SAFETY CODES SERVICES AGREEMENT

THIS AGREEMENT MADE IN DUPLICATE THIS 12th DAY OF March, 2013.

BETWEEN:

COUNTY OF ST. PAUL NO. 19 5015 – 49 Avenue St. Paul, Alberta TOA 3A4 "The Municipality"

-and-

SUPERIOR SAFETY CODES INC. 14613-134 Avenue Edmonton, AB T5L 4S9 "The Agency"

RECITALS

- 1. The County of St. Paul No. 19, hereafter known as "The Municipality", being an Accredited Municipality pursuant to the Safety Codes Act requires an Accredited Agency to provide Services within the corporate boundaries of the Municipality for the:
 - Building
 - Electrical
 - Plumbing, including sewage & private sewage systems
 - Gas

Disciplines in accordance with the Act and Schedule "A", being the Municipality's Quality Management Plans and Schedule "B", being the Municipality's Fee Schedule (attached).

Services included under this Fee Schedule are:

Compliance

Appeal

Emergency

Enforcement

Investigation

Costs for extra services, such as; Consultative Services, (Non-Permitted Plans Reviews etc.) and Issuance of Variances, will be billed directly to the applicant by the Agency at the current rate.

2. The Agency agrees to provide those Services and has the right to conduct Services for the Municipality within the corporate boundaries of the Municipality and to be compensated for these services; and,

3. The Municipality agrees to exclusively engage the Agency for the delivery of the Services listed in Recital Clause 1, pursuant to the provisions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the said parties covenant and agree as follows:

1 INTERPRETATIONS

1.1 Definitions

- a) "Accredited Agency " means a Corporation designated as an accredited agency under the Act;
- b) "Accredited Municipality" means a municipality that is designated as an accredited municipality under the Act;
- c) "Act" means the Safety Codes Act, as amended from time to time, including all regulations and codes enacted thereunder, or any other statute enacted in substitution therefore;
- d) "Agency" means Superior Safety Codes Inc. carrying on business as Superior Safety Codes Inc.;
- e) "Agreement" means this document, Schedule A (the Quality Management Plans for the Municipality) and Schedule B (the Fee Schedule) as amended from time to time;
- f) "Commencement Date" is the date this Agreement was accepted and executed by the Municipality, as indicated on this Agreement;
- g) "Events of Default" means any one or more of the Events of Default specified in Article 5 hereof;
- h) "Permit Regulation" means Alberta Regulations, A.R. 204/2007 as amended;
- i) "QMP Manager" means the person designated by the Municipality pursuant to Clause 3.21.a of this agreement and the "person responsible" under Schedule A;
- "Record" means an intelligible record of information in any form, including notes, books, documents, maps, drawings, photographs, letters, vouchers, permits, and papers and any other information that is written, photographed, recorded or stored on any manner, but does not include software or any other mechanism that produces records;
- k) "Safety Codes Officer" (SCO) means an individual designated as a safety codes officer under the Act;
- "Services" means the functions, duties, tasks, and responsibilities as described in this Agreement and the Act, and without limiting the generality of the foregoing, includes the provisions of inspections and compliance monitoring services as listed in Clause 3.1.a.
- m) "Term" has the meaning attributed thereto in Clause 4.1.a

1.2 Rules of Interpretation

- a) In this agreement, unless expressly stated to the contrary or the context otherwise requires:
 - i) a reference by numerical or alphabetical designation or both to an Article, Clause, Section, Subsection, Paragraph or Schedule shall refer to the Article, Clause, Section, Subsections, Paragraph or Schedule bearing that designation in this Agreement;
- b) All monetary amounts refer to the lawful currency of Canada;
- c) Any reference to all or any part of any statute or regulation refers to the parts, statute or regulation as amended or re-enacted from time to time:

d) References to "parties" shall mean the parties to this Agreement and a reference to a "party" shall mean one of the parties to this Agreement.

2 APPOINTMENT

Pursuant to the provisions of the Agreement, the Municipality hereby exclusively appoints the Agency for the purpose of performing Services, during the Term of this Agreement, in the discipline(s) listed in Recitals Clause 1. This agreement may include any other disciplines that the Municipality may adopt under the Safety Codes Act.

