

Sample Renovator Contract

prepared by the

**Canadian
Home Builders'
Association**



This contract template has been developed by the Canadian Home Builders' Association for the benefit of professional renovators and their clients.

The content of the document is presented for information purposes only. Renovators should consult with their legal advisor on the specific content and wording of their company contracts.

RENOVATION CONTRACT

Between

Company: Name
 Street Address
 City, Province
 Postal Code
 Telephone: (XXX) YYY-1234 Fax: (XXX) YYY-4321
 Email: company@company.ca
 Contact Person and title: John Doe
 Business Number:
 GST/HST Number:
 Municipal License Number:

And

Client: Name(s)
 Street Address
 City, Province
 Postal Code
 Telephone: (XXX) YYY-1234
 Email: client@customer.ca

Project Address: _____ Same as above, or

 Street Address
 City, Province
 Postal Code

1. Contract Documents

- a. This Contract form only _____
- b. Appendices attached and referenced herein _____
- c. Specifications attached and referenced herein _____
- d. Additional documents signed by both parties during the course of this contract (extras and deletions to be documented on the Change Order form and signed by both parties).
- e. Other _____ (*specify what the "other" is*)

Omissions in the Contract Documents and any work requested in variance to the Contract Documents are considered extra to the Contract and are not included in the Contract Price. Any additional work, required due to site conditions known to the Owner and not disclosed to the Contractor, or which could not be reasonably anticipated by the Contractor, are not included in the Contract Price and shall be an extra to the Contract Price.

2. Description of Work

Unless otherwise stated, the Contractor agrees to supply all materials, labour and supervision to perform the Work as:

_____ Described below or _____ Described in the attached Appendices and/or Drawings

- a. The Work entails the following:

(Enter a description of the work that is going to be done.)

b. The Work does NOT include the following:

*Enter a description of the work that is excluded from the contract.
(example: landscaping will not be completed)*

c. Permits

Work will be undertaken following the issuance of permits from the municipality which will be provided and paid for by the Owner or the Contractor as designated below:

- | | | |
|---------------------------------|-----------|----------------|
| i. Zoning Variance | ___ Owner | ___ Contractor |
| ii. Demolition Permit | ___ Owner | ___ Contractor |
| iii. Building Permit | ___ Owner | ___ Contractor |
| iv. Electrical Permit | ___ Owner | ___ Contractor |
| v. Plumbing Permit | ___ Owner | ___ Contractor |
| vi. Occupancy Permit | ___ Owner | ___ Contractor |
| vii. Other (specify what it is) | ___ Owner | ___ Contractor |

Any permit obtained by the Contractor will be conveyed to the Owner within 10 days of receipt by the Contractor. The ___ Owner ___ Contractor will be responsible to contact the appropriate authorities for inspections of the Work.

d. Subtrades

The Contractor will use the following subtrades during the performance of the Work as listed below:

(provide the company and the service they will provide)

If any subtrade listed above subsequently becomes unavailable for the Work, the Contractor will provide a suitable replacement for the Owner's approval prior to the subtrade commencing work.

Nothing contained in the Contract Documents is intended to, nor shall it, create any contractual relation between the Owner and any subtrade. The Contractor agrees that it is responsible for the enforcement of all material provisions of all subcontracts.

3. Timing

a) Key Dates

Work is to commence on or before:	XX Month 20XX
Substantial completion of the Work on or before:	XX Month 20XX
Full completion of the Work on or before:	XX Month 20XX

b) Substantial Completion

Substantial Completion means that the Work has been completed to such a percentage completion as is specified for substantial completion or substantial performance of such Work in the applicable legislation of the province where the Project is situated, that the Work has

been completed to the point where it is ready for use for the intended purpose, and that an occupancy permit, where required has been issued.

c) Excusable Delays

All time limits stated in this Contract are of the essence. Notwithstanding the foregoing, any delay in Substantial Completion or Full Completion of the Work (as the case may be) in accordance with the Contract Documents will be considered an excusable delay if it arises from causes beyond the Contractor's control and, except for extensions or repetitions of an excusable delay, it is not reasonably foreseeable by the Contractor with the use of the Contractor's best professional efforts. Subject to sub-paragraph (d) below, excusable delays include, but are not limited to such events as: labour disputes; unavailability of materials; delays in obtaining a permit; acts of God; war; civil disorder; fire; disaster; unfavourable weather conditions; governmental regulation by national, provincial or local governmental authorities with jurisdiction (including quarantine, pandemic, or State of Emergency declared by such authorities); delays (other than delays arising out of the Contractor's breach of this contract) by, or breach by any subtrades; or any delay by Owner of processing proposed changes, delays resulting from inaccuracies in information provided by the Owner or from information provided by the municipality, or delays resulting from the performance of tasks described in Section 2b of these Contract documents.

