# General

## Summary

* + 1. The Work of this Section includes, but is not limited to the following:
			1. Surety bonds
			2. Insurance
			3. Warranty security holdback
			4. Basis of payment

## Surety bonds

* + 1. Provide a performance bond in an amount equal to fifty per cent (50%) of the tendered price for the faithful performance of the Contract, including all obligations during the warranty period. The warranty period will be extended if known deficiencies are incomplete upon expiration of the two (2) year period. In any case, the performance bond shall continue until the final acceptance certificate has been issued by the Owner in accordance with General Conditions.
		2. Provide a labour and material payment bond in an amount equal to fifty per cent (50%) of the tendered price for the faithful payment of all labour and materials related to this Contract.
		3. Bonds forms shall be as specified in Appendix B – Supplementary Conditions to CCDC 2-2020.
		4. Bonds shall not be extended to cover any work beyond the original scope of the Work unless explicitly requested by the Owner. The Contractor shall not be entitled to claim for bonding on such additional work unless such additional bonding is requested by the Owner.
		5. The Owner accepts that all additional work performed by Change Order is not covered by the bonds. The Owner shall not be entitled to a credit related to the bonds if a change in the Work results in a reduction of the Contract Price.
		6. Any contract progress reports issued by the Contractor’s surety company must be issued directly to the Owner or Consultant at the address provided.

## Insurance

* + 1. Provide insurance as required by GC 11.1 of the CCDC 2-2020, as amended by Appendix B – Supplementary Conditions to CCDC 2-2020.

## Warranty security holdback

**RoD SPEC NOTE:** This holdback will be applicable to all tenders except for tenders that are strictly demolition work.

**RoD SPEC NOTE:** RoD Specs and Support Services (S&SS) will calculate the fill in the Warranty Security Holdback identified below. Please leave the highlighted area as shown and S&SS will provide the value during 90% Review.

* + 1. A warranty security holdback will be retained progressively, commencing on the first payment certificate, from monies that would otherwise be payable to the Contractor, up to a maximum value of $ .
		2. The maximum Warranty Security Holdback will be held commencing on the Substantial Performance Payment Certificate.
		3. The Warranty Security Holdback withheld on progress payments prior to the Substantial Performance Payment Certificate will be based on the percentage of work completed up to the end of the payment period for the respective progress payment.

**RoD SPEC NOTE:** The following paragraph excludes the unit price schedule from the calculation of percentage of work completed to date.

**RoD SPEC NOTE:** If your contract will have a significant unit price schedule, replace the word “excluding” with “including” so that the price for Section 01 22 00 is included in the calculation.

* + - 1. For this purpose, the “percentage of work completed” will be calculated based on the original tendered scope of work excluding any unit price items in Section 01 22 00.
			2. Change Orders will not be considered in the calculation of this “percentage of work completed”.
		1. The retained amount is strictly to be used as a warranty security and is in addition to the regular holdback and finishing holdback retained in accordance with the Construction Act, the Contractor's performance bond and any monies withheld due to known incomplete and/or deficient work.
		2. Where Change Orders are issued which increase the final Contract Price, the Owner reserves the right to withhold additional warranty security at the same rate (as is determined by dividing the specified maximum warranty security by the awarded Contract Price) on the value of such additional work. The Owner will notify the Contractor if the Owner intends to invoke this right on any Change Order and payment for any carrying costs on additional warranty security shall be deemed to be included in the respective Change Order.
		3. Except as otherwise provided hereunder, the warranty security, less any deductions made therefrom as provided for in the Contract, shall be released to the Contractor following the issuance by the Owner of the Final Acceptance Certificate at the end of the warranty period.
		4. **No substitute form of security will be permitted.**

## Basis of payment

* + 1. Payment for bonds and insurance shall be included in the monthly payment certificate after submission of satisfactory documents.
		2. Payment for all carrying costs associated with the warranty security holdback, including interest thereon, shall be made under this Section on the appropriate line item in the payment certificate. No other compensation for warranty security holdbacks will be considered. Progress payments will be made as follows:
* 25% on the first progress payment certificate;
* 25% on the Substantial Performance Payment Certificate;
* 50% on the Final Payment Certificate, together with the release of the warranty security holdback at the end of the warranty period, as may be extended in accordance with the Contract.
	+ 1. The sum of prices bid for bonds, insurance and warranty security holdback carrying costs shall not exceed 2% of the lump sum tendered price.

# Products – not used

# Execution – not used

End of section