



# Operational Services Contract

CONTRACT FILE NO: 2021-BODEN LAKE	THIS AGREEMENT DATED FOR REFERENCE THE ____ DAY OF _____, 2021.
PROJECT DESCRIPTION: OVERSTORY REMOVAL OF PLANTATIONS IMPACTED BY 2018 FIRE STANDS IN THE NADINA FOREST DISTRICT	

**BETWEEN:** Chinook Community Forest

Phone Number: 250-692-0630  
Chinook Representative: Ken Nielsen  
E-mail Address: ken.nielsen@chinookcomfor.ca

**AND:**

Phone Number:  
Business E-mail Address

Contractor Representative:  
Business Number  
WorkSafe BC and/or Personal Optional Protection Number:  
(the "Contractor")

referred herein to as "the Parties".

**WHEREAS:**

- A. Chinook requires the Work described in this Agreement to be carried out for its benefit.
- B. The Contractor is prepared to do the Work.
- C. Chinook and the Contractor have agreed that the Work shall be carried out in accordance with Contract Documents.

Accordingly, the Parties agree as follows:

**ARTICLE 1 DEFINITIONS**

1.01 In this document, the following words have the following meanings:

- (a) "**Agreement**" means the agreement between the Parties as set out in the Contract Documents;
- (b) "**Amending Document**" means an NRS600 Contract Modification Agreement form or another standard form of similar nature specified by Chinook;
- (c) "**Assessment**" means a pre-estimate of damages incurred by Chinook as a result of the Contractor's failure to perform, unsatisfactory performance or other non-compliance with the provisions of this Agreement;
- (d) "**Changed Condition**" means a materially changed physical condition at the Work Area which was not foreseen by the Contractor and which would not have been reasonably foreseen by a reasonable contractor who, before submitting its tender, conducted a thorough investigation of the work to be

done to complete the Work, including a thorough inspection of the Work Area and review of all information available from Chinook to persons wishing to submit tenders, but does not include any weather conditions or natural events;

- (e) "**Contract Documents**" means those documents described in Section 2.01 and the Work Progress Plan;
- (f) "**Contract Price**" means the total amount payable to the Contractor for satisfactory performance of the Work, as set out in Schedule 'B';
- (g) "**Contractor Representative**" means a person designated pursuant to Section 5.05;
- (h) "**Environmental Damage**" means:
  - i. slumping or sliding of land;
  - ii. inordinate soil disturbance; or
  - iii. other damage to the environment which the Province considers significant.
- (i) "**Equitable Adjustment**" means a fair and reasonable adjustment negotiated by the Parties to;
  - i. the Contract Price; or
  - ii. the time within which the Work is to be performed;
- (j) "**Fiscal Year**" means the period from April 1 to the next March 31 inclusive;
- (k) "**Incorporated Material**" means any material in existence prior to the start of the Term or developed independently of this Agreement, and that is incorporated or embedded in the Produced Material by the Contractor or a Subcontractor;
- (l) "**Material**" means the Produced Material and the Received Material;
- (m) "**Chinook Representative**" means a person appointed pursuant to Section 5.01;
- (n) "**Occupied Area**" means any Work Area, camp or rest area, or any other area occupied by the Contractor for the purposes of this Agreement;
- (o) "**Payment Area**" means a portion of a Work Area as specified in the Work Progress Plan which contains a specified amount of scheduled Work;
- (p) "**Performance Security**" means the security provided by the Contractor in accordance with Article 4;
- (q) "**Produced Material**" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Incorporated Material;
- (r) "**Received Material**" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from Chinook or any other person;
- (s) "**Subcontractor**" means a person, firm or corporation contracting with the Contractor to perform a part or parts of the Work, or to supply products worked to a special design according to the Agreement, but does not include one who merely supplies products not so worked;
- (t) "**Shortfall**" means the difference between total Contract Price and the amount paid to the Contractor for Work satisfactorily completed;
- (u) "**Term**" means the period of time this Agreement is in force pursuant to Article 3;
- (v) "**Work**" means all labour, supervision, administration, materials, transportation, supplies, tools, equipment and such other services and materials necessary or desirable to perform the services described in the Contract Documents, and includes any services which are not expressly described, but which are nevertheless necessary for the proper execution of the work;
- (w) "**Work Area**" means the area shown outlined on the attached maps;
- (x) "**Work Day**" means every day of the week except Saturday, Sunday and statutory holidays; and
- (y) "**Work Progress Plan**" means the plan developed on a form approved by Chinook and submitted to the Chinook Representative for approval which outlines the scope, timing, location and any other requirements of the Work.

1.02 If any of the words in Section 1.01 are used in any other Contract Document, they have the same meaning as in this document unless the context dictates otherwise.

