

- (iii) the cause for the delay does not fall within the circumstances described in (i) or (ii) above, the Contractor may make a Claim for an Adjustment in the Contract Time (but not for an Adjustments of the Contract Price), in accordance with GC 9.1. This shall be the Contractor's sole and exclusive remedy for such delays.
- (b) In no event will adverse weather be considered to be a cause of delay beyond the Contractor's or its Subcontractors' control or not reasonably foreseeable by them at the time this Contract was entered into.

7. ASSESSMENTS AND DAMAGES FOR LATE COMPLETION

7.1 Late Completion

- (a) For the purposes of this General Condition, "period of delay" means the number of days commencing on the Completion Date fixed by the Articles of Agreement and ending on the day immediately preceding the day on which the certificate of Substantial Completion is issued but does not include any day within a period of extension granted pursuant to GC 9.1 and 6.2, or any other day on which, in the opinion of the Engineer, completion of the Work was delayed for reasons beyond the control of the Contractor.
- (b) If the Contractor does not complete the Work by the Completion Date but completes it thereafter, the Contractor shall pay the City an amount equal to the aggregate of:
 - (i) all salaries, wages, and travelling expenses incurred by the City in respect of persons overseeing the performance of the Work during the period of delay;
 - (ii) the cost incurred by the City as a result of the liability to use the completed Work for the period of delay; and
 - (iii) all other expenses and damages incurred or sustained by the City during the period of delay as a result of the Work not being completed by the Completion Date.

8. CHANGE ORDERS

8.1 Changes in the Work

- (a) Without invalidating this Contract, the City may, through the Engineer, direct in writing the Contractor to make changes in the Work by adding to, deleting from or revising the Work.
- (b) When no Change Order has been issued by the Engineer, and the Contractor claims that any of the Work being performed or proposed constitutes a change in the Work entitling the Contractor to an Adjustment, the Contractor may make a Claim therefore in accordance with GC 9.1.

- (c) Changes in the Work directed by the City shall not be initiated, and shall not be carried out by the Contractor, without the prior written authorization of the City through the Engineer.
- (d) Upon receipt of a Change Order from the Engineer, the Contractor shall promptly proceed with the Work involved under the applicable provisions of the Contract Documents, except as specifically provided in the Change Order.
- (e) The Engineer may in writing direct the Contractor to proceed with the Change notwithstanding that a Change Order has not been prepared or agreed at the time of such direction, and upon receipt of such direction the Contractor shall promptly proceed with the Work as aforesaid. If the parties fail to agree upon the price for such Change, the price therefore shall be as set out in GC 8.2(f) or (i), as applicable.
- (f) If notice of any change in the Work is required by the provisions of any bond to be given to a surety, the Contractor will be responsible for giving such notice, and the amount of each applicable bond shall be adjusted accordingly. For the purposes of this provision, the Contractor will be considered to be the surety's agent.

8.2 Valuation of Changes

- (a) When a change results in a decrease in the Work, the Contract Price shall be decreased by an amount to be determined by the Engineer, with such decrease valued in the same manner as if it were an increase.
- (b) When a change causes an increase in the Work, the Contract Price shall be increased in accordance with this provision.
- (c) If this Contract specifies unit prices for changes to the Work, and the Engineer concurs in their use on a particular change or portion thereof, then the Contractor shall be paid for such change or portion, a sum determined by applying the unit prices to the actual quantum, as measured by the Engineer, determined after completion of the Change.
- (d) Where this Contract specifies force account rates for labour, equipment and materials, and the Engineer concurs in their use on a particular change or portion thereof, then the Contractor shall be paid for such change or portion, a sum determined by applying the force account rates to the number of hours of labour and equipment expended and quantities of materials utilized. The Contractor shall present records of the work done to the Engineer for approval, at the times and in the manner specified by the Engineer.
- (e) If there are changes, or portions of changes, for which unit prices or force account rates are not applicable or specified, then the Contractor shall propose to the Engineer a fixed price for such changes or portions. Upon agreement by the City on the amount thereof, the proposed fixed price shall become the sum the Contractor shall be paid for such change or portion.

