

**2006-10-31**

---

This section contains terms and definitions applicable to the Contract Documents as well as requirements concerning the interpretation of the Contract.

Editing: Use this section as is; do not modify it in any way.

**Heading of Specification Text**

**Specification Notes**

1. Definitions
2. Interpretations

**END OF COVER SHEET**

**1. DEFINITIONS**

In the Contract the following terms shall have the meanings assigned to them:

- .1 "Additional Instruction" means a written instruction, issued by the Minister to the Contractor, clarifying or finalizing requirements of the Contract Documents and not involving a change in the Contract Price or the Contract Time.
- .2 "Agreement Form" means the document which, when executed by the Minister and the Contractor, formalizes the Contract.
- .3 "Alberta Transportation" means the Department.
- .4 "Bid" means the Contractor's priced offer to the Minister for the performance of the Work in accordance with the provisions of the Contract, as accepted by the Letter of Acceptance.
- .5 "Change Order" means a written instruction, issued by the Minister to the Contractor on or after the date of execution of the Agreement Form, authorizing or ordering a Change in the Work or a change in the Contract Price or the Contract Time or any combination thereof.
- .6 "Change Proposal" means a written communication, issued by the Minister to the Contractor on or after the date of execution of the Agreement Form, containing a proposed Change in the Work and requiring the Contractor to submit a quotation for executing such proposed change, including the Contractor's proposed changes to either or both the Contract Price or the Contract Time.
- .7 "Change in the Work" means an addition to, deletion from or other modification of the Work consistent with the scope and intent of the Contract.
- .8 "Construction Equipment" means equipment, appliances and things required for the performance of the Work, but does not include Permanent Work or Temporary Work.
- .9 "Contract" means the undertaking by the Minister and the Contractor to perform their respective duties, responsibilities and obligations as prescribed in the Contract Documents and represents the entire agreement between the Minister and the Contractor. The Contract Documents form the Contract.
- .10 "Contract Deficiency" means a deficiency in the Work, or part thereof, for which the Contractor is responsible under the Contract and includes a deficiency in any design for which the Contractor is responsible.
- .11 "Contract Documents" means:
  - the Letter of Acceptance;
  - the executed Agreement Form;
  - Instructions to Bidders, completed Bid Form, Schedule of Prices, and Supplements to Bid Form;
  - Information Documents specifically incorporated into the Contract Documents;
  - Definitions and Interpretation, Payment Conditions, Security Conditions, Insurance Conditions, General Conditions, Supplementary Conditions, conditions related to Public Works Act claims;
  - the Specifications;
  - the Drawings;
  - Addenda;
  - and such other documents as may be identified as Contract Documents,

and shall include amendments thereto made pursuant to the provisions of the Contract.
- .12 "Contract Price" means the total amount payable by the Minister to the Contractor under the Contract as stated in the Agreement Form, including authorized adjustments thereto.
- .13 "Contract Time" means the period of time specified in the Contract for attainment of Substantial Performance of the Work, including authorized adjustments thereto.
- .14 "Contractor" means the person, firm or corporation contracting directly with the Minister to perform the Work.
- .15 "Cost Plus Work" means a contractual arrangement that prescribes the cost of the work plus an allowance for overhead and profit, as expressly defined in the Contract, as payment for performance of the item of work to which it relates.
- .16 The "Crown" means Her Majesty the Queen in Right of Alberta.
- .17 "Day" means a calendar day.
- .18 "Department" means the Department of Alberta Transportation or such successor department.
- .19 "Deputy Minister" means the lawful deputy of the Minister or any person authorized to act on behalf of the lawful deputy.
- .20 "Drawings" means the graphic and pictorial portions of the Contract Documents showing the design, location or dimensions of the Work, generally including plans, elevations, sections, details and diagrams.

- .21 "Information Documents" means information of any type and in any form related to the Project and identified in the Contract Documents as such, but which does not form part of the Contract unless specifically incorporated therein.
- .22 "Invention" means any new and useful practice, process, machine, device, manufacture or composition of matter, or any new and useful improvement thereof.
- .23 "Letter of Acceptance" means the formal acceptance by the Minister of the Contractor's Bid, including any modifications to the Bid agreed to by the Minister and the Contractor and incorporated therein.
- .24 "Lump Sum Work" means a contractual arrangement that prescribes a lump sum as payment for performance of the item of work to which it relates.
- .25 "Milestone Date" means a time period or date specified in the Contract for completion or attainment of specified portions of the Work.
- .26 "Minister" means the Minister of Alberta Transportation and includes a person acting for, or if the office is vacant, in place of, the Minister and the Minister's successors in the office.
- .27 "Minister's Representative" means the officer or employee of the Department identified in writing by a duly authorized departmental officer to represent the Minister under the Contract.
- .28 "Other Contractor" means any person, firm or corporation employed by or having a separate contract with the Minister for work related to the project other than that required by the Contract Documents.
- .29 "Permanent Work" means any structure, Product or thing constructed, manufactured or installed in the performance of the Work, but does not include Temporary Work.
- .30 "Products" means material, components, elements, machinery, equipment, fixtures, systems and other items forming the Work or part thereof but does not include Construction Equipment. "Products" is synonymous with "Materials".
- .31 "Project" means the total construction of which the Work to be provided under the Contract may be the whole or a part.
- .32 "Regulatory Requirements" means laws, ordinances, rules, regulations, orders, codes, and other legally enforceable requirements in effect and applicable to the performance of the Work.
- .33 "Schedule of Prices" means the completed Schedule of Prices submitted by the Contractor with his Bid, as accepted by the Letter of Acceptance.
- .34 "Site" means the designated Site or location of the Work and any other places as may be specifically designated in the Contract as forming part of the Site.
- .35 "Specifications" means that portion of the Contract Documents comprising Divisions 1 to 16 of the specification format including the General Requirements and technical specifications.
- .36 "Subcontractor" means a person, firm or corporation having a contract with the Contractor for the performance of a part of the Work at the Site.
- .37 "Sub-subcontractor" means a person, firm or corporation having a contract with a Subcontractor for the performance of a part of the Work at the Site.
- .38 "Substantial Performance of the Work" means the time when the prerequisites to Substantial Performance of the Work required by the Contract are fulfilled and the Work is ready for use or is being used for the purpose intended and the state of the work is so declared, in writing, by the Minister.
- .39 "Supplier" means a person, firm or corporation having a contract with the Contractor, a Subcontractor or a Sub-subcontractor for the supply of goods or services to be incorporated into or utilized in the performance of the Work.
- .40 "Temporary Work" means site offices, temporary structures, facilities and controls and other temporary things required for the performance of the Work, but does not include Construction Equipment.
- .41 "Total Performance of the Work" means the time when the prerequisites to Total Performance of the Work required by the Contract are fulfilled and the entire Work, except those items arising from the warranty provisions of the Contract, has been performed to the requirements of the Contract Documents and is so declared, in writing, by the Minister.
- .42 "Unit Price" means the amount payable by the Minister to the Contractor under the Contract for a single unit of each separately identified item of work for which a unit price is prescribed as the basis of payment, as stated in the Schedule of Prices.
- .43 "Unit Price Work" means a contractual arrangement that prescribes the product of a Unit Price multiplied by a number of units of measurement of a class as payment for performance of the item of work to which it relates.

- .44 "Warranty Performance of the Work" means the time when the prerequisites to Warranty Performance of the Work required by the Contract are fulfilled and all items arising from the warranty period or periods required by the Contract have been corrected by the Contractor and the state of the Work is so declared, in writing, by the Minister.
- .45 "Work" means the total construction and related services required by the Contract Documents.

## 2. INTERPRETATION

The Contract shall be interpreted as follows:

- .1 The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all.
- .2 Words importing the singular also include the plural and the masculine includes the feminine and vice-versa where the context requires.
- .3 "Herein", "hereby", "hereof", "hereunder" and similar expressions refer to the Contract as a whole and not to a particular part thereof, unless the context indicates otherwise.
- .4 Words and abbreviations which have well known technical meanings are used in the Contract in accordance with such recognized meanings.
- .5 Words importing persons or parties shall include firms and corporations and any organization having legal capacity.
- .6 In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an", but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.
- .7 The imperative mood is used extensively in the Contract Documents, particularly the Specifications. Such language is always directed to the Contractor, and it is the Contractor's responsibility to perform the Work specified in the imperative mood, unless specifically stated otherwise.
- .8 Unless the context indicates otherwise, where a term is defined in the Contract Documents, other parts of speech or grammatical forms of the same word or expression have corresponding meanings.
- .9 Unless the context indicates otherwise, all monetary amounts shall be interpreted as amounts in the lawful currency of Canada.

- .10 When provision is made for the giving or issue of any notice, consent, approval, certificate or determination by any person, unless otherwise specified, such notice, consent, approval, certificate or determination shall be in writing and the words "notify", "certify" or "determine" shall be construed accordingly. Any such consent, approval, certificate or determination shall not unreasonably be withheld or delayed.
- .11 When provision is made for a communication to be "written" or "in writing" this means any hand-written, type-written or printed communication, including facsimile transmissions.
- .12 Except in relation to a change in the Contract Time, any period of time in the Contract within which the Minister or the Contractor is to take action or decide anything may be extended by agreement, notwithstanding that the period of time has expired.
- .13 The term "including" or "includes" shall be construed as inclusive and not exclusive, and shall be interpreted to mean including but not necessarily limited to the items referred to.
- .14 In the event of ambiguities, discrepancies and conflicts between the several documents forming the Contract Documents the following order of precedence shall apply:
- .1 Executed Agreement Form.
  - .2 Letter of Acceptance.
  - .3 Supplementary Conditions.
  - .4 Conditions of Contract, including General, Payment, Security and Insurance Conditions.
  - .5 Specifications.
  - .6 Drawings.
  - .7 Drawings of larger scale shall govern over those of smaller scale of the same date.
  - .8 Figured dimensions shown on a Drawing shall govern even though they may differ from dimensions scaled on the same Drawing.

Notwithstanding the foregoing, documents of later date shall always govern over the documents amended.

END OF SECTION

**2006-10-31**

---

Use this section to specify contract performance security. Alberta Transportation policy is to require contract performance security, in the manner specified in this section, when the estimated cost of the contract is over \$100,000.

Editing: Use this section as is; do not modify it in any way.

**Heading of Specification Text**

**Specification Note**

1. Type and Amount of Security
2. Surety Bond

**END OF COVER SHEET**

Alberta Transportation

---

**1. TYPE AND AMOUNT OF SECURITY**

- .1 The Contractor shall provide security for performance of the Contract in the form of the following:
  - .1 Performance Bond for 50% of the Contract Price.
- .2 Submit the security to the Minister within 15 days after date of issuance of the Letter of Acceptance.

**2. SURETY BOND**

- .1 The Performance bond shall be in accordance with the Canadian Construction Documents Committee (CCDC) Standard Form of Performance Bond, CCDC Document No. 221. Consign the performance bond to "Her Majesty The Queen, represented by the Minister of Alberta Transportation".
- .2 An electronically fillable version can be downloaded from:

[www.transportation.alberta.ca](http://www.transportation.alberta.ca).

go to "Tendering and Contracting", then  
"Construction Contracts – Bonding and Securities".

**END OF SECTION**

**2006-10-31**

---

Use this section to specify the use of a letter of credit instead of the holdback specified in Section 00630 – Payment Conditions, clause 5. – Holdback.

The form of the letter of credit is appended to this section.

Editing: Use this section as is; do not modify it in any way.

**Heading of Specification Text**

**Specification Note**

1. Letter of Credit in lieu of holdback
2. Letter of Credit
3. Amendments to Letter of Credit
4. Drawing funds on Letter of Credit

**END OF COVER SHEET**

**1. LETTER OF CREDIT IN LIEU OF HOLDBACK**

- .1 The Contractor may, as an alternative to retention of holdback in accordance with the provisions of Section 00630 - Payment Conditions, provide, at any time, an irrevocable, standby, Letter of Credit, subject to the provisions specified herein.
- .2 If the Contractor provides a Letter of Credit meeting the requirements specified herein and otherwise acceptable to the Minister, the Minister will release all holdback monies previously retained, if any, and will not retain holdback on any subsequent progress payments.

**2. LETTER OF CREDIT**

- .1 The Letter of Credit shall be provided by a domestic chartered bank as listed in the Bank Act (Canada), "Schedule A, Domestic Chartered Banks", "Schedule B, Foreign Chartered Banks", or the Alberta Treasury Branches.
- .2 The Letter of Credit shall be irrevocable. Partial drawings shall be permitted.
- .3 The amount of the Letter of Credit shall be calculated by multiplying the holdback percentage, as specified in Section 00630 – Payment Conditions, by the Contract Price as specified in Section 00525 – Agreement Form.
- .4 The expiry date shall be six months after the last day of the Contract Time.
- .5 The Letter of Credit shall provide that claims shall be duly honoured on presentation by the Minister, without inquiry by the bank as to whether the Minister has a right to make such claim, and without recognizing any claim of the Contractor, provided that the terms and conditions of the Letter of Credit are complied with.
- .6 The Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication 500.
- .7 The Letter of Credit shall be in the form of the Alberta Transportation standard form of Letter of Credit, Document 00614A, a copy of which is appended hereto.

**3. AMENDMENTS TO LETTER OF CREDIT**

- .1 The Minister may, from time to time, require the Contractor to amend the Letter of Credit by:

- .1 increasing the amount of the Letter of Credit if changes in the Work, or quantity variations of Unit Price items, result in a significant increase in the Contract Price, such revised amount being calculated in accordance with clause 2.3,
- .2 extending the expiry date of the Letter of Credit if there is a significant extension of Contract Time pursuant to Section 00725 - General Conditions, or for any other reasonable cause, the length of such time extension being determined by the Minister.

2. The Contractor shall, within 14 days after being requested to do so, provide to the Minister an amendment to the Letter of Credit containing the required changes.

3. If the Contractor fails to comply with clause 3.2, the Minister may:

- .1 retain holdback from subsequent progress payments,
- .2 withhold all or part of subsequent progress payments, or
- .3 draw funds on the letter of credit,

as required to protect the interests of the Minister or third party claimants.

**4. DRAWING FUNDS ON LETTER OF CREDIT**

- .1 The Minister may draw funds on the Letter of Credit at any time the Minister determines there is a need to establish a holdback fund in order to protect the interests of the Minister or third party claimants.
- .2 The Minister shall notify the Contractor not less than 14 days before drawing funds on the Letter of Credit and stating reasons for the intention to draw funds.
- .3 The cumulative amount of any funds drawn by the Minister shall not exceed the amount of holdback the Minister would have otherwise been entitled to retain under the Contract.

**5. RETURN OF LETTER OF CREDIT**

- .1 Notwithstanding the provisions for release of holdback specified in Section 00630 - Payment Conditions, the Minister shall return the Letter of Credit with final payment only.

**END OF SECTION**



**KNOW ALL MEN BY THESE PRESENTS THAT**

**Her Majesty the Queen**, represented by the Minister of Alberta Transportation, hereinafter called the "Minister"

Date: .....

Letter of Credit No.: .....

**and**

.....  
name of Contractor

Claims hereunder shall be made in writing, in the form of a sight draft, and shall identify the applicable Letter of Credit by number and date, and shall be presented to the Bank branch office.

.....  
address

**THE BANK HEREBY** undertakes that such drafts will be duly honoured on presentation, without inquiring whether the Minister has a right between the Minister and the Contractor to make such presentation and without recognizing any claim of the Contractor provided that the terms and conditions of this Credit are complied with.

hereinafter called the "Contractor", and whereas the Minister and the Contractor have entered into a Contract for

It is understood the Bank is obligated under this Standby Letter of Credit for the payment of monies only.

.....  
title of the Work and the Project

The expiry date is the ..... day of ..... 20 .....

