



<b>Title:</b> Contracted Facility Renovations	<b>Policy No.:</b> <b>B.09-01</b> <span style="float: right;"><b>E</b></span>
<b>Section:</b> <b>14</b>	<b>Page No.:</b> 1 of 5

<b>Legislation Reference:</b>	Jubilee Insurance Agencies Ltd.
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<b>Purpose:</b>	To establish standards for Facility Owners to control, manage and reduce the risk of fire when contracting for renovation services performed in facilities.
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**Policy Statement and Guidelines:**

**1. STATEMENT:**

- 1.1 To ensure facilities insured under the Smoky Lake County’s insurance coverage are in compliance with “**Jubilee Insurance Agencies Ltd.**” under the facility risk control program when a Contractor performs Renovation Activities.
  
- 1.2 To ensure that a Contractor adheres to safe work practices and is in compliance with respect to contracted activities to reduce serious foreseeable losses, such as:
  - Severe injury or death to a member of the public or staff.
  - Major property damage, such as damage to buildings in close proximity to the work or underground utilities, pipelines, or other assets.
  - Major damage or destruction to the facility.
  - Major financial losses to the organization.
  - Interruption of municipal and/or utility services.
  
- 1.3 To limit exposure to a substantial financial loss, the Contractor should provide a Risk Management Plan and obtain adequate insurance coverage for the contracted activity.

**2. GUIDELINES:**

Renovation activities greatly increase the risk of fire for several key reasons:

**2.1 Flammable Liquids and Gases:**

- 2.1.1 Several types of flammable materials may be used during renovations, such as adhesives, paints, and thinners.
- 2.1.2 In addition, gas-powered engines may be used onsite for equipment such as compressors and hoists, and compressed gases may be used to fuel space heaters and other devices.

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<b>Policy Statement and Guidelines:</b>	
2.2	<p><b>Removal of Waste and Combustible:</b></p> <p>2.2.1 Waste material and combustible building materials are themselves hazards and also present an attractive target for vandals and arsonists.</p> <p>2.2.2 An adequate number of trash containers should be provided.</p>
2.3	<p><b>Containment of Construction Activities:</b></p> <p>2.3.1 In many cases, the areas undergoing renovation can be contained and isolated to reduce the chances of a fire spreading from the work site into the existing building.</p>
2.4	<p><b>Site Security and Access Control:</b></p> <p>2.4.1 Construction sites are very susceptible to vandalism, arson and theft. Coordinate with the contractor so that only authorized employees of the contractor and subcontractor are permitted onsite during the workday.</p>
2.5	<p><b>Minimizing the Reduction of Fire Protection:</b></p> <p>2.5.1 Ensure that vehicles and equipment belonging to the contractor and subcontractor do not block fire lanes.</p>
2.6	<p><b>Control of Hot Work and Other Ignition Sources:</b></p> <p>2.6.1 Where possible, the use of Hot Work should be minimized or avoided. If there is no alternative, use the Hot Work Permit System.</p>
<b>3.</b>	<p><b>PROCEDURES:</b></p> <p>When contracting for renovation services, a Facility Owner has a legal duty to ensure that the contractor hired is reasonably competent to perform the work and to provide a reasonable level of supervision. <i>Schedule "A": Risk Control Checklist for Contracted Renovations</i> is a recommendation of risk controls to aggressively manage renovation risks to reduce the risk of fire.</p> <p style="text-align: center;"><b>Ensure the following documents are obtained from the independent contractor.</b></p> <p>3.1 <b>Risk Management Plan:</b> The purpose of a <u>Risk Management Plan</u> is to help ensure that the contractor has carefully considered the key risks before executing the work and will be taking reasonable steps to reduce the chances of a loss. This also demonstrates that the contractor is reasonably qualified to perform the work safely.</p>