3 AGENCY SERVICES AND COMMITMENTS

3.1 Agency Duties

- a) The Agency shall:
 - i) provide effective and appropriate Services, in the Municipality, in accordance with the provisions of this Agreement and the Act. Further, the Agency acknowledges that it must render Services in accordance with the Municipality's Quality Management Plans attached as Schedule "A" to this Agreement. The Services shall be provided within the scope of the Agency's accreditation under the Act and the level of certification and designation of powers of the Safety Code Officers the Agency employs;
 - ii) establish and maintain management, administrative and technical expertise as required to provide the Services under this Agreement;
 - iii) complete the performance of all Services for all the permits issued under this Agreement on or before the date of expiry or termination of this Agreement; unless in the event of termination or expiry a transition plan has been executed in accordance with Clause 5.3.b of this Agreement;
 - iv) maintain a primary office location whose address is identified on page one of this Agreement where it shall securely store all records associated with this Agreement and the Services provided hereunder; and
 - v) maintain toll free telephone and facsimile numbers for the use by the Municipality and municipal residents.

3.2 Agency Performance

- a) The Agency shall, as outlined in this Clause:
 - i) perform the Services in an effective and timely manner in accordance with Clause 3.5;
 - ii) endeavor to work co-operatively with the owner (the owner is the person/persons or company as listed on the certificate of title) and/or the owner's representative(s) to achieve compliance with the Act; and
 - iii) perform the Services with impartiality and integrity, and in a professional and ethical manner.

3.3 Agency Personnel

- a) The Agency shall, as outlined in this Clause:
 - employ persons knowledgeable about the applicable codes, standards and regulations, relative to Services it provides;
 - employ or engage Safety Codes Officers (SCOs) who are certified and designated (received appropriate designation of powers) to provide compliance monitoring relative to the Services the Agency provides;
 - iii) maintain a registry of all SCOs they employ, and their level(s) of certification, and designation of powers.

3.4 Quality Management Plan Training

- a) The Agency shall:
 - train its SCOs in the requirements of the Municipality's QMP appropriate to their discipline and Services;
 - ii) maintain the training records on the Agency SCO file;
 - iii) ensure its SCOs have ongoing access to a current copy of the Municipality's QMP appropriate to their discipline and Services.

3.5. Compliance Monitoring

- a) The Agency shall monitor compliance through a program of plans examination (when applicable), site inspection and follow-up inspections or verification of compliance (when applicable), to provide a degree of assurance of compliance with the Act and associated codes and standards.
 - i) the Agency SCO shall:
 - endeavor to inspect by the second (2nd) working day following the date of receipt of a request for an inspection and will not exceed five (5) working days;
 - inspect to determine if the work under a permit complies with the Act and relevant codes and standards;
 - inspect at the stage(s) indicated in the discipline specific sections of the QMP; and,
 - inspect all work in place at the time of inspection.
- b) The time frame for required site inspections for the permit may be extended with written permission from the QMP Manager on an individual basis.
- c) The Agency SCO shall, for each inspection required by the QMP:
 - i) complete an inspection report as accepted by the QMP Manager;
 - ii) provide copies of inspection reports to the permit applicant, contractor, owner (if requested), Municipality and the Agency file;
 - iii) perform follow-up inspections as required by the QMP,
 - iv) upon confirmation that a thing, process or activity to which the Act applies is in compliance with the Act, permanently affix a record of inspection to the installation in an obvious location.
- d) The Agency SCO shall record on the inspection report:
 - i) the stage(s) of work being inspected;

- ii) a description of the work in place at the time of inspection; and
- iii) all observed Deficiencies or Unsafe Conditions.
- The Agency SCO shall take appropriate action to have Deficiencies or Unsafe Conditions corrected in a timely manner.
- f) A **deficiency** is any condition where the work does not comply with the Act and in the opinion of the SCO, is not an Unsafe Condition.
- g) An **unsafe condition** is any condition that, in the opinion of the SCO, could endanger the life, limb, or health of any person authorized or expected to be on the premises.
- h) A **completed file** is a file that may be considered complete when the conditions of the QMP are met and safety is no longer a concern.

