

**SAMPLE CONTRACT  
NAME OF AGREEMENT**

**THIS AGREEMENT** made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BETWEEN: GOVERNMENT OF PRINCE EDWARD ISLAND**, as represented by the  
Minister of \_\_\_\_\_

(hereafter referred to as “Government”)

**OF THE FIRST PART;**

**AND:**

\_\_\_\_\_ in  
of \_\_\_\_\_  
\_\_\_\_\_ County, Province of \_\_\_\_\_

(hereafter referred to as the “Contractor”)

**OF THE SECOND PART.**

**WHEREAS** Government wishes to engage the services of the Contractor to carry out the services described in Schedule “A” attached hereto;

**AND WHEREAS** the Contractor has agreed to provide Government with these services on certain terms and conditions as more particularly set out in this Agreement.

**NOW THEREFORE** in consideration of the mutual promises contained in this Agreement, the Parties agree that the terms and conditions of their relationship are as follows:

**Definitions**

*[INSTRUCTIONS: You may be required to clarify or limit the meaning of a word or phrase used in the remainder of the Agreement by creating a definition for that word or phrase. If definitions are created, list these defined words or phrases alphabetically in paragraph 1.]*

1. In this Agreement, the following definitions apply:

- a. “Fiscal Year” means ...
- b. “Schedule” means...

### **Covenants of the Contractor and the Government**

2. The Contractor shall perform the services, assume all those responsibilities and diligently execute all those duties described in the attached Schedule "A" (the "Work") in a manner satisfactory to the Government.
3. (a) Subject to the termination clause contained in the Termination section of this Agreement, the term of this Agreement shall commence on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and end on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Term").

*[INSTRUCTIONS: If the Work has commenced before the commencement date of this Agreement, as noted in the subparagraph 3(a) above, insert the following subparagraph to confirm this fact and that the agreed amount of money to be paid to the Contractor under this Agreement includes any amounts owed for Work done from this early start date.]*

- (b) Subject to the termination clause contained in the Termination section of this Agreement and notwithstanding the date of signing of this Agreement, it is acknowledged by both Parties that the Contractor commenced the performance of the Work on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. It is further agreed that the amount of \$\_\_\_\_\_ is the maximum amount to be paid for the Work and includes all amounts which may be owed for Work since the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

### **Payments, Records and Accounts**

*[INSTRUCTIONS: Depending on the payment schedule agreed to with the Contractor, some or all of the following subparagraphs 4(a), 4(b) and 4(c) may be needed. Please read each subparagraph carefully.]*

4. The Government shall make payments to the Contractor in the following manner.
  - (a) Payment for the Work shall be at the rate of \$\_\_\_\_\_ per hour, excluding taxes, but in no case shall the total payment exceed \$\_\_\_\_\_;
  - OR
  - (a) Payment for the Work shall be a lump sum of \$\_\_\_\_\_, excluding taxes, payable on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
  - OR
  - (a) Payment for the work shall be by installments of \$\_\_\_\_\_, excluding taxes, payable as follows [*e.g., List dates (milestones) when payments will be made including amount to be paid on each date.*]

#### AND, IF APPLICABLE

- (b) The Government shall pay all expenses of the Contractor, excluding taxes, up to a maximum of \$\_\_\_\_\_, based on expenses actually incurred and verified by receipt.

- (c) The payments described herein shall be paid upon the basis of the submission by the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ of a detailed statement together with all necessary receipts. Such statements shall be submitted to Government and Government shall pay the amount owing within \_\_\_\_\_ days of receipt.
- (d) All payments are subject to a hold back of an amount equal to \_\_\_\_% of the amount billed. The hold back shall be paid upon completion and acceptance of the Work.
- OR
- (d) All payments are subject to a hold back of an amount equal to \_\_\_\_% of the amount billed. The hold back shall be paid upon the submission and acceptance of the final report and completion of the Work.
- (e) The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor under this Agreement including the related invoices, receipts and vouchers. Such accounts, invoices, receipts and vouchers shall, at all times, be open to audit, copying, extracting information and inspection by the authorized representatives of Government. The Contractor shall provide all facilities for the audits, inspections, copying and extractions and shall provide Government and its authorized representatives with all information that is requested from the accounts, records, invoices, receipts and vouchers.
- (f) Subject to statutory limitations, the Contractor shall not, without the written consent of Government, dispose of the accounts, records, invoices, receipts and vouchers related to this Agreement, but shall preserve and keep the same available for audit, copying, extracting information and inspections at any time.

