# PART C GENERAL CONDITIONS

## **PART C - GENERAL CONDITIONS**

#### C1. GENERAL CONDITIONS

C1.1 These General Conditions are applicable to the Work of the Contract.

# C2. DEFINITIONS

- C2.1 Where used in these General Conditions and in the other documents forming part of the Contract:
  - (a) "Award Authority" means the authority having the jurisdiction to award the Contract according to the City's by-laws, policies or procedures;
  - (b) "Bidder" means any person submitting a Proposal for the Work;
  - (c) "Bidding Procedures" means the portion of the Request for Proposal by that name which sets out the terms and conditions governing the Proposal, and "B" designates a section, clause or subclause in that portion of the Request for Proposal;
  - (d) "Business Day" means any Calendar Day, other than a Saturday, Sunday, or a statutory or civic holiday;
  - (e) "C" designates a section, clause or subclause in these General Conditions;
  - (f) "Calendar Day" means the period from one midnight to the following midnight;
  - (g) "Change in Work" means an addition, deletion or modification to the Work as described in the Contract at the time that the Contract is awarded and includes modifications in quantity or nature of Plant, Material or labour, methods, location or work schedule;
  - (h) "Chief Administrative Officer" means the City employee holding that office or, if applicable, the successor to the authority or responsibility of such office;
  - (i) "City" means The City of Winnipeg as continued under The City of Winnipeg Charter, Statutes of Manitoba 2002, c. 39, and any subsequent amendments thereto;
  - (j) "City Solicitor" means the City employee holding that office or, if applicable, the successor to the authority or responsibility of such office;
  - (k) "Contract" means the combined documents consisting of the agreement prepared and forwarded to the Contractor or the Purchase Order, as applicable, and all schedules thereto (consisting of the Request for Proposal and any documents and Drawings referred to or incorporated therein) together with any submissions required to be made by the Contractor after award, and all amendments to the foregoing;
  - (I) "Contract Administrator" means the person designated as such in the Supplemental Conditions;
  - (m) "Contract Price" means the price agreed upon for the Work and any adjustments thereto which may be required or agreed to pursuant to the Contract;
  - (n) "Contractor" means the person undertaking the performance of the Work under the terms of the Contract;
  - (o) "Council" means the Council of The City of Winnipeg;
  - (p) "Manager of Materials" means the City employee holding that office or, if applicable, the successor to the authority or responsibility of such office;
  - (q) "Material" means any things, including goods, parts and equipment, which are to form part of the permanent Work;
  - (r) "may" indicates an allowable action or feature which will not be evaluated;

- (s) "must" or "shall" indicates a mandatory requirement which will be evaluated on a pass/fail basis:
- (t) "Person" means an individual, firm, partnership, association or corporation, or any combination thereof, and includes heirs, administrators, executors or legal representatives of a person;
- (u) "Proposal" means the offer contained in the Proposal Submission;
- (v) "Proposal Submission" means that portion of the Request for Proposal which must be completed or provided and submitted by the Submission Deadline in order to constitute a responsive Proposal;
- (w) "Request for Proposal" means the Proposal Submission, the Bidding Procedures, these General Conditions, the Supplemental Conditions, the Specifications, the Drawings and all addenda;
- (x) "should" indicates a desirable action or feature which will be evaluated on a relative scale;
- (y) "Specifications" means the portion of the Request for Proposal by that name which sets out the written description of the physical or functional characteristics of the Work, or any part thereof, including without limitation any requirement for testing or inspection, and "E" designates a section, clause or subclause in that portion of the Request for Proposal;
- (z) "Submission Deadline" means the time and date set out in the Bidding Procedures for final receipt of Proposals;
- (aa) "Supplemental Conditions" means the portion of the Request for Proposal by that name which sets out terms and conditions specific to the Contract, and supplements or modifies the General Conditions, and "D" designates a section, clause or subclause in that portion of the Request for Proposal;
- (bb) "Work" means the carrying out and the doing of all things, whether of a temporary or permanent nature, that are to be done by the Contractor pursuant to the Contract and, without limiting the generality of the foregoing, includes the furnishing of all Plant, Material, labour and services necessary for or incidental to the fulfilment of the requirements of the Contract, including all Changes in Work which may be approved as herein provided.