3.6 Consultative Services

- The agency shall provide consultative services to municipal residents, including:
 - i) technical advice;
 - ii) advice and interpretation on related codes and standards.

3.7 Situations of Imminent Serious Danger

- a) If a situation of imminent serious danger to persons or property because of any thing, process or activity to which the Act applies, is observed.
 - i) the Agency's SCO will immediately exercise any powers under the Act to mitigate the situation in a reasonable manner; and
 - ii) the Agency may apply to the QMP Manager for relief from the costs incurred when mitigating the situation pursuant to Section 47 of the Act. The decision of whether to grant relief shall be at the discretion of the QMP Manager.

3.8 Orders

- a) The Agency shall employ appropriately certified SCOs to issue orders in conformance with Part 5 of the Act. In addition to the requirements of Orders under Part 5 of the Act the Agency will:
 - i) first make every reasonable effort to facilitate conformance with the Act;
 - ii) issue an order in the format accepted by the QMP Manager;
 - iii) on issuance of an order, immediately provide a copy to the QMP Manager and the Technical Administrator in the appropriate discipline appointed under the Act;
 - iv) make the Agency SCOs available to attend appeal hearings with the Safety Codes Council on any orders issued; and
 - v) carry out an order in accordance with the Act.

3.9 Variances

- a) The Agency's SCOs may, upon written request from the owner, issue a variance. The Agency's SCO, when issuing a variance shall:
 - i) issue a variance in conformance with Section 34 of the Act and Safety Codes Council policy;

- ii) issue a variance only on a project where the Municipality has issued a permit;
- iii) issue a variance in the format accepted by the QMP Manager;
- iv) ensure a variance provides an equivalent or greater level of safety;
- v) issue a variance only for site specific applications;
- vi) record the details of a variance in the project file;
- vii) provide copies of a variance to the person(s) requesting the variance, the QMP Manager, the owner, the Technical Administrator, and;
- viii) issue a variance only when the safety or rights of others is not compromised; and
- ix) issue a variance only when it does not have a broad scope or impact on provincial basis.

3.10 Records

- a) The Agency shall maintain a file system, to the satisfaction of the QMP Manager, for all the records associated with performing the Services including:
 - i) permit applications and permits;
 - ii) plans, specifications, and other related documents;
 - iii) plans review reports;
 - iv) requests for inspections;
 - v) inspection reports;
 - vi) verification of compliance;
 - vii) variance;
 - viii) orders;
 - ix) occupancy certificate, and;
 - x) related correspondence and/or other relevant information.

3.11 File Flow

a) upon acceptance of a development application, the Municipality will submit the file to the Agency for review.

3.12 Ownership of Records

- a) All Records and other materials whatsoever related to the Services provided under this Agreement are the property of the Municipality and will be given to the QMP Manager immediately upon request.
- b) The Municipality has full and unfettered access to all records of the Agency relating to the provision of Services under this Agreement including the right to enter the Agency's premises at any reasonable time in order to inspect, review or retrieve such records.

3.13 Records Management

- a) The Agency shall:
 - abide by all provisions of the Freedom of Information and Protection of Privacy Act in the course of carrying out its Services under this Agreement. All requests for

- information initiated under that statute shall be conducted through the QMP Manager. The Agency shall immediately forward all requests for information under that statute to the QMP Manager;
- ii) respond to any requests by the Municipality for records, to respond to a request, under the Freedom of Information and Protection of Privacy Act as directed by the QMP Manager within two days of a request being received by the Agency or Municipality;
- iii) disclose the information only with the consent of the QMP Manager; and
- iv) maintain all Records in a manner acceptable to the QMP Manager prescribed in Clause 3.10.
- b) The QMP Manager has the right to periodically audit the records management procedures of the Agency relating to the provision of Services pursuant to this Agreement at times to be determined by the QMP Manager. In the event that the QMP Manager performs an audit and is of the opinion that the Agency's records management system is inadequate, the QMP Manager may direct the Agency to take such steps that the QMP Manager views are necessary to remedy the inadequacy.
- c) The Agency shall keep and maintain in accordance with generally accepted accounting principles, complete and accurate books, records and accounts of all costs, expenditures and commitments relating to this Agreement and on demand provide to the Municipality these documents to examine, audit and take copies and extracts. The said books, records, and accounts shall be in the form acceptable to the QMP Manager and contain all information specified by the QMP Manager.
- d) The Agency and its Directors, Officers, employees, and agents shall keep strictly confidential all information concerning the Municipality or any third parties, or any of the business or activities of the Municipality or any third parties acquired as a result of participation in the Agreement and the Agency may only use, copy or disclose such information upon written authorization of the QMP Manager.
- e) The Agency shall maintain security standards, including control of access to Records, data and other information as required by the QMP Manager.