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<b>Policy Statement and Guidelines:</b>	
3.2	<p><b>Contract Guidelines:</b> An organization’s most effective way to limit its liability exposure when engaging an independent contractor is to ensure that the agreement addresses:</p> <p>3.2.1 Indemnity clause where the contractor assumes the risk in the event of negligence or breach of contract.</p> <p>3.2.2 Insurance Coverage is obtained and maintained to ensure that adequate funds are available to pay for any claims that may arise. Normally, the party that is performing the activity should provide the insurance coverage. This may differ in the case of major construction projects, in which it may be beneficial for the organization to arrange the project coverage directly.</p> <p><u>Minimum Insurance Requirements:</u>  <b>Commercial General Liability: Not less than \$2 Million.</b></p> <p><b>Automobile Liability Insurance: Not less than \$2 Million</b> if the work involves the contractor’s use of licensed vehicles or equipment.</p> <p>The owner to be <b>Named as an additional insured</b> on the contractor’s policy and provided with a Certificate of Insurance as evidence of the coverage.</p>
3.3	<p><b>Hot Work Requirements:</b> If the contractor is performing Hot Work, the roles and responsibilities should form part of the contract.</p> <p><b>Reference: Policy 14-B.08-01: Hot Work Permit System.</b></p> <div style="border: 1px solid black; background-color: #800000; color: white; padding: 5px; text-align: center; margin: 10px 0;"> <p>All documentation to be submitted to the County Office Prior to work performed</p> </div> <p style="text-align: center;"><b>Hot Work Permit Forms will be documented as per Policy Statement No. 14-B.04-01: Added Named Insured: Record Keeping Guidelines.</b></p>

	<b>Date</b>	<b>Resolution Number</b>
<b>Approved</b>	<b>June 24, 2010</b>	<b># 698-10 - Page # 9381</b>
<b>Amended</b>		
<b>Amended</b>		



SCHEDULE "A"



RISK CONTROL CHECKLIST FOR CONTRACTED RENOVATIONS

Facility: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor : \_\_\_\_\_

Description of the Renovations:  
\_\_\_\_\_

- Risk Management Plan:**
- Identification of the key risks arising from the contracted activity.
  - Specific risk control measures that will be implemented at each stage of work to reduce the chances of a loss occurring.
  - Reporting of any incidents or claims to your organization.
  - Periodic reporting to your organization to confirm ongoing compliance with the plan.
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- Control of Hot Work:** Where possible, hot work should be minimized or avoided. If there is no alternative, **Complete Policy 14-B.08-01: Hot Work Permit System.**
  - Handling of Flammable Liquids and Gases:** Where possible, non-flammable types of paints and adhesive should be used. The quantities of flammables on the work site should be limited to a one-day supply. Such materials should be stored and locked up in approved ULC-listed storage cabinets or secured in a storage area at least 15 meters (50 feet) from the building. Gas-powered equipment should not be allowed in the building. For gas cylinders, onsite recharging should be prohibited.
  - Removal of wastes and combustible:** The onsite storage of combustible should be minimized. Trash should be removed from the site daily.
  - Containment of the renovation activities from the existing building activities:** Use drywall partitions or fire resistive traps to help isolate areas under renovation. Do not allow construction materials to block access to emergency exits or access for the Fire Department.
  - Site Security and Access Control:** Renovation and construction site are very susceptible to vandalism, arson, and theft. Where feasible, the site should be fenced and storage locations locked and secured.
  - Minimizing the reduction of fire protection:** Automatic fire detection equipment is susceptible to being actuated by renovation activities. Consider how false alarms can be prevented while still maintaining fire detection capabilities within the facility. Make sure that standpipes and connections for the Fire Department stay accessible during the renovations.

**Risk Control Checklist for Contracted Renovations: *Continued***

**Contract Guidelines:**

- Indemnity Clause is identified indicating that the contractor assumes the risk in the event of negligence or breach of contract.
  
- Insurance Coverage:
  - Commercial General Liability:** Not less than \$2 Million.
  
  - Automobile Liability Insurance:** Not less than \$2 Million.  
Additional, when the work involves the contractor's use of licensed vehicles or equipment.
  
  - The owner to be **Named as an additional insured** on the contractor's policy and provided with a Certificate of Insurance as evidence of the coverage.
  
  - When requiring a Certificate of Insurance, included should be the provision that requires the other party's broker or insurer to provide the owner with at least 30 days notice of any cancellation or material change in coverage.
  
  - Do not agree to add the contractor or anyone else to your insurance policy as an additional insured without seeking the advice and approval of Jubilee Insurance. Other parties may only be added with respect to the organization's activities in relation to the contract.

I have personally examined and confirmed the Risk Control Checklist for the Contracted Renovations.

Signed: \_\_\_\_\_ (Facility Owner)