- (f) If the Contractor and the City are unable to agree on a fixed price, then the Contractor shall be reimbursed its costs for performing the changes as directed by the Engineer, consistent with the following:
- (i) wages, salaries and travelling expenses of the Contractor's employees while actually engaged on the Work, excluding any and all expenses of head office personnel;
 - (ii) workers' compensation assessments, unemployment insurance premiums, pension plan payments and paid holidays;
 - (iii) rental cost of machinery and equipment that is used in the performance of the Work, or an allowance for depreciation if owned by the Contractor;
 - (iv) operation and maintenance costs for machinery and equipment used in the performance of the Work, other than costs of repairs arising out of defects existing before it was brought on to the Site;
 - (v) cost of materials necessary for and incorporated into the Work or consumed in the performance of the Work;
 - (vi) cost of premiums for all bonds and insurance;
 - (vii) other expenses incurred by the Contractor as approved in advance by the Engineer for the proper performance of the Work;
 - (viii) Subcontractor costs calculated in accordance with GC 8.2(f) (i to vii) above; and
 - (ix) an allowance for profit and all other expenditures or costs, including overhead, general administration costs, financing and interest charges, and every other cost, charge and expense, in an aggregate amount that is equal to twenty percent of the expenses referred to in GC 8.2(f) (i to vii), and equal to ten percent of the expenses referred to in GC 8.2(f) (viii) above.
- (g) Whenever the cost of any Work is to be determined in accordance with GC 8.2(f), the Contractor will establish and maintain records in accordance with GC 3.26.
- (h) Pending final determination of cost, amounts not in dispute shall be included in progress payments.
- (i) If the method of valuation of any increase cannot be promptly agreed upon, the Engineer shall determine the method of valuation and issue a written authorization for the change setting out the method of valuation.

8.3 Contingency Allowance

- (a) The Contract Price includes the contingency allowance, if any, stated in the Contract Documents.

- (b) Expenditures under the contingency allowance shall be authorized in the same manner as for a Change Order in accordance with GC 8, and the value shall be determined in accordance with GC 8.2.
- (c) The unexpended portion of the contingency allowance shall be credited to, and paid to, the City as a condition of achieving Substantial Completion, unless otherwise agreed to by the City.

9. DISPUTE RESOLUTION

9.1 Engineer's Decision

- (a) Where a Claim arises out of, or in connection with this Contract or the performance of the Work, whether during the performance of the Work or after its completion and whether before or after termination of this Contract, the Claim shall, in the first place, be referred in writing to the Engineer in accordance with this provision.
- (b) A written notice stating the general nature of the Claim shall be delivered by the party making the Claim to the other party and to the Engineer promptly, and in no event later than seven days after the occurrence of the event giving rise to the Claim. Any Work for which a Claim has been made, shall be kept readily accessible and shall not be covered up without the express permission of the Engineer.
- (c) Notice of the extent of the Claim with supporting data shall be delivered within fourteen days after such occurrence. The Contractor shall keep contemporaneous records as may reasonably be necessary to support the Contractor's Claim, which may be inspected by the Engineer, as he deems necessary.
- (d) The Engineer shall review the information submitted, consult with the parties and make reasonable efforts to obtain agreement between the City and the Contractor regarding the Claim. The parties agree that, both during and after the performance of the Work, each of them shall use their best efforts to resolve any disputes arising between them by amicable negotiations, and shall provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate those negotiations. The Engineer may request the parties to refer the matter to more senior levels of management within their organizations, in an effort to resolve the Claim.
- (e) Where the City and the Contractor reach an agreement on the Claim, the Engineer will, where appropriate, prepare a Change Order for the City's approval, which shall be sufficient to effect a change in this Contract, in accordance with the terms of the Change Order and the Contract Documents.

- (f) If the City and the Contractor cannot reach an agreement regarding the Claim, the Engineer shall decide the matter and notify the parties in writing of his decision, within fourteen days of the last submission, and in no event later than thirty days following the date of the occurrence giving rise to the Claim. Valuation of Adjustments in the Contract Price shall be determined by the Engineer in accordance with GC 8.2.
- (g) Unless this Contract has already been terminated, the Contractor shall, in every case, proceed with the Work with all due diligence and the City and the Contractor shall give effect forthwith to every such decision of the Engineer unless and until the same shall be revised, as hereinafter provided.
- (h) Where either party disputes the decision of the Engineer or where the Engineer fails to notify the parties of his decision in accordance with GC 9.1(f) then either party may, within fourteen days, notify the other party of its intention to refer the matter to the Referee in accordance with GC 9.2 or Arbitrator in accordance with GC 9.3, as application. No referral may be made unless such notice is given. Notices shall be copied to the Engineer for information.
- (i) If the Engineer has given notice of his decision as to a matter in dispute to the parties and no notice of intention to refer the matter to the Referee has been given by either the City or the Contractor within thirty days, the Engineer's decision shall become final and binding upon the parties.
- (j) No act by the claimant shall be construed as a renunciation or waiver of any of its rights or recourses provided the claimant has given the required notices and carried out the instructions specified. The presentation of a Claim shall not be grounds for delay or interruption of the Work.

9.2 Appointment of Referee

- (a) If the City and the Contractor agree to appoint a Referee, the City and the Contractor shall name, within thirty days of the parties signing this Contract, a Referee who may be called upon during the performance of, or after the completion of the Work, to settle any Claims or disputes arising under this Contract. Where the Referee appointed in accordance with this provision refuses to act, is incapable of acting or dies, the parties shall name a new Referee at the earliest opportunity. Should the parties be unable to agree on a Referee within the time specified, the Engineer whose decision shall be final, shall name a Referee.
- (b) Where either party has disputed a decision of the Engineer in accordance with GC 9.1(h), the Referee shall review the decision of the Engineer and may, if he deems it appropriate, require the parties to supply him with further information or documentation, giving each party an opportunity to respond. The Referee may inspect the Work after giving reasonable notice to each party of the time he intends to do so.
- (c) Not later than thirty days after receipt of the last documentary submission, where the matter has not been resolved in accordance with GC 9.2(b), the Referee shall issue his written decision with reasons to the parties.

- (d) The costs of retaining the Referee shall be shared equally between the City and the Contractor, unless the Referee directs otherwise. The City may deduct such costs assessed against the Contractor by the Referee, from any amount due and payable by the City to the Contractor under this Contract.

9.3 Appointment of Arbitrator

- (a) If the parties agree to appoint a Referee, then within fourteen days after the Referee has rendered his decision, either party may, by written notice to the other party and to the Engineer for information, refer the decision of the Referee to arbitration pursuant to this GC 9.3. If the parties have not agreed to appoint a Referee, then within the fourteen day period referred to in GC 9.1(h), either party may refer to decision of the Engineer to arbitration pursuant to this 9.3. Upon any such referral, the parties shall appoint a single Arbitrator, for arbitration in accordance with the *Arbitration Act*, R.S.N.W.T. 1988, c. A-5, as duplicated for Nunavut by s. 29 of the *Nunavut Act*, subject to the following provisions:
 - (i) the Arbitrator shall have the authority to call upon the Referee to give evidence during the arbitration proceedings, including all documentation prepared by the Referee or reviewed by him;
 - (ii) the decision of the Arbitrator shall be final and binding upon the parties who covenant that their disputes shall be so decided by arbitration alone and not by recourse to any court by way of action at law;
 - (iii) arbitration proceedings may be commenced prior to or after completion of the Work, provided that the obligations of the City, the Engineer and the Contractor shall not be altered by reason of the arbitration being conducted during the progress of the Work;
 - (iv) before the arbitration proceeds on the substantive issues, a budget for the proceedings shall be established by the Arbitrator and each party shall deposit, as security for costs, a sum equal to half of such budget with the Arbitrator, who shall thereupon deposit such funds in an interest bearing trust account with a chartered bank. Subject to the award and payment of costs as hereinafter provided, the balance of the security deposits and interests shall be properly returned to the respective parties; and
 - (v) the cost of arbitration may be awarded against the parties hereto or against any one of them as the Arbitrator may decide.
- (b) If a Claim involves the Work of a Subcontractor, either the City or the Contractor may join such Subcontractor as a party to the arbitration between the City and the Contractor. The Contractor shall include in all its subcontracts specific provision whereby its Subcontractors consent to being joined in an arbitration between the City and the Contractor involving the Work of such Subcontractors. Nothing in this provision nor in the provision of such subcontracts consenting to joinder shall create any claim, right or cause of action in favour of the Subcontractors as against the City or the Engineer, that does not otherwise exist.

- (c) If no notice is received within the time limits set out or referred to in GC 9.3(a), the decision of the Referee shall be final and binding on the parties.
- (d) The Contractor agrees that it shall join other arbitration proceedings with respect to the Project, as requested in writing by the City.

9.4 Adherence to Provisions

- (a) The provisions, including without limitation, procedure and sequences, outlined in GC 9.1 to 9.3 for the resolution of disputes shall be strictly adhered to by both parties.

10. WITHDRAWAL, SUSPENSION AND TERMINATION

10.1 Withdrawal of the Work

- (a) After giving the Contractor seven days written notice within which the Contractor may remedy any delay or default specified, the City may, through the Engineer, withdraw the Work from the Contractor where the Contractor is not diligently performing the Work to the satisfaction of the Engineer or has not completed the Work within the time specified in this Contract.
- (b) On withdrawal of the Work, the City may:
 - (i) take possession of all plant, equipment and materials on the Site and ordered by the Contractor for the Work but not yet delivered to the Site; and
 - (ii) complete the Work withdrawn from the Contractor.
- (c) Withdrawal of the Work by the City does not terminate this Contract and does not relieve the Contractor of its obligation to complete the remainder of the Work.
- (d) The Contract Price will be reduced by the value of the Work withdrawn, as determined by the Engineer. The Contractor shall be liable to the City for all extra costs incurred by the City to complete the Work withdrawn from the Contractor, including all amounts set out in GC 10.3(d) notwithstanding that the Contractor may not be in default hereunder, and the City may deduct such costs from payments owing to the Contractor under this Contract.

10.2 Suspension of the Work

- (a) The City may through the Engineer suspend the progress of the Work at any time by giving the Contractor a written notice, which shall include the reason for the suspension.
- (b) Where such a suspension results in a delay in the progress of the Work, the rights of the parties shall be determined in accordance with GC 6.2(a)(i), (ii) or (iii) as applicable, and shall be based on the reason for the suspension.

- (c) During the period of suspension, the Contractor shall protect, preserve and maintain the Work in a manner satisfactory to the City and shall not remove any part of the plant, equipment and materials from the Site without the prior written consent of the City.
- (d) Following the suspension, the Construction Schedule shall be revised by the Contractor, for approval by the City, and the Work shall be completed as provided in the revised schedule.
- (e) Where the Work or any part thereof is suspended on the written instructions of the City and if permission to resume Work is not given by the City within a period of thirty days from the date of suspension, the Contractor may request permission from the City to proceed with the Work. If the City does not grant permission within fourteen days' receipt of the Contractor's written request, the Contractor may elect to treat the suspension, where it affects only part of the Work, as an omission of such Work by giving a further notice to the City to that effect or, where it affects the whole of the Work, treat this Contract as having been cancelled by the City, in accordance with GC 10.4.

10.3 Termination by City

- (a) Without limitation, any or all of the following actions by or circumstances relating to the Contractor shall constitute default on the part of the Contractor:
 - (i) committing or threatening to commit any act of insolvency or bankruptcy, voluntary or otherwise;
 - (ii) having a receiver appointed on account of insolvency or in respect of any property;
 - (iii) making a general assignment for the benefit of creditors;
 - (iv) failing to comply with or persistently disregarding statutes, regulations, bylaws or directives of competent authorities relating to the Work;
 - (v) failing to comply with any requests, instruction or direction of the Engineer;
 - (vi) failing to pay accounts relating to the Work as they come due;
 - (vii) failing to prosecute the Work with skill and diligence;
 - (viii) assigning or subletting this Contract or any portion thereof without the required consent from the City;
 - (ix) failing or refusing to correct defective or deficient Work; and
 - (x) being otherwise in default in carrying out any of its obligations under this Contract, whether such default is similar or dissimilar in nature to the causes listed previously.

- (b) The Contractor shall immediately advise the City in writing of any default listed in GC 10.3(a)
- (c) If the Contractor is in default under this Contract, the City shall be entitled to any or all of the following:
 - (i) take possession of all Work in progress, materials and construction equipment at the Site, at no additional charge for the retention or use of the construction equipment;
 - (ii) eject and exclude from the Site all personnel of the Contractor and any Subcontractor;
 - (iii) terminate the City's utilization of the Contractor to perform the Work;
 - (iv) finish the Work by whatever means the City may deem appropriate under the circumstances; and
 - (v) withhold any further payments to the Contractor until the Contractor's liability to the City is ascertained.
- (d) The Contractor shall be liable to the City for:
 - (i) the extra expense of finishing the Work, including compensation to the City for additional engineering, managerial and administrative services;
 - (ii) the cost of correcting deficiencies in that portion of the Work performed by the Contractor; and
 - (iii) all other loss, damage and expense occasioned to the City by reason of the Contractor's default,

and the City may deduct such amounts from payments owing to the Contractor under this Contract.
- (e) Any action by the City under this GC 10.3 shall be without prejudice to the City's other rights or remedies under any security held by the City for performance of this Contract by the Contractor.

10.4 Contract Cancellation

- (a) The City shall have the right which may be exercised from time to time, with or without cause, and on fourteen days' written notice to the Contractor, to cancel any uncompleted or unperformed portion of the Work. In the event of such cancellation, the Contractor shall be entitled to the following:
 - (i) reimbursement at this Contract rate for all items completed and delivered;
 - (ii) reimbursement for the costs to the Contractor for Work in progress and expenses incurred in the course of the Work, plus a reasonable return on such costs and expenses; and

- (iii) reimbursement for costs and expenses directly caused by the cancellation.
- (b) Title to all Work for which reimbursement is made shall vest in the City.
- (c) The City shall not be liable to the Contractor for indirect loss, consequential loss, loss of business opportunity or loss of anticipated profit on the cancelled portion or portions of the Work.
- (d) This section shall not apply to situations in which the City is entitled to terminate this Contract by reason of default by the Contractor.

10.5 Termination by Contractor

- (a) If the City should be adjudged bankrupt, or makes a general assignment for the benefit of creditors because of the City's insolvency, or if a receiver is appointed because of the City's insolvency, the Contractor may, without prejudice to any other right or remedy the Contractor may have, by giving the City or receiver or trustee in bankruptcy notice in writing, terminate this Contract.
- (b) If the Work should be stopped or otherwise delayed for a period of thirty days or more under an order of a court or other public authority and providing that such order was not issued as the result of an act or fault of the Contractor or of anyone directly or indirectly employed or engaged by the Contractor, the Contractor may, without prejudice to any other right or remedy the Contractor may have, by giving the City notice in writing, terminate this Contract.
- (c) If the Contractor terminates this Contract under the conditions set out above, the Contractor shall be entitled to be paid for all work performed including reasonable profit, for loss sustained upon products and construction machinery and equipment, and such other damages as the Contractor may have sustained as a result of the termination of this Contract.

11. BONDS AND WARRANTY

11.1 Obligations to Provide Contract Security

- (a) The Contractor shall promptly provide to the City the surety bonds called for in the Contract Documents, not later than ten days following receipt by the Contractor of the letter of acceptance.
- (b) Such bonds shall be issued by a duly licensed surety company authorized to transact the business of suretyship in Nunavut and shall be maintained in good standing until the fulfillment of this Contract.
- (c) Prior to or at the time of making a Claim under such bonds, the City shall send written notification to the Contractor, stating the nature of the default for which a Claim is being made.

11.2 Prescription of Acceptable Contract Security

- (a) The Contractor shall deliver to the City:
 - (i) a performance bond and a labour and material payment bond each in an amount that is equal to and not less than fifty percent of the Contract Price referred to in the Articles of Agreement; or
 - (ii) a security deposit in an amount that is equal to ten percent of the Contract Price referred to in the Articles of Agreement.
- (b) The performance bond and the labour and material payment bond referred to in GC 11.2(a)(i) shall be in a form as approved by the Federal Treasury Board (Federal Contracts).
- (c) A security deposit referred to in GC 11.2(a)(ii) shall be in a form of:
 - (i) an irrevocable letter of credit in a form acceptable to the City and from a bank and branch acceptable to the City; or
 - (ii) a certified cheque or bank draft from a bank acceptable to the City and made payable to the City.
- (d) Should the Contractor's irrevocable letter of credit be scheduled to expire prior to the Completion Date set out in the Articles of Agreement, the City may, at any time within the fourteen days prior to the expiry date, call upon and draw down the irrevocable letter of credit, unless the Contractor presents a renewal thereof with an expiry date beyond the anticipated date for Final Completion, as determined by the Engineer.

11.3 Return of Security Deposit

- (a) Following issuance of the certificate of Substantial Completion, the City may, in its absolute discretion, release all or part of the security deposit referred to herein.
- (b) Following issuance of the certificate of Final Completion, the Contractor shall, subject to the terms of this Contract, be entitled to the remainder of any security deposit.
- (c) Interest shall not be paid on security deposits.

11.4 Warranty

- (a) The Contractor warrants and guarantees that the Work is and shall be free from all defects or deficiencies in, or arising from, materials or workmanship in any part of the Work for the period of one year from the date of Substantial Completion of the Work, as certified by the Engineer, or such longer period as may be specified in the Contract Documents for certain products or Work.

- (b) The Contractor shall promptly correct, at its own expense, defects or deficiencies in the Work which appear prior to and during the warranty described in GC 11.4(a). The Contractor shall correct and pay for all damages resulting from corrections made under this provision.
- (c) Work performed to correct defects or deficiencies shall be warranted and guaranteed to be free from defects or deficiencies, on the same basis as the original Work, for a period of one year from the day said work was completed.
- (d) The City or the Engineer shall promptly give the Contractor written notice of observed defects and deficiencies.
- (e) If any defects or deficiencies in the Work appear at any time prior to the end of the warranty period, the Engineer may instruct the Contractor to search for the cause thereof. If such defect or deficiency is one for which the Contractor is liable, the cost of the Work carried out in searching shall be at the Contractor's expense, and it shall in such case remedy such defect or deficiency at its own cost; otherwise it shall be at the City's expense.
- (f) In an emergency or to prevent an emergency or if the Contractor neglects for any reason to correct defects or deficiencies within a reasonable time, the City may perform the Work or direct another party, on the City's behalf, to do the Work. All costs associated with the correction of such defects or deficiencies shall be paid for by the Contractor and the City may deduct such costs from amounts owing to the Contractor.

12. INDEMNIFICATION AND INSURANCE

12.1 Indemnification by Contractor

- (a) The Contractor shall defend, indemnify and save harmless the City and the Engineer, their agents and employees from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings arising out of or attributable to the Contractor's performance of the Work, or by reason of any matter or thing done, permitted or omitted to be done, by the Contractor, its Subcontractors, or their agents or employees, whether occasioned by negligence or otherwise. Such indemnity shall survive completion or termination of this Contract.
- (b) Nothing contained in the Contract Documents or any approval, express or implied, of the Engineer or City shall relieve the Contractor of any liability for latent defects or any liability which may be imposed by law.

12.2 Indemnification by City

The City shall, subject to any law that affects the City's rights, powers, privileges or obligations, indemnify and save the Contractor harmless from and against all claims, demands, losses, costs, damages, actions, suits or proceedings arising out of his activities under this Contract that are directly attributable to:

- (a) lack of or a defect in the City's title to the Site whether real or alleged; or
- (b) an infringement or an alleged infringement by the Contractor of any patent of invention or any other kind of intellectual property occurring while the Contractor was performing any act for the purposes of this Contract employing a model, plan or design or any thing related to the Work that was supplied by the City to the Contractor.

12.3 Policies of Insurance

Without restricting the generality of GC 12.1, the Contractor shall provide, maintain and the insurance coverages listed in this provision. Unless otherwise stipulated, the duration of each insurance policy shall be from the date of commencement of the Work until the date of issuance of the certificate of Final Completion. Prior to commencement of the Work, the Contractor shall provide the City with confirmation of coverage in the format attached as Appendix A to these General Conditions, and, if required, a certified true copy of the policies certified by an authorized representative of the Insurer. The Contractor shall ensure that any Subcontractors comply with the insurance requirements outlined in this GC 12. The insurance coverages required are as follows:

(a) General Liability Insurance

Contractor's comprehensive general or commercial general liability insurance shall have limits of not less than five million dollars per occurrence with a property damage deductible not exceeding two thousand five hundred dollars. The insurance provided shall be no less broad than the insurance provided by IBC Form 2100 or its equivalent replacement and shall include a standard non-owned automobile policy including a blanket contractual liability endorsement. To achieve the required limit, umbrella or excess liability insurance may be used. All liability coverage shall be maintained for completed operations hazards from the date of Final Completion of the Work, as set out in the certificate of Final Completion, on an ongoing basis for a period of not less than six years from the date of such certificate. The City shall be added as an additional insured with respect to liability arising out of the operations of the named insured. The policy shall be endorsed to provide the City with not less than thirty days' written notice in advance of any cancellation, change or amendment restricting coverage.

(b) Automobile Liability Insurance

Automobile liability insurance in respect of licensed vehicles shall have limits of not less than five million dollars inclusive per occurrence for bodily injury, death, and damage to property and covering all licensed vehicles owned or leased by the Contractor, endorsed to provide the City with not less than fifteen days' written notice in advance of any cancellation, change or amendment restricting coverage.

(c) **Property and Boiler and Machinery Insurance**

- (i) “All risks” property insurance shall be in the joint names of the Contractor, the City and the Engineer, insuring not less than the sum of the amount of the Contract Price and the full value of all labour, plant, equipment and materials that are to be provided by the City for incorporation into the Work, with a deductible not exceeding two thousand five hundred dollars. The insurance provided shall be no less broad than the insurance provided by IBC Form 4042 or its equivalent replacement. The policy will contain a waiver of rights of subrogation against all those insured by the policy. Such coverage shall be maintained continuously until the date the certificate of Final Completion is issued or an earlier date specified by the City;
- (ii) the policy will allow for partial or total use or occupancy of the Work. If because of such use or occupancy the Contractor is unable to provide coverage, the Contractor shall notify the City in writing prior to such use pay for property and, if necessary, boiler insurance insuring the full value of the Work as in (i) above, including coverage for such use or occupancy and shall provide the Contractor with proof of such insurance. The Contractor shall refund to the City the unearned premium applicable to the Contractor’s policy upon termination of coverage;
- (iii) where, due to the nature of the Work, the full insurable value of the Work is substantially less than the Contract Price, the City may, at its sole discretion, reduce the amount of insurance required or waive the course of construction insurance requirement;
- (iv) 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 & machinery policy and forming part of the Work;
- (v) the policies shall provide that, in the event of a loss or damage, payment shall be made to the City and the Contractor as their respective interests may appear. The Contractor shall act on behalf of the City for the purpose of claiming the amount of loss or damage from the Insurers. When the extent of the loss or damage is determined, the Contractor shall proceed to restore the Work. Loss or damage shall not affect the rights and obligations of either party under this Contract except that the Contractor shall be entitled to such reasonable extension of Contract Time relative to the extent of the loss or damage in accordance with the terms of this Contract; and
- (vi) the Contractor shall be responsible for deductible amounts under the policies except where such amounts may be excluded from the Contractor’s responsibility in accordance with the Contract documents.

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

Where such risks exist, the Contractor shall obtain aircraft and watercraft liability insurance with respect to owned or non-owned aircraft and watercraft if used directly or indirectly in the performance of the Work, including use of additional premises, and shall have limits of not less than two million dollars inclusive per occurrence for bodily injury, death and damage to property including loss of use thereof, and limits of not less than two million dollars for aircraft passenger hazard. Such insurance shall be in a form acceptable to the City. The policies shall be endorsed to provide the City with not less than fifteen days' written notice in advance of any cancellation, change or amendment restricting coverage.

(e) **Contractor's Equipment insurance**

The Contractor shall give proof of insurance in a form acceptable to the City of "all risks" Contractor's equipment insurance covering construction machinery and equipment used by the Contractor for the performance of the Work, including boiler insurance on temporary boilers and pressure vessels. The insurance shall be in a form acceptable to the City and shall not allow subrogation claims by the insurer against the City. The policies shall be endorsed to provide the City with not less than fifteen days' written notice in advance of cancellation, change or amendment restricting coverage.

(f) **Other Insurance**

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

12.4 Insurance General

- (a) All required insurance policies shall be with insurers licensed to underwrite insurance in Nunavut and signed by representatives licensed to do so for insurance in Nunavut.
- (b) The Contractor shall require and ensure that its Subcontractors maintain liability insurance comparable to that required above.
- (c) If the Contractor fails to provide or maintain insurance as required by this General Condition or elsewhere in the Contract Documents, then the City shall have the right to provide and maintain such insurance and give evidence to the Contractor and the Engineer. The Contractor shall pay the cost thereof to the City on demand or the City may deduct the costs from monies which are due or may become due to the Contractor.
- (d) Where an insurer fails or refuses to pay any claims under an insurance policy covering the activities of the Contractor or a Subcontractor relating to or arising out of the Work, the Contractor shall not be released from any liability arising under this Contract.

13. LOCAL AND INUIT INVOLVEMENT

13.1 Requirements for Inuit, Local and Nunavut Content

- (a) The Contractor shall, in the performance of the Work, employ Inuit, Local and Nunavut workers and use Inuit, Local and Nunavut content to the greatest extent possible and at a minimum, no less than the amounts tendered by the Contractor in Appendix J-2 "Substantiation of Bid Adjustment" of the tender. Workers shall meet all levels of proficiency, qualification and expertise as dictated by Applicable Laws and/or as defined in the Contract Documents.
- (b) The Contractor shall provide to the Engineer a schedule indicating the anticipated total monthly value of all Inuit, Local and Nunavut content and labour to be expended in the execution of the Work. This schedule shall provide the benchmark for ensuring compliance by the Contractor with the requirements for the use of Inuit, Local and Nunavut content during the performance of the Work.
- (c) For the Inuit Labour bonus or penalty, as set out in the Nunavummi Nangminiaqtunik Ikajuuti (NNI) Policy, the benchmark shall be the minimum prescribed level for Inuit Labour identified on page 4 of Appendix K "Contractor's Obligations to Provide Inuit Content" of the tender.

13.2 Requirement for Community Meetings

- (a) The Contractor shall arrange meetings on a monthly basis, or other basis as may be mutually agreed by the parties to this contract, to monitor the use of Inuit, Local and Nunavut labour and Inuit, Local and Nunavut content. The Contractor shall give the City 5 days notice of all meetings called under GC 13.2. The Contractor shall take reasonable steps to ensure that these meetings include the following representatives:
 - (i) a community representative who has been designated to speak on behalf of the community (if available);
 - (ii) a community manpower representative (if available);
 - (iii) the Contractor; and
 - (iv) the Engineer.
- (b) In addition to the community meetings contemplated in GC 13.2(a), the Contractor shall arrange a community meeting prior to the start of the Work which shall be arranged on the same terms as indicated in GC 13.2(a) and at that meeting shall:
 - (i) provide a schedule referred to in GC 13.1(b) above to the community representative;
 - (ii) request from the community manpower representative or from the City if no community manpower representative has been delegated, a list of workers available in the community; and