

**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
SUPPLEMENTARY GENERAL CONDITIONS TO**

**CANADIAN STANDARD FORM OF CONTRACT FOR
ARCHITECTURAL SERVICES
RAIC, DOCUMENT 6, 2018 EDITION**

(02 Mar 2020 Version)

IMPORTANT: Any changes to these SGCs must have prior approval from Supply Chain Management. Please delete this text prior to issuing.

The following supplementary conditions form part of the RAIC Document 6, Canadian Standard Form of Contract for Architectural Services, 2018 edition, and modify, delete and add to the Agreement between the *Client* and *Architect*, the Definitions, the General Conditions and the Schedules.

Where any article, paragraph, or subparagraph in the Agreement, Definitions, General Conditions or Schedules is amended, deleted, or superseded by any of the following, the provisions of such article, paragraph or subparagraph not so amended, deleted or superseded shall remain in effect.

AGREEMENT

1. Article A0

Add a new Article A0 above Article A1 as follows:

“A0 **BC Housing Rights and Involvement**

If *BC Housing* is not identified as the *Client* in Article A2 of the agreement, then, notwithstanding anything else in the contract, the *Client* and the *Architect* will comply with the following:

- .1 If the *Client* defaults on any of its obligations in this contract, before the *Architect* may exercise any right to suspend or terminate the contract, the *Architect* will provide written notice to *BC Housing* setting out the details of the *Client*'s default (a “**Client Default Notice**”). From the date of receipt of the *Client Default Notice*, *BC Housing* will have 15 calendar days to provide the *Architect* with a *Step-In Notice*. The *Architect* may only suspend or terminate this contract if *BC Housing*:
 - .1 does not provide a *Step-In Notice* within the above time period; or
 - .2 provides a *Step-In Notice* within the above time period but does not rectify the default within 30 calendar days from receipt of the *Client Default Notice*, provided that the *Architect* and *BC Housing* may mutually agree to extend such rectification period.

.2 Before:

- .1 the *Architect* requests a change to a *Consultant* pursuant to GC 1.1.6;
- .2 the *Client* approves an increase to the *Construction Budget* or the *Construction Cost Estimate* or decreases the *Project* scope or quality, all pursuant to GC 4; or
- .3 either the *Architect* or the *Client* provides its consent to an assignment, sublet or transfer of an interest in the contract (other than to *BC Housing*) pursuant to GC 15.5,

the *Client* or the *Architect*, as applicable, will notify BC Housing in writing and obtain the prior written approval from BC Housing.

.4 The *Architect*:

- .1 hereby grants *BC Housing* with the same rights to use the *Instruments of Services* as the *Architect* grants to the *Client* pursuant to GC 6 (as modified by these Supplementary Conditions);
- .2 before performing any *Services*, will add *BC Housing* as an additional insured to any insurance policy the *Architect* is required to obtain pursuant to this agreement; and
- .3 will indemnify *BC Housing* to the same extent as the *Architect* indemnifies the *Client* pursuant to GC 8.1 (as modified by these Supplementary Conditions).

2. Article 10

Delete Article A10 in its entirety and replace with the following:

“A10 The Architect shall provide the Services described in Schedule(s):

- **[INSERT SCHEDULES THEN DELETE THIS NOTE BEFORE USING]**

The Client shall be responsible for other services as indicated in Schedule(s):

- **[INSERT SCHEDULES THEN DELETE THIS NOTE BEFORE USING]”**

3. Article A15

Delete Article A15 in its entirety.

4. Article A17

Delete Article A17 in its entirety and replace with the following:

“A17 The *Client* shall pay all undisputed amounts to the *Architect* within 30 days after receipt of an invoice by the Client. An invoice unpaid after 60 days shall bear interest, calculated monthly at a simple interest rate of 3% per annum.

5. Article A18

Delete “by facsimile,” in the second line of Article A18.

6. Articles A20, A21, A22 and A23

Delete Articles A20, A21, A22 and A23 in their entirety and replace with the following:

“A20 The *Architect* must, without limiting its obligations and at its own expense, purchase or cause to be purchased and maintain throughout the term of this contract the following insurances with insurers licensed in Canada in forms acceptable to the *Client*:

- .1 Commercial General Liability Insurance in an amount not less than \$2,000,000.00 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this contract and arising out of the operations of the *Architect*, the *Architect’s Consultants* and sub-consultants and their respective servants, agents, or employees under this contract.
- .2 Professional Errors and Omissions Liability Insurance protecting the *Architect*, the *Architect’s* insurable *Consultants* and sub-consultants and their respective servants, agents, or employees against losses, claims, damages, actions, and causes of action that the *Client* may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this contract, that arise out of errors, omissions or negligent acts of the *Architect* or their *Consultants*, sub-consultants, servants, agents, or employees under this contract. Such insurance shall be in an amount usual for a contract of this nature but for no less than \$1 million per occurrence and \$2 million in the aggregate.
- .3 Structural, Mechanical, Electrical and Civil *Consultants* engaged by the *Architect* must purchase and maintain Professional Errors and Omissions Liability Insurance coverage in an amount appropriate for the size, complexity and value of the work they are subcontracted to perform but for no less than \$500,000.00. All other specialty *Consultants* to carry a minimum of \$250,000.00 Professional Errors and Omissions Liability Insurance despite their subcontract value.
- .4 The Professional Errors and Omissions Liability insurance shall be maintained continuously from the commencement of the *Services* until seventy-two (72) months after substantial performance of the

Work. The insurance policy shall include a requirement that no cancellation of the insurance shall be made except with at least thirty (30) business days written notice from the insurer to the *Architect*. The *Architect* shall advise the *Client* in writing of any cancellation or reduction in the level of insurance coverage.

- .5 The *Architect* must:
- (a) within ten (10) business days of commencement of the *Services*, provide the *Client* with evidence of all required insurance in a form acceptable to the *Client*;
 - (b) within ten (10) business days of the expiration of any insurance policy during the term of this contract, provide the *Client* with evidence of new or renewal policy, showing no break in coverage, in a form acceptable to the *Client*; and
 - (c) upon request by the *Client* at any time, provide to the *Client* certified copies of the required insurance policies.
- .6 The *Architect* shall provide, maintain, and pay for any additional insurance which it is required by law to carry, or which it considers necessary to cover risks not otherwise covered by insurance specified in this schedule in its sole discretion.

7. Article A24

Insert “the province of British Columbia and the laws of Canada applicable therein” in the blank space at the end of Article A24.

8. Article A25

Add “, including the Supplementary General Conditions attached hereto,” after “This contract” in the first line of Article A25.

9. Article A26

[IF SCHEDULES HAVE BEEN ADDED MAKE SURE THEY ARE IDENTIFIED BELOW APPROPRIATELY THEN DELETE THIS NOTE BEFORE USING]

Add a new Article A26 as follows:

“A26 If there is any conflict, ambiguity or inconsistency between one or more of the documents comprising the contract, the document first listed below shall take precedence:

- Supplementary General Conditions (this document),

- Articles of agreement (A1 – A26),
- Definitions and the General Conditions, which shall have equal priority,
- Schedule A, Services (including Schedules A1-A5 which shall have equal priority),
- Schedule C, Time Based Rates,
- Schedule B, Reimbursable Expenses,
- Schedule D, Proposal Extracts”

DEFINITIONS

10. General Review

In the third line of the definition for “General Review”, delete “in their professional discretion,” and replace with “that a reasonable and prudent registered architect experienced in projects similar to the *Project* would”.

11. Add the following as new definitions:

“BC Housing

BC Housing means the British Columbia Housing Management Commission.

Client Default Notice

Client Default Notice has the meaning set out in Article A0.

Design Coordination

Design Coordination is the development and integration of *Construction Documents* prepared by the *Architect* or the *Consultant(s)* to create a unified set of *Construction Documents* capable of supporting the timely and proper performance of the *Work*.

Records

Records means all invoices, payment applications and supporting information, timesheets, reports, documents, accounts, plans, memos, records, price lists, notes, forms, correspondence, permits, approvals and other similar items related to the contract or the performance of the *Services*.

Step-In Notice

Step-In Notice means a written notice from *BC Housing* to the *Architect* stating that *BC Housing* agrees to assume all the rights and obligations of the *Client* under the contract,

including any liabilities for outstanding payment, and to otherwise take over the contract from the *Client*.

Notice of Default

Notice of Default means a written notice from the Architect or the Client to the other party, it notifies the receiving party of a breach of its contractual obligations, citing the breach(es) and includes specific examples.

GENERAL CONDITIONS

12. GC 1 Architect’s Responsibilities and Scope of Services

12.1 Delete GC 1.1.5 in its entirety and replace it with:

“.5 engage those *Consultants* identified in Article A11.1 of the agreement, and any other *Consultants* the *Architect* engages in accordance with this contract, under contracts that incorporate applicable terms and conditions of this contract. The *Architect* shall be fully responsible and liable for acts or omissions of each *Consultant* engaged by it and for any failure by any such *Consultant* to perform the *Services* in accordance with this contract, provided that the *Client* may not require the *Architect* to engage any *Consultant* to which the *Architect* reasonably objects,”

12.2 Delete GC 1.1.6 in its entirety and replace it with:

“obtain the *Client*’s prior written approval of any change to a *Consultant* engaged by the *Architect*, which approval shall not be unreasonably withheld,”

12.3 Add the following as a new GC 1.1.12:

“regardless of the *Architect*’s scope of *Services* in Schedule A – *Services*, perform *Design Coordination* and perform such *Design Coordination* in an efficient and timely manner so as to avoid delays to the *Project*.”

13. GC 2 Additional Services

13.1 Add the following as new GC 2.4:

“The *Architect* shall use the rates set out at Schedule C to price *Additional Services*.”

14. GC 3 Client’s Responsibilities

14.1 At the end of GC 3.2 insert the following:

“If the *Architect* determines that it requires information to perform the *Services* which has not been provided by the *Client*, then the *Architect* will promptly request in writing such information from the *Client*.”

14.2 At the end of GC 3.3 insert the following before the final period:

“, provided that the *Architect* may not rely on any information it knows to be inaccurate or incomplete or on any information which the *Architect* ought to have known was inaccurate or incomplete based on the *Architect*'s standard of care described in GC 7 Standard of Care.”

14.3 Delete GC 3.4.3 in its entirety and replace with the following:

“.3 ensure that the *Consultants* identified in Article A11.2 of the agreement are engaged under contracts compatible with this contract; provide upon the *Architect*'s request a copy of such contracts (which may be redacted by the *Client* to remove any confidential or commercially sensitive information); provide evidence that such *Consultants* carry professional liability insurance reasonable for the level of work they have been contracted to perform; and seek input from the *Architect* prior to changing any *Consultants* identified in Article A11.2 of the agreement,”

14.4 Delete GC 3.4.8 in its entirety and replace with the following:

“.8 except to the extent the *Architect* is expressly responsible under this contract, obtain and pay for all development approvals and permits required by authorities having jurisdiction,”

15. **GC 5 Architect's Role and Authority During Construction**

1.1.1 Delete GC 5.4.3 in its entirety and replace with the following:

“.3 manage or be included in all relevant communications between the *Client* and the *Constructor*,”

16. **GC 6 Use of Documents**

Delete GC 6.3, GC 6.4 and GC 6.5 in their entirety and replace with the following:

“6.3 The *Architect* grants to the *Client* a non-exclusive, transferable, royalty-free, perpetual license to use the *Instruments of Service* solely for the purpose of constructing, using, maintaining, altering, and adding to the *Project*. The *Architect* may rescind the license if the *Client* has failed to fulfill a material obligation under this contract including failure to make payment for *Services* when due, or if the *Architect* terminates this contract pursuant to GC 11.4. If the *Architect* elects to rescind the license it must first provide written notification to the *Client*.

Notwithstanding anything to the contrary in this GC 6.3, if:

- .1 there is an unsettled dispute regarding the *Client's* unfulfilled obligation(s); or
- .2 the *Client* responds to the *Architect's* notice to rescind the license within twenty (20) business days with a notification of dispute,

then the *Architect's* right to revoke the *Client's* license will be delayed until the dispute is settled.

- 6.4 The *Instruments of Service* shall be used only by the *Client* and its authorized representatives, agents, *Consultants*, *Constructors* and subcontractors for the intended purposes of the *Project* at the *Place of the Work* and any other reasonable location used in preparation for the *Work* and shall not be offered for sale or transfer to third parties without the *Architect's* written consent.
- 6.5 Any alterations unauthorized by the *Architect* or unauthorized use of the *Instruments of Services* shall be at the *Client's* sole risk. Moreover, the *Client* shall indemnify the *Architect* and the *Consultants* engaged by the *Architect* against claims and costs (including legal costs) associated with such unauthorized alterations or unauthorized use. In no event shall the *Architect* or the *Consultants* engaged by the *Architect* be responsible for any damages, costs, or other liability of any kind whatsoever arising in consequence of any unauthorized alterations or unauthorized use."

17. GC 7 Standard of Care

In GC 7.4, delete "considers any matter to be a negligent" in the first line and replace with "discovers or becomes aware of any".

18. GC 8 Indemnification

Delete GC 8.1 in its entirety and replace with the following:

- "8.1 Notwithstanding the provision of any insurance coverage by the *Client*, the *Architect* hereby agrees to indemnify and save harmless the *Client*, the *Client's* successors and representatives of each of them from and against losses, claims, damages, actions, and causes of action (collectively referred to as "Claims") that the *Client* may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this contract, that arise out of errors, omissions or negligent acts of the *Architect* or the *Architect's* *Consultants*, sub-consultants, servants, agents or employees under this contract, excepting always that this indemnity does not apply to the extent, if any, to which the Claims are caused by errors, omissions or the negligent acts of the *Client*, the *Client's* other *Consultants*, assigns and authorized representatives or any other persons."

19. GC 9 Limitations of Liability

19.1 Delete GC 9.1 in its entirety and replace with the following:

- “9.1 Subject to GC 9.4, any and all claims, whether in contract or tort, which the *Client* has or may have against the *Architect* in any way arising out of, or related to, the *Architect*’s duties and responsibilities, including those arising from GC 8 Indemnification, shall be limited in amount to the greater of:
- .1 the applicable insurance limits that the *Architect* is required to have under Article A20 of this contract; and
 - .2 the actual amount of insurance coverage that the *Architect* has in place for this *Project*.”

19.2 Delete GC 9.2.3 in its entirety.

19.3 Add a new GC 9.4 as follows:

- “9.4 GC 9.1 will not limit the *Architect*’s liability in connection with:
- .1 infringement of the intellectual property rights of a third party; or
 - .2 gross negligence or malfeasance.”

20. GC 10 Insurance

Delete GC 10.1 and GC 10.2 in their entirety and replace with the following:

- “10.1 The *Architect* shall carry professional liability insurance under a policy that has limits not less than those stated in Article A20 of the agreement.
- 10.2 The *Architect* shall carry general liability insurance under a policy with limits not less than those stated in Article A20 of the agreement, from the date of commencement of the *Services* until one year after the *Ready-for-Takeover* date.”

21. GC 11 Termination and Suspension

21.1 Delete GC 11.3.2 in its entirety and replace with the following:

- “2 the *Architect* shall promptly resume the *Services* upon request by the *Client*, and shall be entitled to be paid for all demonstrable costs it reasonably incurs as a direct result of restarting the *Services*,”

21.2 Delete “if there is no agreement to resume the *Services* within 60” in GC 11.3.3 and replace with “if the *Client* has not requested the *Architect* to resume the *Services* within 100”.

21.3 Delete GC 11.5 in its entirety and replace with the following:

“11.5 If the *Client* terminates this contract through no fault of the *Architect*, or if the *Architect* terminates this contract pursuant to GC 11.1, 11.3.3 or 11.4, the *Architect* shall be entitled to be paid for all *Services* performed and *Reimbursable Expenses* incurred to the date of termination, plus additional fees for demonstrable costs, which the *Architect* reasonably incurs as a direct result of the termination but, for certainty, the *Architect* shall not be entitled to any compensation for loss of profit, loss of revenue or loss of business opportunities.”

21.4 Add a new GC 11.6 and GC 11.7 as follows:

“11.6 If the *Architect* is in default in the performance of any of the *Architect*'s obligations under this contract, the *Client* may suspend or terminate this contract, in whole or part by notice in writing sent to the *Architect*. The *Client* shall not be liable for any delay costs or damages the *Architect* may suffer as a result of such suspension or termination. The *Clients*' right to such suspension or termination shall be in addition to and not in substitution for any other rights the *Client* may have under this contract or by law.

11.7 Notwithstanding anything to the contrary in this GC 11, if a party intends to terminate this contract for default (the “*Provider*”) it shall provide a *Notice of Default* to the other party (the “*Recipient*”). The *Recipient* may respond to the *Notice of Default* within five (5) business days after receipt with a cure plan to rectify the default(s). Provided that the *Recipient* submits a cure plan to the *Provider* within the prescribed timeframe, the *Recipient* will be granted fifteen (15) consecutive business days starting on the sixth (6th) business day after receipt of the *Notice of Default* to cure all defaults identified in the *Notice of Default* (the “*Cure Period*”). If all defaults cited in the *Notice of Default* are rectified within the *Cure Period* the contract will continue in full force and effect and the *Provider* will not have the right to terminate the contract for default due to the cited examples in the *Notice of Default*. If the *Recipient* fails to cure all default(s) cited in the *Notice of Default* within the *Cure Period* the *Provider* may terminate the contract immediately, subject to the provisions of A0. The parties may extend the *Cure Period* by mutual agreement in writing.”

22. GC 12 Payments to the Architect

22.1 Delete GC 12.3 in its entirety and replace with the following:

“12.3 The *Client* shall pay the *Architect*'s invoices as stated in Article A17 of the agreement provided the *Client* has not submitted a dispute against the invoice in accordance with GC 14.”

22.2 Add new GC 12.5 as follows:

- “12.5 The *Architect* shall include the following information in or appended to its invoices:
- i. an itemized list of all expenses or milestones claimed;
 - ii. the description and value of the progress claimed at each phase of the project as identified at A13 and as otherwise detailed in the agreement;
 - iii. the total of all previous claims against the agreement, and the extensions of the total to date;
 - iv. any tax being claimed;
 - v. purchase order and/or agreement number, if applicable;
 - vi. deduction for holdback, if applicable;
 - vii. a description of any *Services* performed by a *Consultant* or sub-consultant which are invoiced under this contract, including a copy of their invoices; and
 - viii. such other information as may be reasonably required by the *Client*.

By submitting an invoice, the *Architect* certifies that the invoice is consistent with the work delivered and is in accordance with the agreement.”

23. GC 13 Percentage-Based Fee

Add a new GC 13.5 as follows:

- “13.5 If the *Architect* fails to comply with any of its obligations under the contract, including any failure to properly perform *Design Coordination*, and such failure directly or indirectly causes a change order, then the value of the change order will not be included in the calculation of the *Consultant’s* fee.”

24. GC 15 Miscellaneous General Conditions

24.1 Add the following at the end of GC 15.5:

“If *BC Housing* provides a *Step-In Notice* to the *Client* in accordance with this agreement, then the *Client* will be deemed to consent to the transfer and assignment of all the rights and obligations of the *Client* to *BC Housing* and the *Client* will take such further actions, including executing a formal assignment and/or novation agreement, as are required to effect such transfer and assignment to *BC Housing*.”

24.2 Add a new GC 15.7, GC 15.8, GC 15.9, GC 15.10 and GC 15.11 as follows:

- “15.7 The *Architect* will commence, perform and use reasonable commercial efforts to complete the *Services* in accordance with any reasonable schedule and

timelines established by the *Client*, provided that the *Architect* will not be responsible for delays caused by reasons that are beyond the control of the *Architect*. The *Architect* will immediately notify the *Client* if the *Architect* becomes aware or has reasonable grounds to expect that it may be unable to complete the *Services*, or any part of the *Services*, in accordance with the above timelines for any reason.

- 15.8 The *Client* may at any time require the *Architect* to replace any of the individuals performing the *Services* or any *Consultant* engaged by the *Architect*, where the *Client* reasonably objects to their performance, qualifications or suitability.
- 15.9 The *Architect* will not have any right, power or authority to subcontract or delegate the supply or provision of the *Services* to be performed hereunder, or any portion thereof, without the *Client*'s prior written consent, not to be unreasonably withheld.
- 15.10 If the *Architect* is comprised of more than one legal entity, then all liabilities and obligations will be joint and several.
- 15.11 The *Architect* shall notify the *Client* and its mutual affiliates, as soon as reasonably possible, of any information technology related threat that may be transmitted electronically to the *Client* or any of its affiliates which includes but is not limited to: viruses, rogue security software, trojan horses, spyware, computer worms, phishing, rootkits and any real or perceived electronic attack (the "IT Threat"). In the event the *Client* becomes aware of an IT Threat, the *Client* may, at its sole discretion, notify any organization that it reasonably believes could be exposed to the same IT Threat and include in such notification any relevant details for the purpose of avoiding or minimizing any negative impact."

25. Audit

25.1 Add the following as a new GC 16

"GC 16 Records and Audit

- 16.1 The *Architect* will keep and maintain full and detailed *Records* for six (6) years after completion or termination of the contract. During this period, the *Client* may at any time conduct an audit of the *Records*. Unless the *Architect* and the *Client* agree otherwise, the audit will take place during normal business hours. The *Client* may be assisted by a third-party audit firm of the *Client*'s choice. In conducting the audit, the *Client* will have all powers necessarily incidental to conducting an audit, including the right to have reasonable access to the *Architect*, its offices and its personnel and to inspect and take copies of any *Record*, including with respect to:

- i. the amount claimed under the terms and conditions of the contract;
 - ii. the amount claimed under any *Consultant* or sub-consultant invoice;
 - iii. the elements making up the price of *Additional Services*;
 - iv. any amounts owed by or owing to the *Client* as a result of termination of the contract; and
 - v. compliance with any certification given by the *Architect*.
- 16.2 If the *Client* provides notice to the *Architect* that the *Client* is conducting an audit, the *Architect* shall provide an initial response to the *Client* within five (5) business days. The *Architect* will promptly provide all other information reasonably requested by the *Client* or its audit firm. The *Architect* will reasonably cooperate with the *Client* and its audit firm in the conduct of any audit and will promptly review and settle with the *Client* all matters arising from such audit, including the refunding of monies to the *Client*, if applicable.
- 16.3 The *Architect* must ensure that all direct and indirect contracts with *Consultants* and sub-consultants include an agreement to be bound by the terms of this GC 16 and to provide access to the *Client* and its third-party audit firm to perform an audit in accordance with GC 16. The *Architect* agrees that both the *Client* and its third-party audit firm may request information to support an audit directly from any of the *Architect's Consultants* or sub-consultants and the *Architect* will not prevent or influence its *Consultants* or sub-consultant from supplying the information.
- 16.4 Notwithstanding the above, subject to applicable law, the right to review, inspect audit or copy will not extend to financial statements of the *Architect* or to the composition of agreed upon lump sums, fixed unit rates or percentages.”

SCHEDULES

26. Schedule B – Reimbursable Expenses

Delete the body of Schedule B – Reimbursable Expenses in its entirety and replace with the following:

“ [INSERT SCHEDULE FOR REIMBURSABLE EXPENSES (DOC #: P-GFP-2017) THEN DELETE THIS NOTE BEFORE USING.] ”

26 Add new schedule D as follows:

“Schedule D – Proposal Extracts

The following extracts from the Architect’s proposal are hereby incorporated and form part of this contract:

1. [INSERT EXTRACTS THEN DELETE THIS NOTE BEFORE USING] ”

END OF DOCUMENT