- 1.03 Words or abbreviations which have well known technical or trade meanings are used in the Contract Documents in accordance with those recognized meanings.
- 1.04 The headings of the clauses of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

**ARTICLE 2 CONTRACT DOCUMENTS AND MODIFICATIONS**

**Contract Documents**

- 2.01 The attached schedules are applicable to and form part of this Agreement:

<b>Schedule</b>	<b>Title</b>
Schedule "A"	Services
Schedule "B"	Payment
Schedule "C"	Other Conditions
Schedule "D"	Insurance
Schedule "E"	Safety Conditions Schedule
Schedule "E1"	Sub contractors Safety
Schedule "F"	SAFE Certification Requirements Schedule
Schedule "G"	Prime Contractor Agreement
Schedule "R"	Road and Radio Policy

**Amending Documents**

- 2.02 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the Parties.

**Interpretation**

- 2.03 Any reference in the Contract Documents to a manual or a form means a manual or form published by or for the Province and includes every amendment of such manual or form and any manual or form published from time to time in substitution for them or replacement of such manual or form.
- 2.04 In the event of a conflict between the Contract Documents, the terms of this Document supersede all other Documents. In the event of a conflict between alike Contract Documents of different dates, the Document of later date prevails.

**ARTICLE 3 TERM OF CONTRACT AND COMMENCEMENT OF WORK**

- 3.01 The Term of this Agreement is from August 21, 2021 to February 28, 2022 inclusive, and work shall proceed in accordance with the Work Progress Plan.
- 3.02 The Contractor shall not conduct any Work until Chinook notifies the Contractor to commence work.
- 3.03 The Contractor shall commence Work within five (5) calendar days from the date specified in the Notice to Commence Work and regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.
- 3.04 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.
- 3.05 Subject to satisfactory performance by the Contractor and availability of funding by Chinook, the Parties may agree in writing to extend this Agreement for a further Term of twelve months. Should the option to renew be exercised it is expected that the Contractor's bid rate or bid price in the preceding term will remain unchanged in the subsequent term, unless, in Chinooks sole opinion, a negotiated rate change is warranted.

#### **ARTICLE 4 CONTRACT PERFORMANCE SECURITIES**

- 4.01 Upon request of Chinook, the Contractor shall furnish Performance Security in the amount specified by and in a form and manner acceptable to Chinook as security for the faithful performance by the Contractor of all Work.
- 4.02 Chinook may retain any Performance Security until all Work has been completed in accordance with this Agreement. The Performance Security is subject to forfeiture, at the discretion of Chinook, if the Contractor fails to perform or to comply with this Agreement.
- 4.03 If the Contractor fails to perform or comply with this Agreement, Chinook may, in addition to terminating the Agreement and claiming the Performance Security, pursue any other remedies available to it under this Agreement or the laws of the Province of British Columbia.
- 4.04 Should the Parties agree to renew this Agreement for a further term, Chinook shall calculate the Contract Performance Security for the renewed term as follows:
- (a) where the Tender documents specified the Contract Performance Security as a fixed dollar amount, the amount shall remain unaltered unless the contract value for the renewed term varies by more than 10% of that of the preceding term, in which case the security requirement shall be varied up or down by the same percentage.
  - (b) where the Tender documents specified the Contract Performance Security as a percentage of the total contract value, the amount for the renewed term shall be determined by multiplying that percentage on the renewed contract value, except that where this amount is between 90 and 110% of the preceding term's amount, the Contract Performance Security requirement shall remain unaltered.

Should the amount of Contract Performance Security decline by more than 10% between two terms, Chinook shall return the amount in excess of 10% following, in its sole discretion, satisfactory performance of the Contractor in the preceding term and in accordance with provisions specified elsewhere for the return of performance security. Where the amount of Contract Performance Security increases by more than 10% between two terms, Chinook shall inform the Contractor in writing of the increased amount and the Contractor shall deliver this amount in an acceptable form at least ten Work Days prior to the commencement of work in the forthcoming term.

#### **ARTICLE 5 PARTY REPRESENTATIVES**

##### **Chinook Representative**

- 5.01 Chinook shall appoint a Chinook Representative who shall have full authority to act on behalf of Chinook in connection with this Agreement.
- 5.02 Upon commencement of this Agreement, Chinook shall notify the Contractor of the name of Chinook Representative.
- 5.03 Chinook may substitute a Chinook Representative at any time, and shall immediately notify the Contractor of the change.
- 5.04 The Chinook Representative may require the Contractor to do anything necessary to satisfy the Chinook Representative that the Work is being performed in accordance with the Contract Documents.

##### **Contractor Representative**

- 5.05 The Contractor shall appoint a Contractor Representative fluent in English, who shall:
- (a) have full authority to act on behalf of the Contractor in connection with the Work and the Agreement; and
  - (b) be available to the Chinook Representative, when requested, and be present at all times at any site where the Work is carried out.
- 5.06 Upon entering into this Agreement, the Contractor shall notify Chinook of the name, address and telephone number of the Contractor Representative appointed pursuant to Section 5.05.
- 5.07 The Contractor shall not substitute a Contractor Representative without the written consent of the Chinook Representative.

