the building’s character-defining exposed concrete structure would be so altered that the design would be unacceptable to UBC’s regulatory authorities, the Arthur Erickson Foundation (AEF), and the public. The team proposed that rebuilding the Great Hall would result in a far better structural solution and would allow the team to hide necessary improvements to life safety and envelope -- sprinklers and insulation, for example -- thereby maintaining the architectural integrity of the original building. This option also provided an opportunity to mitigate additional Great Hall deferred maintenance, with replacement of components such as the large single-glazed vertical window walls, carpet, mechanical distribution ducts, exit signs and lighting.

*Anticipated MOA Great Hall Rebuild Construction Funding & Cash Flow:*

	2020/21	2021/22	2022/23	TOTAL
Canadian Heritage	-	2,594,000	-	2,594,000
AEST Advance funds for 2020/21	1,430,000	-	-	1,430,000
AEST 75%	2,188,810	10,715,121	6,487,344	19,748,775
UBC 25%	1,206,270	3,571,707	2,162,448	6,582,925
<b>Total Budget</b>	<b>\$4,825,080</b>	<b>\$16,880,828</b>	<b>\$8,649,792</b>	<b>\$30,355,700</b>

The MOA project received \$1.43m in advance funding from AEST for fiscal 2020/21. The worst case cost exposure, in the unlikely event that AEST does not provide Routine Capital funding after 2020/21, would be \$17.416 million - that is, the 75% AEST portion of estimated \$25.816 million project cash flow for 2021/22 and 2022/23 after deduction of the confirmed Canadian Heritage contribution however, we have received assurances from AEST that they understand the multi-year commitment that UBC is making with this project and will support their projected commitment for the duration of the project. It should be noted that operationally, it would be very challenging for MOA from a revenue perspective to delay the project further than it has been already delayed due to the need to redesign after the realization that the original seismic solution was untenable.

Additional benefits to this project beyond addressing the significant seismic risk include the fact that the current state of the building envelope represents risk to the invaluable artifacts stored in the Great Hall. Visitors to the museum are accustomed to seeing buckets catching drips when it rains, highlighting the leaky envelope that is beyond the end of its useful life. The project will bring significantly improved energy performance and carbon reductions through the use of high performance glazing in both the vertical glazing and skylights as well as improved lighting technology. These improvements will, along with improved digital controls, significantly improve the thermal control and protection of the artifacts stored in this area.

The detailed design development package for the Great Hall rebuild has now been estimated at \$30.356 million, which the team is working to reduce through the construction document phase; however, the specialized requirements of the Great Hall make value engineering (cost reduction) difficult. Tender is in process, and site work will begin in September. Construction is expected to be complete in spring 2022. MOA has secured \$2.594 million in Canadian Heritage funding to support the seismic project. Supply Management and Financial Operations approached the Office of the University Counsel to execute, under UBC Signing Resolution #1 – General

Commitments and Agreements (“**SR1**”), the Construction Management Services Agreement with Smith Bros. & Wilson (B.C.) Ltd. for the Museum of Anthropology Great Hall Seismic Renewal Project (the “**Contract**”).

The initial value of the Contract is \$5,821,564; however the Contract will include two additional phases valued at \$10,619,401 and \$8,559,035, for a total contract value of \$25 million.

Section 3(a) of SR1 sets the maximum value of a contract that can be approved under SR1 at \$10 million. This \$10 million limit flows from the Bylaw Respecting the Signing Committee, approved by the UBC Board of Governors (the “**Board**”) at their meeting on November 20, 2003 (the “**Bylaw**”). The Bylaw delegates authority to the standing committee of the Board entitled the “Signing Committee”, comprising the President of the University and the Chair of the Board, to designate and authorize by resolution individuals to sign legally binding documents on behalf of the University. In Section 3, the Bylaw limits the authority of the Signing Committee to contracts not exceeding \$10 million in value. As a result, all contracts or other commitments exceeding \$10 million, including the Contract, must be approved by the Board.

Section 5.6 of the Procedures to the Capital Projects Policy sets out that construction projects may be approved by the Board “as part of the annual routine capital program administered by UBC’s department of Infrastructure Development and Campus Operations and Risk Management (UBCO), or the annual budget of Student Housing and Hospitality Services”. This was done for the Project through the Capital Projects Update presented to the Finance Committee on April 7, 2020, which indicates that \$37 million is being spent over five fiscal years for the Project.

The Project was also included as a line item in Budget Fiscal 2020-2021, approved by the Board in April 2020. The budget approved for the Project was \$8.3 million, which falls short of the \$25 million required for the Contract, because the Contract spans multiple fiscal years.

Although the Project has been approved by the Board in accordance with the Capital Projects Policy, Section 3.2.2 of the Capital Projects Policy also requires that “all legally binding commitments and agreements required to carry out every Capital Project and Capital Purchase must be signed in accordance with the Signing Resolutions adopted by the Board’s Signing Committee, or as otherwise indicated by the Board.”

As the Contract’s value exceeds the limits of all the Signing Resolutions, it is requested that the Board delegate the signing authority for the Contract to the Vice-President, Finance and Operations and the Provost and Vice-President, Academic, UBC Vancouver, or such person who they appointed to act in their stead, as both are senior signatories for the highest monetary threshold under SR1.

The Contract itself is a standard UBC construction manager contract that had been developed by the Office of the University Counsel with support from external counsel for use by Supply Management and Financial Operations.

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## **APPENDICES**

1. Context map of location and images
2. Capital Budget and Operating Costs

## **SUPPLEMENTAL MATERIALS (optional reading for Governors)**

1. UBC Construction Management Services Agreement with Smith Bros. & Wilson (B.C.) Ltd
2. UBC Signing Resolution #1
3. Capital Projects Policy

Appendix 1 – Context Map of Location and Images



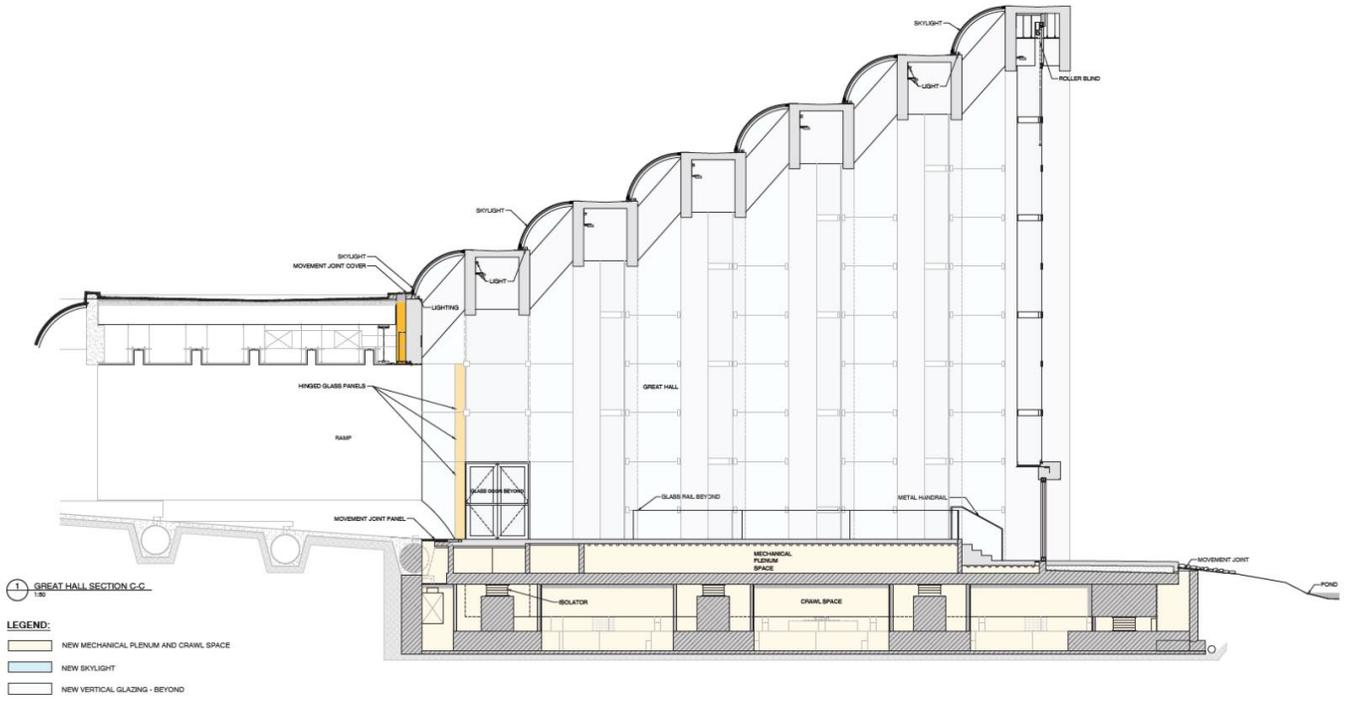
Exterior view of existing Great Hall



Interior view of existing Great Hall



Context Plan showing site



Section showing base isolation technology

## Appendix 2 – Capital Budget and Operating Costs

### Capital Budget

UBC Project Services has provided the following project cost estimate for the MOA Great Hall Renewal project. This is a Class B estimate with an accuracy of +/-15%.

<b>Project Capital Cost Breakdown</b>	
<b>Construction Costs</b>	
Construction	\$ 22,013,000
Construction Contingency	\$ 2,232,900
<b>Cash Allowances</b>	
FF+E	\$ 121,200
UBC IT	\$ 340,000
<b>Soft Costs</b>	
Design Consultants	\$ 2,707,300
Project Management	\$ 1,410,000
Permits - BP/IIC	\$ 204,500
Insurance/Legal	\$ 83,500
Commissioning Inspection and Testing	\$ 448,000
<b>Project Subtotal</b>	<b>\$ 29,560,400</b>
GST & PST	\$ 494,700
<b>Building total</b>	<b>\$ 30,055,100</b>
Construction Period Financing	\$ -
Retained Risk Fee	\$ 300,600
<b>PROJECT TOTAL</b>	<b>\$ 30,355,700</b>

### Operating Costs

Annual operating costs are already being covered within the MOA operating budget.

**UBC CONSTRUCTION MANAGEMENT SERVICES AGREEMENT****Project Number 21AVED035****SUB3235**

This Agreement dated for reference July 9, 2020

BETWEEN:

**The University of British Columbia**  
5<sup>th</sup> Floor TEF 3, 6190 Agronomy Rd  
Vancouver, BC, V6T 1Z3  
(the "University")

AND:

Smith Bros. & Wilson (B.C.) Ltd.

9788 - 186 Street, Surrey, BC V4N 3N7

(the "Construction Manager")

WHEREAS:

- A. The University wishes to engage the Construction Manager to provide services pursuant to the terms defined in this Agreement for the University's project known as the Construction Manager - Museum of Anthropology (MoA) Great Hall seismic Renewal Project (the "Project"), as detailed in Request for Proposals (RFP)2017010210 that was issued on Oct 23, 2017.
- B. The University has engaged (the "Consultant") and certain other professional consultants in connection with the Project.
- C. The Construction Manager has agreed to provide Construction Management Services to the University and it is the intention of the parties that when the Components which together comprise the Project are sufficiently detailed in plans and specifications for bid purposes and Trade Contractors are identified to complete the work required for such Components, the University may at its option, require the Construction Manager to enter into the UBC Construction Contract and pursuant to the UBC Construction Contract, the Construction Manager will act as the Contractor and engage the selected Trade Contractors as its subcontractors in connection with the construction of such Components.

In consideration of the covenants and agreements contained in this Agreement, the University and the Construction Manager agree as follows:

## 1. DEFINITIONS

In this Agreement, the following terms shall have the meanings noted below unless the context otherwise requires:

**“Component”** means a portion of the Work for the Project, as described in a package of plans and specifications approved by the University and the Consultant, which together with other Components, will comprise all of the Work to be undertaken by Trade Contractors or the Contractor for the total completion of the Project;

**“Component Cost”** means the cost to complete a Component and will take into account:

- i) all costs relating to performance of the Work or otherwise to be paid by the Contractor in accordance with the provisions of the UBC Construction Contract in connection with such Component;
  - a) the aggregate of the prices of all tenders relating to the proposed Trade Contractors which have been selected in connection with such Component and for which the tenders will include the cost of any required sub-trade insurance and bonds;
- ii) any claims of the Construction Manager in respect of work done with the Construction Manager's own forces;

**“Approved Component Cost”** means the cost to complete a Component approved by the University in writing and which will for the purpose of such Component be included in the UBC Total Construction Contract Cost to be inserted in Article A-4 of the UBC Construction Contract and the Approved Component Cost will take into account the Component Cost;

**“Construction Management Services”** includes the services for the Project described in Schedule “A” to this Agreement;

**“Construction Management Services Fee”** means the fixed fee payable to the Construction Manager pursuant to Section 2.01(a) for performing the Construction Management Services;

**“Project Team”** means the authorized representatives of the Owner, Prime Consultant, the Construction Manager, and sub-consultants retained by the Owner and the Prime Consultant;

**“Construction Manager”** means the party identified as Construction Manager on the first page of this Agreement, engaged to perform the Construction Management Services pursuant to this Agreement and includes its authorized representative as designated to the University in writing and approved by the University;

**“Consultant”** is the architect or engineer identified as such in the Agreement and includes its authorized

representative;

**“Contractor”** means the Construction Manager in the role of general contractor when engaged by the University pursuant to the UBC Construction Contract and includes its authorized representative as designated to the University in writing and approved by the University;

**“General Requirements Fee”** means the total cost for all ancillary work and services to be provided for the Project by the Construction Manager or the Contractor, including all such services and facilities as may be required to satisfy the intent that ancillary services required to ensure the efficient and coordinated completion of work and services for the Project are provided by the Construction Manager or the Contractor as part of the General Requirements pursuant to 2.1(b).;

**“Preconstruction Services”** includes the services for the Project described for the Pre-Construction Phase outlined in Schedule “A” to this Agreement;

**“Project”** means the total construction of the University Project described on the first page of this Agreement resulting from the completion of the Work;

**“Project Construction Budget”** means the estimated UBC Total Construction Contract Cost as approved by the Integrated Project Team and reviewed and revised from time to time;

**“UBC Construction Contract”** means the UBC contract form based on the provisions of the standard document known as CCDC-2 (2008) as selected by UBC and as amended by the University’s supplementary conditions for the purpose of completing the Work described for a Component or number of Components resulting in the total completion of the Project in the form attached as Schedule “B” to this Agreement;

**“UBC Total Construction Contract Cost”** means the aggregate total of the Approved Component Cost amounts in respect of all Components which are completed pursuant to the terms of the UBC Construction Contract plus the Construction Management Services Fee and the General Requirements Fee;

**“Trade Contractors”** means a trade contractor or group of trade contractors identified to perform work required to complete a Component as selected by the Construction Manager and approved by the University pursuant to this Agreement; and

**“Work”** means all work and services to be performed under this Agreement and all Work as defined in the UBC Construction Contract, which will include Work for all Components to be undertaken by the Contractor or by Trade Contractors for the purpose of the total completion of the Project.

## **2. Compensation for Services**

2.1 In consideration for the Project Services, the University will pay to the Construction Manager the following fees:

- (a) As detailed in Attached TP-01 & TP-02 – Summary
  - \$4317940.40
  - \$939538.40 – Cash Allowances
  - **\$5257478.80 - Total**
- 2.2 The Construction Manager may not perform Work with his own forces except as required for performing the General Requirements or as a defined trade package as part of a Component as agreed with the University or as otherwise agreed upon by the University.
- 2.3 Within 10 business days of award, the Construction Manager will submit a schedule of values for both the Construction Management Services Fee and the General Requirements Fee. Upon review and acceptance by the Consultant and the University, it shall form the progress payment schedule for the provision of Construction Management Services.

### **3. Project Schedule**

- 3.1 Time is of the essence.
- 3.2 The Construction Manager will attain Substantial Completion by April 15, 2022, corresponding to a Schedule Duration of 21 months, unless modified by a change pursuant to this contract.

### **4. Transition from Construction Manager to Contractor**

- 4.1 Following the completion of the tendering process in connection with Work for a Component of the Project, if the Construction Manager selects and recommends particular Trade Contractors to complete such Component and if the University wishes to proceed with the completion of such Component, for an Approved Component Cost, the University may in its sole discretion proceed with any of the following options and the Construction Manager will proceed as requested upon receipt of a written direction from the University pursuant to this provision:
  - (a) enter into direct contracts with such Trade Contractors with the option of later assigning such contracts to the Construction Manager in its capacity as the Contractor under the terms of the UBC Construction Contract; or
  - (b) enter into the UBC Construction Contract with the Construction Manager acting as the Contractor and require the Construction Manager to engage such Trade Contractors as its subcontractors and the amount payable by the University to the Contractor for such Work will be the Component Cost forming the Approved Component Cost and the Approved Component Cost will be paid to the Contractor in accordance with the payment provisions of the UBC Construction Contract.
- 4.2 As any subsequent Trade Contractors are recommended by the Construction Manager to complete other Components of the Project following the process outlined in Article 3.1, if the University wishes to proceed with the completion of any such Components, the University may

in its sole discretion deliver written directions to the Construction Manager as Contractor requiring the Contractor to amend the UBC Construction Contract in connection with the Project and:

- (a) include the additional Component as Work required under the UBC Construction Contract;
  - (b) engage the approved Trade Contractors as its subcontractors; and
  - (c) increase the contract price as defined in the UBC Construction Contract by an amount equal to the Approved Component Cost in respect of such Component.
- 4.3 The UBC Construction Contract form to be entered into between the University and the Construction Manager for the purpose of engaging the Construction Manager as Contractor for the completion of the Project as contemplated in this Agreement will be in the form referenced in Schedule "B".
- 4.4 During the term of this Agreement, if the Construction Manager is also engaged as Contractor for the completion of the Project under the UBC Construction Contract, the Construction Manager will concurrently perform both roles efficiently and effectively, subject to the termination provisions of this Agreement and the UBC Construction Contract, to eliminate overlapping services and additional costs to the University and to ensure that the University's schedule for the completion of the Project is achieved within the parameters of the Project Construction Budget.
- 4.5 As the Construction Manager is in transition from Construction Manager to Contractor, the University will make monthly payments to the Construction Manager in Canadian Funds on account of the fees payable pursuant to section 2.1(a) and (b) in proportion to the services completed and approved by the Consultant subject to the provisions of the *Builders Lien Act*.