#### C3. INTERPRETATION

- C3.1 Where the Contractor consists of more than one person, the obligations of the Contractor shall be joint and several.
- C3.2 Wherever the singular or masculine is used, it shall be construed to mean the plural or the feminine or the neuter as the context may reasonably require.
- C3.3 Headings, titles and margin notes in the Contract are inserted for convenience only and shall not be considered in any construction or interpretation of the Contract.
- C3.4 In the event of conflicts between portions of the Contract, the following shall apply:
  - (a) the executed agreement between the City and Contractor or the Purchase Order, as applicable, shall govern over all schedules or other documents forming part of the contract;
  - (b) the Supplemental Conditions shall govern over the General Conditions;
  - (c) the General Conditions shall govern over Specifications; and
  - (d) Specifications of a later date shall govern over Specifications of an earlier date.
- C3.5 The various portions of the Contract are intended to be read together and complement each other, and what is called for by any one shall be deemed to be called for by all.

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- C3.6 The City and the Contractor acknowledge and agree that the Contractor is an independent contractor and neither the Contractor, nor any officer, servant or agent of the Contractor, shall be deemed to be an employee, agent, representative or servant of the City.
- C3.7 The Contract shall constitute the entire agreement between the City and the Contractor. There are no representations, warranties, covenants or agreements other than those contained in the Contract.

#### C4. DECLARATIONS

#### **Good Faith**

- C4.1 The Contractor declares that, in bidding for the Work and in entering into the Contract, he:
  - (a) does so in good faith and that to the best of his knowledge no member of Council or any officer or employee of the City has any pecuniary interest, direct or indirect, in the Contract;
  - (b) has not participated in any collusive scheme or combine;
  - (c) shall forfeit all claims under the Contract as well as refund to the City any monies paid to him, beyond his actual proven expenses for Work done, if C4.1(a) or (b) are shown to be false.

#### C5. EXECUTION OF CONTRACT

- C5.1 The Contractor shall execute the Contract in the manner stipulated by the City Solicitor and return the Contract, within seven (7) Calendar Days of receipt of the Contract, to the City Solicitor at the address indicated in the Supplemental Conditions.
- C5.2 The Contractor shall provide evidence of the Insurance Coverage specified in the Supplemental Conditions in a form satisfactory to the City Solicitor prior to the commencement of Work but in no event later than the time specified above for the return of the executed Contract Documents.
- C5.3 No payments will be made by the City to the Contractor until the Contractor has executed and returned the Contract as set out in C5.1.

# C6. AUTHORITY OF THE CONTRACT ADMINISTRATOR

#### General

C6.1 The Contract Administrator shall be the City's representative throughout the duration of the Contract and shall have authority to act on behalf of the City to the extent expressly provided for in the Contract.

#### Contract

- C6.2 The Contract Administrator shall interpret or clarify the Contract or any part thereof which appears indefinite, not clear or contradictory to the Contractor.
- C6.3 The Contract Administrator may at any time correct errors or omissions in the Contract or issue additional Specifications further detailing, explaining or modifying the Work. Such Specifications shall either supplement or supersede those forming part of the Contract at the time the Contract was executed.

#### Inspection

C6.4 The Contract Administrator may examine or inspect the Work or any part thereof and determine whether the Work meets the requirements of the Contract. The Contract Administrator acting

reasonably may reject the Work or any part thereof which does not meet the requirements of the Contract.

#### **Control**

- C6.5 The Contract Administrator may give orders to the Contractor to the extent necessary to ensure that the Work is performed in an orderly manner and meets the requirements of the Contract.
- C6.5.1 The Contract Administrator may give orders to the Contractor's supervisor and such orders shall be deemed to have been given to the Contractor.
- C6.6 The Contract Administrator may order the Contractor to remove from the Work any person employed or retained by the Contractor or a Subcontractor in the performance of the Work who the Contract Administrator determines is incompetent, negligent or guilty of misconduct.
- C6.7 If the Contractor disputes a determination or order of the Contract Administrator on any of the foregoing matters, the Contractor shall act in accordance with the Contract Administrator's determination or order. The Contractor may concurrently appeal the determination or order of the Contract Administrator to the Chief Administrative Officer as provided for in C15.