- 5.08 If, in the reasonable opinion of the Chinook Representative, the Contractor Representative is not suitably experienced or is unable to properly supervise the Work or communicate with the Chinook Representative, then the Contractor shall, upon receipt of written notice from the Chinook Representative, replace that representative and immediately notify Chinook of that change.
- 5.09 All Work carried out by the Contractor or the Subcontractor must be under the direct and continuous supervision of the Contractor or the Contractor Representative.

## **ARTICLE 6 STANDARDS OF PERFORMANCE AND WORK PROGRESS**

### **Work Progress Plan**

- 6.01 The Contractor Representative shall meet with the Chinook Representative before the commencement of Work to:
- (a) inspect the Work Area, and
  - (b) review the Contract Documents and work performance requirements.
- 6.02 The Work Progress Plan may divide the scheduled Work into Payment Areas. Where no Payment Areas are approved the entire Work Area shall be considered to be one Payment Area.
- 6.03 The Work shall proceed in accordance with the Work Progress Plan.

### **Standards of Performance**

- 6.04 The Contractor acknowledges it has satisfied itself to:
- (a) the nature and magnitude of the Work; and
  - (b) the general character, quality and quantity of the equipment and materials required to execute and complete the Work.

Any failure by the Contractor to discover matters which affect or could affect the Work does not relieve the Contractor from its obligations under this Agreement or otherwise affect the Contract Price.

- 6.05 The Contractor shall at all times exercise the standard of care, skill and diligence normally exercised and observed by persons engaged in the performance of activities similar to the Work.

### **Continuity and Suspension of Work**

- 6.06 The actual date the Work may commence is dependent upon the weather and completion of the Work Progress Plan. Once commenced, Work shall be continuous except as provided for in Section 6.09.
- 6.07 If Chinook reasonably decides that weather or other conditions make it unsuitable for Work to proceed, it may suspend operations for a specified or an indefinite period, and it may require the Contractor remain available for up to five (5) consecutive Work Days to resume work as specified by Chinook. If the suspension exceeds twenty-four (24) hours the Parties shall negotiate an Equitable Adjustment to the Contract Price to compensate the Contractor for reasonable and substantiated out-of-pocket costs incurred during the suspension.
- 6.08 In the event operations are suspended under Section 6.07, the Term may be extended by a length of time agreed to by the Parties.
- 6.09 If Chinook, having suspended Work pursuant to Section 6.07, does not permit Work to resume within five (5) Work Days, either Party may, by giving written notice to the other Party, terminate this Contract without penalty. Neither Party is liable for compensation of any kind arising out of the suspension of operations. Payment shall be made for all Work satisfactorily performed before the suspension of Work.
- 6.10 A suspension pursuant to Section 6.07 to be effective must be in writing and delivered to the Contractor by a method provided for in Section 15.06.

## **ARTICLE 7 INDEMNIFICATION AND INSURANCE**

### **Indemnity**

- 7.01 You must indemnify and save harmless Chinook Community Forest and its employees and agents from any loss, claim (including any claims of infringement of third party intellectual property rights), damage award, action, cause of action, cost or expense that Chinook or any of its employees or agents may

sustain, incur, suffer or be put to at any time either before or after this Agreement ends, (each a "Loss"), to the extent the Loss is directly or indirectly caused or contributed to by:

- (a) any act or omission by you or your agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
- (b) any representation or warranty by you being or becoming untrue or incorrect.

- 7.02 Neither Chinook nor its Chinook Representative in charge, its agents, authorized representatives, or employees are personally liable for any act performed in the discharge of any duty imposed or in the exercise of any power or authority conferred upon them by, or within the scope of, the Agreement if it can be demonstrated that all reasonable care was exercised in the conduct of the operations; in all such matters these persons act solely as agents and representatives of Chinook.
- 7.03 Neither Chinook nor any of its employees, authorized representatives, or agents are liable to the Contractor or the Contractor's employees or agents for any injury, loss, or damage however occasioned to any of them or their equipment or livestock while being transported or conveyed in any vessel, boat, aircraft owned or operated by Chinook, and the Contractor shall not undertake claims against the Chinook Community Forest, its employees, authorized representatives, or agents to recover any such injury, loss or damage either on its own behalf or on behalf of its employees or agents. The Contractor shall indemnify and save harmless Chinook, its employees, authorized representatives, or agents from any such claims initiated by the Contractor's employees, subcontractors, servants, or agents.

#### **Insurance**

- 7.04 During the Term, the Contractor shall pay and maintain insurance coverage as specified in writing by Chinook from time to time.