.....  
dated the ..... day of

for presentation of any claims at the Bank and the Bank's liability will be extinguished for any claims thereafter.

..... 20 .....

Except as otherwise stated therein, this Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication 500.

hereinafter called the Contract, and the Minister and the Contractor have agreed that:

- the Contractor shall provide the Minister with this Letter of Credit as an alternative to the holdback, as specified in the Contract.

**BANK MANAGER**

**THEREFORE**, for an amount not exceeding in the aggregate of

.....  
signature

.....dollars

**WITNESS**

(\$.....) lawful money of Canada,

.....  
signature

.....  
name of bank

**If presented for payment, payment shall be made to the Minister of Finance.**

.....  
branch name and address

hereinafter called the "Bank", a Domestic Chartered Bank as listed in the Bank Act, "Schedule A, or Schedule B, Domestic Chartered Banks", or the Alberta Treasury Branches, hereby establishes in the Minister's favour a Standby Letter of Credit which is irrevocable. Partial drawings are permitted.

**2006-10-31**

Use this section to specify security for payment of third party labour and material claims. Alberta Transportation policy is to require security for payment of claims in the manner specified in this section, when the estimated cost of the contract is over \$100,000.

The form of the Labour and Material Payment Bond required is appended to this section.

Editing: Use this section as is; do not modify it in any way.

**Heading of Specification Text**

**Specification Notes**

1. Type and Amount of Security
2. Surety Bond

**END OF COVER SHEET**

**1. TYPE AND AMOUNT OF SECURITY**

- .1 The Contractor shall provide security for payment to claimants for labour and material used or reasonably required for use in the performance of the Contract. Such security shall be in the form of the following:
  - .1 Labour and Material Payment Bond for 50% of the Contract Price.
  - .2 Submit the security to the Minister within 15 days after date of issuance of the Letter of Acceptance.

**2. SURETY BOND**

- .1 The surety bond shall be the Alberta Government standard form of Labour and Material Payment Bond, Document 00616A, latest edition, a copy of which is appended hereto. An electronically fillable version can be downloaded from:

[www.transportation.alberta.ca](http://www.transportation.alberta.ca).

go to “Tendering and Contracting”, then  
“Construction Contracts – Bonding and Securities”.
- .2 A copy of the surety bond shall be posted at the Site, as specified in Section 00639 - Public Works Act Claims.

**END OF SECTION**

Alberta Transportation

Bond No: ..... Amount ..... Contract No. ....  
(50% of Contract Price)

Project: .....

KNOW ALL PERSONS BY THESE PRESENTS THAT

.....  
(Principal)  
of the ..... of ..... in the Province of Alberta, as Principal (hereinafter called "the Principal"),  
-and -

.....  
(Surety)  
of the ..... of ..... in the Province of .....  
(hereinafter called "the Surety"), a surety authorized to transact business in the Province of Alberta, are held and firmly bound unto:

HER MAJESTY THE QUEEN In Right of the Province of Alberta, herein represented by the Minister of Alberta Transportation, as Trustee, (hereinafter called "the Minister") for the use and benefit of claimants as hereinbelow defined, in the sum

of .....  
..... dollars

(\$ .....), to be paid to the Minister or his successors in office, or to whom the said Minister or his successors may direct, and the said Principal and Surety bind themselves and each of them and their respective successors, heirs, executors, administrators and assigns jointly and severally, to pay the said sum under the terms of these presents:

WHEREAS the Principal has entered into a written Contract (hereinafter called "the Contract") with the Minister, dated the ..... day of ..... A.D. ...., being Contract No. ...., and which Contract is by reference made a part hereof (date to be filled in by the Department);

AND WHEREAS it is a term of the Contract that a Labour and Material Payment Bond be provided in favour of the Minister, as contained herein;

NOW THEREFORE the conditions of this obligation are such that if the Principal shall make payment to all claimants for all labour and material used or reasonably required for use in the performance of the Contract and should such payment be properly made, then this obligation shall be null and void; otherwise, this obligation and these conditions will remain in full force and effect, subject to the following conditions:

1. For the purpose of this bond:
  - (a) "claimant" means a person, including a body corporate, or a partnership, and the heirs, executors, administrators or other legal representatives of a person to whom the context can apply according to law, who has provided labour and material and who has not been paid for the same by the Principal or a subcontractor, in accordance with the Principal's or subcontractor's obligation to do so, provided that a person who rents equipment to the Principal or a subcontractor to be used in performance of the Contract under a contract which provides that all or a part of the rent is to be applied towards the purchase price thereof, shall only be a claimant to the extent of the prevailing Alberta Transportation rental rates for the period during which the equipment was used in the performance of the Contract.
  - (b) "labour and material" means labour, equipment, materials or services used or reasonably required for use in the performance of the Contract.
  - (c) "services" means water, gas, electrical power, light, heat, oil, gasoline, steam, telephone, architectural, engineering and technical services, construction camp rental and catering, and other similar services, consumed or incurred, by the Principal or a subcontractor, at the Place of the Work and in the performance of the Work of the Contract.
  - (d) "subcontractor" means
    - (i) a person not contracting directly with the Minister, but contracting with a contractor who holds a contract with the Minister, for the provision of labour and material, and
    - (ii) a person contracting with the person first mentioned in subclause (i) for the provision of labour and material.
2. The Surety acknowledges and agrees that Surety means a person who guarantees to the Crown the payment of creditors.
3. The Principal and the Surety hereby jointly and severally agree with the Minister, as Trustee, that every claimant who has not been paid as provided for under the terms of his contract with the Principal or subcontractor before the expiration of a period of 90 days after the date on which the last of such claimant's work or labour was done or performed or materials were furnished by such claimant, may, as beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such claimant under the terms of his contract with Principal or subcontractor, and have execution thereon; provided that the Minister is not obliged to do or take any act, action or proceeding against the Surety on behalf of any claimant to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Minister or by joining the Minister as a party to such proceeding, then such act, action or proceeding shall be taken on the understanding and basis that the claimant who takes such act, action or proceeding shall indemnify and save harmless the Minister against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Minister by reason thereof; provided still further that, subject to the foregoing terms and conditions, a claimant may use the name of the Minister to sue on and enforce the provisions of this Bond.

**Alberta Transportation**

4. No suit or action shall be commenced pursuant to clause 3. hereof by any claimant unless such claimant shall give notice within the time limits hereinafter set forth, to each of the Principal, Surety and Minister, stating the amount that is claimed. Such notice shall be served by mailing the same to the Principal, Surety and Minister at the addresses shown in this bond, or served in any manner in which legal process may be served in the Province of Alberta. Such notice shall be given:
  - (a) in respect of any claim for the amount or any portion thereof required to be held back from the claimant by the Principal or subcontractor under the terms of the claimant's contract with the Principal or subcontractor, within 120 days after such claimant should have been paid in full under the claimant's contract with the Principal or subcontractor,
  - (b) in respect of any claim other than for the holdback or portion thereof, referred to above, within 120 days after the date upon which such claimant did or performed the last of the work or furnished the last materials for which such claim was made under the claimant's contract.
5. Any suit by a claimant under this Bond shall be instituted before the expiration of 1 year from the date on which the Principal ceased work on the Contract, including work under the guarantees and warranties provided in the Contract, and shall be instituted in a court of competent jurisdiction in the Province of Alberta.
6. Upon receipt, at the address shown in this bond, by the Surety, of a notice of claim from a claimant, the Surety shall:
  - (a) immediately commence its investigation of the claim, and
  - (b) within 15 days, send, in writing, to the claimant and the Minister, an acknowledgement of the notice of claim and a statement of the procedures to be followed by the claimant in order to attempt to settle the claim.
7. Pursuant to clause 6. hereof and following compliance with the procedures referred to in clause 6. and;
  - (a) providing the claim is not being disputed, the Surety or the Principal, or both, shall make payment to the claimant within 30 days after the date of agreement on the quantum of the claim; or
  - (b) in the event the claim is being disputed, the Surety or the Principal, or both, shall, within 30 days, notify, in writing, the claimant and the Minister of the dispute, setting out the grounds of dispute.
8. Any material change in the Contract between the Principal and the Minister shall not prejudice the rights or interests of any claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
9. The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, by the Surety.
10. Where the aggregate of claims appears to the Minister to exceed the sum of the bond amount and money due and payable to the Principal, the Minister and the Surety may agree to suspend payment until all claimants have substantiated their claims.
11. The Surety shall not be liable for a greater sum than the maximum amount specified in this Bond.

ADDRESSES FOR NOTICES shall be:

MINISTER at Alberta Transportation, Program Management Branch, Main Floor Twin Atria Building 4999 98 Ave., Edmonton, Alberta. T6B 2X3

PRINCIPAL at

.....

SURETY at

.....

IN WITNESS WHEREOF the Principal and the Surety have signed and sealed this Bond, this ..... day

of .....

SIGNED, SEALED and DELIVERED by  
the Principal in the Presence of

.....  
Witness To Principal

.....  
Principal

SIGNED, SEALED and DELIVERED by  
the Surety in the Presence of

.....  
Witness To Surety

.....  
Surety

Use this section to specify insurance conditions.

Refer to the Data Sheet – Specifying Contract Requirements

Editing: Use this section as is; do not modify it in any way, except as indicated in the data sheet.

**Heading of Specification Test**

**Specification Notes**

1. Related Requirements
2. General Requirements for Insurance
3. General Liability Insurance
4. Automobile Liability Insurance
5. Aircraft and Watercraft Liability Insurance
6. Course of Construction and Boiler Insurance
7. Other Insurance

**END OF COVER SHEET**

**Special Requirements:** This section is intended for use on civil engineering construction projects where "standard" insurance requirements apply. If there are special requirements, modification of the text may be necessary. Refer to Section 00801 – Supplementary Conditions Section 00625 – Insurance Conditions.

Special requirements may be necessitated by the following:

- .1 Marine work.
- .2 Building or structure moving or raising.
- .3 Multiple contract projects where an owner controlled insurance program may be appropriate.
- .4 Risk of flood.
- .5 Risk of earthquake.
- .6 Additional requirements for proof of coverage.
- .7 A need to reduce the dollar amount of property insurance coverage.

**Certificate of Insurance:** Clause 2.7 of this section requires the Contractor to submit proof of insurance in the form of completed Alberta Transportation Certificates of Insurance appended to this section.

- .1 Document 00625A - Certificate of Liability Insurance
- .2 Document 00625B - Certificate of Property Insurance

These certificate forms are normally provided to the Contractor with the Letter of Acceptance.

**END OF DATA SHEETS**

**1. RELATED REQUIREMENTS**

- .1 Hold Harmless Agreement: General Conditions.

**2. GENERAL REQUIREMENTS FOR INSURANCE**

- .1 Without restricting the generality of the hold harmless provisions of the General Conditions of Contract and without limiting the obligations or liabilities under the Contract, the Contractor shall, provide, maintain, and pay for the insurance coverages specified in this section.
- .2 Form: Insurance policies shall be placed with Insurers who comply with the Insurance Act (Alberta) and be in forms acceptable to the Minister.
- .3 Duration: Unless otherwise specified, required insurance coverages shall be maintained continuously from the date of commencement of the Work until the date of Total Performance of the Work.
- .4 Waiver of Recourse: The Contractor waives all rights of recourse against the Minister for damages to the Contractor's property.
- .5 Deductible: The amount of deductible on any insurance provided by the Contractor shall be reasonable and shall be subject to the Minister's approval.
- .6 Notice of Change to Policy: Each required policy shall be endorsed to provide the Minister with not less than 30 Days advance written notice of cancellation or material change restricting coverage.
- .7 Proof of Insurance: Prior to the commencement of any activities on Site, the Contractor shall provide the Minister with proof that insurance coverages are in effect and meet specified conditions. Such proof shall be in the form of completed Alberta Transportation Certificates of Insurance. In addition, the Contractor shall at any time upon request, promptly file a certified true copy of any insurance policy and shall otherwise provide proof of any required insurance, in a form acceptable to the Minister.
- .8 Subcontractors' Insurance: The Contractor shall ensure that Subcontractors provide their own General Liability Insurance, Automobile Liability Insurance, where such risks exist, Aircraft and Watercraft Liability Insurance, and Other Insurance equivalent to that specified herein. With respect to General Liability Insurance, the Contractor may alternatively provide such insurance on a wrap-up basis insuring himself, his Subcontractors, and anyone employed directly or indirectly by himself or his Subcontractors to perform a part of the Work.

**3. GENERAL LIABILITY INSURANCE**

- .1 The Contractor shall provide General Liability Insurance with limits of not less than \$2,000,000.00 inclusive per occurrence, insuring against bodily injury, death, and property damage including loss of use thereof. Such insurance shall include but not necessarily be limited to coverage for:
  - .1 Owner's and Contractor's protective liability,
  - .2 blanket written contractual liability,
  - .3 personal injury liability,
  - .4 non-owned automobile liability,
  - .5 broad form property damage endorsement,
  - .6 sudden and accidental pollution.
- .2 Where such further risks exist, General Liability Insurance shall also include coverage for the following, to limits specified in clause 3.1:
  - .1 Operations requiring the use of explosives for blasting, or pile driving or caisson work, or removal or weakening of support of property, building or land.
  - .2 Elevator and hoist liability.
  - .3 Operation of attached machinery.
  - .4 Forest fire-fighting expenses.
- .3 General Liability Insurance shall:
  - .1 **not** include the Minister as a named insured, and
  - .2 shall be maintained continuously until twelve months following the date of Substantial Performance of the Work or until the date of Total Performance of the Work, whichever is later.

**4. AUTOMOBILE LIABILITY INSURANCE**

- .1 The Contractor shall provide Automobile Liability Insurance on all vehicles owned, operated or licensed in Contractor's name, with limits of not less than \$1,000,000.00 inclusive per occurrence for bodily injury, death, and property damage.



**5. AIRCRAFT AND WATERCRAFT LIABILITY INSURANCE**

- .1 Where such risks exist, the Contractor shall provide Aircraft Liability Insurance and Watercraft Liability Insurance on all aircraft and watercraft, owned, operated or licensed in the Contractor's name and non-owned aircraft and watercraft used in the Contractor's operations, with limits of:
  - .1 not less than \$5,000,000.00 inclusive per occurrence, including aircraft passenger hazard as applicable, in respect of Aircraft Liability Insurance, and
  - .2 not less than \$2,000,000.00 inclusive per occurrence, in respect of Watercraft Liability Insurance,for bodily injury, death, and property damage including loss of use thereof.

**6. COURSE OF CONSTRUCTION AND BOILER INSURANCE**

- .1 The Contractor shall provide Course of Construction Insurance in the form of:
  - .1 an All Risks Builder's Risk Policy, or
  - .2 if appropriate, due to the nature of the Work, and subject to the Minister's approval, an All Risks Installation Floater,insuring not less than the sum of the amount of the Contract Price and the full value of Products specified to be provided by the Minister for incorporation into the Work. Coverage shall extend to any location and while in transit and shall be maintained continuously until date of Substantial Performance of the Work.
- .2 Where, due to the nature of the Work, the full insurable value of the Work is substantially less than the Contract Price, the Minister may, at his sole discretion, reduce the amount of insurance required or waive the Course of Construction Insurance requirement.
- .3 Where such risk exists, coverage shall include partial occupancy by a user, or the Minister, or both.
- .4 Where such risks exist, the Contractor shall provide Boiler and Machinery Insurance insuring not less than the replacement value of boilers, pressure vessels and other objects insurable under a Boiler and Machinery Policy and forming part of the Work.