### **Conditions of Agreement**

5. (a) The Parties agree that the Contractor shall act as an independent contractor and that it is entitled to no other benefits or payments whatsoever than those specified in the Payments, Records and Accounts section of this Agreement.
- (b) The Parties agree that entry into this Agreement will not result in the appointment or employment of the Contractor or any officer, clerk, employee or agent of the Contractor, as an officer, clerk, employee or agent of Government, nor shall the *Civil Service Act* R.S.P.E.I. 1988, Cap. C-8 apply.
6. (a) The Contractor agrees to accept sole responsibility to submit any applications, reports, payments or contributions for sales taxes, income tax, Canada Pension Plan, Employment Insurance, Workers Compensation assessments, goods and services tax, harmonized sales tax, or any other similar matter which the Contractor may be required by law to make in connection with the Work.
- (b) The Contractor agrees to accept sole responsibility to comply with all federal, provincial and municipal legislation which may have application to the Work and

agrees to comply with all provincial and federal legislation affecting conditions of work and wage rates including the *Employment Standards Act* R.S.P.E.I. 1988, Cap. E-6.2, the *Workers Compensation Act* R.S.P.E.I. 1988, Cap. W-7.1, or any other laws that impose obligations in the nature of employers' obligations. The Contractor agrees to follow the Public Service Commission Human Resource Policy and Procedures Manual Sections 9.05 Violence in the Workplace Policy; 9.08 Drug, Alcohol, and Medication Policy; and 11.01 Policy for the Prevention and Resolution of Harassment in the Workplace while working on Government sites, in Government vehicles or alongside Government staff.

- (c) The Contractor, before undertaking any Work shall provide to Government either a certificate of good standing by the Workers Compensation Board or written confirmation from the Workers Compensation Board that such certificate is not required.
  - (d) The Contractor agrees to accept the full cost of doing those things required under this paragraph and will not charge or seek reimbursement from Government in any way, such costs having been taken into consideration and included in the rates of payment stipulated in the Payments, Records and Accounts section of this Agreement.
7. Any payment under this Agreement is subject to a provincial appropriation for the payment being approved by the Legislative Assembly of Prince Edward Island for Government's fiscal year in which payment is to be made.

### **Reports**

- 8. (a) The Contractor shall make interim reports as the Government may direct.
- (b) The Contractor shall prepare and submit a draft final report for review and approval of Government not later than the \_\_\_\_ day of \_\_\_\_\_, 20\_\_. Government shall either signify its approval or note the deficiencies in writing to the Contractor within \_\_\_\_ days of its submission. The final report shall be submitted to Government not later than the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ unless the parties agree otherwise in writing.

### **Administration**

- 9. Subject to any specified time schedule or location where the Work is to be performed as may be set forth in Schedule "A" attached hereto, Work is to be performed in the offices of Government, and the Contractor shall follow the same time schedule as applicable to employees of Government.
- 10. Government shall provide such support, direction, decisions and information to the Contractor as it deems necessary or appropriate under this Agreement and may appoint a person to administer this Agreement and communicate with the Contractor.

### **Termination**

11. Notwithstanding other provisions of this Agreement, Government may terminate this Agreement in its entirety, or any part thereof, at any time by a notice in writing, signed by or on behalf of Government and delivered to the Contractor by hand delivery, mail to the Contractor's last known place of business, facsimile transmission, or electronic communication. This Agreement shall be determined to have ended upon the date of delivery, sending by electronic communications or mailing of such notice in which event the Contractor shall have no further claim against Government, except that the Contractor will be paid pursuant to and in accordance with the provisions of the Payments, Records and Accounts section of this Agreement for the Work performed up to the date of termination by written notice. Such payment shall include all firm commitments made by the Contractor prior to the receipt of the notice and for which the Contractor is liable for payment, less any sums paid by Government to the Contractor on account.
12. Notice in this Agreement is deemed to have been effected on the day of delivery in person, facsimile, electronic communication, or upon mailing of the notice.

### **Confidentiality and Copyright**

13. Any and all information, knowledge or data made available to the Contractor as a result of this Agreement shall be treated as confidential information. The Contractor shall not directly or indirectly disclose or use the information, knowledge or data for purposes unrelated to the Agreement at any time without first obtaining the written consent of Government, unless the information, knowledge or data is generally available to the public.
14.
  - (a) The Parties agree that all lists, reports, information, statistics, compilations, analyses, and other data generated or collected in any way as a result of this Agreement are the exclusive property of Government and shall not be distributed, released, transmitted or used in any way, via any media, outside the purposes of this Agreement, by the Contractor, its employees, agents, servants or others for whom the Contractor is responsible, without the written consent of Government.
  - (b) The Parties agree that Government owns the copyright on all aspects of the Work, including all manner of data as set out in sub-paragraph (a) and including all software developed as a result of the Work whether in the form of raw data, analyses, database entries or software or hardware code of any kind or in any form whatsoever, including but not limited to object code and source code and any necessary information with respect to the use of such code such as encryption keys, compiler information and version number.
  - (c) The Contractor relinquishes all rights to the Work created pursuant to this Agreement, including all rights and moral rights otherwise accruing to the Contractor pursuant to the *Copyright Act R.S.C. 1985, c. C-42*.

### **Conflict of Interest**

15. The Contractor warrants that as at the date of this Agreement, no conflict of interest, or any circumstance that might interfere with independent and objective exercise of judgment, exists or is likely to arise in relation to execution of this Agreement or its subject matter. The Contractor shall immediately notify Government, in writing, if any such actual or potential conflict of interest should arise at any time during the Term. In the event Government discovers or is notified by the Contractor of an actual or potential conflict of interest, Government, in its sole discretion, may either:
- (a) allow the Contractor to resolve the actual or potential conflict to the satisfaction of Government; or
  - (b) terminate the Agreement in accordance with the Termination section of this Agreement.