In the event of the occurrence of an excusable delay, the Owner shall grant appropriate extensions to cover such periods of delays. The Owner shall have no obligation to grant extensions if the delays were not excusable delays, or otherwise resulted, directly or indirectly, from the Contractor's breach of this Contract.

d) Ineligibility for a permit

The Contractor and Owner agree that should the Contractor not be able to commence the Work within (*insert a reasonable period*) days from the commencement date specified in this Section, because of ineligibility (in the view of the relevant authorities) for a building permit or other necessary permit, then the Contractor or Owner may cancel the Contract.

e) Notice

Where a delay occurs under sub-paragraph (c) above, the Contractor must inform the Owner in writing, at the earliest possible date of such occurrence, the reason for the delay and anticipated amended dates of completion. Under sub-paragraph (d) above, where a delay occurs beyond the date for commencement of the Work because of inability to obtain a building permit, then either party may cancel the Contract on written notice. Any such writing shall be mailed to or delivered to the address of the other party shown in this Contract.

f) Refund

The Contractor's liability to the Owner shall be limited to the refund of any monies paid by the Owner to the Contractor, less any costs incurred by the contractor as previously agreed to by the Owner as specified below:

(List these items here – for example it could be design fees or permit application fees)

4. Terms of Payment

The Contract price is to be calculated as follows: *(select one and delete the others)*

- a) Stipulated fixed cost basis (all inclusive) \$ _____, plus GST/HST extra.
Payments shall be due and payable as outlined in the Payment Timetable.
- b) Cost plus _____ % of cost, plus GST/HST extra.
Payments shall be due on a bi-weekly *(or monthly – pick one)* basis.
- c) Cost plus fixed fee of \$ _____, plus GST/HST extra.

Payment shall be due and payable as outlined in the Payment Timetable. A percentage of the fixed fee shall be paid on the presentation of each billing and shall be proportionate to the percentage of the Work completed for that billing period.

5. Payment Timetable

The Owner will make payments to the Contractor, minus a _____ % holdback as required by provincial construction lien legislation as follows:

Milestone	Gross	Payment	Holdback
Signing of Contract			
Start of Work			
Completion of _____ <i>(e.g. foundation)</i>			
Completion of _____			
Completion of _____			
Substantial Completion			
Full Completion			

_____ % holdback for _____ days after completion

For example, if the holdback is 10% and the contract calls for a \$10,000 payment to be made at signing of the contract, the Gross is \$10,000, the payment is \$9,000 and the holdback is \$1,000.

TOTAL

Payment is due within _____ days of invoicing. Interest of _____ % per annum, or the maximum rate allowable by law, whichever is less, will be charged on unpaid invoices after the due date.

All payments are subject to applicable legislation and shall be made in accordance with provisions of this contract and the provisions of any applicable legislation. All payments must be made to the Contractor. Any payment made to a subcontractor is not deemed a payment to the Contractor.

6. Changes in Work

The Owner may make changes by altering, adding to, or deducting from the Work, with the Contract and Contract Price being adjusted accordingly. Changes to the Work requires a written Change Order Form, signed by both the Owner and the Contractor.

- a) **Extras** will be calculated in the following manner: *(select the method)*
 - i. Material Cost plus hourly rate of \$ _____

- ii. Labour and material cost plus ____ %
- iii. A lump sum to be agreed on in advance by both parties

Extras are Payable upon: *(select the option)*

- i. Signing the Change Order
 - ii. Invoicing pursuant to the Change Order
 - iii. Completion of Work specified in the Change Order
- Less ____ % holdback in all cases

b) **Deletions** will be calculated on a cost less ____ % basis, to be deducted from the relevant or next scheduled payment.

7. Utilities and Washroom Facilities

The Contractor and the Owner agree that the responsibility for the provision of utilities and facilities to meet Work and worker requirements will be assumed in the following manner:

Utility or Facility	Owner	Contractor
Water	Yes	no
Electricity		
Washroom		
Other (specify)		

8. Standards of Work

The Contractor agrees to supply all labour, materials, and supervision to complete its Work in accordance with the Contract Documents.

The Contractor agrees to undertake its Work diligently in a good and workmanlike manner, in accordance with good quality residential standards and practices, and in compliance with any applicable Building Code and all other authorities having jurisdiction.

The Owner accepts that there may be inconveniences from time to time, and the Contractor agrees to keep such inconveniences to a reasonable minimum. It is the responsibility of the Owner to take reasonable steps to provide a work area free of household obstructions, and to remove or protect household items in areas where it may be reasonably anticipated by the Owner that they may be subject to dust, damage or vibrations.

Unless otherwise specified, the Work does not include a Building Inspection, and the Contractor takes no responsibility for pre-existing conditions at the premises, or for discovery or correction of latent defects in those conditions.