## **5. Relationship between the University and the Construction Manager**

- 5.1 The University and the Construction Manager acknowledge and agree that the Construction Manager is an independent contractor who may provide other services to other clients during the term of this Agreement so long as they do not interfere with delivery of the Construction Management Services or the Contractor's performance of the UBC Construction Contract.
- 5.2 The Construction Manager and its employees and permitted subcontractors will not enter or purport to enter into any agreement on behalf of the University or otherwise bind or purport to bind the University without contractual approval.
- 5.3 In delivery of the Construction Management Services, the Construction Manager will at all times act in the Construction Manager's own capacity and right.
- 5.4 No employee of the Construction Manager is an employee of the University or entitled to

receive from the University any benefits whatsoever. The Construction Manager agrees that its employees are not entitled the rights and benefits afforded to the University's employees, including, but not limited to, participation in any of the University's group insurance or pension plans, vacation pay, overtime pay, termination pay or severance pay.

5.5 The University will not pay for or maintain any employee benefits including, but not limited to, workers compensation, Canada Pension Plan, employment insurance and other similar levies or to make any withholdings or remittances for income tax in respect of any amounts payable by the University to the Construction Manager or by the Construction Manager to any person employed by it pursuant to this Agreement or otherwise. The Construction Manager is solely responsible for making all such contributions, premium payments and income tax remittances in accordance with any applicable statutory requirements.

5.6 The Construction Manager will use all reasonable efforts to retain the Construction Management Team members originally identified in the RFP to perform their duties for the period of this contract. If for any reason a team member resigns or is otherwise unavailable to perform their duties, then the Construction Manager will use all reasonable efforts to retain a replacement with similar expertise and experience to the unavailable Construction Management Team member, satisfactory to the University acting reasonably, and the Construction Manager will not replace such Construction Management Team members without the University's consent, acting reasonably.

5.7 The Construction Manager will assign dedicated full time staff to this Project including, but not limited to, the Construction Manager's Project Manager and Site Supervisor (whenever portions of the work are being completed under this scope of work).

## **6. Laws**

6.1 The Construction Manager will comply with all applicable laws and regulations in delivery of the Project Services.

6.2 The Construction Manager will obtain all necessary operating licences and permits to comply with applicable laws, and regulations in connection with delivery of the Construction Management Services. The Construction Manager will provide the University with evidence of its compliance with all laws and requirements as and when requested by the University.

## **7. Confidential and Proprietary Information**

7.1 The Construction Manager acknowledges that in delivering the Construction Management Services the Construction Manager and its employees and permitted subcontractors will acquire information about certain matters which are confidential. Such information is the exclusive property of the University and the Construction Manager undertakes and agrees not to disclose that information to any third party, either during or after the term of this Agreement.

7.2 All drawings, audio-visual materials, information, plans, models, designs, specifications, reports

and other documents or products, in whatever media or form, produced, received or acquired by the Construction Manager in the course of delivering the Construction Management Services (the "Material") will be the sole property of the University and the University will have the right to use all of the Material for its benefit in any way it sees fit.

- 7.3 The Material will be delivered by the Construction Manager to the University concurrently with the termination of this Agreement for whatever reason, provided always that, at any time during the term, the University may request delivery by the Manager to the University of all or any part of the Material, in which event the Construction Manager will promptly comply with such request. The Construction Manager hereby transfers title in and to all of the Material and will assign to the University sole copyright in the Material. The Construction Manager agrees that title to the Material is to be considered to have been transferred and any copyright in the Material is considered to have been assigned by the Construction Manager to the University upon creation of the Material.
- 7.4 The Construction Manager, its employees and permitted subcontractors will not infringe any patent or copyright or any other proprietary or industrial or intellectual property rights in performing the Construction Management Services.

## **8. Indemnity**

- 8.1 The Construction Manager will defend, indemnify and hold harmless the University and the Consultant, their directors, officers, employees, agents and servants from and against claims, demands, losses, costs, damages, actions, suits or proceedings ("Claims"), by third parties that arise out of, or are in any way attributable to the Construction Manager's performance of or breach of this Agreement or are caused directly or indirectly by negligent acts or omissions of the Construction Manager or anyone for whose acts the Construction Manager may be liable.

## **9. Insurance**

- 9.1 The Construction Manager will pay for and maintain Commercial General Liability insurance with respect to the delivery of the Project Services, including, but not limited to, auto liability and general liability insurance each in an amount not less than \$5,000,000.
- 9.2 The Construction Manager will cause the University to be added as an additional insured under the general liability insurance coverage. All insurance and applicable certificates will be in such form and substance and from such insurers as are reasonably satisfactory to the University. Upon execution of this Agreement, the Construction Manager will deliver to the University certificates from each insurance company confirming that the insurance is in full force and effect and will not be cancelled or changed, except on 30 days prior written notice to the University.
- 9.3 The University will pay for and maintain a Wrap-up Liability policy in an amount not less than \$10,000,000 and a Builders Risk Policy in an amount not less than \$ 25000000 for the Project with the University, the Consultant, and all Trade Contractors as named insureds.

## **10. Termination**

10.1 The University may terminate this Agreement during the term upon 14 days' written notice to the Construction Manager and subject to the calculations of the Consultant, the University will pay to the Construction Manager all fees earned pursuant to this Agreement up to the date of termination together with payment for reasonable close out and demobilization expenses as determined by the Consultant in accordance with the schedule of values.

## **11. Provisions which Survive the Agreement**

11.1 Notwithstanding the termination of this Agreement for any reason, the provisions of Articles 6, 7 and 8 of this Agreement and any other provision of this Agreement necessary to give effect to those Articles will continue in full force and effect after the term of this Agreement and following any termination within its term.

## **12. Assignment**

12.1 This Agreement may not be assigned by the Construction Manager. The Construction Manager may not change its authorized representative who has been approved by the University, responsible for giving and receiving instructions in connection with the delivery of the Project Services, without first obtaining the consent of the University.

## **13. Entire Agreement**

13.1 This Agreement and the UBC Construction Contract together constitute the entire Agreement between the parties in connection with the Project and cancels and supersedes any prior understanding and agreements between the parties. In connection with the Project, there are no representations, warranties, forms, conditions, undertakings, collateral agreements, express or implied or statutory, between the parties other than expressly set out in this Agreement and the UBC Construction Contract.

## **14. Amendments and Waivers**

14.1 No amendment to this Agreement will be valid or binding unless in writing and duly executed by both parties. No waiver of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the waiver and, unless otherwise provided in the written waiver, will be limited to this specific breach waived.

## **15. Severability**

16. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part and the remaining part of such provision and all other provisions of this Agreement will continue in full force and effect.

## **17. Governing Law**

- 17.1 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**18. Notices**

- 18.1 Any notice or written directions required to be given under this Agreement will be sufficiently given if delivered to the addresses set out below. Notice will be deemed to be delivered on the date it is delivered. An address for a party may be changed by notice to the other party setting out the new address in accordance with this section 16.1.

**To: The University of British Columbia**

Attn: Aletha Utimati, Project Manager  
Project Services  
1100-2329 West Mall, Vancouver BC, V6T 1Z4  
aletha.utimati@ubc.ca

**To: Smith Bros. & Wilson (B.C.) Ltd.**

Attn: Rick Murray, Project Director  
9788 - 186 Street, Surrey, BC V4N 3N7  
rick.murray@sbw.ca

**19. Dispute Resolution**

- 19.1 The parties will make all reasonable efforts to resolved a dispute by amicable negotiations and agree to provide, on a “without prejudice” basis, frank, candid and timely disclosure of relevant facts, information and documents to facilitate these negotiations.
- 19.2 If the parties have been unable to resolve a dispute, both parties may agree to the appointment of a mediator in accordance with the latest edition at the date of execution of this Agreement of the Rules for Mediation and Arbitration of Construction Disputes, CCDC Document 40, to assist the parties to reach agreement. Unless the parties agree otherwise, the mediated negotiations will be conducted in accordance with those Rules provided that all references to “the Contract” are to be considered references to this Agreement.
- 19.3 If the dispute has not been resolved within the time provided for the mediator pursuant to the Rules or within such further period agreed to by the parties, the mediator will terminate the mediated negotiations by giving written notice.

IN WITNESS WHEREOF the parties have executed this Agreement the 9 July 2020

**The University of British Columbia**

By: \_\_\_\_\_  
Authorized Signatory

Jim Onderwater, Senior Procurement Officer  
Name and Title

**Smith Bros. & Wilson (B.C.) Ltd.**

By:  \_\_\_\_\_  
Construction Manager - Authorized Signatory

Rick Murray, Project Director  
Name and Title  
July 13, 2020



\_\_\_\_\_  
Jeff Musialek, President & Co-CEO  
Name and Title  
July 13, 2020

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## SCHEDULE "A"

### Project Services

- 1.1 The University engages the Construction Manager to deliver to the University the Project Services from the date of this Agreement until all Components have been designed and tendered and the Project has been completed on the terms and conditions contained in this Agreement, subject to earlier termination in accordance with section 10.01.
- 1.2 The Construction Manager will deliver the Project Services and any other services reasonably related to the Project Services and agreed to by the University and the Construction Manager.
- 1.3 The Project Services will be delivered to the highest industry standard by the Construction Manager or as the Construction Manager and the University may agree. The tender process followed by the Construction Manager in connection with the selection of Trade Contractors will be in accordance with fair bid practices customary in the industry and in compliance with all laws, regulations and policies applicable to University projects.

## CONSTRUCTION MANAGER'S SERVICES

### 1. PRE-CONSTRUCTION PHASE

#### 1.1 *Consultation During Project Development:*

Attend regular meetings with the Integrated Project Team during the development of conceptual and preliminary design and preparation of working drawings to advise on site use and improvements, selection of materials, building systems and equipment. Provide recommendations on construction feasibility, availability of materials and labour, time requirements for installation and construction, and factors related to cost including costs of alternative designs or materials, preliminary budgets, and possible economies.

- 1.1.1 Acquaint the University and other members of the Integrated Project Team with the labour conditions applicable for the duration of the Project.
- 1.1.2 Assist in providing liaison and co-ordination among government authorities, utility companies, and other authorities having jurisdiction over the site of the Project.

#### 1.2 *Planning and Scheduling:*

Prepare, for the University's review, a preliminary master time schedule, following consultation with the Integrated Project Team, incorporating the sequence and timing of the required basic program decisions, including design time, documentation, bid calls, bid evaluations, trade contract awards and on-site construction activities.

- 1.2.1 Monitor and, if required, revise and update the master time schedule as the design proceeds.
- 1.2.2 Finalize the master time schedule for the University's approval, and, if necessary, estimate the resource requirements. Break down this schedule into individual networks for each Component of the Project where necessary showing the sequence and timing for the main construction operations and the milestone completion operations and the milestone completion dates for the various phases.
- 1.2.3 Recommend any equipment or materials which should be pre-ordered to meet the master time schedule.

1.3 *Project Construction Budget:*

Prepare a Project budget as soon as major Project requirements have been identified, and update regularly as agreed for the University's approval.

- 1.3.1 Prepare an estimate based on drawings and specifications at the end of the schematic design phase for approval by the Integrated Project Team as the "Project Construction Budget".
- 1.3.2 Update and refine this estimate for the University's approval as the development of the drawings and specifications proceeds, and advise the Integrated Project Team if it appears that the Project Construction Budget will not be met. Make recommendations for corrective action.
- 1.3.3 Evaluate possible alternatives as the design proceeds, in order to permit the selection of the most economical materials and methods that will satisfy the design concept, and the schedule.
- 1.3.4 Establish a cost control program and prepare and regularly update a projected cash flow for the Project.

1.4 *Coordination of Component Documents:*

Review the drawings and specifications as they are being prepared, recommending alternative solutions whenever design details affect construction feasibility or schedules.

- 1.4.1 Make recommendations to the University and the Consultant regarding the division of Work in the drawings and specifications to help facilitate the bidding and selection of Trade Contractors, allowing for phased construction, taking into consideration such factors as time of performance, availability of labour, overlapping trade jurisdictions, and provisions for temporary facilities.

1.5 *Construction Planning:*

Plan and arrange for supply of project General Requirements in accordance with UBC Technical Guidelines Div 01 and General Conditions agreed to in this and subsequent contracts.

- 1.5.1 Review with the Consultant the drawings and specifications to eliminate areas of conflict and overlapping in the Work to be performed by the various Trade Contractors.
- 1.5.2 Review with the Integrated Project Team the construction insurance needs for the Project.
- 1.5.3 Make recommendations to the Integrated Project Team with respect to the bonding of Trade Contractors.
- 1.5.4 Assemble all bid documents for the solicitation of competitive bids for Work to be performed by Trade Contractors. Notify the Owner when ready to post, arrange for the advertising of such bid calls and prepare the necessary prequalification criteria in conjunction with the Owner's Procurement Officer. The Owner may elect to advertise the solicitations publicly.
- 1.5.5 Analyze the bids received, prepare presentation package of all bids received and recommend selections to the University. Once approved by the Owner, prepare the contract documentation as contemplated under the Agreement for execution.
- 1.5.6 If the Agreement is not to be converted to the UBC Construction Contract, assemble the contract documentation as contemplated under the Agreement for all successful UBC Trade Contractors. Check where required that all bonds, insurance policies, and workers' compensation certificates are provided.
- 1.5.7 Assist the Integrated Project Team in obtaining all approvals, permits, and licenses required for the Project.
- 1.5.8 Assist the University in arranging legal surveys of the Project.

## **2. CONSTRUCTION PHASE**

### **2.1 *Project Control:***

Monitor the Work of the Trade Contractors and coordinate the Work with the activities and responsibilities of the University, Consultant and Construction Manager.

- 2.1.1 Maintain a competent full-time staff at the site of the Project to coordinate and provide general direction of the Project and progress of the Trade Contractors on the Project.
- 2.1.2 Establish on-site organization and lines of authority in order to carry out the overall plans of the Integrated Project Team.

- 2.1.3 Establish procedures for coordination among the University, Consultant, Trade Contractors and Construction Manager with respect to all aspects of the Project and implement such procedures.
- 2.1.4 Schedule and conduct progress meetings at which Trade Contractors, University, Consultant and Construction Manager can discuss jointly such matters as procedures, progress, problems and scheduling. Record and issue minutes for all meetings within 72 hours.
- 2.1.5 Provide continuous monitoring and critical path updates to the schedule as construction progresses. Identify potential variances between scheduled and probable completion dates. Review schedule for work not started or incomplete and recommend to the University and Trade Contractors adjustments in the schedule to meet the probable completion date. Provide summary reports of each monitoring and document all changes in schedule.
- 2.1.6 Review the adequacy of the Trade Contractors' personnel and equipment and the availability of materials and supplies to meet the schedule. Recommend courses of action to the University when requirements of a trade contract are not being met.

## 2.2 *Physical Construction:*

Provide all of the secure construction facilities and services common to the requirements of all Trade Contractors, both temporary and permanent and ensure that all bidders are informed of the facilities and services being provided.

- 2.2.1 Advise the University of work which should best be done by the Construction Manager. Where the University approves of work to be done by the Construction Manager, such work shall be performed and paid for in accordance with the terms approved by the University.
- 2.2.2 Provide advice and assistance on labour problems in order to minimize work stoppages and in the settlement of jurisdictional or other labour disputes.

## 2.3 *Cost Control and Accounting:*

Develop, implement and maintain an effective system of Project cost control. Revise and refine the initially approved Project Construction Budget, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed. Identify variances between actual and budgeted or estimated costs and advise University and Consultant whenever projected cost exceeds budgets or estimates.

- 2.3.1 Maintain accounting records and afford the University access to these records.
- 2.3.2 Provide for and administer the necessary procedures to permit recovery of all tax

rebates where applicable.

2.3.3 As requested, assist the Integrated Project Team in implementing changes necessary to bring the projected costs within budgets or estimates.

2.4 *Changes in the Work:*

Develop and implement a system for the preparation, review and processing of Changes in the Work. Recommend necessary or desirable Changes in the Work to the Integrated Project Team, review requests for Changes in the Work, submit recommendations to the Integrated Project Team and assist in their negotiation.

2.5 *Payments to Trade Contractors:*

Develop and implement a procedure for the review, certification, processing and payment of applications by Trade Contractors for progress and final payments.

2.5.1 Expedite the processing of Trade Contractors' invoices.

2.6 *Other Consultants:*

Assist the University in selecting and retaining the professional services of a quantity surveyor, testing laboratories, geotechnical and other specialists and coordinate these services, without assuming any responsibility or liability of or for these consultants or their work.

2.7 *Inspection:*

Periodically inspect the Work of Trade Contractors for defects and deficiencies in the Work without assuming any of the Consultant's responsibilities for inspection.

2.8 *Document Interpretation:*

Refer all questions for interpretation of the documents prepared by the Consultant to the Consultant.

2.9 *Shop Drawings and Samples:*

With the Consultant, establish and implement procedures for expediting the receipt, processing and review of shop drawings and samples.

2.10 *Reports and Project Site Documents:*

Submit written progress reports to the University and the Consultant including budget and scheduling information. Keep a daily log available to the University and the Consultants.

2.10.1 Maintain at the Project site, on a current basis, records of all necessary contracts, drawings, samples, purchases, materials, equipment, maintenance and operating manuals and instructions, and other construction related documents, including all revisions. Obtain data from Trade Contractors and maintain a current set of Project record documents and operating manuals. Prior to application for Substantial Completion of the Project, deliver all such records to the University.

2.11 *Substantial Performance of the Work:*

Subject to applicable legislation arrange with the Consultant for the issuance of the necessary certificates respecting substantial performance of the Work or designated portions thereof and prepare with the Consultant a list of incomplete or unsatisfactory items and a schedule for their completion.