3.14 Collection and Payment of Fees

- a) The Agency covenants and agrees to perform Services as described in the Agreement in accordance with Schedule A of this Agreement (the Municipal Quality Management Plan).
- b) The Municipality shall collect permit fees in accordance with Schedule B (the Municipality Fee Schedule). Then as work is completed, the Agency will invoice the Municipality for their share.
- c) The Municipality agrees to pay the Agency remuneration in the amount of 70% of the permit fees set forth in Schedule B.
- d) The Agency will charge Goods and Services Tax (GST) on all services invoiced to the municipality in accordance with CCRA guidelines.

3.15 Workers' Compensation Coverage

a) Prior to the Agency commencing the provision of Services under this Agreement, the Agency shall provide written certification of current and appropriate Worker's Compensation coverage through an account in good standing with the Alberta Worker's Compensation Board (WCB). The Agency shall maintain the account in good standing throughout this Agreement.

3.16 Regulatory Requirements

a) The Agency shall comply with the requirements of the municipal, provincial and federal legislation, which includes, but is not limited to, the provincial Employment Standards Code, Labour Regulations Codes, and the Occupational Health and Safety Act.

3.17 Insurance

- a) Without limiting or restricting any obligations, responsibilities or liabilities under this Agreement, the Agency shall provide, maintain and pay for insurance coverage in accordance with the Alberta Insurance Act and be in a form acceptable to the Municipality.
- b) The Agency shall provide:
 - i) comprehensive or commercial general liability insurance within limits of not less than \$5,000,000.00 (Five Million Dollars) inclusive per occurrence, and annual aggregate, if any, of not less than that \$10,000,000.00 (Ten Million Dollars) insuring against personal injury, bodily injury and property damage (including loss of use thereof).
 - "All Risks" Valuable Papers and Records insurance on all such items pertaining to the Services under this Agreement in an amount adequate to enable their reconstruction; and
 - iii) "Professional Liability/Errors and Omissions" insurance with limits not less than \$2,000,000.00 (Two Million Dollars) inclusive per occurrence.
- c) The Agency shall provide the Municipality, prior to commencing to provide Services under this Agreement, acceptable evidence of all required insurance.

3.18 Acknowledgements

- a) The Agency acknowledges that:
 - i) the Municipality will contract with no more than one (1) accredited agency;
 - ii) the Municipality may change its accreditation status under the Act.
- b) The Agency and Municipality acknowledge that:
 - they will maintain the Municipality's present first rights over Accredited Corporations throughout the term of this contract.

3.19 Relationship of Parties

a) The Agency is an independent contractor and nothing contained herein shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership, or of a joint venture agreement between the parties hereto, it being understood and agreed that none of the provisions contained herein nor any act of the parties hereto shall be deemed to create any relationship between the parties hereto other than an independent contractor agreement between two parties at arm's length.

3.20 Notices

a) Any notice to be made under this Agreement shall be deemed given to the other party if in writing and personally delivered, sent by prepaid registered mail, or sent by facsimile transmission, addressed as follows:

COUNTY OF ST. PAUL NO. 19
5015 – 49 Avenue
St. Paul, Alberta T0A 3A4
Attention: Chief Administrative Officer

- and -

SUPERIOR SAFETY CODES INC. 14613-134 Avenue Edmonton, AB T5L 4S9 Attention: Terry Booth

b) The address of either party may be changed to any other address in Alberta by notice in writing to the other party. Notice personally served or sent by facsimile transmission shall be deemed received when actually delivered or transmitted, if delivered or transmitted on a business day between 8:30 a.m. – 4:30 p.m. Mountain Standard Time. All notices sent by prepaid registered mail shall be deemed to be received on the fourth business day following mailing in any Post Office in Canada, except in the case of postal disruption, and then any notice or payment shall be given a telegram, facsimile transmission or personally served. In this paragraph, "business day" means any day except a Saturday, Sunday, or a statutory holiday.