#### C7. RESPONSIBILITIES OF THE CONTRACTOR

#### General

- C7.1 Except as otherwise provided in the Contract, the Contractor shall be solely responsible for means, methods, techniques, sequences and procedures, and for coordinating the various parts of the Work so as to ensure its proper completion in a sound and workmanlike manner, in all respects in strict conformity with the Contract and in accordance with the approved work schedule.
- C7.2 The Contractor shall direct and supervise the Work so as to ensure conformance with the Contract.
- C7.3 The Contractor shall provide and pay for competent, suitably qualified personnel to execute the Work.
- C7.4 The Contractor shall be responsible for any Work not explicitly set out in the Contract but which may be reasonably implied for the proper completion of the Work.

# Contract

- C7.5 The Contractor shall perform, complete and maintain the Work in strict accordance with the Contract.
- C7.6 If the Contract or any part thereof appears indefinite, not clear or contradictory, the Contractor shall refer such feature or features to the Contract Administrator for interpretation or clarification.
- C7.7 The Contractor shall be responsible for conveying the interpretation or clarification of the Contract, as given by the Contract Administrator, to Subcontractors.

# **Laws and Regulations**

C7.8 The Contractor shall comply with all laws, by-laws, ordinances, regulations, codes and orders of authorities having jurisdiction which are or come into force during the performance of the Work and which relate to the Work. Where there are two or more laws, by-laws, ordinances, regulations or codes applicable to the Work, the most restrictive shall apply.

C7.9 Where required by the Workers Compensation Board of Manitoba, the Contractor shall be registered and shall provide and maintain workers compensation coverage throughout the term of the Contract, and shall provide the Contract Administrator with evidence thereof upon request.

# **Rights to Intellectual Property**

- C7.10 Upon full payment, the Contractor hereby assigns to the City (subject to any third parties proprietary rights) all its right, title and interest including, without limitation, copyright and proprietary rights to the deliverables developed or prepared specifically for the City hereunder ("Deliverables"). The Deliverables exclude all third party works software and products whether or not included or embedded in the Deliverables. However, the Deliverables may include data, modules, components, designs, utilities, subsets, objects, program listings, tools, models, diagrams, analysis frameworks, software scripts, templates, leading practices and specifications ("Technical Elements") owned or developed by the Contractor prior to, or independently from, its engagement hereunder, and the Contractor retains all rights thereto together with any modifications or improvements made to the Technical Elements during or as a result of this engagement. Accordingly, to the extent that any Technical Elements are integrated into the Deliverables, the Contractor hereby grants to the City a perpetual, worldwide, paid-up limited license to use such Technical Elements as integrated into such Deliverables for internal purposes only. In addition, the Contractor retains the right to use its knowledge, experience and know-how, including processes, ideas, concepts and techniques developed in the course of performing the services. As well, the Contractor shall, at all times, have the right to keep a copy of all Deliverables to the extent they form part of its working paper files.
- C7.11 The City shall have the full right to use the Deliverables for its intended purposes. Any use which a third party makes of the Deliverables, or any reliance on or decisions to be made based on them, are the responsibility of such third parties. The Contractor disclaims any and all responsibility for actions taken by third parties on the basis of the information contained in the Deliverables or for any misunderstanding on the part of third parties.

#### C8. MEASUREMENT AND PAYMENT

- C8.1 The amounts to be paid by the City to the Contractor shall be the sums approved by the Contract Administrator.
- C8.2 Should the amount of the Work originally intended to be done under the Contract be diminished at the request of the City, no claim shall be made for damages on the ground of loss of anticipated profit on Work so diminished or on any other ground provided that the aggregate reduction in the Contract Price does not exceed twenty (20%) percent of the price agreed upon as of the date of the award of the Contract.

### C9. GOVERNING LAW

C9.1 The Contract has been entered into in the Province of Manitoba and shall be governed by and construed and enforced in accordance with the laws of the Province of Manitoba and of Canada as applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Manitoba with respect to any matters arising out of this Contract.

## C10. ASSIGNMENT

- C10.1 The Contractor shall not assign the Contract or any payments thereunder without the prior approval of the City.
- C10.2 The Contract shall inure to the benefit of and be binding on the respective heirs, executors, administrators, and successors and permitted assigns of the City and the Contractor.