**5. Course of Construction and Boiler Insurance shall:**

- .1 be primary insurance and shall not require pro rata sharing of any loss with any insurer of the Minister.
- .2 be in the joint names of the Contractor and the Minister and shall in addition insure the interests of Subcontractors, Sub-subcontractors and all others having an insurable interest in the Work, and
- .3 provide that, in the event of a loss or damage, payment shall be made to the Minister, the Contractor and other Insureds as their respective interests may appear.
- .6 In the event of loss or damage to property insured under the Course of Construction and Boiler Insurance:
  - .1 The Contractor shall act on behalf of the Minister and himself for the purpose of adjusting the amount of such loss or damage payment with the Insurers.
  - .2 When extent of loss or damage is determined, and upon the Minister's approval, the Contractor shall proceed to restore the Work.
  - .3 The Contractor shall be entitled to receive from Minister, in addition to the amount due under the Contract, the amount at which the Minister's interest in restoration of the Work has been appraised, such amount to be paid as restoration of the Work proceeds and in accordance with the payment conditions specified in the Contract Documents. In addition, the Contractor shall be entitled to receive from payments made by the Insurer, the amount of the Contractor's interest in restoration of the Work.
  - .4 Loss or damage shall not affect the rights and obligations of either party under the Contract except that the Contractor shall be entitled to such reasonable extension of Contract Time relative to the extent of the loss or damage as the Minister may decide in consultation with the Contractor.

**7. OTHER INSURANCE**

- .1 The Contractor shall provide, maintain and pay for any additional insurance required to be provided by law, or which he considers necessary to cover risks not otherwise covered by insurance specified in the Contract Documents.

**END OF SECTION**

# Certificate of Liability Insurance

## Alberta Transportation

### INSTRUCTIONS:

- This certificate must be completed by the Contractor's insurance agent or broker and submitted to Alberta Transportation **prior to commencement of any activities** by the Contractor on site. Refer to the Insurance Conditions in the Contract Documents for detailed description of insurance requirements, including required coverages.
- An Insurer's standard certificate of insurance is **not acceptable** in lieu of this Alberta Transportation form, unless modified to provide **all** information required by this form.
- It is understood that this certificate is issued as information only. It does not amend, extend or alter coverages afforded by the policies described herein.

- Submit the completed certificate to:

**Alberta Transportation  
Program Management Branch  
Main Floor, Twin Atria Building  
4999 98 Avenue  
Edmonton, Alberta T6B 2X3**

### Identification of Insured

Contractor's Name		
Contractor's Address		
City / Town	Province	Postal Code

### Identification of Contract

Contract Name (location and description of the Work as it appears in the Contract Documents)	Project ID (from Contract Documents)
	Contract Number
	CPIN

### General Liability Insurance

Insurer's Name		
Policy Number	Expiry Date <hr style="border: none; border-top: 1px solid black; margin: 0;"/> <small>month (name of), date, year</small>	Limit of Liability (per occurrence)
Coverages provided by this Policy (check applicable coverages)		
<input type="checkbox"/> Owner's and Contractor's protective liability <input type="checkbox"/> Blanket written contractual liability <input type="checkbox"/> Personal injury liability <input type="checkbox"/> Non-owned automobile liability <input type="checkbox"/> Broad form property damage endorsement <input type="checkbox"/> Sudden and accidental pollution liability	<input type="checkbox"/> Blasting <input type="checkbox"/> Piledriving or caisson work <input type="checkbox"/> Removal or weakening of support of property, building or land <input type="checkbox"/> Elevator and hoist liability <input type="checkbox"/> Operation of attached machinery <input type="checkbox"/> Forest fire-fighting expenses	

# Certificate of Liability Insurance

Alberta Transportation

## Automobile Liability Insurance

Insurer's Name		
Policy Number	Expiry Date _____ month (name of), date, year	Limit of Liability (per occurrence)

## Aircraft Liability Insurance (if applicable)

Insurer's Name		
Policy Number	Expiry Date _____ month (name of), date, year	Limit of Liability (per occurrence)

## Watercraft Liability Insurance (if applicable)

Insurer's Name		
Policy Number	Expiry Date _____ month (name of), date, year	Limit of Liability (per occurrence)

## Certification

The undersigned hereby certifies that:			
<ul style="list-style-type: none"><li>• The policies described herein, subject to their terms, conditions, and exclusions, have been issued to the named insured and are in force at this time.</li><li>• Coverages afforded under said policies will not be cancelled or materially changed to restrict coverage unless thirty (30) days advance written notice has been given to Alberta Transportation at the address shown on page 1 of this form and each of the policies have been endorsed to this effect.</li><li>• The undersigned is an authorized representative of each of the insurance companies listed herein, and has full knowledge of the facts set forth herein and believes them to be true.</li></ul>			
Name of Issuing Agency			
Address of Issuing Agency			
City / Town	Province	Postal Code	Telephone No.
Name of Authorized Representative (print or type)	Signature of Authorized Representative		Date of Issue

# Certificate of Property Insurance

## Alberta Transportation

### INSTRUCTIONS:

- This certificate must be completed by the Contractor's insurance agent or broker and submitted to Alberta Transportation **prior to commencement of any activities** by the Contractor on site. Refer to the Insurance Conditions in the Contract Documents for detailed description of insurance requirements, including required coverages.
- An Insurer's standard certificate of insurance is **not acceptable** in lieu of this Alberta Transportation form, unless modified to provide **all** information required by this form.
- It is understood that this certificate is issued as information only. It does not amend, extend or alter coverages afforded by policies described herein.
- Submit the completed certificate to:
 

**Alberta Transportation  
Program Management Branch  
Main Floor, Twin Atria Building  
4999 98 Avenue  
Edmonton, Alberta T6B 2X3**

### Identification of Insured

Contractor's Name		
Contractor's Address		
City / Town	Province	Postal Code

### Identification of Contract

Contract Name (location and description as it appears in the Contract Documents)	Project ID (from Contract Documents)
	Contract Number
	CPIN

### Course of Construction Insurance

Insurer's Name		
Policy Number	Expiry Date <small>month (name of), date, year</small>	Total Insured Value
Form of Policy (check applicable)		
<input type="checkbox"/> All Risks Builder's Risk Policy <span style="margin-left: 150px;"><input type="checkbox"/> Other (specify below)</span>		
<input type="checkbox"/> All Risks Installation Floater <span style="float: right; border-bottom: 1px solid black; width: 150px;"></span>		
Limits of Liability		
\$ _____ <small>At Place of Work</small>	\$ _____ <small>At any other location</small>	\$ _____ <small>In transit</small>
Deductible		
\$ _____ <small>At Place of Work</small>	\$ _____ <small>At any other location</small>	\$ _____ <small>In transit</small>
Coverages provided by this Policy (check applicable coverages)		
<input type="checkbox"/> All risks coverage <span style="margin-left: 150px;"><input type="checkbox"/> Primary Insurance, <b>not</b> requiring loss sharing with other insurers</span>		
<input type="checkbox"/> Alberta Transportation included as a named insured <span style="margin-left: 150px;"><input type="checkbox"/> Subcontractors, sub-subcontractors and others with an insurable interest, included as additional insureds</span>		

# Certificate of Property Insurance

Alberta Transportation

## Boiler Insurance

Insurer's Name		
Policy Number	Expiry Date <hr/> month (name of), date, year	Limit of Liability (per occurrence)

## Certification

The undersigned hereby certifies that:			
<ul style="list-style-type: none"><li>• The policies described herein, subject to their terms, conditions, and exclusions, have been issued to the above named insured and are in force at this time.</li><li>• Coverages afforded under said policies will not be cancelled or materially changed to restrict coverage unless thirty (30) days advance written notice has been given to Alberta Transportation at the address shown on page 1 of this form and each of the policies has been endorsed to this effect.</li><li>• The undersigned is an authorized representative of each of the insurance companies listed herein, and has full knowledge of the facts set forth herein and believes them to be true.</li></ul>			
Name of Issuing Agency			
Address of Issuing Agency			
City / Town	Province	Postal Code	Telephone No.
Name of Authorized Representative (print or type)	Signature of Authorized Representative		Date of Issue

Use this section to specify Payment Conditions.

This section requires the Contractor to submit a statutory declaration in the form of Document 00630A – Statutory Declaration of Payment Distribution appended to this section.

Use this section in conjunction with Section 00431 – Schedule of Prices, Section 00725 – Payment Condition, Section 01275 – Measurement Rules, Section 01280 – Measurement Schedule

Editing: Use this section as is; do not modify it in any way.

**Heading of Specification Text**

**Specification Notes**

1. Federal Goods and Services Tax
2. Basis of Payment
3. Measurement for Payment
4. Progress Payments
5. Holdback
6. Payment After Substantial Performance
7. Final Payment
8. Minister's Liability
9. Delay in Making Payment
10. Right of Set-Off
11. Deductions from Payments
12. Withholding of Payment
13. Title to and Acceptance of Work

**END OF COVER SHEET**

- 
- 1. FEDERAL GOODS AND SERVICES TAX**
- .1 Monies payable by the Minister to the Contractor shall be exclusive of the federal Goods and Services Tax (GST).
- 2. BASIS OF PAYMENT**
- .1 Payment for Lump Sum Work shall be based on the prices in the Contract and, when required by the Contract, the approved schedule of values for such work.
- .2 Payment for Unit Price Work shall be based on the Unit Prices in the Contract.
- .3 Payment for Cost Plus Work shall be based on the cost of such work, as specified herein, plus a fee in the amount of 10% of the cost of such work for the Contractor's overhead and profit except that no fee shall be applied to the cost of Construction Equipment when such cost is based on rates which already include the Contractor's overhead and profit.
- .4 The cost of Cost Plus Work shall be computed as the sum of the following cost elements as applicable to such work:
- .1 Cost of labour (other than labour costs included in other cost elements) comprised of payroll costs for employees in the direct employ of the Contractor. Such employees shall include the superintendent and foremen at the Site. Payroll costs shall include salary, fringe benefits and statutory charges paid by the Contractor. Fringe benefits shall include health care, vacations with pay, sick time allowance, and pension plan, life and disability insurance, dental and medication plan contributions. Statutory charges shall include contributions for Canada Pension Plan, Workers' Compensation, statutory holidays and Unemployment Insurance. Labour rates shall be consistent with rates actually paid for equivalent job classifications in the normal performance of Lump Sum Work or Unit Price Work or, if there are no such equivalencies, under a schedule of job classifications and labour rates agreed upon by the Minister and the Contractor, if possible before labour costs are incurred.
- .2 Cost of Products supplied and incorporated into Permanent Work, including cost of transportation and storage thereof and Supplier's site services required in connection therewith. Cash discounts shall accrue to the Contractor. Trade discounts, rebates and refunds and returns from sale of surplus Products shall accrue to the Minister.
- .3 Cost of Construction Equipment:**
- .1 Cost of Construction Equipment shall be paid at the rates specified in the current edition of the Equipment Rental Rates Guide published by the Alberta Roadbuilders and Heavy Construction Association, hereinafter called the "Rates Guide", subject to the following:
- .1 Rates specified in the Rates Guide shall be deemed to include all overhead and profit, regardless of whether Construction Equipment is provided by the Contractor, Subcontractors or Sub-subcontractors.
- .2 Rates specified in the Rates Guide shall be deemed to include cost of owning, operating, (including wages for equipment operators but not including travel and subsistence costs for equipment operators) loading, unloading, assembling, erecting, and dismantling.
- .2 When applicable rates are not included in the Rates Guide, costs shall be paid at the rates agreed upon by the Minister and the Contractor, if possible before such costs are incurred.
- .3 Cost of moving Construction Equipment to and from the Site shall not be payable, unless such cost is solely attributable to the Work and is approved as such by the Minister.
- .4 Except for Construction Equipment traveling under its own power, travel time for Construction Equipment shall not be payable. Unless otherwise approved by the Minister, Construction Equipment shall be moved by the most economical method.
- .4 Cost of Temporary Work, including cost of transportation and maintenance thereof, used and consumed in the performance of the Work and the cost less fair market value of such work used but not consumed which shall remain the property of the Contractor.
- .5 Cost of special services, including the cost of architects, engineers, specifiers, surveyors, testing laboratories and inspection agencies.

- .6 Supplemental costs, including:
- .1 travel and subsistence costs of the Contractor's employees (including equipment operators under clause 2.4.3.);
  - .2 statutory charges, including fees, cost of permits and licences and custom duties;
  - .3 cost of rights-of-way and other land related costs;
  - .4 royalty payments and patent licence fees;
  - .5 deposits lost for causes other than the Contractor's fault or negligence.
- .7 Subcontract and Sub-subcontract costs, including payments made by the Contractor to Subcontractors and by Subcontractors to Sub-subcontractors in accordance with the requirements of such contracts. Subcontractors' and Sub-subcontractors' costs and fees for overhead and profit for Cost Plus Work to be performed under such contracts shall be determined in the same manner as the Contractor's cost and fee.
- .5 With respect to Cost Plus Work:
- .1 Costs payable by the Minister shall be directly related to or shall have been necessarily and properly incurred in the performance of such work.
  - .2 Overhead shall include the Contractor's costs related to the operation and maintenance of his head office and branch offices, administration at head office and branch offices, general management, legal, audit and accounting services, buying organization, corporate tax, financing and other bank charges, company directors, salaries and other compensation of personnel stationed off-site, design of Construction Equipment and Temporary Work, planning and scheduling of work, expendable and unexpendable small tools, including maintenance thereof, and recruitment and training of site staff.
  - .3 The Contractor shall obtain the Minister's prior approval to subcontract or enter into other agreements for Cost Plus Work.
  - .4 The Minister may refuse to pay all or part of the cost of any Work item under any cost element, where the item in question was, in the Minister's opinion, unsuitable for the Work performed.
- 3. MEASUREMENT FOR PAYMENT**
- .1 Unless otherwise specified in the Contract, the Minister shall measure the Work for the purpose of determining payment to the Contractor in accordance with the measurement provisions of the Contract.
- 4. PROGRESS PAYMENTS**
- .1 Prior to Substantial Performance of the Work, the Minister shall make monthly payments to the Contractor.
  - .2 Within 7 days after the end of each monthly payment period, the Contractor shall submit to the Minister:
    - .1 completed Statutory Declaration Form 00630A, at and after the second monthly payment period,
    - .2 any data requested by the Minister to assist the Minister to determine the amount due and payable to the Contractor, and
    - .3 for Products stored by the Contractor on the Site for incorporation in Permanent Work but not incorporated in such Work, proof of purchase price and delivery to the Site, along with a statement of the quantity of such Products and the Schedule of Prices item to which the Products relate.
  - .3 The Minister shall, within 42 days after the end of each monthly payment period and subject to having received within the time specified any required information referred to in clause 4.2, pay to the Contractor the amount which the Minister determines to be due and payable to the Contractor, up to the end of the monthly payment period in respect of:
    - .1 the value of Work executed;
    - .2 the value of Work executed pursuant to authorized Changes in the Work;
    - .3 the value of Products stored by the Contractor on the Site for incorporation in Permanent Work but not incorporated in such Work;
    - .4 adjustments due to changes in Regulatory Requirements or price fluctuation provisions of the Contract, if applicable;
    - .5 any other amount determined by the Minister; and
    - .6 subject to:
      - .1 any deductions under clause 11.;
      - .2 any withholdings under clause 12.; and
      - .3 retention of the holdback amount calculated by applying the holdback percentage referred to in clause 5. to the amount payable to the Contractor under clause 4.3 after any deductions and withholdings.
  - .4 For Unit Price Work, the Minister may, at his discretion, make partial payment based on partial completion of the scope of a single unit of an item of Work.



.5 If, after receipt of a progress payment from the Minister, the Contractor disagrees with the amount of such payment, such amount shall nevertheless be considered to be correct unless the Contractor, within 7 days after such receipt, notifies the Minister of the respects in which such payment is claimed by him to be incorrect. On receipt of such notice, the Minister shall review the amount of the payment and either confirm or vary it. If the Minister varies the payment, such variance shall be added to the next progress payment.