### **ARTICLE 8 PROTECTION OF WORK AND PROPERTY**

#### **General**

- 8.01 The Contractor shall protect the Chinook Community Forest property from damage and is responsible for damage which may arise as the result of the Contractor's operations under the Agreement, except damage which occurs as a result of the acts or omissions of Chinook or its other contractors, agents and employees.

#### **Protection of the Environment**

- 8.02 If the Contractor encounters circumstances such as weather conditions or site factors where the Contractor knows or should reasonably know that proceeding with the Work may, directly or indirectly, cause Environmental Damage, the Contractor shall:
- (a) immediately suspend such Work;
  - (b) immediately advise Chinook of the suspension and circumstances;
  - (c) not proceed with such Work until Chinook so instructs; and
  - (d) upon Chinook's instruction to proceed with such Work, do so in accordance with Chinook's instructions.

- 8.03 The Contractor shall not be deemed to be in breach of this Agreement for suspending Work pursuant to Section 8.02.

#### **Fire Protection**

- 8.04 The Contractor shall:
- (a) take every precaution to prevent unintentional fire from occurring on or about the Work Area,
  - (b) ensure that no person burns any debris on or about the Work Area unless authorized under a Burning Reference Number issued by the Ministry of Forests, Lands and Natural Resource Operations, BC Wildfire Services, and
  - (c) ensure that, with respect to smoking,
    - (i) no person smokes except in areas that are free of or fully cleared of all flammable material,
    - (ii) no burning material falls outside cleared areas, and
    - (iii) all burning material is completely extinguished before leaving cleared areas.

## **ARTICLE 9 COMPLIANCE WITH THE LAW**

- 9.01 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws of the Province of British Columbia, including, but not limited to, the *Employment Standards Act* and its Regulations.
- 9.02 The Contractor shall comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.
- 9.03 Without limiting Section 9.02, the Contractor:
- (a) may be considered the "Prime Contractor" for the Work, as described in the attached Safety Conditions Schedule, and as such shall enter into a Prime Contractor Agreement and carry out the duties as described therein;
  - (b) shall be solely responsible for safety at the Work Area;
  - (c) shall, at its own expense, provide the necessary WorkSafe BC compensation coverage for itself, all workers and any shareholders, directors, partners or other individuals employed or engaged in the performance of the Work and shall ensure all approved Subcontractors obtain WorkSafe BC coverage;
  - (d) if the Contractor or its Subcontractors do not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act*, then the Contractor shall ensure that it and its Subcontractors apply for and obtain Personal Optional Protection under the *Workers Compensation Act*;
  - (e) shall be responsible for and pay for all fines, assessments, penalties, and levies made or imposed under the *Workers' Compensation Act* and regulations relating in any way to the Work;
  - (f) upon request, provide Chinook with evidence of compliance with Section 9.03 (c) and (d);
  - (g) shall promptly pay all persons employed or engaged in the execution of the Work; and
  - (h) shall obtain all licences and permits required by law to carry out the Work, unless obtained by Chinook and provided to the Contractor before commencement of the Work, and provide Chinook with proof of having obtained those licences or permits.
- 9.04 Nothing in this Agreement shall relieve the Contractor from its responsibility to comply with all applicable provisions of the *Forest & Range Practices Act* and its regulations.

## **ARTICLE 10 CHANGED CONDITION**

- 10.01 If a Changed Condition occurs during the course of the Work, the following applies:
- (a) The Parties shall immediately advise each other of particulars of the Changed Condition and the Contractor Representative and the Chinook Representative shall meet to attempt to deal with the condition.
  - (b) If the Changed Condition is so substantial that amending the Agreement to deal with the change would change the essential nature of the Work, then either Party may elect not to proceed with the Work any further and the contract shall be brought to an end. If either Party so elects, the following shall apply:
    - (i) The Contractor shall be entitled to receive payment for any Work which the Contractor has satisfactorily completed;
    - (ii) If the payment under (i) is for 90% or greater of the original total volume of Work the Contractor shall be entitled to no additional payments;
    - (iii) If the payment under (i) is for less than 90% of the original total volume of Work the Contractor shall be entitled to an additional payment calculated as 15% of the Shortfall that is less than 90% of the original volume of Work multiplied by the average price per unit as shown in the following equation:
$$0.15 \times (0.90 \times [\text{original volume of Work}] \text{ minus } [\text{volume of Work completed}]) \times (\text{average price per unit}).$$
  - (c) If the Changed Condition can be dealt with by the substitution of an alternate Work Area or by other amendment to the Agreement and if such substitution or other amendment will not change the

essential nature of the Work, then Chinook may, in its discretion, substitute such an alternate Work Area (and make changes to this Agreement that are appropriate to deal with the substitution) or make other amendments to this Agreement. The Contractor shall be obliged to proceed on that basis. If the parties cannot agree on a price for the Work as amended in the substituted Work Area, then the price shall subsequently be determined pursuant to Article 14.

- (d) Chinook is not obliged to make any payment under Section 10.01 (b)(ii) and (iii), or to satisfy any claim by the Contractor for any losses occasioned by such a shortfall if the Shortfall is occasioned by an Act of God, unsuitable weather, natural disaster, withdrawal of labour in disputes, or any other unforeseeable cause over which Chinook has no direct control.

## **ARTICLE 11 INSPECTION AND ACCEPTANCE**

### **Request for Inspection and Acceptance**

- 11.01 The Contractor shall, upon completing all Work within a Payment Area, promptly request that Chinook inspect and determine the acceptability of the Work. The request must be in writing, may take the form of an invoice, and, must be delivered to the Chinook Community Forest by a method provided for in Section 15.06.

### **Inspection by Chinook**

- 11.02 Chinook shall, following receipt of the Contractor's request for inspection and acceptance, promptly inspect and determine the acceptability of the Work performed in the Payment Area. Work shall be inspected in accordance with the Contract Documents. Chinook is not obliged to make any determination of acceptability before receiving the written request.
- 11.03 The Contractor is encouraged, but not required, to observe inspections while they are underway.
- 11.04 Chinook shall provide the Contractor with a copy of inspection results.
- 11.05 Chinook reserves the right to inspect, at all times during the Term and without notice to the Contractor, any Work performed.
- 11.06 The Contractor shall pay Chinook, on demand, all direct and indirect additional inspection costs incurred because Payment Areas were not fully completed by the time specified in the Contractor's request for inspection and acceptance.
- 11.07 Inspections are conducted by Chinook in order to determine compliance with the provisions of this Agreement and to provide the basis for calculating the payment due. These inspections are conducted for the sole benefit of the Chinook Community Forest, and do not release the Contractor from the responsibility of providing quality control measures to assure that the Work strictly complies with this Agreement.

### **Re-Inspection**

- 11.08 If the results of an inspection are unacceptable to the Contractor, it may, if it does so within three (3) Work Days of receiving the inspection results, request Chinook re-inspect the Work.
- 11.09 If the Contractor requests a re-inspection of the Work, Chinook shall perform the re-inspection at a time mutually agreed to by the Parties, but in any event no later than ten (10) Work Days after receiving the request.
- 11.10 The results of the re-inspection shall be used to determine payment and shall be final and binding.
- 11.11 The Contractor shall pay Chinook's costs of the re-inspection only if the difference in Work quality between the original inspection and the re-inspection is less than ten percent (10%) of the original inspection results.
- 11.12 If Chinook bears the costs of the re-inspection, it shall also pay the Contractor, if they are present for the entire re-inspection, the sum of two hundred and fifty dollars (\$250.00) for time spent re-inspecting.



## **ARTICLE 12 MEASUREMENT AND PAYMENT**

### **Payment**

- 12.01 If the Contractor complies with this Agreement, Chinook shall pay the Contractor for all Work at the rates [inclusive of taxes paid or payable by the Contractor to a supplier but exclusive of any applicable Provincial Sales Tax (PST) that the Contractor is required to charge the Province as a taxable transaction and the Goods and Services Tax (GST)] and times described in Schedule B and we are not obliged to pay you more than the maximum amount or dollar limit specified in Schedule B.
- 12.02 Expenses, if payable, will be exclusive of GST or other applicable tax paid or payable to the extent the Contractor is entitled to claim credits (including GST input tax credits), rebates, refunds or remissions of the tax from the relevant taxation authorities.
- 12.03 The Chinook Community Forest will pay any applicable taxes payable under law or agreement with the relevant taxation authorities. Invoices must show the calculation of any applicable taxes (excluding taxes paid directly by the Contractor to a supplier and which were inclusive in the bid price) to be paid as a separate line item and expenses must be listed chronologically, be in reasonable detail and with dates of all expenses claimed with receipts or copies of receipts, where applicable, attached.
- 12.04 Our obligation to pay money to you is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of Chinook during which payment becomes due.
- 12.05 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

### **Payment Initiation**

- 12.06 Chinook shall upon acceptance of the Work within a Payment Area, promptly initiate a payment.

### **Holdback**

- 12.07 Chinook is not obliged to advance to the Contractor more than ninety percent (90%) of the calculated amount of any payment. The ten percent (10%) holdback shall be retained for forty (40) calendar days after the completion, or earlier termination, of all Work and interest is not payable on the amount held back by Chinook.
- 12.08 Chinook is authorized, but not obliged, to apply the holdback funds as follows:
- (a) firstly, to any unpaid government agencies;
  - (b) secondly, to the Contractor's and Subcontractor's unpaid workers, Subcontractors and material suppliers; and
  - (c) thirdly, as security for the correction of any breach of, or for payment of any Assessment provided for in, this Agreement.

### **Payment for Part Performance**

- 12.09 If this Agreement expires or is terminated before completion of the Work, Chinook shall only pay for that portion of the Work completed to the satisfaction of Chinook before the said expiration or termination.

### **Method of Measurement**

- 12.10 All linear and area measurements under this Agreement are measured on the horizontal plane, unless specified otherwise in an attached Schedule.

### **Remeasurements**

- 12.11 If the calculation of a payment depends upon the area completed, and if the Contractor believes the area used in calculating that payment is incorrect, the Contractor may request Chinook remeasure the Payment Area. The request shall be delivered in writing to Chinook, within three (3) Work Days of the Contractor receiving a copy of the payment calculation for the Payment Area in question.
- 12.12 If Chinook's remeasurement indicates that the originally specified area was correct within five percent (5%), the original measurement will be used and the Contractor will pay for the cost of the remeasurement. If the difference between measurements exceeds five percent (5%), payment will be based on the second measurement without charge for the remeasurement.

## **Appropriation**

- 12.13 Despite any other provision of this Agreement, Chinooks obligation to pay the Contractor, pursuant to this Agreement, is subject to:
- (a) the Legislative Assembly of the Province of British Columbia having provided sufficient funds to enable the Chinook Community Forest, in any Fiscal Year or part thereof, to make payment pursuant to this Agreement when it is due; and
  - (b) Treasury Board not having controlled or limited expenditure of any funds.

## **ARTICLE 13 NON-COMPLIANCE AND TERMINATION**

### **Termination by the Chinook Community Forest**

- 13.01 Chinook may, at its sole discretion, terminate this Agreement at any time, and no claim may be made by the Contractor for any losses occasioned by that termination if the termination:
- (a) occurs before Chinooks notifies the Contractor to commence Work;
  - (b) is caused by an Act of God, unsuitable weather, natural disaster, withdrawal of labour in labour disputes, or any other unforeseeable causes over which Chinook has no direct control; or
  - (c) is caused by an Event of Default.

### **Mutual Termination**

- 13.02 This Agreement may be terminated at any time by the mutual consent of the Parties.

### **Contract Performance Security**

- 13.03 If Chinook terminates this Agreement, the Contract Performance Security will only be returned to the Contractor if the termination is occasioned by an Act of God, unsuitable weather, natural disaster, withdrawal of labour in labour disputes, or any other unforeseeable cause clearly beyond the control of the Contractor.

### **Non-Compliance with Agreement Provisions**

- 13.04 An "Event of Default" means any of the following:
- (a) failure to perform any of the Contractor's obligations under this Agreement, or
  - (b) any representation or warranty made by the Contractor in this Agreement (including as part of any competitive process resulting in this Agreement being entered into) is untrue or incorrect, or
  - (c) an Insolvency Event, which means any of the following:
    - (i) an order is made, a resolution is passed, or a petition is filed, for the Contractor's liquidation or winding up,
    - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency,
    - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
    - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
    - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
    - (vi) the Contractor ceases, in our reasonable opinion, to carry on business as a going concern.
- 13.05 On the happening of an Event of Default, or at any time thereafter, Chinook may, at its option, by written notice to the Contractor do any one or more of the following:
- (a) require that the Event of Default be remedied within a time period specified in the notice;
  - (b) require the Contractor to re-work the area to Chinook's satisfaction within a time period specified in the notice;
  - (c) impose other requirements on the Contractor to deal with the alleged failure of compliance within a time period specified in the notice;

- (d) pursue any remedy or take any other action available to us at law or in equity; or
- (e) impose an Assessment if such an Assessment is provided for in the Contract Documents;
- (f) require the Contractor to do no further Work until the alleged failure of compliance is dealt with according to Chinook's requirements; and
- (g) by written notice to you, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under Section 13.05(a).

These remedies shall be in addition to and not instead of any other remedy which Chinook may have with respect to the Contractor's breach of this Agreement.

- 13.06 No failure or delay on Chinook's part to exercise its rights in relation to an Event of Default will constitute a waiver of such rights.
- 13.07 If you become aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, you must promptly notify us of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps you propose to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps you propose to take to prevent the occurrence of the anticipated Event of Default.
- 13.08 Where the Contractor has reworked an area Chinook shall inspect any re-worked area and the results of the inspection shall supersede any previous inspection results. The Contractor shall pay Chinook's costs of the inspection.
- 13.09 For the purposes of imposing an Assessment, Chinook need not notify the Contractor before imposing an Assessment.
- 13.10 If Chinook imposes an Assessment on the Contractor, the Assessment may be collected by deduction from a payment under this Agreement, any Contract Performance Security or from any holdback.
- 13.11 If the Contractor does not agree with Chinook that there has been a failure to comply, the Contractor shall comply with any and all of the requirements imposed by Chinook, but the Contractor shall have the right to seek compensation from Chinook under Article 14, if there in fact was no failure to comply.

#### **ARTICLE 14 DISPUTE RESOLUTION**

- 14.01 If a dispute occurs between the Parties concerning any matter governed by this Agreement, the disputing Party shall promptly advise the other Party and the Parties together shall use all reasonable efforts to resolve the dispute informally.
- 14.02 If the Parties are unable to resolve the dispute informally, within five (5) Work Days, the Contractor shall then give Notice, within ten (10) Work Days, of the complaint to the Chinook Representative, which particulars shall include the following:
  - (a) a detailed description of the nature of the complaint;
  - (b) a list of the relevant provisions of the Contract Documents; and
  - (c) an evaluation by the Contractor of the matters in dispute.
- 14.03 Chinook shall, within twenty (20) Work Days of receipt by the Chinook Representative of the written particulars, give the Contractor a decision, in writing, of one of the following:
  - (a) that Chinook accepts the position of the Contractor; or
  - (b) that Chinook rejects the position of the Contractor.
- 14.04 If Chinook accepts the position of the Contractor, the Parties shall enter into an Amending Document to reflect the Agreement.
- 14.05 If Chinook rejects the position of the Contractor, the Parties shall proceed to mediation with a mutually agreed upon third party. If the dispute is not resolved within fifteen (15) Work Days of appointment of the mediator, then the Parties may, if they both agree, proceed to arbitration pursuant to the *Commercial Arbitration Act*.

- 14.06 If the matter in dispute is not resolved promptly pursuant to Section 14.01, the Chinook Representative may give to the Contractor instructions that in his or her opinion are necessary to provide for the proper performance of the Work and to prevent delays.
- 14.07 If the Contractor receives instructions pursuant to Section 14.06, the Contractor shall act immediately to carry out the Work pursuant to the instructions, but any Work performed by the Contractor in this respect shall be without prejudice to any claim the Contractor may have concerning the dispute.
- 14.08 Nothing in this Article precludes either Party from having a dispute resolved by a court of competent jurisdiction, although no steps shall be taken by either Party to initiate legal proceedings until after the process described in Sections 14.01 through 14.03 has been completed.

## **ARTICLE 15 MISCELLANEOUS**

### **Confidentiality**

- 15.01 The Contractor will treat as confidential and will not, without the prior written consent of Chinook, disclose or permit to be disclosed or used, either before or after the expiration or sooner termination of this Agreement, all information supplied to, accessed or obtained by, or which comes to the knowledge of the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement except if the disclosure is necessary to enable the Contractor to fulfill its obligations or to comply with applicable laws or if it is information that is generally known to the public other than as a result of a breach of this Agreement.

### **Contractor Status**

- 15.02 In relation to the performance of your obligations under this Agreement, you are an independent contractor and not our:
- (a) employee or partner; or
  - (b) agent except as may be expressly provided for in this Agreement.

You must not act or purport to act contrary to this section.

- 15.03 The Contractor shall accept instructions from Chinook, but the Contractor is not subject to the control of Chinook in respect of the manner in which instructions are carried out.
- 15.04 The Contractor shall not purport to commit Chinook to the payment of any money to any person.
- 15.05 The Contractor shall ensure all personnel hired by the Contractor to perform the Work are at all times employees of the Contractor and not of Chinook. The Contractor is solely responsible for arranging reliefs and substitutions, pay, supervision, discipline, employment insurance, leave and all other matters arising out of the relationship of employer and employee.

### **Notices**

- 15.06 Any notice or document required to be given under this Agreement shall be conclusively deemed to be validly given or delivered to and received by the Parties at the work site or at the address, facsimile, or email address specified on the first page of this Agreement (or at such other address as either Party may from time to time designate by notice in writing to the other):
- (a) if hand delivered to the Party or the specified Party representative, on the date of that personal delivery;
  - (b) if prepaid post and if mailed during any period when normal postal services prevail, on the fifth business day after its mailing;
  - (c) if delivered by courier service, on the fifth business day after collection by the courier service;
  - (d) if sent by facsimile or electronic transmission, on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Work Day, in which case it will be deemed to be received on the next following Work Day.

### **Non-Waiver**

- 15.07 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving Party and is not a waiver of any other term or breach.

### **Contractor-Furnished Facilities**

- 15.08 Except where specified otherwise in the Contract Documents, the Contractor shall undertake all Work and furnish at its cost all labour, equipment, supervision, transportation, supplies and incidentals necessary to perform the Work.

### **Unsuitable Workers**

- 15.09 The Contractor must provide a sufficient number of persons to perform the Work and shall ensure all persons are fully instructed and supervised, legally entitled to work in Canada, competent, English literate, efficient, qualified by education, adequately trained, and experienced to carry out the tasks to which each is assigned.
- 15.10 The Contractor shall, upon request of the Chinook Representative, remove any person it employs for purposes of the Agreement who, in the reasonable opinion of Chinook, is incompetent or has conducted himself or herself improperly, and the Contractor shall not permit a person who has been so removed to perform any further Work.