# C11. FORCE MAJEURE

- C11.1 Either Party shall not be liable to the other Party for any loss, damage or other claim whatsoever, including direct or indirect losses, loss of profits, or compensation for any inconvenience, nuisance or discomfort, arising out of a force majeure as defined below, or if either Party is prevented from having access to and/or from the site arising out of a force majeure as defined below, provided that the Party claiming a force majeure hereunder shall promptly notify the other specifying the cause and probable duration of the delay.
- C11.2 "Force majeure" means any circumstances beyond the reasonable control of the affected Party and not caused by its default or act of commission or omission and not avoidable by the exercise of reasonable effort or foresight by such Party. Without restricting the generality of the foregoing, force majeure shall include any one or more of the following: any act of God; embargo, confiscation, acts or restraints of governments or public authorities; wars, sabotage, act of public enemy or riot; strikes, slow-downs, lockouts or other labour or employee interruptions or disturbances, whether involving employees of that Party or of any other person over which that Party has no reasonable control; explosion, fire, radioactive contamination, flood or natural disaster. Lack of finances shall in no event be deemed to be a cause beyond a Party's reasonable control.
- C11.3 The performance of any obligation suspended or delayed due to force majeure shall resume as soon as reasonably possible after the force majeure ends and any work schedule shall be adjusted by a period of time equal to the time lost due to such delays.
- C11.4 No extension for delay by the Contractor shall be approved unless a notice of the claim is received by the Contract Administrator from the Contractor within seven (7) Calendar Days of the date on which the cause of delay arose.
- C11.5 Any notice or claim for extension must state the cause of delay and the length of extension requested.
- C11.6 In the case of a continuing cause of delay, only one claim for an extension shall be necessary.

#### C12. INDEMNITY

- C12.1 The Contractor should save harmless and indemnify the City and all of its employees for an amount equal to all monies paid pursuant to the Contract regardless of to whom they were paid, plus the sum of two million dollars (\$2,000,000.00), unless specifically stated otherwise in the Contract documents, against costs, damages or expenses arising from actions, claims, demands and proceedings, by whomsoever brought, made or taken as a result of acts or omissions of the Contractor, its Subcontractors, employees or agents in the performance or purported performance of the Work, and more particularly from:
  - (a) accidental injury to or death of any person whether retained by or in the employ of the Contractor or not, arising directly or indirectly by reason of the performance of the Work, or by reason of any trespass on or damage to property;
  - damage to any property owned in whole or in part by the City, or which the City by duty or custom is obliged, directly or indirectly, in any way or to any degree, to construct, repair or maintain;
  - (c) damage to, or trespass or encroachment upon, property owned by persons other than the City;
  - (d) failure to pay a workers compensation assessment, or federal or provincial taxes;
  - (e) unauthorized use of any design, device, material or process covered by letters patent, copyright, trademark or trade name in connection with the Work; and
  - (f) inaccuracies in any information provided by the City to the Contractor.

- C12.2 The City has the right, acting reasonably and upon notice to the Contractor, to settle any such action, proceeding, claim or demand and charge the Contractor with the amount so paid or to be paid in effecting a settlement.
- C12.3 The Contractor shall pay to the City the value of all legal fees and disbursements required to settle any such claim or to defend the City against any such claim, action, proceeding, claim or demand notwithstanding that the settlement or defence of the said action, proceeding claim or demand was undertaken on behalf of the City by a salaried employee of the City.
- C12.4 If the Contractor fails to make any payment required to be made to the City hereunder, the City shall be entitled to deduct the amount of such payment from any payment required to be made by the City to the Contractor under the Contract or take whatever other remedies against the Contractor that the City may have at law.
- C12.5 If the Proposal is silent as to indemnification, the Contractor shall be deemed to have agreed to indemnify the City as provided above.