.6 Notwithstanding the terms of this clause or any other clause of the Contract no amount shall be paid by the Minister until the contract security and proof of insurance, if required under the Contract, have been provided by the Contractor.

**5. HOLDBACK**

.1 The Minister shall hold back 10% from each progress payment referred to in clause 4..

.2 Up to 100% of retained holdback monies shall be payable by the Minister to the Contractor not less than 45 days after the date of Substantial Performance of the Work as certified by the Minister provided:

.1 third party claims, received by the Minister pursuant to the Public Works Act or applicable requirements of the Contract have been resolved, or addressed and a course of action agreed to by the Minister and the Contractor, and

.2 the Contractor has submitted to the Minister, within 7 days after the date of Substantial Performance, a letter of clearance from the Workers' Compensation Board and a completed Statutory Declaration Form 00630A.

.3 The Minister shall, within 63 days after Substantial Performance and subject to having received within the time specified any required information referred to in clause 5.2, pay to the Contractor 100% of retained holdback monies, subject to any deductions under clause 11. and to any withholdings under clause 12., and subject further to withholding:

.1 an amount equal to twice the Minister's estimate of the cost to the Minister of remedying any defects described in the certificate of Substantial Performance of the Work, and

.2 an amount equal to the Minister's estimate of the cost to the Minister of completing any outstanding work described in the certificate of Substantial Performance of the Work.

.4 If the Minister withholds a portion of the retained holdback pursuant to clause 5.3, the Minister shall, at such reasonable times and intervals as the Minister may determine, pay to the Contractor the balance of the retained holdback, as and when the cause or causes for the withholding are removed.

.5 When a certificate of Substantial Performance for part of the Work has been issued by the Minister, the provisions of clause 5.2 shall apply proportionately to such part of the Work.

**6. PAYMENT AFTER SUBSTANTIAL PERFORMANCE**

.1 After Substantial Performance of the Work, the Minister shall make periodic payments to the Contractor on the same basis and conditions as specified in clause 4, except that such payments:

.1 shall be made at such reasonable times and intervals as the Minister may determine, and

.2 shall not be subject to holdback.

.2 When a certificate of Substantial Performance for part of the Work has been issued by the Minister, the provisions of this clause shall apply proportionately to such part of the Work.

**7. FINAL PAYMENT**

.1 The Minister shall prepare the final statement and make final payment to the Contractor.

.2 Within 42 days after the date of Total Performance of the Work, the Contractor shall submit to the Minister:

.1 any data requested by the Minister to assist the Minister to determine the final amount due and payable to the Contractor,

.2 a completed Statutory Declaration Form 00630A, and

.3 a letter of clearance from Workers' Compensation Board.

.3 Subject to having received within the time specified any required information referred to in clause 7.2, the Minister shall, within 63 days after the date of Total Performance of the Work, prepare and deliver to the Contractor the final statement, stating the final amount which the Minister determines to be due and payable by the Minister to the Contractor.

.4 The Minister shall, within 42 days after the final statement is issued to the Contractor, pay the Contractor the final amount.

- .5 If the final statement is considered by the Contractor to be incorrect, the Contractor shall, within 63 days of receipt thereof, submit to the Minister a notice of claim, including substantiation, notwithstanding the time provisions of clause 10. of the General Conditions
- .6 If the Minister does not receive a notice of claim pursuant to clause 7.5 within the time specified, the final statement shall be considered correct.
- .7 The final payment shall represent full and final settlement of all monies due to the Contractor pursuant to the Contract except with respect to unresolved claims, if any.

**8. MINISTER'S LIABILITY**

- .1 After the final payment issued pursuant to clause 7.4 has been made, the Minister shall not be liable to the Contractor for any matter or thing arising out of or in connection with the Contract, except as may be provided elsewhere in the Contract, unless the Contractor shall have made a claim in respect thereof prior to or within the time specified in clause 7.5.

**9. DELAY IN MAKING PAYMENT**

- .1 In respect of progress payments, payment after Substantial Performance of the Work, payment of holdback, and final payment, the Minister shall pay the Contractor an amount that the Minister considers to be due to the Contractor, pursuant to the Contract, within the time specified.
- .2 When, through no fault of the Contractor, the Minister delays in making payment that is due pursuant to clause 9.1, the Contractor shall be entitled to receive simple interest on the amount that is overdue from and including the day that it became overdue, up to and including the date that the payment was made, at an annual interest rate of 2% plus the prime rate of the Canadian Imperial Bank of Commerce that was current immediately preceding the day that such payment became overdue.

**10. RIGHT OF SET-OFF**

- .1 Without limiting any right of set-off, deduction or recovery given or implied by law or elsewhere in the Contract, the Minister may set off any amount payable to the Minister by the Contractor, or recoverable from the Contractor by the Minister, under the Contract or under any other current contract against any amount payable to the Contractor under this Contract.

- .2 For the purposes of these Payment Conditions, "other current contract" means a contract between the Minister and the Contractor under which the Contractor has an undischarged obligation to perform or supply work, labour, or material, or in respect of which the Minister has, since the date of execution of the contract agreement, exercised any right to take the work that is the subject of the contract out of the Contractor's hands.

**11. DEDUCTIONS FROM PAYMENTS**

- .1 The Minister may deduct from any amount claimed by or payable to the Contractor:
  - .1 an amount at least equal to the value, as determined by the Minister, of work not in accordance with Contract Documents,
  - .2 the amount of any unresolved third party claim submitted pursuant to the Public Works Act or applicable requirements of the Contract,
  - .3 the amount of any unpaid and overdue statutory account related to the Contract and of which the Minister has received notice and which is enforceable against the Minister,
  - .4 the amount of any overpayment made by the Minister to the Contractor, and
  - .5 any other amount recoverable by the Minister from the Contractor under the Contract.

**12. WITHHOLDING OF PAYMENT**

- .1 The Minister may withhold all or part of any amount payable to the Contractor in order to protect the Minister or third parties from loss due to the Contractor's:
  - .1 failure to make payments properly to Subcontractors or for labour, materials or equipment,
  - .2 failure to ensure that Subcontractors make payments properly to Sub-subcontractors or for labour, materials or equipment,
  - .3 inability to complete the Work within the Contract Time,
  - .4 inability to complete the Work for the unpaid balance of the Contract Price,
  - .5 persistent failure to perform the Work in accordance with the Contract Documents.
- .2 When the causes for withholding payment pursuant to clause 12.1 are removed to the Minister's satisfaction, the Minister shall pay the Contractor the amount previously due and payable with the next progress payment.

**13. TITLE TO AND ACCEPTANCE OF WORK**

- .1 The Contractor warrants that title to work and Products covered by any payment made by the Minister to the Contractor will pass to the Minister, at the time of payment, free and clear of all claims, interests and encumbrances.
- .2 The Contractor further warrants that Products stored at the Site and for which payment has been received, shall not be removed from the Site and shall be kept secure and protected.
- .3 Payments made by the Minister shall not be construed as an acceptance that the Work, Products, or any part thereof is complete, is satisfactory or is in accordance with the Contract Documents.

**END OF SECTION**

# Statutory Declaration of Payment Distribution

**Alberta Transportation**

## Identification of Contract

Contract Name (location and description of the Work as it appears in the Contract Documents)	Contract ID:
	Date of This Application for Payment
	month (name of), date, year
	Date of Last (Immediate Preceding) Application for Payment
	month (name of), date, year

## Identification of Declarant (person making the declaration)

Full Name of Declarant	Position or Title (of office held with Contractor)	
Business Name (Name of Contractor)		
Business Address		
City or Town	Province	Postal Code

## Declaration

<p>I, the undersigned, solemnly declare that as of the date of this application for payment:</p> <ol style="list-style-type: none"> <li>.1 all the Contractor's lawful obligations to subcontractors and suppliers, in respect of work contracted for and performed before the date of the last (immediate preceding) application for payment, are fully discharged, except for (i) hold back monies properly retained, and (ii) payments deferred by agreement;</li> <li>.2 all the Contractor's lawful obligations to workers, in respect to work contracted for, are fully discharged;</li> <li>.3 all assessments and payments required to be made by the Contractor under law have been made in full; and that</li> <li>.4 I am an authorized signing officer of the Contractor and have personal knowledge of the contract identified and the facts stated in this statutory declaration.</li> </ol> <p>I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.</p> <div style="text-align: right; margin-top: 20px;"> <p><b>Making a false or fraudulent declaration is a contravention of the Criminal Code of Canada, and could carry, upon conviction, penalties including fines, imprisonment, or both.</b></p> </div> <div style="margin-top: 20px;"> <p>_____</p> <p style="text-align: center;">Signature of declarant</p> </div>
--

## Attestation (to be completed by a person empowered to receive declarations, e.g. Commissioner of Oaths, Notary Public, etc.)

DECLARED before me at _____ this _____ day of _____ 20____		
City/Town and Province		
_____ Signature of person before whom declaration is made	_____ Authority to receive solemn declarations	_____ Expiry date
_____ Name (please print)	<p><b>Any changes or corrections on this Statutory Declaration must be initialed by the person before whom the declaration is made.</b></p>	

Use this section on all projects that are subject to the Public Works Act.

This section provides for the use by third parties of a Statement of Public Works Act Claim. This statement is appended to this section.

Editing: Use this section as is; do not modify in any way.

**Heading of Specification Text**

**Specification Note**

1. General
2. Posting of Claims Information
3. Claims Procedure
4. Extract from Public Works Act

**END OF COVER SHEET**

**1. GENERAL**

- .1 The Public Works Act (Alberta) applies to this Project. The Builders' Lien Act (Alberta) does not apply.
- .2 The Public Works Act allows any person who has not received proper payment, regardless of their level in the contracting chain, to make a claim directly to the Minister.
- .3 This Section specifies procedures for making a claim under the Public Works Act.
- .4 For the purpose of interpreting the "Notice of Claim" provisions under Section 14 of the Public works Act, this Contract shall be deemed to be a contract for work *other than* a highway or road as defined in section 1 of schedule 14 of the Government Organization Act. The 45-day claim period as set out in Section 14(3)(a) shall apply.

**2. POSTING OF CLAIMS INFORMATION**

- .1 Contractor shall display, at the Site, on a bulletin board of adequate size, a copy of each of the following:
  - .1 This Specification Section.
  - .2 AI/MS Form 00639A - Statement of Public Works Act Claim (copy appended to this Section).
  - .3 Labour and Material Payment Bond, if provided under the Contract.
- .2 Protect display in plastic sleeves and maintain in legible condition for duration of Contract.
- .3 The Minister may, upon request, waive the requirement to post claims information where it is not practicable to display this information at the Site.

**3. CLAIMS PROCEDURE**

- .1 Complete Statement of Public Works Act Claim form (copy appended to this Section) and submit form to address indicated on form within 45 Days after the last day on which labour, equipment, material or services giving rise to claim were provided.
- .2 Minister will acknowledge receipt of claim in writing.
- .3 The claimant shall, if requested by Minister, submit additional evidence in support of claim.

**4. EXTRACT FROM PUBLIC WORKS ACT**

Notice of claim

**14(1) When**

- (a) a person provides labour, equipment, material or services used or reasonably required for use in the performance of a contract with the Crown for the construction, alteration, demolition, repair or maintenance of a public work, and
- (b) that person is not paid by the party who is legally obliged to pay that person,

that person may send a notice of that person's claim to the Minister, or agent of the Crown that is responsible for the public work.

- (2) *Omitted from this extract. Not applicable to this Contract.*
- (3) The notice of claim, other than for a claim referred to in subsection (2), must
  - (a) be sent by registered mail not later than 45 days after the last day on which the labour, equipment, material or services were provided, and
  - (b) set out the nature and amount of the claim in a form satisfactory to the Crown.

**END OF SECTION**

**Alberta Transportation****Statement of  
Public Works Act Claim**

Submit completed claim form to:

Program Management Branch, Tender Administration,  
 Alberta Transportation, Main Floor, 4999 98 Avenue,  
 Edmonton, Alberta T6B 2X3  
 Telephone: (780) 415-1069 Fax: (780) 422-0232

**Claimant**

Name				
Address				
City or Town	Province	Postal Code	Telephone	Fax

**Project**

This claim is made in respect of the following contract (location and description):

**Details of Claim**

1	Our contract is with (name of contractor):
2	This claim is made in respect of the following work (provide short description of work performed):
3	<p>Time:</p> <p><input type="checkbox"/> The work related to this claim was fully performed on _____ month (name of) _____ date _____ year</p> <p>OR</p> <p><input type="checkbox"/> The work related to this claim is not yet fully performed but payment for work performed to _____ month (name of) _____ date _____ year</p> <p>has not been received as of _____ month (name of) _____ date _____ year</p>
4	<p>Amount</p> <p>The amount of this claim is \$ _____, which includes \$ _____ in holdback monies.</p>
5	<p>Declaration:</p> <p>I, the undersigned, am or represent the claimant named above and declare that the information provided is true and correct;</p> <p>_____</p> <p style="text-align: center;">Name of declarant (please print) <span style="float: right;">Signature of declarant</span></p>

**For Alberta Transportation Use Only**

Encumbrance No.:	Tender No. or Building No.:	Contract No.:	Date Received:	Date Acknowledged:
Comments:				

Rev.2006-10-31

AT/MS Form 00639A

This section includes the general conditions of the Contract.

Refer to the Data Sheet – Discussion of Specific Clauses of General Conditions.

Editing: Use this section as is; do not modify it in any way. If circumstances exist that warrant a modification, discuss with the Alberta Transportation Project Manager. Changes to the General Conditions can only be made by using Section 00803 – Supplementary Conditions, Section 00725 – General Conditions.

**Heading of Specification Text**

**Specification**

See Page 1 and Page 2 of the  
General Conditions

**END OF COVER SHEET**



2006-10-31

**Extension of Contract Time:** Clause 6.4 permits the Contractor to claim for an extension of the Contract Time; the Minister is required to make a determination in this regard. Some important considerations are as follows:

- .1 A prompt decision by the Minister is necessary, assuming that all pertinent information is available.
- .2 An extension should be based on a justifiable delay in the critical path of the Contractor's work schedule.
- .3 The Minister may give an interim extension. Once given, the time period granted cannot be reduced.

**Damages for Delay:** Clause 6.13 provides for recovery by the Minister from the Contractor of any loss or damage suffered by the Crown due to the Contractor's failure to attain Substantial Performance of the Work on time. Damages are ascertained after the fact. In certain circumstances, it may be deemed more appropriate to specify liquidated damages, i.e. to specify a reasonable pre-estimate of some of the losses or damages that would be incurred. If liquidated damages are to be specified, the losses or damages to be liquidated or defined are done so in a Supplementary Condition. The pre-estimate must be documented to be enforceable.

**Warranty:** Clause 7. provides for a 1 year warranty on all Work, and allows for any extended warranties that may be specified in the technical specifications. Warranty periods commence on the date of Substantial Performance of the Work. In exceptional circumstances alternative warranty provisions may be worth considering. An example is to relate the warranty of spillway gates to the date when the reservoir reaches its full storage capacity; in such a situation the warranty period may be extended for a period of time after this occurrence. Note that risk and cost should be carefully considered before making such modifications. Consider also the implications for any performance bonding: under the standard bond form a suit must be instituted within 2 years after the due date of the final payment under the Contract. If other warranty provisions are to be specified, the clause must be modified by a Supplementary Condition.

**Changes and Variations:** Clause 8. allows the Minister to make changes and instruct the Contractor to carry out those changes. Changes in the work should be specified as completely as if they were part of the original Specifications. It must be possible to accurately determine the cost of the change as well as the impact to any of the original work and time schedule. The work included in any quoted price should be described as completely as if it was part of the original Measurement Schedule.