2.11.1 Distribute substantial performance and total performance certificates.

2.11.2 Post notices pursuant to the Builder's Lien Act for all contracts forming the Work.

2.11.3 Schedule, manage, review and recommend lien holdback releases to the University for all contracts forming the Work.

2.12 *Commissioning, Start-Up, and Verification:*

Tender and manage the services of a Commissioning Agent for the Project, independent of the Owner's Best Practices Commissioning Authority, who will

2.12.1 Develop a commissioning plan for the work, incorporating commissioning requirements for all systems.

2.12.2 Coordinate commissioning activities of the Trade Contractors and OwnForces.

2.12.3 With the University's maintenance personnel and the Consultant, direct the check-out of utilities, operations systems and equipment for readiness and assist in their initial startup and testing by the Trade Contractors.

2.13 *Total Performance of the Work:*

Arrange with the Consultant for the certification of total performance and provide written notice to the University and Consultant that the Work is ready for final inspection. Seek and transmit to the Consultant as received warranties, affidavits, releases, bonds, waivers, manuals and record drawings. Turn over to the University all keys and maintenance stocks.

**3. POST-CONSTRUCTION PHASE**

3.1 *Operations:*

Maintain a close relationship with the University's operating staff to ensure a smooth and proper takeover of the Project.

3.2 *Warranties:*

Administering warranties of the Trade Contractors.

**4. ADDITIONAL SERVICES**

At the request of the University, the Construction Manager will provide the following additional services upon written agreement between the University and Construction Manager defining the extent of such additional services and the amount and manner in which the Construction Manager will be compensated for additional services.

- 4.1 Services related to investigation, appraisals or valuations of existing conditions, facilities or equipment, or verifying the accuracy of existing drawings or other University furnished information.
- 4.2 Services related to University supplied furniture, fixtures and equipment which are not a part of this Agreement.

**SCHEDULE "B"**

**UBC CONSTRUCTION CONTRACT:**

The UBC Construction Contract is based on the provisions of the standard form of construction document known as CCDC-2 (2008) as amended by the UBC Supplementary General Conditions -

**AGREEMENT BETWEEN OWNER AND CONTRACTOR**

**SC1.** In the Agreement between *Owner* and *Contractor*:

SC1.1 Insert at the end of paragraph 2.2 of Article A-2 [AGREEMENTS AND AMENDMENTS] the following: "For an amendment to be effective and binding on the *Owner* it must be in writing and signed or approved by the proper signing authorities of the *Owner*."

SC1.2 In paragraph 4.1 of Article A-4 [CONTRACT PRICE], despite the phrase "which excludes *Value Added Taxes*" that appears in the first line, British Columbia Provincial Sales Tax (if applicable) is included in the *Contract Price*. In paragraph 4.2 of Article A-4 [CONTRACT PRICE], the amount shown for *Value Added Taxes* consists only of Goods And Services Tax (GST) and does not include British Columbia Provincial Sales Tax (which, as previously stated, is included in the *Contract Price*).

SC1.3 Delete paragraph 5.3 of Article A-5 [PAYMENT] and replace with the following:

"5.3 Should either party fail to make payments as they become due under the terms of the *Contract* or in an award by arbitration or court, interest at the following rate on such unpaid amounts shall also become due and payable until payment:

1% per annum above the prime rate, as it may change from time to time, quoted by Royal Bank of Canada for Canadian Dollar prime business loans in Canada.

Such interest shall be compounded on a monthly basis. In the case of settlement of any claim in dispute that is resolved either pursuant to Part 8 of the General Conditions – DISPUTE RESOLUTION or otherwise, interest if any shall be paid in accordance with the terms of the settlement or other resolution of the claim."

SC1.4 Add to Article A-6 [RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING] the following:

"6.2 Provided that, despite paragraph 6.1 of this Article, a *Notice in Writing* sent by facsimile or other form of electronic communication shall not be effectively given unless actually received."

SC1.5 In paragraph 8.1 of Article A-8 [SUCCESSION], immediately before the word "assigns" in the second line, insert the word "permitted".

**DEFINITIONS**

**SC2.** In the Definitions:

SC2.1 The definitions of "*Consultant*", "*Subcontractor*" and "*Supplier*" are deleted and replaced with the following:

**"4. Consultant**

The *Consultant* is the person or entity engaged by the *Owner* and identified as such in the Agreement. The *Consultant* is the Architect, the Engineer or entity licensed to practice in the province or territory of the *Place of the Work*. The term *Consultant* means the

*Consultant* or the *Consultant's* authorized representative. Provided that if a *Consultant* is not otherwise identified in the Agreement then the *Project Manager* shall serve and perform the role of the *Consultant* in the *Contract* and all references in the *Contract* to the *Consultant* shall be deemed to refer to the *Project Manager*.

**19. Subcontractor**

*Subcontractor* means any "subcontractor" as defined under the *Builders Lien Act*, in respect of any part or parts of the *Work*.

**22. Supplier**

*Supplier* means any "material supplier" as defined under the *Builders Lien Act*, in respect of any *Products* forming part of the *Work*."

SC2.2 The following definitions are added:

**27. As-Built Drawings**

*As-Built Drawings* has the meaning given in paragraph 3.9.3 of GC 3.9 [DOCUMENTS AT THE SITE] (see SCSC13.1).

**28. Builders Lien Act**

*Builders Lien Act* refers to the *Builders Lien Act*, S.B.C. 1997 c. 45., as amended from time to time. The *Builders Lien Act* is the lien legislation applicable to the *Place of the Work*, for the purpose of the *Contract*.

**29. Builders Lien Holdback**

*Builders Lien Holdback* refers to the holdback retained by the *Owner* under the *Builders Lien Act* as provided for in the *Contract*.

**30. Instructions to Tenderers**

*Instructions to Tenderers* refers to the instructions to tenderers or instructions to bidders, or any similar document issued by the *Owner* (by whatever name called), whereby instructions were given and requirements were stipulated to tenderers or bidders for the *Contract*, as they may have been amended (by addenda or otherwise) from time to time.

**31. Project Manager**

*Project Manager* means the person, firm or corporation from time to time designated or appointed by the *Owner* and identified by the *Owner* in writing to the *Contractor*. The *Project Manager* may be the *Owner's* engineer, other employee or officer, or may be an outside consultant."

<b>GENERAL CONDITIONS OF THE STIPULATED PRICE CONTRACT</b>
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**SC3. CONTRACT DOCUMENTS**

SC3.1 Delete paragraph 1.1.7 of GC 1.1 [CONTRACT DOCUMENTS]and replace with the following:

"1.1.7 If there is a conflict within the *Contract Documents*:

- .1 the order of priority of documents, from highest to lowest, shall be
- the Agreement between the *Owner* and the *Contractor*,
  - these Supplementary Conditions,
  - the Definitions,
  - the General Conditions,
  - Division 1 of the *Specifications*,
  - technical *Specifications*,

□ the *Drawings*.

- .2 *Drawings* of larger scale shall govern over those of smaller scale of the same date.
- .3 dimensions shown on *Drawings* shall govern over dimensions scaled from *Drawings*.
- .4 later dated documents shall govern over earlier documents of the same type.
- .5 architectural *Drawings* and *Specifications* shall govern over other *Drawings* and *Specifications* of the same date and scale and over schedules."

SC3.2 Delete paragraph 1.1.8 of GC 1.1 [CONTRACT DOCUMENTS] and replace with the following:

"1.1.8 The *Owner* shall provide, without charge, one copy of the *Contract Documents* to the *Contractor* unless a different number of copies is specified in the *Instructions to Tenderers*."

#### SC4. ASSIGNMENT

SC4.1 In paragraph 1.4.1 of GC 1.4 [ASSIGNMENT], delete the words ", which consent shall not be unreasonably withheld".

SC4.2 Add paragraph 1.4.2 to GC 1.4 [ASSIGNMENT] as follows:

"1.4.2 The *Contractor* hereby consents to the assignment of the *Contract* by the *Owner* as collateral security for any financing arranged by the *Owner* relating to the *Project*, and the *Contractor* agrees to execute any consent document reasonably requested by the *Owner* or its lender therefor."

#### SC5. MISCELLANEOUS

SC5.1 Add GC 1.5 as follows:

##### "GC 1.5 MISCELLANEOUS

- 1.5.1 As to any variance or discrepancy between the CCDC document and the terms and provisions of these Supplementary Conditions, the terms and provisions of these Supplementary Conditions shall govern and prevail.
- 1.5.2 If any term or provision of the *Contract* is held to be invalid or unenforceable, the *Owner* may elect to sever and delete such term or provision, and the remainder of the *Contract* shall remain in full force and effect.
- 1.5.3 In all provisions of the *Contract* containing a release or disclaimer or waiver or exculpatory language in favour of the *Owner* or an indemnity in favour of the *Owner*, references to the *Owner* include (whether or not expressly stated) the UBC Board of Governors and each member thereof, and all directors, officers, agents and employees of the *Owner*, and the *Consultant* and the directors, officers, agents and employees the *Consultant*, it being understood and agreed that, for this clause and all such provisions of the *Contract*, the *Owner* is deemed to be acting as agent and trustee on behalf of them and for their benefit to the extent necessary for them to receive and be entitled to the benefits of this clause and such provisions. The *Contractor* will, upon the request from time to time of the *Owner*, execute and deliver, under seal as a deed if so requested by the *Owner*, an affirmation and covenant in favour of any one or more of the said persons, as may be nominated from time to time by the *Owner*, in form and content reasonably prescribed by the *Owner*, to give effect or further effect, if deemed necessary by the *Owner* in its sole determination, to the provisions of this clause.

- 1.5.4 The *Owner* may convert paper records of the *Contract* and all other associated documentation (each, a "Paper Record") into electronic images (each, an "Electronic Image"). Each such *Electronic Image* shall be considered as an authoritative copy of the *Paper Record* and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original *Paper Record*."

#### **SC6. DEFECTIVE WORK**

- SC6.1 In paragraph 2.4.3 of GC 2.4 [DEFECTIVE WORK], delete "the difference in value between the work as performed and that called for by the *Contract Documents*", and replace with "the value of such work as is necessary to correct any non-compliance with the *Contract Documents*".

#### **SC7. CONSTRUCTION BY OWNER OR OTHER CONTRACTORS**

- SC7.1 Delete paragraph 3.2.2.2 of GC 3.2 [CONSTRUCTION BY OWNER OR OTHER CONTRACTORS]. See SC33 [CONSTRUCTION SAFETY].

- SC7.2 Add paragraph 3.2.7 to GC 3.2 [CONSTRUCTION BY OWNER OR OTHER CONTRACTORS] as follows:

"3.2.7 If the *Contractor* has caused damage to the work of another contractor on the *Project*, the *Contractor* agrees to settle the matter with the other contractor by negotiation or arbitration. If the other contractor makes a claim against the *Owner* on account of damage alleged to have been so sustained, the *Owner* shall notify the *Contractor* and may require the *Contractor* to defend the action at the *Contractor's* expense. The *Contractor* shall satisfy a final order or judgment against the *Owner* and pay the costs incurred by the *Owner* arising from such action. Paragraph 12.1.6.2 of GC 12.1 [INDEMNIFICATION] shall apply."

#### **SC8. DOCUMENT REVIEW**

- SC8.1 In paragraph 3.4.1 of GC 3.4 [DOCUMENT REVIEW], immediately before the words "shall not proceed" in the sixth line, insert "shall promptly report the matter to the *Owner* and the *Consultant*, and the *Contractor*".

- SC8.2 Add paragraph 3.4.2 to GC 3.4 [DOCUMENT REVIEW] as follows:

"3.4.2 Notwithstanding paragraph 3.4.1 of GC 3.4 [DOCUMENT REVIEW], the *Contractor* represents and agrees that it has examined all of the *Contract Documents* to fully acquaint itself with the complete scope and requirements of the *Work* prior to the execution of the *Contract* and that no claim for a change in the *Work* will be accepted as a result of failure of the *Contractor* to do so."

#### **SC9. CONSTRUCTION SCHEDULE**

- SC9.1 In paragraph 3.5.1.1 of GC 3.5 [CONSTRUCTION SCHEDULE] delete "prior to the first application for payment", and replace with "within seven days after award of the *Contract*".

- SC9.2 Add paragraphs 3.5.2 and 3.5.3 to GC 3.5 [CONSTRUCTION SCHEDULE] as follows:

"3.5.2 Time is of the essence in the performance of the *Contract*.

3.5.3 The *Contractor* shall take whatever action is necessary, including without limitation extra shift work, to ensure the completion of the *Work* within the *Contract Time* at no additional cost to the *Owner*."

## **SC10. SUPERVISION**

SC10.1 Add to the end of paragraph 3.6.2 of GC 3.6 [SUPERVISION] the following: "If the appointed representative is changed, any replacement representative must first be approved by the *Owner*. The *Work* includes comprehensive site supervision (including site supervision for any and all changes by *Change Order* or *Change Directive*, and any requirement under *Supplemental Instruction*)."

## **SC11. SUBCONTRACTORS AND SUPPLIERS**

SC11.1 Add to the end of paragraph 3.7.2 of GC 3.7 [SUBCONTRACTORS AND SUPPLIERS] the following:

"The selection of *Subcontractors* and *Suppliers* for the *Work* or parts thereof is subject to any stipulation made by the *Owner* or the *Consultant*, or agreed upon by the *Owner* and the *Contractor*, regarding *Subcontractors* or *Suppliers*, during the bidding process or leading up to the *Contract*. The *Contractor* shall not be entitled to change any of the proposed *Subcontractors* or *Suppliers* or to change any specified *Product* or system without the written consent of the *Owner*. If an approved change results in savings to the *Contract Price*, such savings shall be credited to the *Owner*."

SC11.2 Add paragraph 3.7.7 to GC 3.7 [SUBCONTRACTORS AND SUPPLIERS] as follows:

"3.7.7 The *Contractor* shall be responsible and accountable for its *Subcontractors* and *Suppliers*. In the interpretation of the *Contract*, the terms and conditions of the *Contract* relative to the *Contractor* will extend and apply to the *Subcontractors* and *Suppliers*. The *Contractor* will ensure compliance by the *Subcontractors* and *Suppliers* with the terms and conditions of the *Contract* and performance by the *Subcontractors* and *Suppliers* in accordance with the requirements of the *Contract*. Any failure, breach or default on the part of a *Subcontractor* or *Supplier* shall be treated as and shall constitute failure, breach or default by the *Contractor* under the *Contract*."

## **SC12. LABOUR AND PRODUCTS**

SC12.1 Add paragraphs 3.8.4 and 3.8.5 to GC 3.8 [LABOUR AND PRODUCTS] as follows:

"3.8.4 Unless specified otherwise in the *Contract Documents*: (1) *Products* shall conform to the specifications of the Canadian Standards Association, the Canadian General Standards Board, the British Columbia Building Code, the British Columbia Fire Code, ASTM International (formerly the American Society for Testing and Materials), and trade association specifications and the requirements of other government authorities having jurisdiction at the *Place of the Work*; and (2) where there is a conflict between the requirements, the more stringent requirements apply.

3.8.5 The *Contractor* shall submit, in a timely manner to avoid delays, to the *Consultant* for approval manufacturers' samples which shall be labeled as to origin and intended use and shall conform to the requirements of the *Contract Documents*."

## **SC13. DOCUMENTS AT THE SITE**

SC13.1 Add paragraphs 3.9.2 and 3.9.3 to GC 3.9 [DOCUMENTS AT THE SITE] as follows:

"3.9.2 The *Contractor* shall keep a daily record of the *Work* for review by the *Consultant*, and the record shall include particulars of weather conditions, the number of workers, the delivery of *Products* and the amount and location of *Products* incorporated in the *Work*.

3.9.3 The *Contractor* shall produce a set of the *Drawings* for the *Contract* on which the *Contractor* shall make any changes to the *Work* at the end of each day. These shall be called *As-Built*

*Drawings. As-Built Drawings* shall be kept in good order and shall be available to the *Consultant* and its representatives. The *Contractor* shall record on the *As-Built Drawings* the changes in the *Work* as they occur. Changes in the *Work* shall be indicated on the *As-Built Drawings* by the use of coloured lines and suitable notations. *Substantial Performance of the Work* will not be achieved or declared until the *Project* is ready for its intended use and *As-Built Drawings* completed as required have been submitted to the *Owner*."

#### **SC14. SHOP DRAWINGS**

SC14.1 Add to the end of paragraph 3.10.9 of GC 3.10 [SHOP DRAWINGS] the following:

"If the *Shop Drawings* deviate in any manner from the requirements for the *Work* as set out in *Contract Documents*, the *Contractor* shall advise the *Consultant* of same in writing, in a communication separate from the *Shop Drawings* themselves, at the time of submission of the *Shop Drawings*, stating in detail how, where and why the *Shop Drawings* and any associated or related submissions differ from the requirements for the *Work* established by the *Contract Documents* and seeking written authorization from the *Owner* and *Consultant* for such deviation. The mere submission of *Shop Drawings* does not constitute notice of a proposed deviation from the *Contract* requirements. In the absence of such express notice, the *Owner* and *Consultant* are entitled to assume that the *Shop Drawings* comply strictly with the requirements for the *Work* as set out in the *Contract Documents*."

#### **SC15. USE OF THE WORK**

SC15.1 Add paragraph 3.11.3 to GC 3.11 [USE OF THE WORK] as follows:

"3.11.3 The *Owner* shall be entitled to take early possession of and use portions of the *Work* prior to *Substantial Performance of the Work*. Such taking possession or use of the *Work* or part thereof shall not be construed as acceptance or completion of the *Work*."

#### **SC16. CLEANUP**

SC16.1 Add paragraph 3.13.4 to GC 3.13 [CLEANUP] as follows:

"3.13.4 Should the *Contractor* fail to perform ongoing or final cleanup when required by the *Owner*, the *Owner* may have the cleanup performed by whatever means may be expedient and all associated costs will be charged to the *Contractor* and the *Owner* may deduct and set off such costs against amounts otherwise owed or payable to the *Contractor*."

#### **SC17. CASH ALLOWANCES**

SC17.1 In paragraph 4.1.5 of GC 4.1 [CASH ALLOWANCES] after the words "by *Change Order*", insert "or *Change Directive*".