#### C13. EVENTS OF DEFAULT

- C13.1 An event of default will be deemed to have occurred if the Contractor:
  - (a) abandons the Work; or
  - (b) is adjudged bankrupt or files for bankruptcy, becomes insolvent, makes a general assignment for the benefit of his creditors, or has a receiver or liquidator appointed in respect of his assets; or
  - (c) is not performing or has not been performing the Work, or any part thereof, in a sound and workmanlike manner and in all respects in strict conformity with the Contract; or
  - (d) is not progressing continuously with the Work or any part thereof, and in such a manner as
    to ensure the completion of the Work or any part thereof, in accordance with the work
    schedule; or
  - (e) fails to make prompt payment to his Subcontractors, his employees; or
  - (f) fails to comply with any laws, by-laws or statutory regulations; or
  - (g) fails to provide competent supervision; or
  - (h) fails to submit any schedules, documents or information required by the Contract; or
  - (i) refuses or neglects to comply with an order given by the Contract Administrator; or
  - (j) commits any other breach of the Contract.
- C13.2 Any provision of the Contract may be waived only by express waiver in writing by the Contract Administrator. No express waiver of any provision shall imply the waiver of any other provision nor shall it be held or deemed to be a waiver of any subsequent failure to observe or perform the same or any other provision of this Contract.

#### C14. CITY'S RIGHTS AND REMEDIES

# General

- C14.1 If an event of default has occurred, the City may do any one or more of the following:
  - (a) withhold or retain the whole or part of any payment;
  - (b) take the whole of the Work, or any part or parts thereof out of the hands of the Contractor;
  - (c) demand payment for any amount owed to the City;
  - all as more particularly set forth in C14.3 to C14.11 below.

C14.2 The duties and obligations imposed upon the Contractor by the Contract and the rights and remedies available to the City hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed upon the Contractor or available to the City at law.

# Withholding of Payment

- C14.3 If an event of default has occurred, the Chief Administrative Officer may withhold or retain the whole or part of any payment to the Contractor in an amount determined by the Chief Administrative Officer.
- C14.4 The City may apply the amount withheld or retained to:
  - (a) pay any person to whom the Contractor is indebted in respect of Material, labour or services furnished for the Work;
  - (b) indemnify, compensate or reimburse the City for amounts paid or costs incurred by the City in connection with the event of default.
- C14.5 Payment of such amounts shall discharge the City's liability to the Contractor to the same extent as payment directly to him.
- C14.6 Upon remedy of the event of default, any amount remaining from the amount withheld will be released to the Contractor.

## Taking the Work out of the Contractor's Control

- C14.7 If an event of default has occurred, the City may, without process or action at law, upon giving the Contractor notice, take the whole of the Work, or any part or parts thereof out of the hands of the Contractor.
- C14.8 Upon such notice being given to the Contractor, he shall immediately discontinue the Work or any part or parts thereof specified in the said notice.
- C14.9 The taking of the Work or any part thereof out of the Contractor's control pursuant to C14.7 shall not relieve or discharge the Contractor from any obligation under the Contract or imposed upon him by law except the obligation to complete the performance of that part of the Work that was taken out of the Contractor's control.

#### **Demand for Payment**

- C14.10 If an event of default has occurred, the City may demand payment from the Contractor for amounts paid or costs incurred by the City in connection with the event of default.
- C14.11 The Contractor shall, within seven (7) Calendar Days of receipt of a notice from the City, pay the City the amount set out in the notice.

## C15. CONTRACTOR'S RIGHT TO APPEAL

- C15.1 If the Contractor disagrees with a determination or order of the Contract Administrator he may, within seven (7) Calendar Days after receiving notice of the Contract Administrator's determination or order, notify the Chief Administrative Officer of his contention with respect thereto and request a determination thereon from the Chief Administrative Officer.
- C15.2 If the Contractor disagrees with the Chief Administrative Officer's determination he may request that the dispute be referred to arbitration in accordance with C16, by providing notice to the Chief Administrative Officer within seven (7) Calendar Days after receiving notice of the Chief Administrative Officer's determination.

C15.3 If the Contractor neglects or fails to observe fully and faithfully the above conditions, he shall be deemed to have accepted the Contract Administrator's or the Chief Administrative Officer's determination and to have waived any said claim, at law or otherwise.