### **Survival of Terms**

- 15.11 All terms of this Agreement in favour of Chinook and all rights and remedies of Chinook, either at law or in equity, survive the expiry or sooner termination of this Agreement subject to any applicable limitation period prescribed by law.

### **Material and Intellectual Property**

- 15.12 If the Contractor receives a request for access to any of the Material from a person other than Chinook, and this Agreement does not require or authorize the Contractor to provide that access, the Contractor must promptly advise the person to make the request to Chinook.
- 15.13 Chinook exclusively owns all property rights in the Material that are not intellectual property rights. Any equipment property Chinook may provide to the Contractor or a Subcontractor is Chinook's exclusive property. The Contractor must deliver any Material or equipment property to us immediately following expiration of this Agreement, or sooner upon our request, in the same condition it was supplied to the Contractor, excepting always loss or damage attributable to reasonable wear or tear.
- 15.14 Chinook exclusively owns all intellectual property rights, including copyright in:
- (a) Received Material the Contractor receives from Chinook, and
  - (b) Produced Material, other than any Incorporated Material.

Upon Chinook's request, the Contractor must deliver to Chinook documents satisfactory to Chinook that irrevocably waives in Chinook's favour any moral rights that the Contractor (or its employees) or a Subcontractor (or its employees) may have in the Produced Material and confirm the vesting in Chinook of the copyright in the Produced Material, other than any Incorporated Material,

- 15.15 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, you grant Chinook:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of that Incorporated Material, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, modify, publish and distribute that Incorporated Material; and
  - (b) the right to sublicense or assign to third parties any or all of the rights granted to Chinook under section 15.15(a).

### **Conflict of Interest**

- 15.16 The Contractor shall not perform any service to any other person, firm or corporation in circumstances which, in the reasonable opinion of Chinook, could give rise to a conflict of interest between the Contractor's obligations to that person and the Contractor's obligation under this Agreement.

### **Site Clean Up**

- 15.17 The Contractor shall maintain the Occupied Areas free from any accumulations of waste products or debris, other than that caused by Chinook or other contractors.
- 15.18 Upon the Contractor vacating any Occupied Area, the Chinook Representative shall inspect the area to determine, at his or her sole discretion, whether or not the area was left in an acceptable condition.

15.19 If the Chinook Representative determines the Contractor left the Occupied Area in an unacceptable condition, Chinook may repair the area and charge the entire cost of the repairs to the Contractor.

**Camping and Parking**

15.20 Use of Provincial sites by the Contractor or the Contractor's employees or agents for the purposes of lodgings, camping or trailer parking in connection with Work under this Agreement, is permitted only with the prior written approval of:

- (a) on recreational sites, a representative of the Ministry of Forests, Lands and Natural Resource Operations, Recreation Sites and Trails Branch;
- (b) on other Provincial Crown forest land including roads and landings, the Chinook Representative appointed pursuant to Section 5.01 of this Agreement;

Such use, if approved, shall be at the Contractor's own expense, if any. The approval may be revised or revoked at any time by Chinook.

**Powers Cumulative**

15.21 The powers set out in the Contract Documents for Chinook to enforce the Contractor's compliance with this Agreement may be exercised separately, concurrently or cumulatively.

**Agreement Execution**

15.22 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in Section 15.06 or any other method agreed to by the parties.

**Non-transferable**

15.23 The Contractor must not assign any of its rights or obligations under this Agreement without Chinook's prior written consent. Upon providing written notice to the Contractor, Chinook may assign to any person any of Chinook's rights under this Agreement.

**Representations and Warranties**

15.24 As at the date this Agreement is executed and delivered by, or on behalf of, the Parties, the Contractor represents and warrants, except to the extent it has previously disclosed otherwise in writing to the Chinook,:

- (a) all information, statements, documents and reports furnished or submitted by it to Chinook in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct; and
- (b) if the Contractor is not an individual:
  - i) it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on its behalf, and
  - ii) this Agreement has been legally and properly executed by the Contractor, or on its behalf, and is legally binding upon and enforceable against the Contractor in accordance with its terms.

15.25 The Parties hereto have duly executed this Agreement.

<b>SIGNED AND DELIVERED</b> on behalf of Chinook Comfor by an authorized representative of Chinook Comfor	<b>SIGNED AND DELIVERED</b> by or on behalf of the Contractor (or by an authorized signatory of the Contractor if a corporation)
Chinook Comfor GM Ken Nielsen	(Contractor or Authorized Signatory)
Dated this _____ day of _____, 20__	Dated this _____ day of _____, 20__

# Operational Services Contract

## OPERATIONAL SERVICES CONTRACT

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