SC17.2 Add paragraph 4.1.8 to GC 4.1 [CASH ALLOWANCES] as follows:

"4.1.8 The cash allowances are for the *Owner's* use, at the *Owner's* discretion. If the aggregate of the amounts of the cash allowances is not fully utilized, then the *Contract Price* shall be adjusted (i.e. reduced) accordingly. Such un-utilized portions of the cash allowances will be retained by the *Owner*. The *Contractor* shall account to the *Owner* for any cash or other discounts, rebates, or other consideration, reduction or adjustments, in connection with the costs related to cash allowances. The *Contractor* shall assist the *Owner* and the *Consultant* and will acting for and in the best interests of the *Owner* provide the services needed to elicit bids, quotes and proposals from prospective *Subcontractors*, in connection with the subject matter of the cash allowances.

## **SC18. CONTINGENCY ALLOWANCE**

SC18.1 In paragraph 4.2.3 of GC 4.2 [CONTINGENCY ALLOWANCE] insert, at the beginning "Subject to paragraph 4.2.2 of GC 4.2 [CONTINGENCY ALLOWANCE],".

SC18.2 In paragraph 4.2.4 of GC 4.2 [CONTINGENCY ALLOWANCE] after the words "by *Change Order*", insert "or *Change Directive*", and at the end of paragraph 4.2.4 add the following: "The contingency allowance is for the *Owner's* use, at the *Owner's* discretion. If the aggregate of the amounts of the contingency allowance is not fully utilized, then the *Contract Price* shall be adjusted (i.e. reduced) accordingly. Such un-utilized portions of the contingency allowance will be retained by the *Owner*."

## **SC19. FINANCING INFORMATION REQUIRED OF THE OWNER**

SC19.1 Delete GC 5.1 [FINANCING INFORMATION REQUIRED OF THE OWNER] in its entirety.

## **SC20. APPLICATIONS FOR PROGRESS PAYMENT**

SC20.1 In paragraph 5.2.2 of GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT], delete "which is the last day of the month" and replace with "which is the twenty-fifth day of the month". Also, add at the end the following: "Applications shall be submitted to the *Project Manager* and the *Consultant*, together with a sworn statutory declaration or sworn statutory declarations as required under paragraph 5.2.8 of GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT], and such other documents as are reasonably requested by the *Consultant* or the *Owner*. Applications for progress payment for changes in the *Work* shall not be valid or become due and payable without a written *Change Order* and/or *Change Directive* issued by the *Consultant*. If the application for payment is received after this date or not in the required format, it will not be processed for payment until the subsequent month."

SC20.2 Add paragraph 5.2.8 to GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT] as follows:

"5.2.8 The *Contractor* shall submit with its second application for payment a sworn statutory declaration or sworn statutory declarations, in such form as may be prescribed by the *Owner* from time to time, substantiating that all accounts and any other indebtedness which may have been incurred by the *Contractor* in the performance of the *Work* and for which the *Owner* might in any way be held responsible have been paid in full up to the date of the *Contractor's* first application payment. Each successive application for payment must be accompanied by a sworn statutory declaration or sworn statutory declarations substantiating that all accounts have been paid up to the date of the preceding application for payment. The *Contractor* shall provide with its applications for payment any further documentation from time to time required by the *Consultant* or *Owner* to substantiate such accounts and indebtedness have been paid."

SC20.3 Add paragraph 5.2.9 to GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT] as follows:

"5.2.9 The *Owner* shall have the right to require that the *Contractor* pre-purchase or pre-order particular *Products* (which may include *Product* for which cash allowances have been stipulated) as a cost saving measure (e.g. during periods of rapid cost escalation) or to ensure timely delivery to the *Place of the Work* when needed for the *Work*. Where the *Owner* has invoked this right, then, despite paragraph 5.2.3 of GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT], the *Contractor* shall be entitled to include, in its progress claims, 85% of the amounts expended by the *Contractor* therefor, despite such *Products* not having yet been delivered to the *Place of the Work*. [The remaining 15% may be claimed when such *Products* have been delivered to the *Place of the Work*.]"

## **SC21. PROGRESS PAYMENT**

SC21.1 In paragraph 5.3.1.2 of GC 5.3 [PROGRESS PAYMENT], delete "10 calendar days" and replace with "10 Working Days".

SC21.2 In paragraph 5.3.1.3 of GC 5.3 [PROGRESS PAYMENT], delete "20 calendar days" and replace with "20 Working Days", and add at the end "Provided that, in accordance with the *Owner's* accounts payable practices, payments are made on the last day of each calendar month - therefore, if the 20 *Working Days* would end in the middle of a calendar month, then the date for payment shall be deferred until the last day of that calendar month."

SC21.3 Add paragraphs 5.3.2 through 5.3.5 inclusive to GC 5.3 [PROGRESS PAYMENT] as follows:

"5.3.2 The *Owner* may withhold or deduct from amounts otherwise due to the *Contractor*:

- .1 the full value plus security for costs, of any builders lien filed against the title to the Project with respect to the *Work*, plus any costs, including legal costs, incurred by the *Owner* to have the lien removed;
- .2 any other monetary claims against the *Contractor* which are enforceable against the *Owner* including garnishing orders;
- .3 security for any actual or potential liability to others for costs, damages or expenses resulting from the *Contractor's* performance of the *Work*;
- .4 any warranty holdback specified in the *Contract* to be held back by the *Owner* as security for the performance by the *Contractor* of the *Contractor's* warranty obligations under the *Contract*; and
- .5 any other amounts which the *Owner* is authorized to withhold or deduct under the terms of the *Contract*.

5.3.3 The *Owner* may upon giving *Notice in Writing* to the *Contractor* stating the basis and amount of deduction withhold the whole or part of any progress or other payment otherwise due to the *Contractor*, to the extent the *Owner*, acting reasonably and in good faith, considers necessary to protect the *Owner* from any actual or anticipated loss, damage, claim, cost or expense arising from one or more of the following events or circumstances:

- .1 rejected materials or deficient or defective *Work* are not being remedied;
- .2 the *Contractor* is failing to pay promptly any amounts properly due and payable by the *Contractor* to *Subcontractors* or *Suppliers* or other third parties in connection with the performance of the *Work*; or
- .3 the *Contractor* is in breach or default of its liabilities or obligations under the *Contract*.

5.3.4 The *Owner* may elect to pay a portion or portions of any amounts due to the *Contractor* directly to one or more *Subcontractors* or *Suppliers* or to the labourers of one or more *Subcontractors* or *Suppliers*. Provided that the *Owner* shall not do so unless such action is warranted in the reasonable determination of the *Owner*. It shall be reasonable for the *Owner* to do so if the *Contractor* has failed to pay any *Subcontractor* or *Supplier* or the labourers of one or more *Subcontractor* or *Supplier* and in the reasonable determination of the *Owner* direct payment is warranted to assist in continuation of the progress of the *Work* or any part of the *Work*. Such payments will be credited against amounts due to the *Contractor*.

5.3.5 Title to all *Product* delivered to the *Place of the Work* for which credit for *Work* performed is claimed in any application for payment shall, on the making of such payment, vest in the *Owner*."

## SC22. SUBSTANTIAL PERFORMANCE OF THE WORK

SC22.1 Add to the end of paragraph 5.4.1 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] the following:

"The list shall also indicate the time required to perform the *Work* and, for each item, the cost to complete and the proposed completion date. The *Owner* and the *Consultant* may also prepare a supplementary list of items to be completed or deficiencies to be corrected by the *Contractor*. The *Consultant* shall determine the cost of completing the *Work* or correcting the deficiencies, and the *Owner* shall be entitled to withhold in addition to the *Builders Lien Holdback* a deficiency holdback in an amount equal to two times the estimated cost. Payment of the deficiency holdback shall be made in accordance with GC 5.7 [FINAL PAYMENT] and SC42 [DEFICIENCIES AND UNCOMPLETED WORK]."

SC22.2 In paragraph 5.4.2 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK], delete "20 calendar days" and replace with "10 days (as prescribed by Section 7(3) of the *Builders Lien Act*)".

SC22.3 Add paragraph 5.4.4 to GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] as follows:

"5.4.4 Subject to paragraph 5.4.5 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK], prior to making application for *Substantial Performance of the Work*, the *Contractor* shall submit to the *Consultant* the following:

- .1 letters of assurance for professional design and review from those professionals engaged by the *Contractor* under the provisions of the *Contract*, including applicable sealed *Shop Drawings*;
- .2 all required manufacturer's inspections, certifications, guarantees, warranties as specified in the *Contract Documents*;
- .3 all maintenance manuals, operating instructions, maintenance and operating tools, replacement parts or materials as specified in the *Contract Documents*;
- .4 certificates issued by all permit issuing authorities indicating approval of all installations, work and improvements requiring permits;
- .5 certificates issued by all testing, commissioning, cleaning, inspection authorities and associations as applicable or specified in the *Contract Documents*; and
- .6 all required record *Drawings* and as built and as-installed documents in the form specified in the *Contract Documents*, including the *As-Built Drawings*."

SC22.4 Add paragraph 5.4.5 to GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] as follows:

"5.4.5 If it is impracticable, with reasonable diligence and attention, for the *Contractor* to have obtained one or more of the items listed in paragraph 5.4.4 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] prior to making application for *Substantial Performance of the Work*, then delivery of such items may be deferred until the date that is 30 days following *Substantial Performance of the Work*."

SC22.5 Add paragraph 5.4.6 to GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] as follows:

"5.4.6 Together with its request or application for the certificate of *Substantial Performance of the Work*, the *Contractor* shall provide to the *Project Manager* and the *Consultant* the following:

- .1 a current clearance letter from Workers' Compensation Board confirming that the *Contractor* is in good standing with and that all required remittances and assessments have been made to the Workers' Compensation Board;
- .2 if requested by the *Project Manager* or the *Consultant*, confirmation from any or all of the *Subcontractors* and *Suppliers* that they have been paid in full except for holdbacks properly retained;
- .3 a properly executed *Contractor's* release in the format prescribed by the *Project Manager* or the *Consultant*, releasing all claims except those for which *Notice in*

*Writing* has been given to the *Owner* as contemplated in paragraph 12.2.1.1 of GC 12.2 [WAIVER OF CLAIMS];

- .4 a statement compiling and reconciling all *Change Orders* and *Change Directives*;
- .5 a list of all claims and demands for changes and delay, or otherwise for adjustment or reimbursement or any other claims whatsoever, under or in connection with the *Contract*;
- .6 a sworn statutory declaration or sworn statutory declarations as described in paragraph 5.2.8 of GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT] (see SC20.2); and
- .7 any other documents to be submitted by the *Contractor* as specified in the *Contract* or reasonably required by the *Project Manager* or the *Consultant*."

SC22.6 Add paragraph 5.4.7 to GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] as follows:

"5.4.7 The *Owner* may require that, prior to the *Owner* making the payment otherwise due to the *Contractor* at the time of *Substantial Performance of the Work*:

- .1 the *Contractor* acknowledges and agrees (in the certificate of *Substantial Performance of the Work*, or in a separate document, as the *Owner* prescribes) that the *Contractor* does not have and will not make any claim for additional compensation for extras, changes or delays or any other claims whatsoever against the *Owner* in connection with the *Contract* or the *Project* or the *Work*, and that the *Contractor* agrees that the payment made by the *Owner* shall be received by the *Contractor* in full and final settlement of the balance due to the *Contractor* under the *Contract* and of any and all claims of the *Contractor* in connection with the *Contract* (except only for the *Contractor's* claim for any amount expressly held back by the *Owner* for the list of deficiencies / uncompleted *Work* or otherwise). Despite any provision in the *Contract* to the contrary, the time for the *Owner* to make any payment otherwise due at the time of *Substantial Performance of the Work* shall be extended until any and all such claims have been settled or resolved; and
- .2 the *Contractor* undertakes and agrees (in the certificate of *Substantial Performance of the Work*, or in a separate document, as the *Owner* prescribes) to carry out the deficient or defective and incomplete *Work* within the specific dates set out and agreed upon by the *Contractor* and the *Owner*, or reasonably prescribed by the *Owner*."

SC22.7 See also SC42 [DEFICIENCIES AND UNCOMPLETED WORK].

### **SC23. PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK**

SC23.1 Delete paragraph 5.5.1.2 of GC 5.5 [PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK] and replace with the following:

- "2 if required by the *Owner* or the *Consultant*, submit a sworn statutory declaration or sworn statutory declarations as described in paragraph 5.2.8 of GC 5.2 [APPLICATIONS FOR PROGRESS PAYMENT] (see SC20.2)."

SC23.2 Delete paragraph 5.5.3 of GC 5.5 [PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK] in its entirety.

### **SC24. FINAL PAYMENT**

SC24.1 Add paragraphs 5.7.5 through 5.7.7 inclusive to GC 5.7 [FINAL PAYMENT] as follows:

- "5.7.5 No partial or progressive payments of the deficiency holdback amounts will be considered. No application for final payment will be accepted until all incomplete and deficient work has been completed to the satisfaction of the *Project Manager* and the *Consultant*.
- 5.7.6 If the defective or incomplete work is not corrected or completed by the *Contractor* within the reasonable time established pursuant to paragraph 5.4.3 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK], then the *Owner* may have all or a portion of the deficient or defective work corrected or completed by whatever means may be expedient and the *Owner* may deduct and set off all associated costs against amounts otherwise owed or payable to the *Contractor*.
- 5.7.7 The issuance of a final certificate for payment or the payment of lien holdback and deficiency holdback amounts shall not relieve the *Contractor's* responsibility for correction of any other deficiencies or incomplete items, at no additional cost to the *Owner*, that may not have been included in the list of deficient items or which may not have been apparent during the review carried out pursuant to GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK]."

SC24.2 See also SC42 [DEFICIENCIES AND UNCOMPLETED WORK].

## SC25. WITHHOLDING OF PAYMENT

SC25.1 Add paragraph 5.8.2 to GC 5.8 [WITHHOLDING OF PAYMENT] as follows:

- "5.8.2 The *Contractor* and its *Subcontractors* and *Suppliers* shall give prior *Notice in Writing* to the *Owner* of their intention to file or assert a lien at the *Place of the Work* or against the title to the *Project* or against the holdback funds. If a lien is filed on the *Place of the Work* or against the title to the *Project* or against the holdback funds by a *Subcontractor* or *Supplier*, the *Contractor* shall, at the *Contractor's* cost, within three *Working Days* after the receipt of *Notice in Writing* from the *Owner* or the *Consultant*, remove the lien and defend, indemnify and save harmless the *Owner* and the *Consultant* in respect of any action which may arise as a result of such lien. If the *Contractor* fails to remove such lien within the time specified and defend, indemnify and save harmless the *Owner* and the *Consultant* in respect of any action arising therefrom, then notwithstanding any other provision in the *Contract Documents*, the *Owner* shall be entitled to withhold further payment to the *Contractor* until all liens are removed, and the *Owner* may remove the lien by whatever means may be expedient and the *Contractor* shall pay for all associated costs and expenses incurred by the *Owner* including legal fees on a solicitor and his own client basis. The *Owner* may deduct and set off the amounts paid to remove the lien and costs and expenses incurred from amounts otherwise payable to the *Contractor*."

## SC26. CHANGE ORDER

SC26.1 Add paragraphs 6.2.3 through 6.2.6 inclusive to GC 6.2 [CHANGE ORDER] as follows:

- "6.2.3 The *Contractor* shall provide quotations for proposed changes in the *Work* in the form and within the time frame from time to time reasonably requested by the *Consultant*. The *Contractor* acknowledges that failure to do so may result in delays in approval and payment for changes in the *Work*, and additional costs. If the *Contractor* fails to provide good faith quotations in the form or within the time so requested, then the *Consultant* will be entitled to prescribe a reasonable valuation for the change in the *Work* and to prescribe a reasonable adjustment if any in the *Contract Time* attributable to the change in the *Work*, and the *Contractor* shall be bound thereby. Otherwise, the method of adjustment and the amount of adjustment for the *Contract Price*, to be applied by the *Contractor* under GC 6.2 [CHANGE ORDER] for all proposed changes in the *Work*, shall be as follows:

- .1 if unit prices are set out in the *Contract* or subsequently agreed upon, then the unit prices alone shall govern, despite the other provisions of GC 6.2 [CHANGE ORDER] and GC 6.3 [CHANGE DIRECTIVE];
- .2 if separate prices or alternate prices are set out in the *Contract* or *Contractor's* tender or bid or are subsequently agreed upon, then the separate prices and alternate prices (respectively) alone shall govern, despite the other provisions of GC 6.2 [CHANGE ORDER] and GC 6.3 [CHANGE DIRECTIVE], and each of such separate prices or alternate prices shall be held by the *Contractor* and open for acceptance by the *Owner* at any time up to 60 days (except as otherwise expressly stipulated or agreed upon) after award of the *Contract* to the *Contractor*;
- .3 in all cases, the following limitations apply:
  - (1) an adjustment in the *Contract Price* with respect to a change in the *Work* shall be made only if and to the extent that the *Contractor* has taken all reasonable steps to mitigate and minimize the impact of the change and the resulting cost, and only to the extent of the incremental increase if any in the outlays of the *Contractor* attributable to the *Change Order*, and, as to any personnel or resources not exclusively dedicated to the work attributable to the *Change Order*, only a reasonable allocation or reasonable hourly or other time charge shall be applied, and shall exclude any charges for personnel (such as the principals and executive and senior officers of the *Contractor*) and resources the *Owner* could reasonably expect would form part of *Contractor's* head office overhead (for which the percentage fee is stipulated in paragraph 6.2.3.6 of GC 6.2 [CHANGE ORDER]);
  - (2) the adjustment in the *Contract Price* for the subject matter of a *Change Order* shall not include any of the following:
    - (a) any charge for site supervision (*explanation*: comprehensive site supervision is already included in the *Work*, as provided for in SC10.1, and any additional requirement is provided for by way of the percentages as specified in paragraph 6.2.3.6 of GC 6.2 [CHANGE ORDER]);
    - (b) any charge for safety, such as the provision of a safety coordinator or attendant or a safety program (*explanation*: comprehensive site safety is already included in the *Work*, as provided for in SC33.2, and any additional requirement is provided for by way of the percentages as specified in paragraph 6.2.3.6 of GC 6.2 [CHANGE ORDER]);
    - (c) any charge for bonding (*explanation*: already included in the *Work* and the *Specifications*);
    - (d) any charge for insurance (*explanation*: already included in the *Work* and the *Specifications*); and