**2006-10-31**

---

**Quantity Variations:** Clause 8.5 allows the Minister and the Contractor to negotiate new unit prices for quantities that exceed the estimated quantities listed in Section 00431 – Schedule of Prices by more than 15%, and if the extended cost of an item based on the actual quantity of work executed and the as Bid unit price exceeds 15% of the original contract price. When preparing the Schedule of Prices for the Contract Documents use quantity estimates based on current information and avoid providing an allowance in the quantity estimate to cover contingencies.

**Settlement of Disputes:** Clause 15. allows for disputes between the Minister and the Contractor to be resolved in accordance with processes identified in the document entitled “Dispute Resolution Process for Government of Alberta Construction Contracts,” Appendices A, B, C, D, and E. This document is available at the offices of Alberta Transportation.

**END OF DATA SHEETS**

**Alberta Transportation**

---

<p><b>1. MINISTER AND MINISTER'S REPRESENTATIVE</b></p> <p>1.1 Minister's Duties and Authority</p> <p>1.2 Minister's Representative</p> <p>1.3 Appointment of Assistants</p> <p>1.4 Instructions in Writing</p> <p>1.5 Minister Interpreter of Contract</p> <p>1.6 Minister's Determinations</p> <p>1.7 Minister's Review</p> <p><b>2. ASSIGNMENT, SUBCONTRACTING AND NOMINATION</b></p> <p>2.1 Assignment</p> <p>2.2 Subcontracting</p> <p>2.3 Nominated Subcontractors and Suppliers</p> <p><b>3. DOCUMENTS</b></p> <p>3.1 Property and Use of Contract Documents</p> <p>3.2 Reporting of Conflicts, Errors and Discrepancies</p> <p>3.3 Disruption of Progress</p> <p>3.4 Additional Instructions</p> <p>3.5 Forms</p> <p><b>4. GENERAL OBLIGATIONS</b></p> <p>4.1 Contractor's Responsibilities</p> <p>4.2 Contract Security</p> <p>4.3 Site Operations and Methods of Construction</p> <p>4.4 Differing Physical Conditions or Obstructions</p> <p>4.5 Climatic and Weather Conditions</p> <p>4.6 Contractor's Superintendence</p> <p>4.7 Contractor's Employees</p> <p>4.8 Minister May Object</p> <p>4.9 Safety, Security and Protection of the Environment</p> <p>4.10 Minister's Responsibilities for Safety</p> <p>4.11 Care of Work</p> <p>4.12 Responsibility to Rectify Loss or Damage</p> <p>4.13 Hold Harmless Agreement</p> <p>4.14 Regulatory Requirements</p> <p>4.15 Artifacts and Fossils</p> <p>4.16 Patent Rights</p> <p>4.17 Royalties</p> <p>4.18 Other Contractors</p> <p>4.19 Permanent Work Designed by Contractor</p> <p>4.20 Records and Audit</p> <p>4.21 Record of Labour and Construction Equipment</p> <p>4.22 Customs</p> <p>4.23 Urgent Remedial Work</p>	<p><b>5. QUALITY OF PRODUCTS AND WORK</b></p> <p>5.1 Products and Workmanship</p> <p>5.2 Cost of Samples</p> <p>5.3 Cost of Tests Provided For</p> <p>5.4 Cost of Tests Not Provided For</p> <p>5.5 Inspection and Testing</p> <p>5.6 Dates for Inspection and Testing</p> <p>5.7 Rejection</p> <p>5.8 Cost for Inspection and Testing</p> <p>5.9 Independent Inspection</p> <p>5.10 Examination of Work Before Covering Up</p> <p>5.11 Uncovering and Making Openings</p> <p>5.12 Removal of Improper Work or Products</p> <p><b>6. COMMENCEMENT, COMPLETION, CONTRACT TIME AND DELAYS</b></p> <p>6.1 Commencement of Work</p> <p>6.2 Possession of Site and Access to Site</p> <p>6.3 Contract Time</p> <p>6.4 Extension of Contract Time</p> <p>6.5 Contractor to Provide Notification and Details</p> <p>6.6 Interim Determination of Extension of Time</p> <p>6.7 Rate of Progress</p> <p>6.8 Substantial Performance of the Work</p> <p>6.9 Substantial Performance of Part or Parts of Work</p> <p>6.10 Total Performance of the Work</p> <p>6.11 Warranty Performance of the Work</p> <p>6.12 Acceleration</p> <p>6.13 Damages for Delay</p> <p><b>7. WARRANTY</b></p> <p>7.1 Warranty Period</p> <p>7.2 Completion of Outstanding Work</p> <p>7.3 Remedying Defects</p> <p>7.4 Contractor's Failure to Carry Out Instructions</p> <p>7.5 Contractor to Search</p> <p><b>8. CHANGES AND VARIATIONS</b></p> <p>8.1 Changes in the Work</p> <p>8.2 Instructions for Changes in the Work</p> <p>8.3 Valuation of Changes in the Work</p> <p>8.4 Impact of Changes in the Work</p> <p>8.5 Quantity Variations</p> <p><b>9. CHANGES IN COST AND REGULATORY REQUIREMENTS</b></p> <p>9.1 Increase or Decrease in Cost</p> <p>9.2 Changes in Regulatory Requirements</p>
--	--

**Alberta Transportation**

---

**10. CLAIMS**

- 10.1 Notice of Claims
- 10.2 Contemporary Records
- 10.3 Substantiation of Claims
- 10.4 Resolution of Claims
- 10.5 Payment of Claims
- 10.6 Obligations to and Claims of Third Parties
- 10.7 Claims Against Minister Only

**11. RELEASE FROM PERFORMANCE**

- 11.1 Frustration
- 11.2 Removal of Construction Equipment on Termination
- 11.3 Payment if Contract Terminated

**12. SUSPENSION AND TERMINATION BY MINISTER**

- 12.1 Suspension of Work
- 12.2 Minister's Determination Following Suspension
- 12.3 Suspension Lasting More Than 91 Days
- 12.4 Termination of Contract

**13. DEFAULT OF CONTRACTOR**

- 13.1 Default
- 13.2 Valuation at Date of Termination
- 13.3 Payment After Termination
- 13.4 Assignment of Benefit of Agreement

**14. DEFAULT OF MINISTER**

- 14.1 Failure of Minister to Pay
- 14.2 Removal of Construction Equipment
- 14.3 Payment on Termination
- 14.4 Contractor May Suspend Work
- 14.5 Resumption of Work

**15. SETTLEMENT OF DISPUTES**

- 15.1 Disputes

**Alberta Transportation**

---

**1. MINISTER AND MINISTER'S REPRESENTATIVE**

**1.1 Minister's Duties and Authority:** The Minister shall carry out the duties and exercise the authority specified in the Contract.

**1.2 Minister's Representative:** The Minister shall appoint a representative who shall, unless the Contractor is expressly advised otherwise by the Minister or a duly authorized departmental officer, have full authority to act on behalf of and bind the Minister under the Contract.

**1.3 Appointment of Assistants**

- .1 The Minister's Representative may appoint any number of persons to assist him in carrying out his duties. He shall notify the Contractor of the names, duties and scope of authority of such persons.
- .2 The failure of any assistants appointed pursuant to clause 1.3.1 to disapprove any work shall not prejudice the authority of the Minister to disapprove such work and to give instructions for the rectification thereof.

**1.4 Instructions in Writing:** The Contractor shall take instructions only from the Minister or any assistants appointed pursuant to clause 1.3. Instructions given by the Minister shall be in writing, provided that if the Minister considers it necessary to give any instruction orally, the Contractor shall comply with such instruction. Confirmation in writing of such oral instruction given by the Minister, whether before or after the carrying out of the instruction, shall be deemed to be an instruction within the meaning of this clause. Provided that if the Contractor, within 7 days, confirms in writing to the Minister any oral instruction of the Minister and such confirmation is not contradicted in writing within 7 days by the Minister, it shall be deemed to be an instruction of the Minister.

**1.5 Minister Interpreter of Contract:** The Minister in the first instance shall be the interpreter of the Contract and the judge of the Contractor's performance.

**1.6 Minister's Determinations:** When the Minister is required to exercise his discretion by giving his decision, opinion or consent, or expressing his satisfaction or approval, or determining value, or otherwise taking action which may affect the rights and obligations of the Contractor he shall exercise such discretion within the terms of the Contract after due consultation with the Contractor and shall promptly notify the Contractor of such decision, opinion, consent, approval or determination.

**1.7 Minister's Review:** Any review, comment, consent, acceptance or approval, or lack thereof, by the Minister, shall not relieve the Contractor of any of its responsibilities or liabilities under the Contract.

**2. ASSIGNMENT, SUBCONTRACTING AND NOMINATION**

**2.1 Assignment**

.1 The Contractor shall not assign the Contract, either in whole or in part, without the previous written consent of the Minister, which consent, notwithstanding other provisions of the Contract, shall be at the Minister's sole discretion.

.2 The Minister shall not be bound by any assignment by the Contractor of any monies payable or to become payable to the Contractor under the Contract, without the written consent of the Minister, which consent:

- .1 will not be given for a general assignment of book debts, but
- .2 may, at the Minister's sole discretion, be given for a specific assignment of all or part of monies payable to the Contractor under the Contract,

subject however, in all cases, to the provisions of the Financial Administration Act (Alberta).

**2.2 Subcontracting**

.1 The Contractor:

- .1 shall not sublet the Contract as a whole,
- .2 shall not subcontract any part of the Work without the Minister's prior consent, which shall not be unreasonably withheld,
- .3 shall provide such details of any Subcontractor he wishes to engage as the Minister may require,
- .4 shall contract with those Subcontractors proposed by him and accepted by the Minister and such Subcontractors shall not be changed without the Minister's prior consent.

.2 The Minister may, for reasonable cause, object to the use of a proposed Subcontractor and require the Contractor to contract with another Subcontractor.

.3 If the Minister requires a change from a proposed Subcontractor, the Contract Price shall be adjusted by any difference in cost and markup occasioned by such required change, except where such change is required due to the Contractor's default or negligence, in which case there shall be no change in the Contract Price.

.4 The Minister may, upon reasonable request and at his discretion, provide to a Subcontractor information as to the percentage or quantity of the Subcontractor's work for which payment has been approved.

- .5 Nothing contained in the Contract shall create a contractual relationship between a Subcontractor and the Minister and subcontracting part of the Work shall not relieve the Contractor from any liability or obligation under the Contract and he shall be responsible for the acts, defaults and neglects of any Subcontractor, his agents, servants or workers as fully as if they were his own.
- .6 The Contractor shall enter into contracts or written agreements with his Subcontractors to require them to perform their work in accordance with the Contract, and the Contractor shall incorporate the terms and conditions of the Contract Documents, to the extent that they apply, into all subcontracts.

### 2.3 Nominated Subcontractors and Suppliers

- .1 A nominated Subcontractor or nominated Supplier means a person, firm or corporation with whom the Contract requires the Contractor to enter into a contract for the performance of a subcontract or the supply of things related to the Work.
- .2 Nothing contained in the Contract shall create a contractual relationship between the Minister and a nominated Subcontractor or nominated Supplier and such nomination shall not relieve the Contractor from any liability or obligation under the Contract and he shall be responsible for the acts, defaults and neglects of any nominated Subcontractor or nominated Supplier, his agents, servants or workers as fully as if they were his own.

## 3. DOCUMENTS

**3.1 Property and Use of Contract Documents:** The Contract Documents are the sole property of the Minister and unless it is necessary for the purposes of the Contract, the Contract Documents shall not, without the consent of the Minister, be used by or communicated to a third party by the Contractor.

### 3.2 Reporting of Conflicts, Errors and Discrepancies

- .1 If the Contractor finds a conflict, error or discrepancy in the Contract Documents, the Contractor shall so report to the Minister in writing at once and, before proceeding or continuing with the Work affected thereby, shall obtain a written interpretation or clarification from the Minister; however, the Contractor shall not be liable to the Minister for failure to report any conflict, error or discrepancy in the Contract Documents unless the Contractor had actual knowledge thereof or should reasonably have known thereof.
- .2 The Contractor shall obtain from the Minister any dimensions required but not indicated in figures in the Contract Documents nor calculable from figures in the Contract Documents. Scaling of Drawings, for any purpose, shall be at the Contractor's risk.

### 3.3 Disruption of Progress

- .1 The Contractor shall notify the Minister when planning or execution of the Work is likely to be delayed or disrupted unless any further document or instruction required of the Minister under the Contract is issued by the Minister within a reasonable time. The notice shall include details of the document or instruction required and of why and by when it is required and of any delay or disruption likely to be suffered if it is late.
- .2 If, by reason of any failure or inability of the Minister to issue, within a reasonable time, any document or instruction for which notice has been given by the Contractor in accordance with clause 3.3.1, the Contractor suffers delay or incurs costs then the Minister shall determine:
  - .1 any extension of time to which the Contractor is entitled under clause 6.4, and
  - .2 the amount of such costs, which shall be added to the Contract Price.
- .3 If the failure or inability of the Minister to issue any documents or instruction is caused in whole or in part by the failure of the Contractor to submit documents which he is required to submit under the Contract, the Minister shall take such failure by the Contractor into account when making his determination pursuant to clause 3.3.2.

**3.4 Additional Instructions:** The Minister shall have authority to issue to the Contractor, from time to time, such Additional Instructions as may be necessary for the proper performance of the Work. The Contractor shall carry out and be bound by such Additional Instructions.

**3.5 Forms:** Forms to be used pursuant to the Contract or as otherwise may be required for the administration of the Contract shall be as prescribed or approved by the Minister.

## 4. GENERAL OBLIGATIONS

**4.1 Contractor's Responsibilities:** The Contractor shall, with due care and diligence, design, to the extent provided for by the Contract, execute and complete the Work and remedy any defects therein in accordance with the provisions of the Contract. This shall include the provision of superintendence, labour, Products, Construction Equipment, Temporary Work and all other things, whether of a temporary or permanent nature, required in and for such design, execution, completion and remedying of any defects. The Contractor shall comply with and adhere strictly to the Minister's instructions on any matter, whether mentioned in the Contract or not, concerning the Work.

**Alberta Transportation**

---

**4.2 Contract Security**

- .1 The Contractor shall, if required by the Bid Documents, provide either or both contract performance security or security for payment of claims for labour and material.
- .2 Surety bonds shall be issued by a duly incorporated surety company authorized to transact business of suretyship in the Province of Alberta.
- .3 The Minister may, for reasonable cause, object to use of the surety company proposed by the Contractor, and may require the Contractor to provide a surety bond issued by another surety company acceptable to the Minister, with no change in Contract Price.

**4.3 Site Operations and Methods of Construction**

- .1 The Contractor shall be fully responsible for the adequacy, stability and safety of all Site operations and methods of construction.
- .2 The Contractor shall submit at such times and in such detail as the Minister may require such information pertaining to the methods of construction (including Temporary Work and the use of Construction Equipment) which the Contractor proposes to use and such calculations of stresses, strains and deflections that will arise, in the Permanent Work or any part thereof, from the use of such methods during execution of the Work.
- .3 The Minister shall, on request from the Contractor, provide to the Contractor such design criteria relevant to the Permanent Work or any Temporary Work designed by the Minister as may be necessary to enable the Contractor to comply with clause 4.3.2.
- .4 For the purposes of this clause, "method of construction" means a method, means, technique, sequence or procedure of construction.