The Contractor agrees to keep the site orderly and reasonably free of debris. At the completion of the project, the contractor shall clean the property and leave it fit for use. All equipment, materials, rubbish, and similar material incidental to the project shall be removed by the Contractor.

9. Warranty

The Owner shall give the Contractor written notice of any defects within a reasonable time, and in any event within the warranty period below.

The Contractor shall deliver, to the Owner, any product of third parties, notably its sub-trades, and supplies of its manufacturers and other suppliers, subject to whatever warranty is applied to those same products and supplies by their respective sub-trades, manufacturers, and suppliers. If, after completion of the Work, any defect is later discovered in such product or supply, the recourse under such warranties of third parties shall be the responsibility of the Owner.

In all other respects, the Contractor provides a two-year warranty against defects in its Work.

Editorial note: in the *alternative*, and at the Contractor's option, the warranty may provide as follows:

In all other respects, the Contractor provides a two-year warranty against structural defects and water penetration, and a one-year warranty against defects in workmanship.

Special conditions limiting/affecting this warranty:

(list anything that may not be warranted or anything that may be conditional)

The Contractor does not warrant labour and/or materials supplied by the Owner or the Owners' subcontractors.

The Contractor shall protect the Work, the Owner's property and the property of third parties from damage occasioned by the performance of its obligations under the Contract Documents.

10. Insurance

Prior to commencing the Work, the Contractor agrees to provide, maintain and pay for insurance during the time the Work is being performed, including commercial general liability in the minimum of \$2,000,000 against claims for damages for personal injury or property damage by reason of anything done or not done by the Contractor, its employees or agents, in connection with the performance of the Contract. The Contractor will also provide proof of the commercial general liability insurance. The Contractor is responsible for all materials on site provided by the Contractor for the Work in this Contract until installed.

11. Compliance with Workers' Compensation and Other Laws

The Contractor agrees to provide evidence of compliance by the Contractor's own company and any of the Contractors subcontractors with all requirements for registration and payments due under the province's workers' compensation statute.

The Contractor also agrees to comply with all laws, ordinances, rules, regulations, codes, and orders in force during the performance of the Contract which relate to the preservation of public health or construction safety.

12. Other Contractors

Owner reserves the right to let separate contracts in connection with the Work or to do certain work by Owner's own forces as specified in Description of Work.

The Contractor shall include in his work co-ordination with Owner's separate contractors or forces, and Owner shall pay the Contractor \$ ____ for the coordination of same.

13. Dispute Resolution

The Owner and Contractor agree that in the event of a dispute as to the interpretation of this Contract or the extent of the Work, the issues shall be submitted to arbitration as agreed to by both parties or under the province's arbitration statute. This provision is intended as a faster and lower cost alternative to a formal court action however, this does not prevent either party from making an application to a court.

14. Default by Owner

In the event that (a) the Owner does not perform its obligations under this Contract in accordance with the terms of this Contract and has not corrected the default within ____ days of written notice by the Contractor, or (b) the Owner becomes bankrupt or makes a general assignment for the benefit of its creditors, or if a receiver of the Owner is appointed, or (c) if the Work is stopped as a result of a court order, then the Contractor may cease work and treat the Contract a repudiated forthwith on the occurrence of such default. In such event, an accounting shall be made between the Owner and the Contractor, and the Contractor shall be entitled to payment for such parts of the Work as are completed at the time of the default.

15. Default by Contractor

In the event that (a) the Contractor does not perform its obligations under this Contract in accordance with the terms of this Contract and has not corrected the default within ____ days of written notice by the Owner, or (b) the Contractor becomes bankrupt or makes a general assignment for the benefit of its creditors, or if a receiver of the Contractor is appointed, then the Contractor may cease work and treat the Owner may finish the Work in accordance with the plans and specifications as the Owner may deem expedient, but without undue delay or expense.

In such event, the Contractor shall not be entitled to any further payment under this Contract, but upon completion of the Work an accounting shall be made between the Owner and the Contractor. If the unpaid balance on the Contract Price shall exceed the expense of finishing the Work, the Owner shall pay the Contractor for such parts of the Work as were payable or completed at the time of the default. However, if such expense shall exceed such unpaid balance, the Contractor shall pay the difference to the Owner.

16. Signs

The owner agrees to permit the Contractor to display a sign on the project site until completion.

17. Privacy Policy

The Contractor agrees to protect the privacy of the Owner and abide by the Personal Information and Protection and Electronic Documents Act.

18. Signatures

This Contract shall not be assigned, in whole or in part, without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.

This Contract shall be governed by and construed under the laws of the Province in which the project is situated and supersedes all prior communications and agreements. There are no other terms outside this Contract.

The Contractor assures that there is not now any claim, action, contract, rule, or other circumstance which may interfere with the Contractor's ability to perform its obligations under this Contract.

Owner

Date

Witness

Owner

Date

Witness

Contractor

Date

Witness

SAMPLE