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- (e) any charge for clerical or estimating (*explanation*: provided for by way of the percentages as specified in paragraph 6.2.3.6 of GC 6.2 [CHANGE ORDER]).
- (3) as noted above, comprehensive site supervision and comprehensive site safety are already included in the *Work* (as provided for in SC10.1 and SC33.2). Accordingly, any requirement or directive for specific site supervision or specific site safety must be carried out by the *Contractor* without an adjustment in the *Contract Price*;
- (4) whether or not expressly stated, only the incremental increase shall be considered (i.e. only the incremental increase attributable to the subject matter of a *Change Order*), and accordingly the charge for a *Change Order* will be limited to the amount, if any, by which the cost pursuant to the *Change Order* exceeds the cost that would otherwise be incurred; and
- .4 the cost of performing the work attributable to the *Change Order* shall be limited to the actual cost, subject to paragraph 6.2.3.3 of GC 6.2 [CHANGE ORDER], of the following, to the extent attributable to work for the *Change Order*, without duplication:
- (1) *Products* including cost of transportation thereof;
- (2) materials, supplies, *Construction Equipment*, *Temporary Work*, and hand tools which are consumed in the performance of the work attributable to the *Change Order*;
- (3) tools and *Construction Equipment*, exclusive of hand tools used in the performance of the *Work*, whether rented from or provided by the *Contractor* or others, including installation, minor repairs and replacements, dismantling, removal, transportation, and delivery cost thereof;
- (4) equipment and services required for the *Contractor's* field office;
- (5) deposits lost;
- (6) the amounts of all subcontracts;
- (7) charges levied by authorities having jurisdiction at the *Place of the Work*;
- (8) any adjustment in taxes, other than *Value Added Taxes*, and duties for which the *Contractor* is liable; and
- (9) removal and disposal of waste products and debris;
- .5 if the change in the *Work* is performed by the *Contractor's* own forces, subject to paragraph 6.2.3.3 of GC 6.2 [CHANGE ORDER] above, the salaries, wages and benefits paid to "on tools" personnel in the direct employ of the *Contractor*, to the extent engaged in carrying out "on tools" work attributable to the *Change Order*, based on a salary or wage schedule agreed upon by the *Owner* and the *Contractor*,

or in the absence of such a schedule, a portion of the actual salaries, wages and benefits paid to such personnel, including:

(1) contributions, assessments or taxes incurred for such items as employment insurance, provincial health insurance, workers' compensation, and Canada Pension Plan; and

(2) travel and subsistence expenses;

to the extent attributable to work for the *Change Order*; and

.6 in addition, the *Contractor* shall be entitled to a *Contractor's* fee for the *Change Order* which shall be limited to the following:

(1) if the change in the *Work* is performed by the *Contractor's* own forces, then the *Contractor* may add: (i) a 5% mark-up for overhead; plus (ii) a 10% mark-up for profit; and

(2) if the change in the *Work* is performed by a *Subcontractor*, then:

(a) the *Contractor* may add a mark-up of up to 10% (calculated upon the direct actual cost, as set out below, of the *Subcontractor* having a direct contract with the *Contractor*) for combined overhead and profit of the *Contractor*; and

(b) for this purpose, the direct actual cost of the *Subcontractor* having a direct contract with the *Contractor* may include: (i) a 5% mark-up by the *Subcontractor* (calculated upon on the direct actual cost to the *Subcontractor*) for the *Subcontractor's* overhead (which includes the *Subcontractor's* cost of bonds, insurance, finance and administration); and (ii) a 5% mark-up by the *Subcontractor* (calculated upon on the said direct actual cost to the *Subcontractor*) for the *Subcontractor's* profit.

6.2.4 When requested by the *Consultant*, the *Contractor* shall promptly provide itemized labour and material cost breakdowns and any other detailed information required to substantiate the *Contractor's* claims for a change to the *Contract Price* or *Contract Time*.

6.2.5 Upon issuance of a *Change Order* by the *Consultant* to the *Contractor* for a proposed change in the *Work*, the *Contractor* is deemed to have accepted the valuation for the change in the *Work* proposed by the *Consultant* and the adjustment if any in the *Contract Time* proposed by the *Consultant* if no *Notice in Writing* disputing it is given to the *Owner* within three *Working Days* of the date of issuance of the *Change Order*.

6.2.6 The amounts and methods of adjustment agreed upon pursuant to GC 6.2 [CHANGE ORDER] encompass and include any and all claims of any kind whatsoever of the *Contractor* resulting from the change in the *Work* including claims for delay, impact or acceleration of the *Work*. The *Contractor* shall not be entitled to any further claim or adjustment, for time or delay or price, therefor."

## SC27. CHANGE DIRECTIVE

SC27.1 In paragraph 6.3.3 of GC 6.3 [CHANGE DIRECTIVE], delete the words "direct a change in the *Contract Time* only" and replace with "accelerate the date for attainment of *Substantial Performance of the Work* to a date that is earlier than the fixed date that appears in paragraph 1.3 of Article A-1 [THE WORK]".

SC27.2 In paragraph 6.3.6 of GC 6.3 [CHANGE DIRECTIVE], delete the words "shall be determined on the basis of the cost of the *Contractor's* actual expenditures and savings attributable to the *Change Directive*, valued in accordance with paragraph 6.3.7" and replace with "shall be determined as set out in paragraph 6.2.3 of GC 6.2 [CHANGE ORDER] (see SC26.1)"

SC27.3 In paragraph 6.3.6.3 of GC 6.3 [CHANGE DIRECTIVE], delete the words "fee shall be as specified in the *Contract Documents* or as otherwise agreed by the parties" and replace with "fee shall be the percentages as specified in paragraph 6.2.3.6 of GC 6.2 [CHANGE ORDER] (see SC26.1) or as otherwise from time to time agreed by the parties".

SC27.4 Delete paragraph 6.3.7 of GC 6.3 [CHANGE DIRECTIVE] in its entirety.

SC27.5 In paragraph 6.3.8 of GC 6.3 [CHANGE DIRECTIVE], delete the words "referred to in paragraph 6.3.7 shall cover and include any and all costs or liabilities attributable to the *Change Directive* other than" and replace with "and associated liabilities for the change in the *Work* shall not include".

## SC28. DELAYS

SC28.1 Amend paragraph 6.5.3 of GC 6.5 [DELAYS] as follows:

- .1 Delete paragraph 6.5.3.1;
- .2 Insert "except lack of funds or breakdown of *Construction Equipment*" at the end of paragraph 6.5.3.4;
- .3 Delete "in consultation with the *Contractor*. The extension of time shall not be less than" and replace with "in consultation with the *Contractor* and the *Owner*. Subject to paragraphs 6.5.4 and 6.5.6 of GC 6.5 [DELAYS], the extension of time shall not be less than";
- .4 Delete "unless such delays result from actions by the *Owner*, *Consultant* or anyone employed or engaged by them directly or indirectly." from the end of paragraph 6.5.3; and
- .5 Add "Any labour dispute, strike, lock-out, (including lock-outs decreed or recommended for its members by a recognized contractors' association, of which the *Contractor* or any *Subcontractor* or *Supplier* is a member or to which any of them is otherwise bound) shall not be considered nor deemed to be a cause beyond the *Contractor's* control." to the end of paragraph 6.5.3.

SC28.2 Add paragraphs 6.5.6 through 6.5.11 inclusive to GC 6.5 [DELAYS] as follows:

- "6.5.6 The extension of *Contract Time* and reimbursement of costs shall be made only if and to the extent that the *Contractor* has taken all reasonable steps to mitigate and minimize the impact of the delay, and can establish with supporting documentation that the delays materially affected the *Contractor's* performance of the *Work* within the *Contract Time* and the *Contractor's* costs in the performance of the *Work* to such a degree that no reasonable measures could have been taken (other than those that were taken by the *Contractor*) to avoid or prevent the additional time and costs incurred. Any claim by the *Contractor* for delay shall apply only to the extent that the delay exceeds two calendar months, and only in respect of periods for which there was no concurrent delay caused or materially contributed to by the *Contractor*. Any float (also described as "slack" or "cushion") that exists in the construction schedule does not belong exclusively to the *Owner* or exclusively to the *Contractor*, but rather will: firstly, be used for and applied to obviate any delay or extension of time otherwise provided for in the *Contract* (including any delay or extension of time that would otherwise result from a *Change Order* or *Change Directive*) that the *Contractor* would otherwise be entitled to, and despite any provision of the *Contract* allowing for delay or extension of time the *Contract Time* will not be delayed or extended to the extent that float is available at the time the matter, circumstance or event arose or

- occurred; and any remaining float will, in the administration and interpretation of the *Contract*, be shared and applied equitably by and between the *Owner* and the *Contractor*.
- 6.5.7 The claim for reimbursement by the *Contractor* under paragraphs 6.5.1 and 6.5.2 of GC 6.5 [DELAYS] shall be determined on the basis of the cost of the *Contractor's* actual expenditures and savings attributable to the delay, valued in accordance with GC 6.2 [CHANGE ORDER]. No claim for profit or overhead shall be included other than as stipulated in GC 6.2 [CHANGE ORDER].
- 6.5.8 If the *Contractor* fails to perform the *Work* in accordance with the construction schedule as amended from time to time, the *Project Manager* may direct the *Contractor*, at the *Contractor's* own cost, to take whatever measures the *Project Manager* considers necessary, including but not limited to, overtime, weekend work, shift work and an expanded work force and additional equipment to ensure or endeavor to ensure the completion of the *Work* within the *Contract Time*.
- 6.5.9 The *Contractor* shall be responsible for the care, maintenance and protection of the *Work* in the event of any shut down or interruption in the performance of the *Work*.
- 6.5.10 Any disruptions or delays caused by one or more labour disputes, including jurisdictional disputes involving unionized and non-unionized workers, on or related to the *Place of the Work* shall be the responsibility of the *Contractor* and shall be deemed to be a cause within the *Contractor's* control. If the *Contractor* is delayed in the performance of the *Work* by any such labour disputes, then the *Contractor* shall not be entitled to an extension of the *Contract Time* and shall not be entitled to payment for costs or damages incurred by such delays.
- 6.5.11 If the *Contractor* is delayed in the performance of the *Work* by a labour dispute to which the *Owner* is a party, then the *Contractor* shall take all available and necessary action to minimize the delay, and, without limiting the generality of the foregoing, the *Contractor* shall attempt to obtain an Order to restrain or restrict picketing of the Site."

### SC29. CLAIMS FOR A CHANGE IN CONTRACT PRICE

SC29.1 Delete paragraph 6.6.4 of GC 6.6 [CLAIMS FOR A CHANGE IN CONTRACT PRICE] and replace with the following:

"6.6.4 The *Contractor* shall promptly submit a detailed breakdown of all labour, materials, overhead and profits of each performing contractor. Contemporaneous records are required. The *Owner* is not liable for costs not so substantiated. For any change or contemplated change, the *Contractor* shall, upon the request of the *Owner*, promptly submit a proposed claim for lump sum adjustment to the *Contract Price* for the scope of the change and a proposed overall change in *Contract Time*, if any."

### SC30. OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT

SC30.1 Insert "commits an act of bankruptcy," after the word "bankrupt" into the first line of paragraph 7.1.1 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT].

SC30.2 Delete "as provided in paragraphs 7.1.1 and 7.1.4" from the first line of paragraph 7.1.5 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT] and replace with "in whole or in part or terminates the *Contract*, as provided in paragraphs 7.1.1 and 7.1.4 or SC45 [LABOUR] or elsewhere in the *Contract*" and delete paragraph 7.1.5.1 and replace with:

- ".1 take possession of the *Work* and, subject to the rights of third parties, all *Products*; utilize the *Construction Equipment*; finish the *Work* by whatever method the *Owner* may consider expedient, but without undue delay or expense, and".

SC30.3 Add paragraphs 7.1.7 through 7.1.9 inclusive to GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT] as follows:

"7.1.7 For greater certainty, but without intending to limit the circumstances in which notice of default might be given, the *Owner* will be entitled to give the *Contractor Notice in Writing* that the *Contractor* is in default pursuant to paragraph 7.1.2 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT], and to instruct the *Contractor* to correct the default as set out therein, upon the happening of any of the following:

- .1 if the *Contractor* fails to make prompt payment to its *Subcontractors* and *Suppliers*;
- .2 if *Work* of the *Contractor* is rejected and the *Contractor* fails to promptly correct same;
- .3 if the *Contractor* has made an assignment of the *Contract* without the required consent of the *Owner*;
- .4 if the *Contractor* abandons the *Work*;
- .5 if the *Contractor* fails to provide bonds or contract security required;
- .6 if the *Contractor* fails to carry and maintain required insurance;
- .7 if the *Contractor* fails to discharge builders liens when required to do so;
- .8 if in the reasonable determination of the *Consultant* or the *Project Manager*, the *Contractor* does not have sufficient workforce, *Products* or *Construction Equipment* at the *Place of the Work* or otherwise is not meeting or will not meet the requirements of the construction schedule, including the requirement to meet important milestone dates from time to time designated by the *Owner* acting reasonably; and
- .9 if the *Contractor* fails to take steps satisfactory to the *Project Manager* to expedite the performance of the *Work* or fails to provide a *Recovery Schedule* acceptable in form and content to the *Project Manager*, or fails to provide documents requested by the *Project Manager* to confirm adherence to a *Recovery Schedule*.

"*Recovery Schedule*" refers to documentation and information produced, prepared and provided by the *Contractor* to the *Project Manager* to establish to the satisfaction of the *Project Manager* how the progress of the *Work* or any aspect of the *Work* will be expedited to ensure that the construction schedule, and specific milestone dates from time to time designated by the *Owner* acting reasonably, will be met. The *Recovery Schedule* will provide full and sufficient detail to enable the *Project Manager* to be satisfied as to the precise steps that the *Contractor* will take to expedite progress, including but not limited to detailing any proposed increase in manpower, any proposed overtime work, any proposed re-sequencing of *Work* and any proposed expediting of deliveries of *Product* or *Construction Equipment*.

7.1.8 The *Owner* may, without cause, by giving the *Contractor* prior *Notice in Writing* terminate the *Contract* or terminate the *Contractor's* right to continue with the *Work* or portions of the *Work*. The *Contractor* shall be entitled to be paid for all work performed to the date of termination, and, subject to mitigation by the *Contractor*, for loss sustained upon *Products* and construction machinery and equipment, demobilization, and such other unavoidable, mitigated and evidenced costs as the *Contractor* may have sustained as a result of the

termination of the *Contract*, but not for any other loss or damage as the *Contractor* may have sustained as a result of the termination. Paragraph 7.1.5.1 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT] shall apply, but paragraphs 7.1.5.2, 7.1.5.3 and 7.1.5.4 shall not apply.

- 7.1.9 The *Owner* may require that the *Contractor* suspend performance of the *Work* either for a specified period or an unspecified period by giving *Notice in Writing* of suspension to the *Contractor*. When such *Notice in Writing* is received by the *Contractor*, the *Contractor* will suspend all operations in respect of the *Work* or such part of the *Work* which may be identified as suspended. The *Owner* will compensate the *Contractor* for reasonable costs sustained by the *Contractor* as a result of the suspension, applying GC 6.5 [DELAYS]. The *Contractor* will make every effort to mitigate these costs and expenses to the *Owner*. If the period of suspension is 90 days or less, upon notification by the *Owner*, the *Contractor* will resume the performance of the *Work* as soon as practicable and within seven days in accordance with the terms of the *Contract*. If the period of suspension exceeds 90 days, no work will be resumed or be completed in accordance with the terms of the *Contract* prior to the parties having agreed upon the resumption and its terms and conditions. Failing agreement on the resumption and its terms and conditions, the notice of suspension will be deemed to be a notice of termination."

### SC31. CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT

SC31.1 Insert "commits an act of bankruptcy," after the word "bankrupt" into the first line of paragraph 7.2.1 of GC 7.2 [CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT].

SC31.2 Delete "20 Working Days" and replace with "90 days" in the first line of paragraph 7.2.2 of GC 7.2 [CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT].

SC31.3 Delete paragraph 7.2.3.1 of GC 7.2 [CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT].

SC31.4 Delete "5" and replace with "10" in the second line of paragraph 7.2.4 of GC 7.2 [CONTRACTOR'S RIGHT TO SUSPEND THE WORK OR TERMINATE THE CONTRACT].

SC31.5 Delete paragraph 7.2.5 of GC 7.2 and replace with:

"7.2.5 The *Contractor* shall be entitled to be paid for all work performed to the date of termination, and, subject to mitigation by the *Contractor*, for loss sustained upon *Products* and *Construction Equipment*, but not for such other damages as the *Contractor* may have sustained as a result of the termination of the *Contract*."

### SC32. TOXIC AND HAZARDOUS SUBSTANCES

SC32.1 Delete GC 9.2 [TOXIC AND HAZARDOUS SUBSTANCES] in its entirety.

### SC33. CONSTRUCTION SAFETY

SC33.1 In paragraph 9.4.1 of GC 9.4 [CONSTRUCTION SAFETY], delete "Subject to paragraph 3.2.2.2 of GC 3.2 [CONSTRUCTION BY OWNER OR OTHER CONTRACTORS],".

SC33.2 Add paragraphs 9.4.2 through 9.4.4 inclusive to GC 9.4 [CONSTRUCTION SAFETY] as follows:

"9.4.2 The *Contractor* shall be responsible for the safety of the workers, *Subcontractors* and *Suppliers*, and of all other persons who enter the *Place of the Work*, and their plant and equipment, whether during working hours or not, and for that purpose shall install such hoardings and signs subject to *Owner* specifications and incorporate such safety and

security measures as may be necessary to ensure the safety of such persons. The *Work* includes comprehensive site safety (including site safety for any and all changes by *Change Order* or *Change Directive*, and any requirement under *Supplemental Instruction*.

9.4.3 The *Contractor* shall, for the purpose of Section 118 of the *Workers Compensation Act*, R.S.B.C. 1996, c. 492, as amended from time to time, and regulations thereto (the "Workers Compensation Act"), be the "prime contractor" as defined in the Workers Compensation Act. Without limiting the foregoing:

- .1 the *Contractor* shall comply with and ensure compliance by all *Subcontractors* and *Suppliers* with all requirements of the Workers Compensation Act including (i) the Occupational Health and Safety Regulation of the Province of British Columbia, B.C. Regulation 296/97 (the "OHS Regulation") and any amendments or successors thereto; and (ii) all WHMIS Requirements (as defined in the OHS Regulation);
- .2 the *Contractor* will deliver the Notice of Project required under Section 20.2 of the OHS Regulation, in accordance with the requirements from time to time prescribed thereunder; and
- .3 the *Contractor* shall pay all assessments or compensation required to be paid under the applicable statutes and regulations.

9.4.4 The *Contractor* shall comply with and ensure compliance by all *Subcontractors* and *Suppliers* with all requirements for the transportation of hazardous substances or dangerous goods."

#### **SC34. TAXES AND DUTIES**

SC34.1 Add paragraph 10.1.3 to GC 10.1 [TAXES AND DUTIES] as follows:

"10.1.3 All applications for payment shall indicate the *Value Added Tax* registration number of the *Contractor*."

#### **SC35. LAWS, NOTICES, PERMITS, AND FEES**

SC35.1 Add paragraphs 10.2.8 and 10.2.9 to GC 10.2 [LAWS, NOTICES, PERMITS, AND FEES] as follows:

"10.2.8 The *Contractor* shall unless otherwise stipulated in the *Contract Documents* comply with the following instructions, acts, regulations and codes (as amended from time to time and including successors thereto in effect from time to time):

- .1 UBC Land Use Rules (which are policies, procedures and guidelines which establish requirements related to the management, government and control of UBC's real property, buildings and structures as determined by the Board of Governors, pursuant to UBC Policy No. 92) available at [www.planning.ubc.ca](http://www.planning.ubc.ca), including the UBC Development and Building Regulations, the UBC Development Handbook, and the UBC Procedures for Development Permits (and procedures and requirements for any other permits for which procedures or requirements as are from time to time prescribed by UBC). These UBC Land Use Rules require (except as otherwise stipulated) compliance with the British Columbia Building

Code (adopted by B.C. Reg. 216/2006 under the Local Government Act, R.S.B.C. 1996, c. 323) and the British Columbia Fire Code (referred to below);

- .2 the Safety Standards Act, SBC 2003, c. 39 and regulations;
- .3 the Health Act, R.S.B.C. 1996, c.179 and regulations (the University of British Columbia comes under the jurisdiction of the Vancouver Health Department);
- .4 the Fire Services Act, R.S.B.C. 1996, c. 144 and regulations, including the British Columbia Fire Code adopted by B.C. Reg. 175/2006;
- .5 the Greater Vancouver Regional District Sewer Use Bylaw #299, 2007; and
- .6 the Environmental Management Act, SBC 2003, c.53 and regulations, including Agricultural Waste Control Regulation, B.C. Reg. 131/92;

and if the requirements of one act, regulation or codes are more stringent than similar requirements under another act, regulation or code, then the more stringent requirements shall apply.

- 10.2.9 The *Contractor* shall comply with all requirements which may from time to time be prescribed by the *Owner* relative to traffic management. The *Owner* may require that the *Contractor* develop a construction Traffic Management Plan (TMP), and may require that the *Contractor* work with representatives of the *Owner* (which may include a traffic management consultant engaged or designated from time to time by the *Owner*) for this purpose. The *Contractor* shall be responsible for compliance with such requirements by everyone under the *Contract*, and shall implement such enforcement and other measures as the *Owner* may from time to time direct for traffic management in connection with the *Contract*."

### SC36. WORKERS' COMPENSATION

SC36.1 Add paragraph 10.4.3 to GC 10.4 [WORKERS' COMPENSATION] as follows:

"10.4.3 The *Contractor* shall indemnify and hold harmless the *Owner* from and against all claims, demands, actions, suits or proceedings by any of the employees of the *Contractor* or *Subcontractors* with respect to worker's compensation insurance. This indemnity shall survive the completion of the *Work* or the termination for any reason of the *Contract*."

### SC37. INSURANCE

SC37.1 Delete GC 11.1 [INSURANCE] in its entirety and replace with the following:

#### "GC 11.1 INSURANCE

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

#### A. GENERAL LIABILITY INSURANCE

- 1. The *Owner* shall provide, maintain and pay for Commercial General Liability Insurance with a limit of \$10,000,000.00, inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof.
- 2. The insurance shall cover the *Contractor*, *Owner* and architect, and shall also cover all *Subcontractors* and anyone employed directly or indirectly by the *Contractor* or *Subcontractors* 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* or the *Contract*.
3. The insurance shall also include the *Owner's* architectural and engineering consultants and their subconsultants.
  4. The insurance shall preclude subrogation claims by the insurer against anyone insured hereunder.
  5. The insurance shall include coverage for:
    - .01 Premises and Operations Liability;
    - .02 *Products* or Completed Operations Liability;
    - .03 Blanket Contractual Liability;
    - .04 Cross Liability;
    - .05 Elevator and Hoist Liability;
    - .06 Contingent Employer's Liability;
    - .07 Personal Injury Liability;
    - .08 Shoring, Blasting, Excavating, Underpinning, Demolition, Piledriving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable;
    - .09 Liability with respect to Non-Owned Licensed Vehicles;
    - .10 Broad Form Property Damage;
    - .11 Broad Form Completed Operations;
    - .12 Employees as additional Insureds; and
    - .13 Operation of Attached Machinery.
  6. Any deductible applicable shall not exceed \$10,000.00 except with respect to hot roofing activities which will carry a deductible of \$2,000,000.00. If the *Project* requires hot roofing work the *Contractor* will provide, maintain and pay for a Commercial *General Liability Policy* in the amount of \$2,000,000.00 and will require the roofing sub-contractor to maintain a similar insurance policy. The *Owner* shall be added as an additional Insured. Such insurance shall include, but not be limited to:
    - .01 *Products* and Completed Operations;
    - .02 *Owner's* and *Contractor's* Protective Liability;
    - .03 Blanket Written Contractual Liability;
    - .04 Contingent Employer's Liability;
    - .05 Personal Injury;
    - .06 Non-Owned Automobile Liability;
    - .07 Cross Liability;
    - .08 Employees as Additional Insureds; and
    - .09 Broad Form Property Damage.
  7. This insurance shall be maintained continuously from commencement of the *Work* until the final certificate for payment is issued, plus with respect

to completed operations, cover a further period of 24 months from the date of final certificate for payment.

**B. PROPERTY INSURANCE**

1. The *Owner* shall provide, maintain and pay for Course of Construction insurance, 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 or the USA, including coastal and inland waters thereof, while in transit or storage and during construction, erection, installation and testing until completed and handed over and accepted by the *Owner*. Such insurance shall not include coverage for *Contractor's* equipment of any description. There will be a deductible of \$5,000.00 for each and every occurrence except for the perils of flood which shall have a deductible of \$10,000.00 and earthquake which shall have a 5% (Subject to minimum \$100,000.00) deductible based upon completed values at time of loss.
2. The insurance shall include as a protected entity, each contractor, subcontractor, architect or engineer who is engaged in the *Project*.
3. The insurance will contain a waiver of the Protection Program's rights of subrogation against all protected entities except where a loss is deemed to have been caused by or resulting from any error or omission in design or any other professional error or omission.
4. The *Contractor* shall, at their own expense, take special precaution to prevent fires occurring in or about the *Work* and shall observe, and comply with, all laws and regulations in force respecting fires.
5. The *Owner* shall not be responsible for any 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.

**C. AUTOMOBILE LIABILITY INSURANCE**

The *Contractor* shall provide, maintain and pay for and require all *Subcontractors* to provide, maintain and pay for Automobile Liability Insurance in respect of all owned or leased vehicles, subject to limits of not less than \$2,000,000.00 inclusive per occurrence.

**D. AIRCRAFT AND/OR WATERCRAFT LIABILITY INSURANCE**

The *Contractor* 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 \$2,000,000.00 inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof an including Aircraft Passenger Hazard where applicable.

11.1.2 Unless specified otherwise, the duration of each insurance policy shall be from the date of commencement of the *Work* until the date of final certificate for payment.

11.1.3 The *Owner* shall, upon request, provide the *Contractor* with proof of insurance for those insurances required to be provided by the *Owner* prior to commencement of the *Work*.

- 11.1.4 The *Contractor* and/or the *Subcontractors*, as may be applicable, shall be responsible for any deductible amounts under the policies of insurance except for perils of flood and earthquake.
- 11.1.5 The *Contractor* shall provide, maintain and pay for any additional insurance which he is required to provide by law or which he considers necessary to cover risks not otherwise covered by coverage/insurance specified in this section.
- 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.
- 11.1.7 Unless specified otherwise, the duration of each coverage and insurance policy shall be from the date of commencement of the *Work* until the date of the final certificate for payment."

### SC38. CONTRACT SECURITY

SC38.1 Delete paragraphs 11.2.1 and 11.2.2 of GC 11.2 [CONTRACT SECURITY] and replace with the following:

"11.2.1 At the time the *Contract* is signed, the *Contractor* shall provide to the *Owner* the *Contractor's* surety bond(s) and certified copies of the *Subcontractors'* surety bonds, as required in the *Instructions to Tenderers*.

11.2.2 The surety bond(s) shall be:

- .1 in a form and amount approved by the *Owner*,
- .2 issued by a surety company approved by the *Owner* and licensed to conduct business in British Columbia, and
- .3 maintained in good standing:
  - (1) for performance bonds, until the *Contractor* has promptly and faithfully performed the *Contract*, and
  - (2) for labour and material payment bonds, until the *Contractor* has paid for all labour and materials used or reasonably required for use in the performance of the *Work*."

### SC39. INDEMNIFICATION

SC39.1 Delete paragraph 12.1.1 of GC 12.1 [INDEMNIFICATION] and replace with:

"12.1.1 The *Contractor* shall defend, indemnify and hold harmless the *Owner*, including each of the persons described paragraph 1.5.3 under GC 1.5 [MISCELLANEOUS] (see SC5.1), from and against claims, demands, losses, costs, damages, actions, suits or proceedings by persons other than the *Owner* or the *Consultant* that arise out of, or are attributable to, the *Contractor's* performance of the *Contract* provided the claims are:

- .1 attributable to bodily injury, sickness, disease or death or to injury or destruction of tangible property, and
- .2 caused by negligent acts or omissions of the *Contractor* or anyone for whose acts the *Contractor* may be liable, and
- .3 made in writing within a period of 6 years from the date of *Substantial Performance of the Work* as set out in the certificate of *Substantial Performance of the Work*, or

within such shorter time period as may be prescribed by any limitation statute of the province of the *Place of the Work*."

SC39.2 Delete paragraph 12.1.2 of GC 12.1 [INDEMNIFICATION].

SC39.3 Delete paragraph 12.1.4 of GC 12.1 [INDEMNIFICATION].

#### **SC40. WAIVER OF CLAIMS**

SC40.1 In paragraph 12.2.1 of GC 12.2 [WAIVER OF CLAIMS], delete "Subject to ... the *Owner* from" and replace with "The *Contractor's* request or application for the certificate of *Substantial Performance of the Work* shall constitute a waiver and release by the *Contractor* of any and". In paragraph 12.2.1.1 delete "no later than the sixth calendar day ... at the *Place of the Work*" and replace with "together with or prior to the *Contractor's* request or application for the certificate of *Substantial Performance of the Work*".

SC40.2 In paragraph 12.2.3 of GC 12.2 [WAIVER OF CLAIMS], delete "Subject to ... the *Contractor* from" and replace with "The issuance of the certificate of *Substantial Performance of the Work* shall constitute a waiver and release by the *Owner* of any and". In paragraph 12.2.3.1, delete "no later than the sixth calendar day ... at the *Place of the Work*" and replace with "together with or prior to the issuance of the certificate of *Substantial Performance of the Work*".

SC40.3 In paragraph 12.2.3.4 of GC 12.2 [WAIVER OF CLAIMS], add at the end "or for which the aggregate cost of repair or remedying the defects or deficiencies would be greater than \$500,000.00 or would be greater than 10% of the original *Contract Price*".

SC40.4 In paragraph 12.2.4 of GC 12.2 [WAIVER OF CLAIMS], delete "should any limitation statute of ... Civil Code of Quebec" and replace with "or, as to any defect or deficiency or other claim of which the *Owner* is not aware at the end of the said period of six years, a period of one year after the *Owner* has become aware".

SC40.5 In paragraph 12.2.8 of GC 12.2 [WAIVER OF CLAIMS], insert, immediately before the words "further interim" and again immediately before the words "submit a final account", the following: ", upon request,".

SC40.6 Delete paragraph 12.2.9 of GC 12.2 [WAIVER OF CLAIMS] and replace with the following:

"12.2.9 or greater certainty, in paragraphs 12.2.1, 12.2.2, 12.2.3 and 12.2.5 of GC 12.2 [WAIVER OF CLAIMS], "claims" include claims based on changes and delay - e.g. under Part 6 [CHANGES IN THE WORK]."

SC40.7 Delete paragraph 12.2.10 of GC 12.2 [WAIVER OF CLAIMS].

#### **SC41. WARRANTY**

SC41.1 In paragraph 12.3.3 of GC 12.3 [WARRANTY] delete ", through the *Consultant*,". Also delete "one year warranty period" and replace with "applicable warranty period, as set out in the *Contract*".

SC41.2 Delete in paragraph 12.3.4 of GC 12.3 [WARRANTY] "one year warranty period." and replace with "applicable warranty period, as set out in the *Contract*. The *Contractor* shall immediately take the necessary steps and measures to protect against further damage. Defects or deficiencies for the purposes of the warranties in this GC 12.3 [WARRANTY] or elsewhere in the *Contract* shall include shrinkage, expansion, and movement in respect of the *Work*. The *Contractor* shall also be responsible for and bear all costs involved in removing, replacing, repairing or restoring elements of the *Work* that may be affected in the process of making the correction of defects or deficiencies, or to gain access. The *Contractor* shall reimburse the *Owner* for any related investigation costs required to identify defects or deficiencies or to delineate the affected areas and to re-test to confirm the acceptability of the repairs."

SC41.3 In paragraph 12.3.6 of GC 12.3 [WARRANTY], delete "one year warranty period as described in paragraph 12.3.1" and replace with "applicable warranty period, as set out in this GC 12.3 [WARRANTY]". Add at the end of paragraph 12.3.6 of GC 12.3 [WARRANTY] the following: "The *Contractor* shall deliver the originals plus two copies of such warranties to the *Consultant* within 60 days after *Substantial Performance of the Work*."

SC41.4 Add paragraphs 12.3.7 through 12.3.9 inclusive to GC 12.3 [WARRANTY] as follows:

"12.3.7 If the *Contractor* fails to perform warranty work, the *Owner* may have the warranty work completed and may deduct and set off against amounts (including any warranty holdback) owed or payable to the *Contractor* all related costs, damages and expenses.

12.3.8 If any particular defect, deficiency or warranty item requires only minor adjustments or repairs, then the original warranty period shall be temporarily suspended but shall resume to run from the date the adjustment or repair has been successfully completed. If the defect, deficiency or warranty item requires modification or replacement in whole or in part, then the warranty period for the portion of the *Work* or *Products* modified or replaced shall be deemed to commence anew from the date the modification or replacement work has been successfully completed.

12.3.9 The warranties set out in this GC 12.3 [WARRANTY] or elsewhere in the *Contract* do not restrict the liability of the *Contractor* that would otherwise apply."

#### **SC42. DEFICIENCIES AND UNCOMPLETED WORK**

SC42.1 Add GC 13 [DEFICIENCIES AND UNCOMPLETED WORK] as follows:

##### **"GC 13 DEFICIENCIES AND UNCOMPLETED WORK**

13.1 For all purposes of the *Contract*, the *Work* and any portion of the *Work* will not be considered to have been completed, and deficiencies and defects will not be considered to be corrected, until the following have occurred:

.1 the *Contractor* has reported in writing (by way of an application for payment, or otherwise):

(1) that the *Work* or the said portion thereof has been completed and the deficiencies and defects have been corrected, as the case may be; and

(2) if required by the *Owner*, that applicable inspections, approvals, letters of assurance, manufacturer's certifications and warranties, permits, testing and commissioning have been obtained and carried out, relative thereto, and the *Contractor* has provided to the *Owner* such evidence thereof as reasonably required by the *Owner*;

.2 the requirements of the Contract Documents have been complied with, relative thereto;

.3 the *Consultant* has certified and reported to the *Owner* that such *Work* has been completed or deficiencies and defects corrected, as the case may be, and the *Consultant* has been afforded a reasonable opportunity, after the matters under this GC 13 [Deficiencies and Uncompleted Work] have been satisfied, to do so; and

.4 for determination of Substantial Performance of the *Work*, the *Consultant* has certified and reported to the *Owner* that the value, as reasonably determined by the *Consultant*, of (in the aggregate) uncompleted *Work* and *Work* to be corrected (including all deficiencies and defects is not more than the threshold set out in Section 2 of the Builders Lien Act, and the *Consultant* has been afforded a

reasonable opportunity, after the matters under this GC 13 [Deficiencies and Uncompleted Work] have been satisfied, to do so.

13.2 *At all times the Owner may withhold from payment otherwise due to the Contractor:*

- .1 twice the value, as reasonably determined by the Owner, of all deficiencies and defects (which includes rejected materials or deficient or defective Work); and (without duplication);
- .2 the value of uncompleted Work, according to the greater of: (1) the Schedule of Values; and (2) the Owner's reasonable estimate, from time to time as the Work progresses, of the cost to complete any uncompleted Work; and
- .3 an amount to be reasonably determined by the Owner as security for timely delivery of any outstanding items described in paragraph 5.4.5 of GC 5.4 [SUBSTANTIAL PERFORMANCE OF THE WORK] (see SC22.4).