#### C16. ARBITRATION

# **Requests for Arbitration**

- C16.1 If, at any time before the termination of the warranty period, any dispute, difference or question shall arise between the City and the Contractor regarding the Work, then every such dispute, difference or question may, with the consent of both the City Solicitor, on behalf of the City, and the Contractor, be referred to arbitration. Notwithstanding that the parties may have consented to arbitration, no arbitration shall proceed before the date of Substantial Performance.
- C16.2 The party desiring arbitration (the "Requesting Party") shall request the consent of the other party (the "Other Party") to refer a particular dispute, difference or question to arbitration.
- C16.3 The Other Party shall reply to the request within seven (7) Calendar Days of receiving same.

## Referral to a Single Arbitrator

- C16.4 If the Other Party has consented to arbitration, the Requesting Party shall nominate an arbitrator (the "Requesting Party's Nominee") within seven (7) Calendar Days of receiving the reply. The Other Party shall have seven (7) Calendar Days after receiving notice of the nomination to accept or reject the Requesting Party's Nominee.
- C16.5 If the Other Party accepts the Requesting Party's Nominee, the dispute, difference or question shall be promptly referred to him or her.

#### Referral to a Panel of Arbitrators

- C16.6 If the Other Party rejects the Requesting Party's Nominee, it shall, within seven (7) Calendar Days of rejection, appoint its own arbitrator.
- C16.7 The Requesting Party shall, within seven (7) Calendar Days of receiving the Other Party's rejection, appoint its own arbitrator.
- C16.8 The arbitrators appointed under C16.6 and C16.7 shall, within seven (7) Calendar Days of the date on which the last of them was appointed, appoint a third arbitrator (the "Panel Chair") who will act as chair of the arbitration panel.

### General

- C16.9 The Arbitration Act (Manitoba) or any successor legislation thereto shall apply to the arbitration in all respects except as expressly otherwise provided in these General Conditions.
- C16.10 The single arbitrator or the Panel Chair, as the case may be, shall determine the procedure to be followed in the arbitration, which shall be consistent with The Arbitration Act (Manitoba) or any successor legislation thereto.
- C16.11 Where the matter proceeds with a single arbitrator, each party shall be responsible for its own legal expenses, expenses to produce expert evidence or other expenses voluntarily incurred, and for an equal share of the fees and expenses of the single arbitrator and of any other expenses related to the arbitration.
- C16.12 Where the matter proceeds with an arbitration panel, each party shall be responsible for its own legal expenses, expenses to produce expert evidence or other expenses voluntarily incurred,

for the fees and expenses of the arbitrator appointed by it, and for an equal share of the fees and expenses of the Panel Chair and of any other expenses related to the arbitration.

### C17. NOTICES

- C17.1 All notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications required or permitted to be given under the Contract shall be in writing and shall be delivered by hand, by facsimile transmission (fax) or by mail.
- C17.2 All notices, consents, approvals, statements, authorizations, documents or other communications to the City, except as expressly otherwise required in C17.3 or C17.4, or elsewhere in the Contract, shall be sent to the attention of the Contract Administrator at the address or facsimile number identified in D4.1.
- C17.3 All notices of appeal to the Chief Administrative Officer shall be sent to the attention of the Chief Financial Officer at the following address or facsimile number:

The City of Winnipeg Chief Administrative Officer Secretariat Administration Building, 3rd Floor 510 Main Street Winnipeg MB R3B 1B9

Facsimile No.: (204) 949-1174

C17.4 All notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications required to be submitted or returned to the City Solicitor shall be sent to the following address or facsimile number:

The City of Winnipeg Corporate Services Department Legal Services Division 185 King Street, 3rd Floor Winnipeg MB R3B 1J1

Facsimile No.: (204) 947-9155

- C17.5 Either party may, by giving notice, designate another address or addresses at which it will accept delivery of notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications.
- C17.6 Delivery to the Contractor's designated supervisor at the Site shall constitute delivery to the Contractor.
- C17.7 Any notices, requests, nominations, proposals, consents, approvals, statements, authorizations, documents or other communications given as provided herein shall:
  - (a) if delivered by hand, be deemed to have been received on the day of receipt;
  - (b) if delivered by facsimile transmission, be deemed to have been received on the day of transmission, if a Business Day, or if not a Business Day, on the Business Day next following the day of transmission; and
  - (c) if delivered by mail, be deemed to have been received on the second Business Day on which mail is delivered by Canada Post following the date of mailing.