3.21 Liaison

a) The Municipality shall designate the QMP Manager as the Municipality's representative for this Agreement. The Agency will report and be accountable to the QMP Manager with respect to any activities performed under this Agreement.

3.22 Reports

a) The Agency shall provide the Municipality with a report on any aspect of the Services, in the form and manner specified by the Municipality, upon request by the Municipality.

3.23 Indemnity and Hold Harmless

a) The Municipality shall not be liable nor responsible for any bodily or personal injury or property damage of any nature whatsoever that may be suffered or sustained by the Agency or its employees in the performance of this Agreement, except if such damage or injury is caused by the Municipality, its agents, or employees.

- b) The Agency shall Indemnify the Municipality and all of the Municipality's Councilors, servants, agents, employees, and persons for whom the Municipality is in law responsible and shall hold each of them harmless from and against any and all liabilities, claims, damages, losses, and expenses, including all legal fees (on a solicitor and own client basis) and disbursements due to, arising from or to the extent contributed to by any breach by the Agency of any provision of this, or any error, omission, negligent or unlawful act of the Agency, or the Agency's servants, agents, employees, contractors or persons for whom the Agency is in law responsible.
- c) The Agency shall not admit liability to a third party without obtaining the prior written consent of the Municipality and agrees to obtain the prior written consent of the Municipality prior to any settlements being made with any third party.

3.24 Performance Review

- a) The Municipality may audit or monitor the performance of the Agency to establish the Agency's conformance with this Agreement.
- b) The Agency shall co-operate with the Municipality during the course of a performance review and provide all reasonable support and assistance at the Agency's own expense.

3.25 Termination or Suspension of Agreement

- a) In addition to any other provision in this Agreement, this Agreement may be terminated by the Municipality effective immediately, for cause, upon notice to the Agency.
- b) In addition to any other provision in this Agreement, this Agreement may be terminated by either the Municipality or the Agency for any reason whatsoever upon ninety (90) days notice to the other party.
- c) Before a termination notice is given per Clause 5.1 a), the Municipality will first give the Agency a written warning and thirty (30) days to correct the issue.

4 TERMS

4.1 <u>Term</u>

a) Subject to Clauses 3.25, 5.1 and 5.3 of this Agreement, this Agreement is in force on the Commencement Date of March 12, 2013 and expires on December 31, 2016 with a right of renewal upon written agreement of both parties. During the period that such renewal is being negotiated, the existing agreement shall remain in full force and effect.

5 EVENTS OF DEFAULT

5.1 Cause

- a) Cause for termination or suspension of this Agreement includes, but is not limited to:
 -) failure of the Agency to observe or perform any covenant or provision to this Agreement for a period of five (5) days after written notice of same from the Municipality;
 - without in any way limiting the provision of Clause 5.1.a.i, if in the opinion of the Municipality, the Agency repeatedly defaults in the timely performance of its obligations under this Agreement;
 - iii) if in the opinion of the Municipality, the Services performed by the Agency are unsatisfactory or are otherwise not in accordance with good industry practice, as determined by the Municipality acting reasonably;
 - iv) if in the opinion of the Municipality, the Agency is not or will not be in the position to perform all or any of the Services which are required or will be required during a specific period of time;
 - v) if the Agency becomes insolvent or commits an act of bankruptcy or makes an unauthorized assignment or bulk sale of its assets or if proceeding for the dissolution, liquidation, reorganization, arrangement or winding up of the Agency or the suspension of the operation of this business;
 - vi) if in the opinion of the Municipality, the Agency conducts itself in a manner that may harm the Municipality's image;
 - vii) non-performance or inadequate performance by the Agency of the Services;
 - viii) if in the opinion of the Municipality, the Agency fails to comply with the Act; or
 - ix) an inability of the Agency to provide effective and appropriate Services;
 - x) each of the events is hereby called an "Event of Default" and the Municipality may, by written notice to the Agency, forthwith terminate this Agreement, and except as otherwise provided all rights and obligations arising pursuant to this Agreement, shall be wholly terminated.
- b) In the event this Agreement is terminated, the Agency shall, upon the Municipality's request, within fifteen (15) days of the termination date, deliver to the Municipality all Records and Materials in its possession and control related to the provision of Services under this Agreement.
- c) The Agency shall immediately notify the Municipality in the event that:
 - i) its accreditation under the Act is suspended or cancelled;
 - ii) it ceases to carry on business, becomes insolvent, files for bankruptcy, makes a voluntary assignment for the benefit of creditors, or a trustee or receiver and manager or liquidator is appointed for the Agency; or
 - iii) it ceases to provide the Services under this Agreement.
- d) Upon the occurrence of any of the events referred to in Clause 5.1.c, this Agreement is immediately terminated and the Agency shall immediately cease providing Services pursuant to this Agreement and deliver to the Municipality, at its own cost, all Records, systems and materials related to the provision of Services. Written confirmation of termination shall be forwarded to the Agency as soon as possible after the termination date.