For this purpose, the identification or characterization of deficiencies and defects (to which paragraph 13.2.1 of GC 13 [DEFICIENCIES AND UNCOMPLETED WORK] applies), as opposed to uncompleted *Work* (to which paragraph 13.2.2 of GC 13 [DEFICIENCIES AND UNCOMPLETED WORK] applies) shall be determined from time to time by the *Owner* acting reasonably.

- 13.3 To ensure that sufficient monies are available to the Owner if required for the purpose of deficiencies and defects and uncompleted Work on the anticipated list of deficiencies / uncompleted Work and other holdbacks stipulated under the Contract, as the Contractor approaches Substantial Performance of the Work the Owner may holdback such amounts as the Owner reasonably considers would be prudent therefor."

#### **SC43. THE BUILDERS LIEN ACT**

SC43.1 Add GC 14 [THE BUILDERS LIEN ACT] as follows:

##### **"GC 14 THE BUILDERS LIEN ACT**

- 14.1 The *Consultant* shall be the "payment certifier" for the purposes of the *Builders Lien Act* in respect of amounts due to the *Contractor* under the *Contract*. The *Contractor* acting alone shall be the "payment certifier" for the purposes of the *Builders Lien Act* in respect of amounts due to any "subcontractor" as defined under the *Builders Lien Act*. Certification by the *Contractor* in respect of amounts due to any "subcontractor" as defined under the *Builders Lien Act* or in respect of completion of a subcontract, and release of holdback monies by the *Owner* in respect of amounts due to any such "subcontractor" in connection with such certification by the *Contractor*, shall not be taken as acceptance or approval by the *Owner* of any of the *Work* of such "subcontractor".
- 14.2 The *Owner* shall hold back, as *Builders Lien Holdback*, 10% (or such other percentage as may from time to time be prescribed under the *Builders Lien Act*) of any amounts due to the *Contractor*.
- 14.3 The *Contractor* shall keep the property and the *Work* free and clear of all claims for liens relating to the performance of the *Work*. The *Contractor* shall be liable to the *Owner* for any expense (including legal costs on a solicitor and own client basis) incurred by the *Owner* as a result of the *Contractor's* failure to do so. The *Contractor* shall promptly at its expense discharge or cause to be released any such claim of lien.

- 14.4 The *Owner* may from time to time apply to the court under section 7(5) of the *Builders Lien Act* in the name of the *Contractor* (and for this purpose the *Contractor* hereby irrevocably authorizes that the *Owner* to do so) for an order declaring whether the *Contract* or any subcontract has been completed. The *Contractor* agrees to execute such further and other documents and assurances to give effect to the foregoing.
- 14.5 The *Owner* may from time to time make application to court for directions and a determination as to the dealing with and disposition of the *Builders Lien Holdback*, and the *Contractor* shall be bound by any action taken by the *Owner* in accordance with any order or direction given by the court. The *Owner* may at any time pay monies into court pursuant to section 23 of the *Builders Lien Act*, or pursuant to any order or direction of the court, and any such payment shall be credited against amounts due to the *Contractor* under the *Contract*.
- 14.6 The *Owner* may, in addition to other holdbacks as provided by the *Contract Documents*, hold back an amount equal to the amount any lien which has been filed (at the land title office, or by a statement of claim) with respect to the *Work*, plus a reasonable amount (for this purpose at least 15% will be permitted) as security for costs.
- 14.7 The *Owner* shall not at any time be required to pay the *Builders Lien Holdback* or any other holdback monies into any separate holdback account. Pursuant to BC Regulation 265/98, section 5 of the *Builders Lien Act* does not apply to *Owner* or the *Contract*."

#### SC44. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

SC44.1 Add GC 15 [FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY] as follows:

##### "GC 15 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- 15.1 The *Owner* is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996 c.165 ("FIPPA"). Disclosure or release of information may be required under this legislation.
- 15.2 The *Owner* may choose, in the interest of public accountability, to make public or disclose the *Contract* and associated records and information, in whole or in part. The *Contractor* agrees that the *Owner* shall be entitled to do so and consents thereto (except only for any specific information isolated and identified by the *Contractor* as confidential, and for which, if required by the *Owner*, the *Contractor* establishes that disclosure is excluded under FIPPA).
- 15.3 If the *Contractor* falls within the meaning of "service provider" as that term is defined under FIPPA, then the *Contractor* shall comply with applicable requirements of FIPPA relative to personal information."

#### SC45. LABOUR

SC45.1 Add GC 16 [LABOUR] as follows:

##### "GC 16 LABOUR

- 16.1 The *Project* is an "open site" project. From time to time, there may be present on the site both unionized and non-unionized workers, including the employees of the *Owner*. The *Contractor* acknowledges and agrees, and will ensure that each *Subcontractor* and *Supplier* acknowledges and agrees, that:
- .1 Any non-affiliation clause contained in any collective agreement that the *Contractor* or any *Subcontractor* or *Supplier* may have with their respective unions has been waived by that union, and therefore will not preclude them from working on the job

- site alongside non-union workers or workers of other unions nor interfering in any way with non-union workers or workers of other unions;
- .2 Neither the Contractor nor any Subcontractor or Supplier will permit any union organizing activity on site by any of their respective employees or by representatives of their respective unions;
  - .3 The Contractor shall ensure that the trade union representatives of the employees of the Contractor and of all Subcontractors and Suppliers abide by the site rules established by the Project Manager regarding site visits by trade union representatives;
  - .4 If the Contractor or any Subcontractor or Supplier is signatory or affiliated to a union or unions, the Contractor shall secure and ensure that each such Subcontractor and Supplier shall secure a "project specific no strike agreement" between them for the full duration of the Project; and
  - .5 Notwithstanding any other provisions contained in the Contract Documents to the contrary, if any of the foregoing provisions are contravened, the Owner may terminate the Contractor's right to continue with the Work in whole or in part or terminate the Contract upon giving five Working Days Notice in Writing to the Contractor and the provisions of paragraphs 7.1.5 and 7.1.6 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT] shall apply.
- 16.2 The Owner reserves the right to award separate contracts in connection with other parts of the Project to other contractors and to perform work with the Owner's own forces which other contractor or own forces or both are or may become unionized or non-unionized.
- 16.3 Any disruptions or delays caused by industrial relations disputes including jurisdictional disputes involving union, non-union workers or both on or related to the Place of the Work shall be the responsibility of the Contractor, and any costs arising out of any such disputes shall be deemed to be included in the Contract Price.
- 16.4 If the Contractor or any Subcontractor or Supplier is involved in a labour dispute including without limitation, strike, lockout, work stoppage, whether legal or illegal, which in any way materially detrimentally affects the Project, the Contractor agrees to defend, indemnify and save harmless the Owner, the Consultant and the Project Manager from and against claims, demands, losses, costs, damages, actions, suits or proceedings whatsoever that arise out of or in connection with such labour dispute, and, notwithstanding any other provisions contained in the Contract Documents to the contrary, in such event the Contractor agrees that the Owner may terminate the Contractor's right to continue with the Work in whole or in part or terminate the Contract upon five Working Days Notice in Writing to the Contractor and the provisions of paragraphs 7.1.5 and 7.1.6 of GC 7.1 [OWNER'S RIGHT TO PERFORM THE WORK, TERMINATE THE CONTRACTOR'S RIGHT TO CONTINUE WITH THE WORK OR TERMINATE THE CONTRACT] shall apply."

.....  
*End of Supplementary Condition*  
.....

## **Schedule C – Not Used**

**SCHEDULE D – Not Used**

**SCHEDULE E –Not Used**

**SCHEDULE F – UBC Division 1 – Technical Guidelines – Construction Manager - Museum of Anthropology (MoA) Great Hall seismic Renewal Project, which can be found [here](#)**

## **Resolution Number 1**

of the Signing Committee of the Board of Governors of the University of British Columbia

### **GENERAL COMMITMENTS AND AGREEMENTS**

RESOLVED THAT:

1. Commitments and agreements, including, without limiting the generality of the foregoing, relating to the general operation, development and expansion of the University or for the provision and acquisition of goods and services, leasing or licensing, or the agreements referred to in sections 27 (2)(s) and 27 (2)(u) of the *University Act* (British Columbia), are duly authorized and executed by the University when signed by **any one** of the following persons:

Chair of the Board of Governors;  
Chancellor;  
President;  
Provost and Vice-President, Academic, UBC Vancouver;  
Provost and Vice-President, Academic, UBC Okanagan;  
Vice-President, External Relations  
Vice-President, Students;  
Deputy Vice-Chancellor, UBC Okanagan;  
University Counsel; or  
Associate University Counsel,

together with **any one** of the following persons:

Vice-President, Finance and Operations;  
Treasurer; or  
Comptroller.

2. Commitments and agreements where the liability to the University will not exceed \$250,000 are duly authorized and executed by the University when executed by **any two** of the following persons:

Provost and Vice-President, Academic, UBC Vancouver;  
Provost and Vice-President, Academic, UBC Okanagan;  
Vice-President, Finance and Operations;  
Vice-President, External Relations  
Vice-President, Research and Innovation;  
Vice-President, Students;  
Vice-President, Development and Alumni Engagement;  
Deputy Vice-Chancellor, UBC Okanagan;  
University Counsel;  
Associate University Counsel;  
Comptroller;  
Treasurer; or  
Managing Assistant Treasurer.

3. Notwithstanding the foregoing, the authorizations set out in paragraphs 1 and 2 above will not extend to:
  - (a) a commitment or agreement wherein the liability of the University is uncertain or is, in aggregate, in excess of CDN \$10,000,000;
  - (b) a commitment or agreement that is precedent-setting or involves sensitive issues;
  - (c) an agreement whereby the University is disposing of an interest in land for a term of ten years or more; and
  - (d) any commitment or agreement that a member of the Board of Governors requests be brought before the Board of Governors for approval.
4. For greater certainty, a person who is holding one of the above-noted positions on an acting or pro tem basis has the full signing authority granted to such position, unless otherwise indicated, in writing.
5. Notwithstanding the foregoing, if any commitment or agreement contains an indemnity given by the University in favour of another party(ies), each University signatory to that agreement must ensure that the indemnity has been approved in accordance with the University's current indemnity approval process prior to signing the agreement. For information about the indemnity approval process, contact the Office of the University Counsel.
6. Notwithstanding the foregoing, if any commitment or agreement requires the prior consent of one or more government ministers under the *University Act*, each University signatory to that commitment or agreement must ensure that such approval has been obtained prior to signing the commitment or agreement. The signatories, or the signatories' designate, shall report the ministerial approval and the execution of the commitment or agreement to the UBC Board of Governors at their next regularly scheduled board meeting.
7. A copy of all commitments and agreements executed under this resolution shall be provided to and maintained by the University Treasury.

Signed at Vancouver this 8<sup>th</sup> day of August, 2019.

  
Chair of the Board

  
President

 <b>The University of British Columbia Board of Governors</b>	<b>Policy No.:</b>  <b>FM11</b>
<b>Long Title:</b>  Capital Projects, Capital Purchases & Internal Loans	
<b>Short Title:</b>  <b>Capital Projects Policy</b>	

**Background & Purposes:**

Pursuant to the *University Act*, the Board of Governors must act in the best interests of UBC, and must ensure the proper management, administration and control of UBC's property, revenue, business and affairs.

UBC receives funds from many sources, including governments, public agencies, contracting parties, and donors, to carry out its research and teaching mission.

The Board of Governors has identified certain types of capital expenditures as being associated with higher risk and requiring greater oversight as part of UBC's risk management strategy.

The purposes of this Policy are to:

- ensure there is appropriate oversight of capital expenditures and internal loans commensurate with the value and risk associated with those activities; and
- establish a framework for requests, approvals, monitoring and reporting.

The approval requirements of this Policy are in addition to other Board of Governors Policies and Procedures, and the signing resolutions adopted by the Signing Committee of the Board of Governors, which govern signing agreements and commitments on behalf of UBC.

This Policy should be read in conjunction with:

- Land Use Policy;
- Purchasing Policy;
- Retained Risk Policy; and
- UBC's Signing Resolutions.

## 1. Scope

- 1.1 This Policy applies to Capital Projects and Capital Purchases, and establishes different approval requirements based on their respective Aggregate Estimated Value. This Policy also applies to Internal Loans, and establishes different approval requirements based on loan value.
- 1.2 This Policy applies to Capital Projects and Capital Purchases regardless of the source of the funding or financing. For greater certainty, this Policy applies where a Capital Purchase or Capital Project is fully or partially funded by grants and agreements of any kind (including, but not limited to, research grants and agreements), and donations.

## 2. Definitions

2.1 In this Policy:

2.1.1 **“Aggregate Estimated Value”** means the aggregate estimated value of a Capital Project or Capital Purchase, which includes all costs and expenditures that may be reasonably expected as part of the project or purchase, as further described in the Procedures to the Policy.

2.1.2 **“Board”** means the UBC Board of Governors.

2.1.3 **“Capital Projects”** means, collectively, Construction Projects and IT Projects.

2.1.4 **“Capital Purchases”** means the purchase of physical and intangible assets (whether by way of ownership or leasehold interest, or license) that are used for productive purposes, that have a useful life of over one year, and that do not take place as part of a Construction Project or IT Project, including the purchase of:

- (a) real property;
- (b) equipment or software, or both, acquired or licensed for research purposes;
- (c) mechanical and electronic equipment and related software;
- (d) tools, vehicles, furniture and fixtures;
- (e) any form of content for the UBC Library’s collections;
- (f) works of art or other items for public display, education or research for UBC’s museums, art galleries or outdoor art collections; and
- (g) any other purchases of a similar capital nature, as determined by the Responsible Executive.

2.1.5 **“Construction Projects”** means the construction, renewal, renovation, restoration, and replacement of buildings, structures, improvements, and other physical infrastructure, and any parts thereof.

- 2.1.6 “**Executive**” means the **President’s** Executive Committee.
- 2.1.7 “**Internal Loans**” means loans made by the UBC Treasury to UBC’s own academic, administrative and ancillary units in return for a commitment to repay the loan, with interest.
- 2.1.8 “**IT Projects**” means projects that involve the acquisition or development of software (including purchases, licenses, and subscriptions (e.g. software as a service)) or the acquisition of information technology hardware, or both, including upgrades from one major version to another, and a range of associated activities and services (including planning, scoping, requirements-gathering, installation, development, integration, configuration, and implementation).

### 3. Approvals, Generally

- 3.1 Regardless of the Aggregate Estimated Value of a particular Capital Project, Capital Purchase or Internal Loan, if:
  - 3.1.1 the Responsible Executive determines that the matter is precedent-setting or sensitive; or
  - 3.1.2 a member of the Board requests that the matter be brought before the Board for approval,that Capital Project, Capital Purchase or Internal Loan (as the case may be) must be brought to the Board for approval, through the relevant Board approval process identified in this Policy and its Procedures.
- 3.2 The approvals required by this Policy are in addition to the requirements otherwise established by the Board, including, without limitation:
  - 3.2.1 all procurements related to the Capital Projects and Capital Purchases must be made in compliance with Purchasing Policy;
  - 3.2.2 all legally binding commitments and agreements required to carry out every Capital Project and Capital Purchase must be signed in accordance with the Signing Resolutions adopted by the Board’s Signing Committee, or as otherwise indicated by the Board;
  - 3.2.3 all Construction Projects must comply with the Retained Risk Policy (as applicable) and the Land Use Policy, including all applicable Land Use Rules adopted thereunder, and the applicable Governance Requirements (as defined in Land Use Policy); and
  - 3.2.4 Construction Projects on UBC’s Vancouver Campus must not be inconsistent with UBC’s Land Use Plan; and Construction Projects on UBC’s Okanagan Campus must be in accordance with the applicable land use bylaws and resolutions of the City of Kelowna.

#### **4. Approvals for Capital Purchases**

- 4.1 Every faculty, unit, department or individual that is responsible for a Capital Purchase must ensure that the purchase is made in good faith to advance UBC's mission and mandate, is within the relevant budget or is otherwise fully funded, and that the purchase is conducted in compliance with all policies, rules and regulations relevant to that faculty, unit, department or individual, including the administrative directives issued by the Responsible Executive, or delegate in accordance with the Procedures to this Policy.
- 4.2 However, the execution of legally binding agreements or commitments to complete a Capital Purchase must be made either:
  - 4.2.1 in accordance with the Signing Resolutions approved by the Signing Committee of the Board; or otherwise,
  - 4.2.2 with the approval of the Board.

#### **5. Approvals for Capital Projects (Construction Projects and IT Projects)**

- 5.1 Capital Projects with an Aggregate Estimated Value of over \$5 million require the approval of the Board.
- 5.2 Capital Projects with an Aggregate Estimated Value of \$5 million or less require the approval of the Executive, or their delegate.

#### **6. Consultants for Construction Projects**

- 6.1 The procurement process for all Construction Projects must ensure that the process for selecting prime consultants (architects, engineers etc.) ensures the public's confidence in the integrity of the selection process, including without limitation: the principles contained in Purchasing Policy, and ensuring that equal opportunities for consideration are provided to all interested and eligible firms. The Executive may issue administrative directives regarding selecting prime consultants, and upon publication, all Construction Projects where prime consultants are engaged, must comply with those directives.
- 6.2 It is expected that Construction Projects conducted on UBC premises (owned, leased or otherwise occupied or controlled) will be managed by a UBC department or related-entity with the mandate of providing professional project management and coordination services to UBC. In exceptional circumstances, the Responsible Executive or his/her delegate may approve the delivery of such services by other entities (e.g. the owner of a premises leased by UBC).

#### **7. Budget Increases For Capital Projects**

- 7.1 In this Section 7, the "**Incremental Limit**" is a proposed increase that is both:
  - 15% or less of the originally approved Aggregate Estimated Value; and
  - under \$2.5 million.

7.2 Where there is a proposal to increase the Aggregate Estimated Value of a Capital Project, the following sections apply:

7.2.1 If the new, increased Aggregate Estimated Value remains within the monetary threshold of the original approval authority, approval for the increase must be sought from that same authority or, if the increase is within the Incremental Limit, the Responsible Executive or their delegate, provided that the Responsible Executive must report the approval to the original approval authority at the next reasonable opportunity.

7.2.2 If the new, increased, Aggregate Estimated Value exceeds the original approval authority's monetary threshold:

(a) if the proposed budget increase is within the Incremental Limit, approval for the increase must be sought from the original approval authority, or the Responsible Executive or their delegate, provided that the Responsible Executive must report the approval to the original approval authority at the next reasonable opportunity; and

(b) in all other cases, approval for the increase must be sought from the next higher approval authority.

## **8. Internal Loans**

8.1 Internal Loans with a value of over \$5 million require the approval of the Board.

8.2 Internal Loans with a value of \$5 million or less require the approval of the Executive, or their delegate.

8.3 The Responsible Executive shall establish administrative directives that set out the principles, criteria and approval processes for any UBC faculty or unit to obtain an Internal Loan, and the terms upon which Internal Loans will be granted.

8.4 All applications for Internal Loans must be developed and brought forward for approval in accordance with those administrative directives, and all Internal Loans must be granted on terms consistent with those administrative directives.

## **9. Planning and Reporting**

9.1 The Executive shall establish the terms of reference for an advisory group named the Capital Planning Working Group, consisting of members from the UBC Vancouver and UBC Okanagan campuses, to:

9.1.1 evaluate and prioritize planned and foreseeable Capital Projects (that are determined to be "major" in the terms of reference);

9.1.2 propose a major capital priorities plan; and

- 9.1.3 propose the Provincially required five-year capital plan.
- 9.2 At least annually and at such other times as requested by the Board, the Responsible Executive will deliver a report to the Board:
  - 9.2.1 on current Capital Projects and Internal Loans and those expected in the next fiscal year;  
and
  - 9.2.2 the number and value of Capital Projects approved under this Policy in the preceding year, highlighting projects with high profile and significant impact on UBC.

## **10. Recording**

- 10.1 All Capital Projects and Capital Purchases that meet the criteria established by the Responsible Executive must be recorded on the UBC Capital Asset Register established and administered by the Responsible Executive.
- 10.2 All Internal Loans must be recorded on the UBC Internal Loan Register established and administered by the Responsible Executive.



## PROCEDURES ASSOCIATED WITH THE CAPITAL PROJECTS POLICY

*Pursuant to the Regulatory Framework Policy, the President may approve Procedures or the amendment or repeal of Procedures. Such approvals must be reported at the next meeting of the UBC Board of Governors or as soon thereafter as practicable.*

*Capitalized terms used in these Procedures that are not otherwise defined herein shall have the meanings given to such terms in the accompanying Policy, being the Capital Projects Policy.*

### 1. General

- 1.1 Approval by the Board means a formal approval in accordance with the Board's bylaws, rules and regulations. Matters brought before the Board for information only are not thereby deemed approved.
- 1.2 Approval by the Executive means approval by the executive committee established by the President, in accordance with that committee's rules and regulations. Matters brought before the Executive for information only are not thereby deemed approved.
- 1.3 If there is any doubt about whether a particular purchase, acquisition, or project is a Construction Project, an IT Project, a Capital Purchase or an Internal Loan, then subject to any direction by the Responsible Executive, the following individuals may make the determination:

Construction Project	Managing Director, Infrastructure Development
IT Project	Chief Information Officer
Capital Purchase	Executive Director, Financial Operations
Internal Loan	Treasurer

- 1.4 Every delegation made under this Policy or these Procedures must be made in writing.

### 2. Requirements regarding the Aggregate Estimated Value

- 2.1 Where a Capital Project or Capital Purchase will or may reasonably be expected to require additional expenditures, whether because such expenditures will become necessary or advisable as a direct or indirect result of the project or purchase, or are otherwise part of an overarching project or strategy that is broader than the current project or purchase, the following sections apply:
  - 2.1.1. the aggregate estimated value of these additional expenditures must be disclosed at the time of the request for the approval of the Capital Project or Capital Purchase (as the case may be); and

2.1.2. unless otherwise instructed by the Responsible Executive, if:

(a) these additional expenditures will be sought within the next two fiscal years; or

(b) these additional expenditures are material, as determined by the Responsible Executive,

the cost of these additional expenditures must be added to the Aggregate Estimated Value of the Capital Project or Capital Purchase.

2.2 The Aggregate Estimated Value of all Construction Projects must include the total estimated cost of the following, as applicable: construction, fixturing (furniture, fixtures and equipment), fitting out and commissioning, associated landscaping, soft costs (including architectural, engineering, project management, legal costs (internal and external), and other pre- and post-construction expenses), construction period financing costs, permit and development fees and charges (whether imposed by UBC or a municipal authority), contingencies, retained risk (if applicable, see Retained Risk Policy), taxes and such other costs as determined by the Responsible Executive.

2.3 The Aggregate Estimated Value of all IT Projects must include:

2.3.1 the estimated costs related to the acquisition or development of the asset(s) (e.g. software) including purchase, licensing or subscription (as the case may be) during the planning, scoping, configuration, customization, development, installation, implementation and integration phase of the IT Project (as the case may be), related vendor and third-party services (including project/program management, configuration, customization, implementation and integration services), contingencies, and taxes;

2.3.2 in a software as a service (or similar) acquisition, the estimated licensing/subscription fees, maintenance (if applicable) and support service fees, etc., for the anticipated initial term of the contract(s) with the service provider(s); and

2.3.3 such other costs (including applicable internal costs) as determined by the Responsible Executive.

2.4 The Responsible Executive may issue directives providing details, interpretations, and guidance regarding determining the Aggregate Estimated Value of Capital Projects.

### **3. Approvals for Capital Purchases**

3.1 The Responsible Executive, or delegate, shall establish, maintain and publish administrative directives to manage the process for applying for the processing of all Capital Purchases, which shall at minimum include confirmation of the source and availability of funds for the purchase, and the required approvals from the unit originating the purchase.

3.2 Where the proposed Capital Purchase may be approved under a Signing Resolution authorized by the Signing Committee of the Board (i.e., the purchase is under \$10 million and is not

precedent setting and does not involve sensitive issues) the faculty, department or unit proposing the purchase must ensure that the legally binding agreement or commitment to complete a Capital Purchase is entered into in accordance with the Signing Resolutions issued by the Signing Committee of the Board.

- 3.3 Where a proposed Capital Purchase may not be approved under a Signing Resolution authorized by the Signing Committee of the Board (i.e. the purchase exceeds \$10 million, or is precedent setting or involves sensitive issues), the faculty, unit or department proposing the purchase must:
  - 3.3.1 proceed in accordance with the administrative directives issued by the Responsible Executive, or delegate; and
  - 3.3.2 seek Board approval through the relevant Dean, if the purchase relates to a faculty, the University Librarian, if the purchase relates to the UBC Library, or otherwise the Vice-President to whom the unit or department reports.
- 3.4 At least annually, the Responsible Executive shall present to the Board a report of the UBC's aggregate spending on all Capital Purchases.

**4. Approvals for IT Projects**

- 4.1 References to the “**Provost/DVC**” in this Section 4 mean:
  - 4.1.1 for IT Projects with a material impact upon both the UBC Vancouver and Okanagan campuses and off-campus sites and facilities under joint purview, both the Provost and Vice-President, Academic (UBC Vancouver), and the Deputy Vice-Chancellor and Principal (UBC Okanagan);
  - 4.1.2 for IT Projects with a material impact upon only the UBC Vancouver campus and off-campus sites and facilities under its purview, the Provost and Vice-President, Academic (UBC Vancouver); and
  - 4.1.3 for IT Projects with a material impact upon only the UBC Okanagan campus and off-campus sites and facilities under its purview, the Deputy Vice-Chancellor and Principal (UBC Okanagan).
- 4.2 For convenient reference, as further described in this Section 4, all IT Projects require the following approvals:

<b>Aggregate Estimated Value of the IT Project</b>	<b>Approval Authority</b>
under \$2,500,000	Provost/DVC and Chief Information Officer, or their delegates (see Section 4.4 below)
\$2,500,000 and over, up to \$5,000,000	Executive
Over \$5,000,000	Board

4.3 All IT Projects must be developed and brought forward for the approvals described above in accordance with any administrative directives issued by the Provost/DVC and Chief Information Officer.

4.4 Procedures for IT Projects under \$2,500,000:

The Provost/DVC and Chief Information Officer have delegated approval authority as follows:

4.4.1 for IT Projects with an Aggregate Estimated Value of less than \$250,000 and primarily for the benefit of and consistent with the approved budget of a faculty or unit, that faculty's Dean or the unit's Head (or equivalent) or their respective delegate;

4.4.2 for IT Projects with an Aggregate Estimated Value between \$250,000 and \$1,000,000 and consistent with the approved budget of initiating faculty or administrative unit, the Chief Information Officer;

4.4.3 for IT Projects with an Aggregate Estimated Value over \$1,000,000, up to \$2,500,000 and consistent with the approved budget of the Provost/DVC, the Provost/DVC;

4.4.4 notwithstanding the foregoing, for IT Projects with an Aggregate Estimated Value of \$2,500,000 or less where greater than 60% of the funding is from a research grant, the Vice-President, Research and Innovation, or their delegate; and

4.4.5 for all other IT Projects, the Provost/DVC and Chief Information Officer, or their delegate.

4.5 Procedures for IT Projects \$2,500,000 and over, up to \$5,000,000:

4.5.1 The procedure for obtaining the approval of the Executive is the following multi-stage process:

(a) Provost/DVC 1 Approval: approval of the project idea and rationale.

(b) Provost/DVC 2 Approval: approval of funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Provost/DVC, and is expected to include: sponsors and advisors, high level scope, initial estimates of capital and operating costs, and funding sources.

(c) Provost/DVC 3 Approval: approval of funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Provost/DVC, and is expected to include: business case, outline overall expected duration, organizational (people) impact assessment, updated capital and operating budget envelope, and funding sources.

(d) Executive 1 Approval: approval of project in principle, business case, capital budget envelope and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be

determined by the Executive, but is expected to include: operating budget, overall expected duration of project, organizational (people) impact assessment and funding sources.

- (e) Executive 2 Approval: approval of updated capital budget envelope and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Executive, but is expected to include: governance structure, functional and technical requirements, business architecture, change management strategy and plan, funding sources, updated operating budget, revised overall duration of the project, privacy and security assessments, and identification of preferred supplier(s).
- (f) Executive 3 Approval: approval of final capital budgets, final funding release and proceeding to award to supplier(s) and proceed to implementation. The information that will be required to obtain this approval will be determined by the Executive, but is expected to include: functional and technical fit/gap, solution architecture, detailed risks and constraints, implementation strategy and plan, revised change management strategy and plan, final operating budgets, funding sources, and financing (if required).

4.5.2 For each IT Project approved under this Section, the project's proponent must submit a post-completion report to the Executive, for information only (sometimes referred to as an Executive 4 Report).

4.5.3 It is expected that all approval requests will be presented by the Chief Information Officer and, if applicable, representatives from the highest-ranking governance committee of the IT Project.

#### 4.6 Procedures for IT Projects of over \$5,000,000:

4.6.1 Prior to Board approvals described in this Section, IT Projects must have received Provost/DVC 3 approval, as described in the Section above.

4.6.2 The procedure for obtaining the approval of the Board is as follows:

- (a) Executive 1 Approval: approval of project idea and rationale.
- (b) Executive 2 Approval: approval of initial capital budget, and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Executive, but is expected to include: sponsors and advisors, high level scope, initial operating budget, and funding sources.
- (c) Executive 3 Approval: approval of updated capital budget envelope, and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Executive, but is expected to include: business case, outline overall expected duration, Organizational (people) Impact assessment, and funding sources.

- (d) Board 1 Approval: approval of project in principle, capital budget envelope and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Board, but is expected to include: business case, outline overall expected duration, Organizational (people) Impact assessment, operating budget and funding sources.
- (e) Board 2 Approval: approval of updated capital budget envelope (if applicable), proceeding to select supplier(s), and funding release for activities required to proceed to the next approval. The information that will be required to obtain this approval will be determined by the Board, but is expected to include: Governance structure, functional and technical requirements, Business Architecture, Change Management Strategy and Plan, updated operating budget, funding sources, revised overall duration, and privacy and security assessments.
- (f) Board 3 Approval: approval of updated capital budget (if applicable) and final funding release, and authorization to proceed to award to supplier(s) and proceed to implementation. The information that will be required to obtain this approval will be determined by the Board, but is expected to include: functional and technical fit/gap, solution architecture, detailed risks and constraints, implementation strategy and plan, updated change management strategy and plan, final operating budget, funding sources, and financing (if required).

4.6.3 For each IT Project approved under this Section, the project’s proponent must submit a post-completion report to the Board, for information only. This is sometimes referred to as the Board 4 Report.

4.6.4 It is expected that all approval requests will be presented by at least the Provost/DVC and the Chief Information Officer.

**5. Approvals for Construction Projects**

5.1 For convenient reference, as further described in this Section 5, Construction Projects require the following approvals:

<b>Aggregate Estimated Value of the Construction Project</b>	<b>Approval Authority</b>
Under \$2,500,000	Executive or delegate (see Section 5.3 below)
\$2,500,000 and over, up to \$5,000,000	Executive
Over \$5,000,000	Board

5.2 All Construction Projects must be developed and brought forward for the approvals described in this Section in accordance with any administrative directives issued by the Executive or their delegate.

5.3 Procedures for Construction Projects under \$2.5 million:

The Executive has delegated approval authority as follows:

- 5.3.1 for Construction Projects primarily for the benefit of and consistent with the approved budget of a faculty, that faculty's Dean or their delegate;
- 5.3.2 for Construction Projects primarily for the benefit of and consistent with the approved budget of the UBC Library, the University Librarian; and
- 5.3.3 for all other Construction Projects, the member of the Executive in whose portfolio the Construction Project primarily falls, or their delegate.

5.4 Procedures for Construction Projects \$2,500,000 and over, up to \$5,000,000:

5.4.1 The procedure for obtaining the approval of the Executive is as follows:

- (a) Executive 1 Approval: approval of project concept, rationale, and funding release for activities required to proceed to the next approval.
- (b) Executive 2 Approval: approval of site, initial capital and operating costs, funding sources, the master program and FTE/space allocation, and funding release for activities required to proceed to the next approval.
- (c) Executive 3 Approval: approval of detailed capital and operating costs, funding sources, financing (if required), functional program, urban design context, and schedule and funding release.

5.4.2 It is expected that all approval requests will be presented by at least the Responsible Executive and the Managing Director, Infrastructure Development.

5.4.3 For each Construction Project approved under this Section, the project's proponent must submit a post-completion report to the Executive, for information only (sometimes referred to as an Executive 4 Report).

5.5 Procedures for Construction Projects of over \$5,000,000:

5.5.1 Prior to Board approvals described in this Section, Construction Projects must have received Executive 3 approval, as described in the Section above.

5.5.2 The procedure for obtaining the approval of the Board is as follows:

- (a) Board 1 Approval: approval of project in principle, preliminary program and schedule, location, preliminary capital and operating budgets, funding sources, authorization to proceed to schematic design, and approval of funding release for next stage.

- (b) Board 2 Approval: approval of revised capital and operating budgets (if applicable), and development permit, authorization to proceed to working drawings and tender, updated funding sources (if applicable), updated schedule, detailed program, and approval of funding release for next stage.
- (c) Board 3 Approval: approval of final capital and operating budgets, funding sources, financing (if required), authorization to proceed to award construction contracts, and approval of final funding release.

5.5.3 It is expected that all approval requests will be presented by at least the Responsible Executive and the Managing Director, Infrastructure Development.

5.5.4 For each Construction Project approved under this Section, the project’s proponent must submit a post-completion report to the Board, for information only. This is sometimes referred to as the Board 4 Report.

5.6 Exceptions

For greater certainty, Construction Projects of various values (most often renovations, restorations, renewals and replacements) may be approved by the Executive and the Board as part of the annual routine capital program administered by UBC’s department of Infrastructure Development and Campus Operations and Risk Management (UBCO), or the annual budget of Student Housing and Hospitality Services. Unless otherwise indicated by the Executive or the Board, once so approved, such Construction Projects need not proceed through an additional approval process described below, provided however that the other provisions of this Policy apply to such projects.

**6. Internal Loans**

6.1 For Internal Loans valued at under \$1 million, the Executive has delegated approval authority to the Responsible Executive.

6.2 For convenient reference, all Internal Loans require the following approvals:

<b>Loan Value</b>	<b>Approval Authority</b>
under \$1,000,000	Responsible Executive
\$1,000,000 and over, up to \$5,000,000	Executive
Over \$5,000,000	Board



## EXPLANATORY NOTES REGARDING THE CAPITAL PROJECTS POLICY AND ASSOCIATED PROCEDURES

Issued July 2019 by the Office of the University Counsel

*The OUC has prepared these Explanatory Notes to provide context and background regarding the Capital Projects Policy. These Explanatory Notes do not replace or supersede the content of the Capital Projects Policy and its Procedures.*

<b>Policy Long Title:</b>	Capital Projects, Capital Purchases & Internal Loans
<b>Policy Short Title:</b>	Capital Projects Policy
<b>Policy Number:</b>	FM11
<b>Responsible Executive:</b>	Vice-President, Finance and Operations
<b>Responsible Board Committee:</b>	Property Committee
<b>Related Policies:</b>	GA2 - Regulatory Framework Policy UP13 - Land Use Policy FM2 - Purchasing Policy FM10 -Retained Risk Policy
<b>History:</b>	<ul style="list-style-type: none"><li>• The Capital Projects Policy and Procedures were first approved by the Board of Governors in June 2017;</li><li>• The Capital Projects Policy was updated in July 2019 to reflect a new policy identification system; it is currently identified as the Capital Projects Policy, its long title is Capital Projects, Capital Purchases &amp; Internal Loans, and its number is FM11. The previous identification number for this policy was #126;</li><li>• The Procedures were updated in September 2019 to reflect current position titles.</li></ul>
<b>Related Legislation:</b>	<i>University Act R.S.B.C. 1996, c.468</i>