**4.4 Differing Physical Conditions or Obstructions**

- .1 If, during the execution of the Work, the Contractor encounters physical obstructions or physical conditions, including sub-surface obstructions or conditions, other than weather conditions or conditions due to weather conditions, on the Site, which, in his opinion, differ substantially from those indicated in the Contract and which were not reasonably foreseeable, the Contractor shall as soon as possible give notice thereof to the Minister. On receipt of such notice, the Minister shall, if in his opinion such obstructions or conditions differ substantially from those indicated in the Contract Documents and could not have been reasonably foreseen, determine:
  - .1 any extension of time to which the Contractor is entitled under clause 6.4, and

- .2 the amount of any costs, valued in accordance with clause 8.3, which may have been incurred by the Contractor by reason of such obstructions or conditions having been encountered, which shall be added to the Contract Price.

- .2 A determination by the Minister pursuant to clause 4.4.1 shall take account of:
  - .1 the time of the Contractor's notice to the Minister of a differing physical condition or obstruction,
  - .2 any instruction which the Minister may have issued to the Contractor in connection therewith, and
  - .3 any proper and reasonable measures acceptable to the Minister which the Contractor may have taken in the absence of specific instructions from the Minister.

**4.5 Climatic and Weather Conditions:** The relevant climatological records and related information published by the Canadian Climate Centre of Environment Canada, for one or more locations in the vicinity of the Site, shall be used as a basis for any evaluations and determinations concerning climate and weather.

**4.6 Contractor's Superintendence**

- .1 The Contractor shall provide all necessary superintendence during the execution of the Work and as long thereafter as the Minister may consider necessary for the proper fulfilling of the Contractor's obligations. The Contractor, or a competent and authorized representative approved of by the Minister, which approval may at any time be withdrawn, shall give his whole time to the superintendence of the Work. Such authorized representative shall receive, on behalf of the Contractor, instructions from the Minister.
- .2 If approval of the Contractor's representative is withdrawn by the Minister, the Contractor shall, as soon as is practicable, after receiving notice of such withdrawal, remove the representative from the Work and shall not employ him again on the Work in any capacity and shall replace him by another representative approved by the Minister.

**4.7 Contractor's Employees**

- .1 The Contractor shall provide on the Site in connection with the execution and completion of the Work and the remedying of any defects therein:
  - .1 technical assistants who are skilled and experienced in their respective trades and such foremen and others as are competent to give proper superintendence of the Work, and
  - .2 labour as is necessary for the proper and timely fulfilling of the Contractor's obligations.

**4.8 Minister May Object:** The Minister may object to and require the Contractor to remove forthwith from the Site any person who, in the opinion of the Minister, misconducts himself, or is incompetent or negligent in the proper performance of his duties, or whose presence is otherwise considered by the Minister to be undesirable, and such person shall not be allowed on the Site without the consent of the Minister.

**4.9 Safety, Security and Protection of the Environment**

- .1 The Contractor shall, throughout the execution of the Work and the remedying of any defects therein:
  - .1 have full regard for the health and safety of all persons upon the Site and keep the Site and the Work, to the extent that they are under his control, in an orderly state appropriate to the avoidance of danger to such persons, and
  - .2 provide and maintain at his own cost all temporary facilities and controls when and where necessary or required by the Minister or by any duly constituted authority, for the protection of the Work or for the safety and convenience of the public or others, and
  - .3 take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or any other causes arising as a consequence of his methods of operation.
- .2 The Contractor shall appoint a person at the Site who shall manage an accident prevention program. This person shall be the Contractor's superintendent unless another person is appointed and approved by the Minister.

**4.10 Minister's Responsibilities for Safety**

- .1 If under clause 4.18 the Minister carries out work on the Site with his own workers he shall, in respect of such work and subject to clause 4.9:
  - .1 have full regard to the safety of all persons upon the Site, and
  - .2 keep the Site in an orderly state appropriate to the avoidance of danger to such persons.
- .2 If under clause 4.18 the Minister contracts with Other Contractors on the Site he shall require them to have the same regard for safety and avoidance of danger.

**4.11 Care of Work**

- .1 The Contractor shall take full responsibility for the care of the Work from the date of commencement of Work at the Site until the date of issue of the certificate of Substantial Performance of the Work, when the responsibility for such care shall pass to the Minister, provided that:
  - .1 except where otherwise specified in the Contract, if the Minister issues a certificate of Substantial Performance for part of the Permanent Work the Contractor shall cease to be liable for the care of that part from the date of issue of such certificate, when the responsibility for the care of that part shall pass to the Minister, and
  - .2 the Contractor shall take full responsibility for the care of any outstanding Work which he undertakes to finish during the warranty period until such outstanding Work has been completed.

**4.12 Responsibility to Rectify Loss or Damage:** If there is any loss or damage to the Work, or any part thereof, or to Products for incorporation therein, during the period for which the Contractor is responsible for the care thereof, from any cause whatsoever, the Contractor shall, at his own cost, rectify such loss or damage so that the Work conforms with the provisions of the Contract to the satisfaction of the Minister. The Contractor shall also be liable for any loss or damage to the Work occasioned by him in the course of any operations carried out by him for the purpose of complying with his obligations under the warranty provisions of the Contract.

**4.13 Hold Harmless Agreement:** The Contractor shall hold harmless the Minister from any and all third party claims, demands, or actions for which the Contractor is legally responsible, including those arising out of negligence or willful acts by the Contractor or the Contractor's employees or agents. This hold harmless shall survive the Contract.

**4.14 Regulatory Requirements**

- .1 The Contractor shall conform in all respects, including by the giving of all notices and the paying of all fees, with the provisions of:
  - .1 any Regulatory Requirements, and
  - .2 the rules and regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the Work,

and the Contractor shall keep the Minister indemnified against all penalties and liability of every kind for breach of any such provisions.

- .2 The Minister shall be responsible for obtaining any planning, zoning or other similar permission required for the Project to proceed.



**Alberta Transportation**

.3 Without limiting the Contractor's obligations under clause 4.14.1, the Contractor shall:

- .1 comply with all requirements of and pay all fees in connection with the Workers' Compensation Act (Alberta),
- .2 comply with the Occupational Health and Safety Act (Alberta) and all safety requirements as contained in the regulations thereto,
- .3 ensure that wages, hours of work and other conditions of employment of all persons employed by the Contractor in the performance of any work required by the Contract are in compliance with the requirements of the Employment Standards Code (Alberta), the Labour Relations Code (Alberta) and any other applicable law, rule, regulation or order, and
- .4 pay all fees and charges levied by a municipal authority in respect of applicable permits and licences.

**4.15 Artifacts and Fossils**

.1 Coins, fossils, artifacts, structures and other remains or things of geological or archaeological interest discovered on the Site shall, as between the Minister and the Contractor, be deemed to be the property of the Minister. The Contractor shall take reasonable precautions to prevent his workers or any other persons from removing or damaging any such clause or thing and shall, immediately upon discovery thereof and before removal, inform the Minister of such discovery and carry out the Minister's instructions for dealing with same. If, by reason of such instructions, the Contractor suffers delay or incurs costs then the Minister shall determine:

- .1 any extension of time to which the Contractor is entitled under clause 6.4, and
- .2 the amount of such costs, which shall be added to the Contract Price.

**4.16 Patent Rights:** The Contractor shall indemnify the Minister from and against all claims and proceedings for or on account of infringement of any patent rights, design trademark or name or other protected rights in respect of any Product, Construction Equipment, Temporary Work or other thing used for or in connection with or for incorporation in the Work and from and against all damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto, except where such infringement results from compliance with the design or specification provided by the Minister.

**4.17 Royalties**

- .1 Except as otherwise provided in the Contract, the Contractor shall be liable for all tonnage and other royalties, rent and other payments or compensation, if any, for obtaining stone, sand, gravel, clay or other materials required for the Work.
- .2 The Contractor shall be liable for all payments or other compensation, if any, levied in relation to the dumping of all or part of any waste materials.

**4.18 Other Contractors**

.1 The Contractor shall, in accordance with the requirements of the Minister, afford all reasonable opportunities for carrying out their work to:

- .1 any Other Contractors of the Minister and their workers,
- .2 the workers of the Minister, and
- .3 the workers of any duly constituted authorities who may be employed in the execution on or near the Site of any work not included in the Contract or of any contract which the Minister may enter into in connection with or ancillary to the Work.

.2 Pursuant to clause 4.18.1, and except as may be provided in the Contract, the Contractor shall, on the request of the Minister:

- .1 make available to any person referred to in clause 4.18.1, any roads or ways for the maintenance of which the Contractor is responsible, or
- .2 permit the use, by any such persons, of Temporary Work or Construction Equipment on the Site, or
- .3 provide any other service for any such person,

the Minister shall determine an addition to the Contract Price in accordance with clause 8.3.

**4.19 Permanent Work Designed by the Contractor**

.1 Where the Contract provides that part of the Permanent Work shall be designed by the Contractor, he shall submit to the Minister, for review:

- .1 such drawings, specifications, calculations and other information as is necessary for the Minister's review, and

**Alberta Transportation**

- .2 operation and maintenance manuals, as applicable, together with drawings of the Permanent Work as completed, in sufficient detail to enable the Minister to operate, maintain, dismantle, reassemble and adjust the Permanent Work incorporating that design,

and such design and any alterations thereto shall be performed by a qualified design professional licensed to practice in Alberta.

- .2 The Contractor shall not commence any work to which the information referred to in clause 4.19.1 relates unless such information has been reviewed by the Minister, and the Contractor shall not thereafter alter such design without the Minister's review.

**4.20 Records and Audit**

- .1 With respect to Cost Plus Work, the Contractor shall:
  - .1 keep accurate records of estimated and actual costs, payments made and time spent;
  - .2 keep record copies of bids, quotations, contracts, correspondence, invoices, receipts and vouchers related thereto;
  - .3 make such records available for inspection and audit by the Minister for a period of at least 2 years after the date of Total Performance of the Work;
  - .4 provide the Minister with copies and extracts therefrom when requested by the Minister; and
  - .5 afford facilities for audit and inspection by the Minister at mutually agreeable times and places.
- .2 The Contractor shall cause Subcontractors and other persons directly or indirectly controlled by or affiliated with the Contractor and persons directly or indirectly having control of the Contractor to comply with clause 4.20.1 as if they were the Contractor.

**4.21 Record of Labour and Construction Equipment:** The Contractor shall, if required by the Minister, deliver to the Minister a record in detail, in such form and at such intervals as the Minister may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such information respecting Construction Equipment as the Minister may require.

**4.22 Customs**

- .1 With respect to the importation and re-export of Construction Equipment, Temporary Work, Products and other things required for the Work, the Contractor shall:
  - .1 be liable for all applicable customs, import duties, taxes and brokerage fees, and

- .2 be responsible for obtaining clearance through Customs. If requested by the Contractor, the Minister may assist in obtaining such clearance.

**4.23 Urgent Remedial Work**

- .1 If, due to any accident, or failure, or other event occurring to, in, or in connection with the Work, or any part thereof, either during the execution of the Work, or during the warranty period, any remedial or other work is, in the opinion of the Minister, urgently necessary for the safety of the Work, persons or property and the Contractor is unable or unwilling at once to do such work, the Minister may employ other persons or contract with other firms or corporations to carry out such work as the Minister may consider necessary.
- .2 If the work or repair done by the Minister pursuant to clause 4.23.1 is work which, in the opinion of the Minister, the Contractor was liable to do at his own cost under the Contract, then all costs consequent thereon or incidental thereto shall be determined by the Minister and shall be recoverable from the Contractor by the Minister.

**5. QUALITY OF PRODUCTS AND WORK**

**5.1 Products and Workmanship**

- .1 Products and workmanship shall be:
  - .1 of the respective kinds described in the Contract, and
  - .2 subjected from time to time to such tests as the Minister may require at the place of manufacture, fabrication or preparation, or on the Site or at such other place or places as may be specified in the Contract, or at all or any of such places.
- .2 The Contractor shall:
  - .1 at his cost provide all things necessary for examining, measuring, and testing Products including labour, electricity, fuels, stores, apparatus and instruments, and
  - .2 supply samples of materials, before incorporation in the Work, for testing as may be selected and required by the Minister.

- 5.2 Cost of Samples:** All samples shall be supplied by the Contractor at his own cost if the supply thereof is provided for in the Contract.
- 5.3 Cost of Tests Provided For**
- .1 The cost of making any test shall be borne by the Contractor if such test is:
    - .1 specified in the Contract to be performed by the Contractor, or
    - .2 in cases of a test under load or of a test to ascertain whether the design of any finished or partially finished work is appropriate for the purposes which it was intended to fulfill, specified in the Contract in sufficient detail to enable the Contractor to price or allow for the same in his Bid.
- 5.4 Cost of Tests Not Provided For**
- .1 If the Minister requires any test which is not provided for in the Contract and such test shows the Products or workmanship not to be in accordance with the Contract, then the cost of such test shall be borne by the Contractor, but in any other case clause 5.4.2 shall apply.
  - .2 Where, pursuant to clause 5.4.1, this clause applies, the Minister shall determine:
    - .1 any extension of time to which the Contractor is entitled under clause 6.4, and
    - .2 the amount of any costs incurred by the Contractor, which shall be added to the Contract Price.
- 5.5 Inspection and Testing**
- .1 The Minister shall at reasonable times have access to the Site and to all workshops and places where Products are being manufactured, fabricated or prepared for the Work and the Contractor shall afford every facility for, and every assistance in, obtaining the right to such access.
  - .2 The Minister shall be entitled, during manufacture, fabrication or preparation to inspect and test the Products to be supplied under the Contract. If Products are being manufactured, fabricated or prepared in workshops or places other than those of the Contractor, the Contractor shall obtain permission for the Minister to carry out such inspection and testing in those workshops or places. Such inspection or testing shall not release the Contractor from any obligation under the Contract.
- 5.6 Dates For Inspection and Testing:** The Contractor shall agree with the Minister on the time and place for the inspection or testing of any Products as provided in the Contract. The Minister shall give the Contractor not less than 48 hours notice of his intention to carry out the inspection or to attend the tests. If the Minister does not attend on the date agreed, the Contractor may, unless otherwise instructed by the Minister, proceed with the tests. The Contractor shall forthwith forward to the Minister certified copies of the test results.
- 5.7 Rejection:** If, at the time and place agreed in accordance with clause 5.6, Products are not ready for inspection or testing or if, as a result of the inspection or testing referred to in clause 5.5, the Minister determines that the Products are defective or otherwise not in accordance with the Contract, he may reject the Products and shall notify the Contractor thereof immediately. The notice shall state the Minister's objections with reasons. The Contractor shall then promptly make good the defect or ensure that rejected Products comply with the Contract. If the Minister so requests, inspection and testing of rejected Products shall be made or repeated under the same terms and conditions.
- 5.8 Cost for Inspection and Testing:** All costs incurred by the Minister because of rescheduling, or undue delay of inspection and testing, and for which the Contractor is responsible, shall be determined by the Minister and shall be recoverable from the Contractor by the Minister.
- 5.9 Independent Inspection:** Inspection and testing of Products to be carried out by the Minister may be delegated to an independent agency. Any such delegation shall be effected in accordance with clause 1.3 and for this purpose such independent agency shall be considered as an assistant of the Minister.
- 5.10 Examination of Work Before Covering Up:** The Contractor shall afford full opportunity for the Minister to examine and measure any part of the Work which is about to be covered up or put out of view and to examine exposed or excavated surfaces before any part of the Work is placed thereon. The Contractor shall give notice to the Minister whenever any such part of the Work or exposed or excavated surface is or are ready or about to be ready for examination and the Minister shall, without unreasonable delay, unless he considers it unnecessary and advises the Contractor accordingly, attend for the purpose of examining and measuring such part of the Work or of examining such surfaces.

**5.11 Uncovering and Making Openings:** The Contractor shall uncover any part of the Work or make openings in or through the same as the Minister may from time to time instruct and shall reinstate and make good such part. If any such part has been covered up or put out of view after compliance with the requirement of clause 5.9 and is found to be executed in accordance with the Contract, the Minister shall determine the amount of the Contractor's costs in respect of such uncovering, making openings in or through, reinstating and making good, which shall be added to the Contract Price. In any other case all costs shall be borne by the Contractor.

**5.12 Removal of Improper Work or Products**

- .1 The Minister shall have authority to issue instructions for:
  - .1 the removal from the Site, within such time or times as may be specified in the instruction, of any Products which, in the opinion of the Minister, are not in accordance with the Contract,
  - .2 the substitution of proper and suitable Products, and
  - .3 the removal and proper re-execution, notwithstanding any previous test thereof or progress payment therefor, of any work which is not in accordance with the Contract.
- .2 In case of default by the Contractor in carrying out instructions pursuant to clause 5.11.1 within the time specified therein or, if none, within a reasonable time, the Minister may employ other persons or contract with other firms or corporations to carry out the same, and all costs consequent thereon or incidental thereto shall be determined by the Minister and shall be recoverable from the Contractor by the Minister.

**6. COMMENCEMENT, COMPLETION, CONTRACT TIME AND DELAYS**

**6.1 Commencement of Work:** The Contractor shall commence the Work as soon as is reasonably possible in accordance with the instructions contained in the Letter of Acceptance and other provisions of the Contract. Thereafter, the Contractor shall proceed with the Work without delay.

**6.2 Possession of and Access to Site**

- .1 If the Contractor suffers delay or incurs costs from failure of the Minister to give possession of the Site or part thereof in accordance with the provisions of the Contract, the Minister shall determine:
  - .1 any extension of time to which the Contractor is entitled under clause 6.4, and
  - .2 the amount of such costs, which shall be added to the Contract Price.

.2 The Contractor shall bear all costs and charges for special or temporary rights-of-way required by him in connection with the Work. The Contractor shall also provide at his own cost any additional facilities outside the Site required by him for the purposes of the Work.

**6.3 Contract Time**

- .1 The Contractor shall achieve Substantial Performance of the Work as a whole within the Contract Time.
- .2 When the Contractor is required to achieve Substantial Performance of part or parts of the Work prior to achieving Substantial Performance of the Work as a whole, the Contractor shall achieve Substantial Performance of such part or parts of the Work within the time or times specified and such time or times shall be considered to be the Contract Time or Times for such part or parts.

**6.4 Extension of Contract Time**

- .1 In the event of:
  - .1 a change in the Work made under clause 8.1, or
  - .2 any cause of delay referred to in the Contract, or
  - .3 abnormally adverse weather conditions, abnormal weather being defined as temperature, precipitation, humidity or wind that is outside of plus or minus one standard deviation from the mean, for the time period in question, determined pursuant to clause 4.5, or
  - .4 any delay, impediment or prevention by the Minister, or
  - .5 other special circumstances which may occur, other than through a default of or breach of Contract by the Contractor or for which he is responsible,

being such as to affect an activity on the critical path of the Contractor's schedule, the Minister shall determine the extension of the Contract Time for the whole or part of the Work, to which the Contractor may be entitled.

**6.5 Contractor to Provide Notification and Details**

- .1 The Minister shall not be bound to make any determination pursuant to clause 6.4 unless the Contractor has:
  - .1 within 7 days after such event has first arisen notified the Minister, and
  - .2 within 14 days, or such other reasonable time as may be agreed by the Minister after such notification, submitted to the Minister details of any extension of time to which he may consider himself entitled in order that such submission may be investigated at the time.

- 6.6 Interim Determination of Extension of Time:** Where an event has a continuing effect such that it is not practicable for the Contractor to submit details within the period of 14 days referred to in clause 6.5.1.2, he may claim for an extension of time provided that he has submitted to the Minister interim details at intervals of not more than 14 days and final details within 14 days of the end of the effects resulting from the event. On receipt of such interim details, the Minister may make an interim determination of extension of time and, on receipt of the final details, the Minister shall review all the circumstances and may determine an overall extension of time in regard to the event. No final review shall result in a decrease of any extension of time already determined by the Minister. The Minister may determine an extension of the Contract Time notwithstanding that the Contract Time may have passed without being extended.
- 6.7 Rate of Progress:** If for any reason, which does not entitle the Contractor to an extension of time, the rate of progress of the Work or any part is at any time, in the opinion of the Minister, too slow to comply with the Contract Time, or Milestone Dates, the Minister may notify the Contractor who shall immediately take such steps as are necessary, subject to the consent of the Minister, to expedite progress so as to comply with the Contract Time or Milestone Dates. The Contractor shall not be entitled to any additional payment for taking such steps. If any steps, taken by the Contractor in meeting his obligations under this clause, involve the Minister in additional costs, such costs shall be determined by the Minister and shall be recoverable from the Contractor by the Minister.
- 6.8 Substantial Performance of the Work**
- .1 When the whole of the Work has been substantially performed and any pre-requisites to Substantial Performance of the Work prescribed by the Contract have been met, the Contractor may so notify the Minister, accompanied by a written undertaking to finish without delay any outstanding work during the warranty period. Such notice and undertaking shall be deemed to be a request by the Contractor for the Minister to issue a certificate of Substantial Performance of the Work.
- .2 The Minister shall, within 21 days after the date of delivery of the notice referred to in clause 6.8.1, either issue to the Contractor, a certificate, stating the date on which, in his opinion, the Work was substantially performed in accordance with the Contract, or give instructions in writing to the Contractor specifying all the work which, in the Minister's opinion, is required to be done by the Contractor before the issue of such certificate. The Minister shall also notify the Contractor of any defects in the Work affecting substantial performance that may appear after such instructions and before completion of the Work specified therein. The Contractor shall be entitled to receive such certificate within 21 days after completion, to the satisfaction of the Minister, of the Work so specified and remedying all defects so notified. The Minister may specify the date for Total Performance of the Work in such certificate.
- 6.9 Substantial Performance of Part or Parts of Work**
- .1 In accordance with the procedure set out in clause 6.8, the Contractor may request and the Minister may issue a certificate of Substantial Performance in respect of any substantial part of the Permanent Work which has been substantially completed and which has been or will be occupied or used by the Minister or an Other Contractor prior to Substantial Performance of the Work as a whole, whether or not such prior occupation or use is provided for in the Contract.
- 6.10 Total Performance of the Work**
- .1 When the whole of the Work has been totally performed and any pre-requisites to Total Performance of the Work prescribed by the Contract have been met, the Contractor may so notify the Minister. Such notice shall be deemed to be a request by the Contractor for the Minister to issue a certificate of Total Performance of the Work.
- .2 The Minister shall, in accordance with the procedure set out in clause 6.8.2, either issue a certificate of Total Performance of the Work or give instructions.
- 6.11 Warranty Performance of the Work:** The Work of the Contract shall only be considered as completed when a certificate of Warranty Performance of the Work has been signed by the Minister and delivered to the Contractor, stating the date on which the Contractor has completed his obligations to execute and complete the Work and remedy any defects therein to the Minister's satisfaction. The certificate of Warranty Performance of the Work shall be given by the Minister within 28 days after the expiration of the warranty period, or, if different warranty periods are applicable to different parts of the Permanent Work, the expiration of the latest such period, or as soon thereafter as any Work instructed, pursuant to clause 7, has been completed to the satisfaction of the Minister.

**Alberta Transportation**

---

**6.12 Acceleration**

- .1 If the Minister wishes to reduce the Contract Time for the Work or any part thereof, he shall issue to the Contractor a notice thereof and an instruction requiring the Contractor to submit to him within the period specified in the instruction:
  - .1 the Contractor's priced proposals for reducing the Contract Time, together with any consequential modifications to the construction schedule, or
  - .2 the Contractor's explanation why he is unable to reduce the Contract Time.
- .2 If the Minister accepts the Contractor's proposals submitted pursuant to clause 6.12.1.1, including amendments thereto agreed by both parties, the Minister shall issue instructions to the Contractor modifying the Contract accordingly. Such instructions shall include:
  - .1 the revised Contract Time or Times,
  - .2 the modifications to the construction schedule,
  - .3 the revised Contract Price, and
  - .4 any other relevant modifications to the Contract.
- .3 The Contractor may at any time submit to the Minister proposals to reduce the Contract Time for the Work or part thereof. The Minister shall consider such proposals and if he accepts them he shall take action as in clause 6.12.2.

**6.13 Damages For Delay**

- .1 Without prejudice to any other right the Minister may have with respect to damages, if the Contractor fails to achieve Substantial Performance of the Work or, if applicable, of part of the Work, within the Contract Time or Times the Contractor shall pay the Minister an amount equal to the sum of:
  - .1 all additional salaries, wages, consulting fees and travel and subsistence costs incurred by the Crown in respect of persons overseeing performance of the Work or part thereof caused by the delay;
  - .2 all costs incurred by the Crown as a result of the inability to use the Work or part thereof for the period of delay; and
  - .3 all other costs and damages incurred or sustained by the Crown as a result of the Contractor's failure to achieve Substantial Performance of the Work or part thereof within the Contract Time or Times.

- .2 The Minister may, without prejudice to any other method of recovery, deduct the amount referred to in clause 6.13.1 from any monies due or to become due to the Contractor under the Contract. The payment or deduction of such amount shall not relieve the Contractor from his obligation to complete the Work or from any other of his contractual obligations.
- .3 For the purposes of this clause, "period of delay" means the period commencing on the date specified in the Contract for Substantial Performance of the Work or part thereof and ending on the day immediately preceding the date on which Substantial Performance of the Work or part thereof is actually achieved.

**7. WARRANTY**

**7.1 Warranty Period**

- .1 In the Contract the term "warranty period" shall mean a period of one (1) year, or such longer period as may be provided elsewhere in the Contract, calculated from:
  - .1 the date of Substantial Performance of the Work, certified by the Minister in accordance with clause 6.8, or
  - .2 in the event of more than one certificate having been issued by the Minister under clause 6.9, the respective dates so certified, or
  - .3 in the case of outstanding work to be completed after the date or dates of Substantial Performance referred to in clauses 7.1.1.1 and 7.1.1.2, the date upon which such work is certified as complete by the Minister,

and in relation to the warranty period the term "the Work" shall be construed accordingly.

- 7.2 Completion of Outstanding Work:** The Contractor shall complete work outstanding at the date of Substantial Performance of the Work within the time specified by the Minister in the certificate of Substantial Performance of the Work.

**7.3 Remedying Defects**

- .1 The Contractor shall, during or as soon as practicable after the expiration of the warranty period, remedy any defects in the Work and execute any work of modification or reconstruction related thereto, as the Minister may, during the warranty period or within 14 days after its expiration instruct the Contractor to do.
- .2 Work referred to in clause 7.3.1 shall be executed by the Contractor at his own cost if the necessity thereof is, in the opinion of the Minister, due to:
  - .1 defects in Products or workmanship, or defects in design for which the Contractor is responsible,

- .2 the neglect or failure on the part of the Contractor to comply with any obligation, expressed or implied, on the Contractor's part under the Contract.

If, in the opinion of the Minister, such necessity is due to any other cause, he may determine an addition to the Contract Price in accordance with clause 8.

**7.4 Contractor's Failure to Carry Out Instructions:** If the Contractor defaults in carrying out instructions issued pursuant to clause 7.2 or 7.3, the Minister may employ other persons or contract with other firms or corporations to carry out the same. If such work is work which, in the opinion of the Minister, the Contractor was liable to do at his own cost, then all costs consequent thereon or incidental thereto shall be determined by the Minister and shall be recoverable from the Contractor by the Minister.

**7.5 Contractor to Search:** If any defect in the Work appears at any time prior to the end of the warranty period, the Minister may instruct the Contractor to search for the cause thereof. If such defect is one for which the Contractor is liable, the cost of the work carried out in searching shall be borne by the Contractor and he shall in such case remedy such defect at his own cost in accordance with the provisions of clauses 7.3 and 7.4. If such defect is one for which the Contractor is not liable under the Contract, the Minister shall determine the amount of the costs of such search incurred by the Contractor, which shall be added to the Contract Price.

## 8. CHANGES AND VARIATIONS

### 8.1 Changes in the Work

- .1 Consistent with the Work, the Minister may make changes in the Work or any part thereof, and he shall have the right to instruct the Contractor to make such changes and the Contractor shall make such changes, which may include:
  - .1 increasing or decreasing the quantity of any work included in the Contract,
  - .2 omitting any work, but not if the omitted work is to be carried out by the Minister or by an Other Contractor except by reason of the Contractor's default or negligence,
  - .3 changing the character or quality or kind of any work,
  - .4 changing the levels, lines, position and dimensions of any part of the Work,
  - .5 executing additional work of any kind necessary for the completion of the Work,
  - .6 changing any specified sequence or timing of construction of any part of the Work.

- .2 No such change shall invalidate the Contract, but the effect, if any, of such changes on the Contract Price shall be valued in accordance with clause 8.3 and any extension of the Contract Time shall be determined in accordance with clause 6.4. Where an instruction to change the Work is necessitated by default or negligence of the Contractor or for which he is responsible, any cost and time attributable to such default or negligence shall be borne by the Contractor.

### 8.2 Instructions For Changes in the Work

- .1 The Contractor shall not make any changes in the Work without a written instruction from the Minister.
- .2 No instruction shall be required for:
  - .1 an increase or decrease in the quantity of any work where such increase or decrease is not the result of an instruction given under this clause, but is the result of quantities exceeding or being less than those stated in the Schedule of Prices, and
  - .2 a change or adjustment in lines, levels, grades or elevations when such change or adjustment is already provided for in the Contract.

### 8.3 Valuation of Changes in the Work

- .1 Changes referred to in clause 8.1 and any changes to the Contract Price which are required to be determined in accordance with this clause (for the purposes of this clause referred to as "changed work"), shall be valued, at the Minister's option,
  - .1 at the rates and prices set out in the Contract if, in the opinion of the Minister, these are applicable, or
  - .2 if the rates and prices set out in the Contract are not applicable to the changed work, at rates and prices deduced or extrapolated from such rates and prices, or
  - .3 by acceptance by the Minister of rates and prices submitted by the Contractor or other rates and prices as may be agreed by negotiation, or
  - .4 by acceptance by the Minister of a lump sum quotation submitted by the Contractor or other lump sum as may be agreed by negotiation, or
  - .5 as Cost Plus Work in accordance with the provisions of Section 00630 - Payment Conditions.
- .2 If there is disagreement on the value of changed work, the Minister shall fix such rates or prices as are, in his opinion, appropriate and shall notify the Contractor accordingly. Until such time as rates or prices are agreed or fixed, the Minister shall determine provisional rates or prices to enable on-account payments to be made in accordance with the payment conditions of the Contract.

**8.4 Impact of Changes in the Work**

- .1 If in the opinion of the Minister or the Contractor the nature or amount of any changed work relative to the nature or amount of the whole of the Work or to any part thereof, is such that the rate or price contained in the Contract for any item of the Work is, by reason of such changed work, rendered inappropriate or inapplicable, then, after due consultation by the Minister with the Contractor, a suitable rate or price may be agreed upon between the Minister and the Contractor.
- .2 If there is disagreement on the rates or prices referred to in clause 8.4.1 the Minister shall fix such rate or price as is, in his opinion, appropriate and shall notify the Contractor. Until such time as rates or prices are agreed or fixed, the Minister shall determine provisional rates or prices to enable on-account payments to be made in accordance with the payment conditions of the Contract.

**8.5 Quantity Variations**

- .1 Except for items of Work, if any, for which the applicability of this clause 8.5 has been specifically excluded elsewhere in the Contract, the Minister and the Contractor may agree to adjust a rate or price contained in the Contract:
  - .1 if the actual quantity of work executed under the item exceeds or falls short of the estimated quantity specified in the Schedule of Prices by more than 15%; and
  - .2 if there is no off-setting adjustment with respect to the quantity of any other item of work; and
  - .3 if, based on the actual quantity of work executed and the rate or price contained in the Schedule of Prices, the extended amount of the item exceeds 15% of the original Contract Price; and
  - .4 if the Contractor believes that he has incurred significant additional expense as a result thereof or the Minister believes that the quantity variation entitles the Minister to an adjustment in the rate or price.
- .2 An adjusted rate or price made pursuant to clause 8.5.1, where the actual quantity of work executed under the item exceeds the estimated quantity specified in the Schedule of Prices by more than 15%, shall apply only to the quantity that is in excess of 115%.
- .3 An adjusted rate or price made pursuant to clause 8.5.1, where the actual quantity of work executed under the item falls short of the quantity specified in the Schedule of Prices by more than 15%, shall not exceed the rate or price that would cause the total amount paid for the item to exceed 85% of the product of the original rate or price contained in the Schedule of Prices multiplied by the estimated quantity specified in the Schedule of Prices.

**9. CHANGES IN COST AND REGULATORY REQUIREMENTS**

**9.1 Increase or Decrease in Cost:** Subject to clause 9.2, the Contract Price shall not be subject to any adjustment in respect of rise or fall in the cost of labour, Products or any other matters affecting the cost of execution of the Contract, except where specified otherwise in the Contract Documents.

**9.2 Changes in Regulatory Requirements**

- .1 If, after the latest date for submission of Bids for the Contract, there is a change to any Regulatory Requirement, or a new Regulatory Requirement is introduced, which causes additional or reduced cost to the Contractor in the execution of the Contract, such additional or reduced cost shall be determined by the Minister and shall be added to or deducted from the Contract Price.
- .2 When a Regulatory Requirement is changed or introduced during the period of time referred to in clause 9.2.1 but public notice thereof has been given by the applicable authority before the commencement of such period of time, the change or introduction shall be deemed to have occurred before the commencement of such period of time.

**10. CLAIMS**

**10.1 Notice of Claims**

- .1 If the Contractor intends to claim any additional payment, or if the Minister intends to make a claim against the Contractor for an adjustment in payment other than permitted under the Contract, the claimant shall give notice of its intention to the other party as soon as possible and not later than 7 days after the event giving rise to the claim first arises or the claimant first becomes aware of such event.
- .2 Failure to serve a notice of claim within the prescribed time period will prejudice the claimant's right to proceed with the claim, unless the claimant can demonstrate that such delayed notice did not prejudice the other party's ability to take measures to minimize any additional costs arising from the claim.
- .3 Upon occurrence of the event referred to in clause 10.1.1 the claimant shall take all reasonable measures required to mitigate any loss or damage which may be incurred as a result of such event.



- 10.2 Contractor's Contemporary Records:** Upon occurrence of the event referred to in clause 10.1.1, the Contractor shall keep such contemporary records as may reasonably be necessary to support any claim he may subsequently wish to make, including records of time and cost relating to labour, products, construction equipment and other resources used in the work. The Contractor shall permit the Minister to inspect all records kept pursuant to this clause and shall supply him with copies thereof as and when the Minister so instructs.
- 10.3 Substantiation of Contractor Claims:** Within 14 days, or such other reasonable time as may be agreed by the Minister, of giving notice under clause 10.1, the Contractor shall send to the Minister an account giving detailed particulars of the amount claimed and the grounds upon which the claim is based. Where the event giving rise to the claim has a continuing effect, such account shall be considered to be an interim account and the Contractor shall, at such intervals as the Minister may reasonably require, send further interim accounts giving the accumulated amount of the claim and any further grounds upon which it is based. In cases where interim accounts are sent to the Minister, the Contractor shall send a final account within 14 days after the end of the effects resulting from the event.
- 10.4 Resolution of Claims:** The parties shall make bona fide efforts to resolve a claim as soon as possible after receipt thereof. When a party in receipt of a claim issues its final written position on the claim or fails to do so within a reasonable period of time, and the claim is not resolved to the satisfaction of both parties, the claim shall be considered a dispute and shall be settled in accordance with clause 15..
- 10.5 Payment of Contractor Claims:** The Contractor shall be entitled to have included in any progress payment such amount in respect of any claims as the Minister may consider due to the Contractor. If information is insufficient to substantiate the whole of the claim, the Contractor shall be entitled to payment in respect of such part of the claim as such information may substantiate to the satisfaction of the Minister.
- 10.6 Obligations to and Claims of Third Parties**
- .1 The Contractor shall, with respect to lawful obligations of and lawful claims against the Contractor or any Subcontractor arising from the Contract:
    - .1 discharge such obligations of and satisfy such claims against the Contractor, and
    - .2 ensure the discharge of such obligations of and the satisfaction of such claims against Subcontractors.
  - .2 The Contractor shall, when requested by the Minister, make a statutory declaration deposing to the existence and condition of any obligations and claims referred to in clause 10.6.1.
- .3 If a third party sends written notice to the Minister of an undischarged obligation or unsatisfied claim referred to in clause 10.6.1, the Minister may, 30 days after giving written notice to the Contractor, and surety where applicable,:
    - .1 pay any amount that is due and payable to the Contractor pursuant to the Contract directly to the obligees of and the claimants against the Contractor or the Subcontractor, and
    - .2 where security for payment of claims has been provided in the form of a security deposit, the Minister may deduct such amount from the security deposit, or
    - .3 where a security deposit has not been provided or insufficient monies are available in the security deposit, the Minister may deduct such amount, or portion thereof, from the amount payable to the Contractor under the Contract.
  - .4 Clause 10.6.3 shall apply only when written notice of the obligation or claim is sent to Minister not later than 45 days after the last day on which the labour, equipment, material or services giving rise to such obligation or claim were provided.
- 10.7 Claims Against Minister Only:** Any claims, demands or actions by the Contractor, arising out of alleged errors, omissions or misrepresentations in the Contract Documents or arising out of acts or omissions of the Minister's Representative or his assistants during the execution of the Work, shall be made only to or against the Minister. The Contractor waives any right to commence or carry on such claims, demands or actions against any person or party other than the Minister.
- 11. RELEASE FROM PERFORMANCE**
- 11.1 Frustration:** If any circumstance outside the control of both the Minister and the Contractor arises after the award of the Contract which renders it impossible or unlawful for either party to fulfill his contractual obligations, then the Minister or the Contractor may terminate the Contract by giving notice to the other party and, upon such notice, the Contract shall, except as to the rights of the parties under this clause and to the operation of clause 15., terminate, but without prejudice to the rights of either party in respect of any antecedent breach thereof.
- 11.2 Removal of Construction Equipment on Termination:** If the Contract is terminated pursuant to clause 11.1, the Contractor shall remove from the Site all Construction Equipment.

### 11.3 Payment if Contract Terminated

- .1 If the Contract is terminated pursuant to clause 11.1, the Contractor shall be paid by the Minister, insofar as such amounts or items have not already been covered by payments on account made to the Contractor, for all Work executed prior to the date of termination at the rates and prices provided in the Contract and in addition:

- .1 the cost of Products reasonably ordered for the Work which have been delivered in acceptable condition to the Contractor or of which the Contractor is liable to accept delivery, such Products becoming the property of the Minister upon such payments being made by him,
- .2 the amount of any expenditure reasonably incurred by the Contractor in the expectation of completing the whole of the Work insofar as such expenditure has not been covered by any other payments referred to in this clause,
- .3 such proportion of the cost as may be reasonable, taking into account payments made or to be made for work executed, for removal of Construction Equipment under clause 11.2.

provided that against any payment due from the Minister under this clause, the Minister shall be credited with any amounts which, at the date of termination, were recoverable by the Minister from the Contractor.

- .2 Any amount payable under this clause shall be determined by the Minister.

## 12. SUSPENSION AND TERMINATION BY MINISTER

### 12.1 Suspension of Work

- .1 The Contractor shall, on the instructions of the Minister, suspend the progress of the Work or any part thereof for such time and in such manner as the Minister may consider necessary and shall, during such suspension, properly protect and secure the Work or such part thereof so far as is necessary in the opinion of the Minister. Clause 12.2 shall apply unless such suspension is
  - .1 otherwise provided for in the Contract, or
  - .2 necessary by reason of some default of or breach of contract by the Contractor or for which he is responsible, or
  - .3 necessary by reason of normal weather conditions on the Site, or

- .4 necessary for the proper execution of the Work or for the safety of the Work or any part thereof, except to the extent that such necessity arises from any act or default by the Minister,

in which case such suspension shall be at the Contractor's expense.

### 12.2 Minister's Determination Following Suspension

- .1 Where, pursuant to clause 12.1, this clause applies the Minister shall determine
  - .1 any extension of time to which the Contractor is entitled under clause 6.4, and
  - .2 the amount, which shall be added to the Contract Price, in respect of the cost incurred by the Contractor by reason of such suspension.

**12.3 Suspension Lasting More Than 91 Days:** If the progress of the Work or any part thereof is suspended on the written instructions of the Minister and if permission to resume work is not given by the Minister within a period of 91 days after the date of suspension then, unless such suspension is the Contractor's responsibility pursuant to clauses 12.1.1.1 to 12.1.1.4, the Contractor may give notice to the Minister requesting permission, within 28 days from the receipt thereof, to proceed with the Work or that part thereof in regard to which progress is suspended. If, within such time, such permission is not granted, the Contractor may elect to treat the suspension, where it affects only part of the Work, as an omission of such part under clause 8.1 by giving a further notice to the Minister to that effect, or, where it affects the whole of the Work, treat the suspension as an event of default by the Minister and terminate the Contract in accordance with the provisions of clause 14., in which case the provisions of clauses 14.2 and 14.3 shall apply.

### 12.4 Termination of Contract

- .1 The Minister may terminate the Contract at any time by giving a notice of termination to the Contractor. When such a notice is received by the Contractor he shall, subject to the provisions of such notice, forthwith cease all operations in performance of the Contract.
- .2 If the Minister terminates the Contract pursuant to clause 12.4.1 the Minister shall be under the same obligations to the Contractor in regard to payment as if the Contract had been terminated under the provisions of clause 14..

## 13. DEFAULT OF CONTRACTOR

### 13.1 Default

- .1 If the Contractor:
  - .1 is deemed by law unable to pay his debts as they fall due, or becomes insolvent, or

- .2 enters into voluntary or involuntary bankruptcy, liquidation or dissolution (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), or
- .3 if any act is done or event occurs with respect to the Contractor or his assets which, under any applicable law, has a similar effect to any of the foregoing, or if he
- .4 has contravened clause 2.1, or
- .5 has repudiated the Contract,

then the Minister may, upon written notice, enter upon the Site and the Work and immediately terminate the Contractor's right to continue with the Work.

- .2 If the Minister determines, that, in his opinion, the Contractor without reasonable excuse:
  - .1 has failed to commence and proceed with the Work or any part thereof in accordance the provisions of the Contract, or
  - .2 has failed to comply with a notice issued pursuant to clause 6.7 or an instruction issued pursuant to clause 6.12 within 14 days after receiving it, or
  - .3 despite previous warning from the Minister, in writing, is otherwise persistently or flagrantly neglecting to comply with any of his obligations under the Contract, or
  - .4 has contravened clause 2.2, or
  - .5 has failed to attain Substantial Performance of the Work or part or parts of the Work within the Contract Time or Times pursuant to clause 6.3,

then the Minister may, after giving 14 days notice to the Contractor, and unless the Contractor has within such period remedied the default, enter upon the Site and the Work and terminate the Contractor's right to continue with the Work in whole or in part.

- .3 If the Minister terminates the Contractor's right to continue with the Work, in whole or in part, pursuant to clause 13.1.1 or clause 13.1.2, such termination shall not release the Contractor from any of his obligations or liabilities under the Contract, and shall not affect the rights and authorities conferred on the Minister by the Contract, and the Minister may complete the Work or part thereof, or may contract with any Other Contractor to complete the Work or part thereof. The Minister or such Other Contractor may use for such completion so much of the Construction Equipment, Temporary Work and Products as he or they may think proper.

### 13.2 Valuation at Date of Termination

- .1 The Minister shall, as soon as practicable after any entry and termination by the Minister pursuant to clause 13.1, determine:
  - .1 what amount (if any) had, at the time of such entry and termination, been reasonably earned by or would reasonably accrue to the Contractor in respect of work then actually done by him under the Contract, and
  - .2 the value of any unused or partially used Products, any Construction Equipment and any Temporary Work.

**13.3 Payment After Termination:** If the Minister terminates the Contractor's right to continue with the Work in whole or in part under clause 13.1, he shall not be liable to pay to the Contractor any further amount in respect of the Contract until the expiration of the warranty period and thereafter until the costs of execution, completion and remedying of any defects, damages for delay in completion (if any) and all other expenses incurred by the Minister have been determined. The Contractor shall then be entitled to receive only such sum (if any) as the Minister may determine would have been payable to him upon due completion by him after deducting the said amount. If such amount exceeds the sum which would have been payable to the Contractor on due completion by him, then the Contractor shall, upon demand, pay to the Minister the amount of such excess and it shall be deemed a debt due by the Contractor to the Minister and shall be recoverable accordingly.

**13.4 Assignment of Benefit of Agreement:** The Contractor shall, if so instructed by the Minister within 14 days of the entry and termination referred to in clause 13.1, assign to the Minister the benefit of any agreement for the supply of any goods or materials or services and/or for the execution of any work for the purposes of the Contract, which the Contractor may have entered into.

### 14. DEFAULT OF MINISTER

**14.1 Failure of Minister to Pay:** If the Minister fails to pay to the Contractor any amount due under the Contract within 28 days after the expiry of the time stated in the Payment Conditions within which payment is to be made, the Contractor may terminate the Contract by giving notice to the Minister. Such termination shall take effect 14 days after the giving of such notice unless payment is received within such period.

**14.2 Removal of Construction Equipment:** Upon the termination of the Contract referred to in clause 14.1, the Contractor shall remove promptly from the Site all Construction Equipment.

**Alberta Transportation**

---

**14.3 Payment on Termination:** In the event of termination pursuant to clause 14.1 the Minister shall be under the same obligations to the Contractor in regard to payment as if the Contract had been terminated under the provisions of clause 11., but, in addition to the payments specified in clause 11.3, the Minister shall pay to the Contractor the amount of any loss or damage, including reasonable profit, to the Contractor directly arising out of or in connection with or by consequence of such termination.

**14.4 Contractor May Suspend Work**

- .1 As an alternative to termination under clause 14.1 but without prejudice to the Contractor's entitlement to terminate under clause 14.1, the Contractor may, after giving 14 days' prior notice to the Minister, suspend work or reduce the rate of work.
- .2 If the Contractor suspends or reduces the rate of work pursuant to clause 14.4.1 and thereby suffers delay or incurs cost the Minister shall determine
  - .1 any extension of time to which the Contractor is entitled under clause 6.4, and
  - .2 the amount of such costs, which shall be added to the Contract Price.

**14.5 Resumption of Work:** When the Contractor suspends work or reduces the rate of work pursuant to clause 14.4.1 and the Minister subsequently pays the amount due, the Contractor's entitlement under clause 14.1 shall, if notice of termination has not been given, lapse and the Contractor shall resume normal working as soon as is reasonably possible.

**15. SETTLEMENT OF DISPUTES**

**15.1 Disputes:** If a dispute of any kind arises between the Minister and the Contractor in connection with, or arising out of, the Contract or the execution of the Work, whether during the execution of the Work or after its completion and whether before or after repudiation or other termination of the Contract, the matter in dispute shall be settled in accordance with the processes identified in the document entitled "Dispute Resolution Process for Government of Alberta Construction Contracts", Appendices A, B, C, D, and E. In the event of conflict between the aforementioned Appendices and other provisions of the Contract, the Appendices shall govern.

**END OF SECTION**