### **Freedom of Information and Protection of Privacy Act**

16. The Contractor acknowledges that this Agreement, and information provided in respect of this Agreement may be subject to release under the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01. The Contractor may be consulted prior to release of any information.
17. The Contractor acknowledges and agrees that in the event the Work involves the collection or use of personal information, it is subject to the *Freedom of Information and Protection of Privacy Act* and that personal information may not be released to any third party or unauthorized individual.

### **Indemnification and Insurance**

18. The Contractor shall indemnify and hold harmless Government, its agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever arising out of or resulting from the performance of the Work (herein called the "Claim"), provided that any such Claim is caused in whole or in part by any act, error or omission, including, but not limited to, those of negligence, of the Contractor or anyone directly or indirectly employed by the Contractor or anyone for whom the Contractor may be liable.
19. The Contractor shall, without limiting its obligations or liabilities under this Agreement and at its own expense, provide and maintain, the following insurance with insurers and in forms and amounts acceptable to Government:
- (a) Commercial General Liability insurance in an amount not less than \$\_\_\_\_\_ (minimum Two Million (\$2,000,000.00 CAD) Dollars) inclusive per occurrence against bodily injury and property damages. Government of Prince Edward Island is to be added as an additional insured under this policy. Such insurance shall include, but not be limited to:

- Products and Completed Operations Liability;
  - Owner's and Contractor's Protective Liability;
  - Blanket Written Contractual Liability;
  - Personal Injury Liability;
  - Non-Owned Automobile Liability;
  - Cross Liability;
  - Employees as additional Insureds;
  - Broad Form Property Damage; and
  - If applicable, Tenant's Legal Liability in an amount adequate to cover a loss to premises of Government occupied by the Contractor.
- (b) Automobile Liability insurance on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than \$\_\_\_\_\_ (minimum One Million (\$1,000,000.00 CAD) Dollars).

*[INSTRUCTIONS: Where the Work under this Agreement involves professional or consulting services of any kind, please consult the Explanatory Notes to this policy regarding the requirement of a minimum Two Million (\$2,000,000 CAD) Dollars in professional liability insurance and use the following subparagraph 19(c) as applicable.]*

- (c) Professional Liability insurance in an amount not less than Two Million (\$2,000,000.00 CAD) Dollars on a claims-made basis, subject to an annual aggregate limit of Two Million (\$2,000,000.00 CAD) Dollars insuring the Contractor's liability resulting from errors and omissions in the performance of professional services under this Agreement. Such insurance shall continue for a term of six (6) years following completion of the Work.
- (d) The policy or policies as required by this Agreement shall be in a form and with insurers satisfactory to Government. All required insurance shall be endorsed to provide Government with 30 days' advance written notice of cancellation or material change. The foregoing insurance shall be primary and not require the sharing of any loss by any insurer of Government nor by any other form of recovery available such as the Provincial Self Insurance and Risk Management Fund. A certified copy of the policy, or policies, shall be delivered to Government prior to execution of this Agreement. Default of delivery to Government or receipt of the certified copy of the policy or policies by Government shall not be construed as acknowledgment or concurrence that there has been compliance with the terms of this Agreement.

**General**

- 20. This Agreement shall not be assigned or subcontracted in whole or in part by the Contractor without the prior written consent of Government.
- 21. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and, subject to the above assignment and subcontracting clause, their executors, administrators, successors and assigns.
- 22. This Agreement shall be interpreted and applied in accordance with the laws and in the Courts of the Province of Prince Edward Island.
- 23. This Agreement, including Schedule “A”, constitutes and expresses the entire agreement of the Parties hereto and any amendment or addition thereto shall be in writing and signed by the respective Parties.
- 24. The headings are inserted in this Agreement for reference only and shall not form part of the Agreement.
- 25. The provisions of this Agreement which, by their terms, are intended to survive or which must survive in order to give effect to continuing obligations of the Parties, shall survive the termination or expiry of this Agreement.
- 26. If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the Parties as though the invalid provision had never been included in this Agreement.

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

<b>SIGNED, SEALED &amp; DELIVERED</b>	)	<b>Government of Prince Edward Island,</b>
in the presence of:	)	as represented by the Minister of
	)	<i>[Insert Department name here]</i>
	)	
_____	)	_____
Witness		

<b>SIGNED, SEALED &amp; DELIVERED</b>	)	<i>[Insert Contractor’s name here]</i>
in the presence of:	)	
	)	
	)	
_____	)	_____
Witness		Authorized Signing Officer



**SCHEDULE "A"**

**TO AGREEMENT  
BETWEEN  
GOVERNMENT OF PRINCE EDWARD ISLAND  
AND  
THE CONTRACTOR**

**DATED THE \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_**

**STATEMENT OF WORK**