5.2 Survival of Terms

 a) Notwithstanding any other provision of this Agreement, those clauses which by their nature continue after the expiry or termination date of this Agreement shall continue after such expiry or termination.

5.3 Transition Services

- a) The Agency shall perform the Services for all permits issued under any prior Authorization Agreement in the form and manner and within the time frames prescribed by the Authorization Agreement in effect on the date the permit was issued.
- b) Prior to or on the expiry or termination date of this Agreement, the Municipality shall forward a transition plan to the Agency that details how the Agency is to resolve these matters that may be outstanding as of the date of expiry or termination of this Agreement. Upon receipt of the transition plan, the Agency shall take the necessary steps to resolve those matters in accordance with the requirements of the transition plan (to the Municipality's satisfaction).

5.4 Amendment Provisions

- a) The parties shall not change this Agreement except by written mutual agreement, however the Municipality or its designate may add to, delete, vary or amend Schedule "A" or "B" by giving notice to the Agency in accordance with Clause 3.20 of this Agreement.
- b) The Municipality and the Agency agree that this Agreement will be amended as required to accommodate any changes to the Act, or Permit Regulation.

5.5 General

- a) Time is of the essence in this Agreement.
- b) The Agency shall ensure that its employees, subcontractors and agents comply with the provisions of this Agreement.
- c) Notwithstanding any other provisions in this Agreement, if the Agency fails to comply with the provisions of this Agreement, the Municipality may, without prejudice to any other remedy, correct such defaults at the expense of the Agency.
- d) The rights, remedies and privileges of the Municipality under this Agreement are cumulative and any one or more may be exercised.
- e) The waiver by the Municipality of the strict performance of any provision of this Agreement will not constitute a waiver or abrogate such or of any other provision of this Agreement nor will it be deemed a waiver of any subsequent breach of the same or any other provision Agreement.
- f) This Agreement shall be interpreted and applied in the courts and according to the laws in force in the Province of Alberta.
- g) Should any provision of this Agreement be void, voidable or unenforceable for any reason whatsoever, it will be considered separate and severable from the remaining provisions of this Agreement, which will remain in force and binding as though the said provision had not been included.
- h) This Agreement shall not be assigned, in whole or in part, by the Agency without prior written consent of the Municipality.

- i) This Agreement shall be for the benefit of and binding upon the successors and permitted assigns of the parties.
- j) The headings in this document have been included for convenience only and are not an aid in the interpretation for this document.
- k) In the case of conflicts, discrepancies, errors, or omissions among the documents forming part of this Agreement, this document takes precedence.
- In the case of a disagreement or dispute between the parties hereto with respect to this agreement, the same shall be referred to a single arbitrator pursuant to the Arbitration Act of Alberta, and the determination of such arbitrator shall be final and binding upon the parties hereto.
- m) This Agreement contains the entire agreement between the parties hereto relating to the subject matter hereof and subject to Clause 5.3, supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the parties and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Agreement of the subject matter hereof except as specifically set forth herein.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

COUNTY OF ST. PAUL NO. 19	SUPERIOR SAFETY CODES INC.
Per:	Per:
Per:	Per: