

# **COVID-19: PSPC Standard Protocols for Real Property Construction Projects - Questions & Answers guide for Departmental Representatives**

**Version 1.2**

Version number	Date of issue	Author	Brief description of change
1.0	2020-11-12	RPB PMSL Working Group	
1.1	2020-12-14	RPB PMSL Working Group	Change of eligibility date from April 1, to April 30
1.2	2020-12-21	RPB PMSL Working Group	Additional Q&As added

## 1 Context

PSPC acknowledges that construction contractors may have incurred additional direct costs associated with managing federal construction contracts not previously accounted for in cases where the original contract bids had closed prior to April 30, 2020

## 2 Q&A

### 2.1 General

Due to the unprecedented nature of the current situation, contractors may incur additional expenses as a direct result of the COVID-19 pandemic. In light of this, Canada will amend certain types of contracts to permit the payment of certain additional direct costs borne by the contractor in order to respond to orders issued by the Health Authorities in the Province or Territory of work.

#### **Q1: What types of construction contracts are eligible for reimbursement of COVID related costs?**

A1: Some PSPC contracts, such as RP1/RP2 and construction management contracts, have contractual clauses that allow for reimbursement of COVID-19-related costs to construction contractors. However, many PSPC contracts are standard stipulated price construction contracts, which do not have contractual clauses that allow for construction contractors to be easily reimbursed for COVID-19 related costs.

Types of construction contracts that are eligible for reimbursement of COVID related costs include:

- RP1/RP2
- Construction Management (CM) Contracts
- Standard Construction Contracts
- Construction of office space in leased facilities

#### **Q2: A contractor has a construction contract with the government of Canada. Is the contract eligible for reimbursement for COVID related costs?**

A2: If the construction contract bid was submitted to PSPC before April 30, 2020, the contract may be eligible for reimbursement of COVID related costs.

#### **Q3: What happens if the bid price was submitted to PSPC after April 30, 2020?**

A3: If the bid was submitted to PSPC after April 30, 2020, the bid should include provisions for additional direct costs associated to COVID

### 2.2 Construction Contracts Q&A

#### **Q4: What costs are eligible for reimbursement for Standard Stipulated Price Construction contracts?**

A4: The following items are eligible to be considered for a change order to the contract:

- Additional Personal Protective Equipment supplied to workers, as ordered by Provincial/Territorial Health Officials, to safely carry out their duties.
- The provision of additional site trailers and comfort stations, and their respective cleaning and maintenance, as ordered by Provincial/Territorial Health Officials to allow for adequate social distancing and personal hygiene at the work site.
- The labour, plant, and material associated with the Demobilization and Remobilization of the worksite due to compliance of Provincial construction shutdown and re-opening orders (applies to Ontario and Quebec work sites).
- PSPC approved material substitutions to account for supply chain limitations.
- Premiums for alternate travel requirements to comply with Provincial /Territorial Authorities requirements, including premiums for charter or direct flights, and allowances for the period of self-isolation for out of province workers to be eligible to begin working.
- Extensions for existing equipment rentals related to additional time requests.
- Additional Bonding and Insurance costs related to the extension of schedule.
- Additional direct supervision as ordered by Provincial/Territorial Health Authorities.
- Other reasonable direct costs as determined by Canada in its sole discretion incurred due to compliance with Provincial/Territorial Health Authorities direct orders.

**Q5: What costs are not eligible for reimbursement for Standard Stipulated Price Construction contracts?**

A5: Costs that are not are eligible for reimbursement may include, but are not necessarily restricted to:

- Loss of productivity and other associated costs (supply chains, handling and transport).
- Schedule acceleration (in order to make up for time delays).

**Q6: What costs are eligible for reimbursement for the other types of construction contracts?**

A6: Lease contracts can be amended utilizing the same eligible direct costs items indicated above for the standard fixed price contracts.

Construction Management contracts are also eligible for the same direct costs as the standard fixed price contracts identified above. Note: Some Construction Management contracts have unique terms and conditions and, therefore, requests for reimbursement should be reviewed carefully with the contracting authority.

RP1/RP2 contracts are being addressed by BGIS in accordance with the terms and conditions that have been established with their subcontractors.

**Q7: How are the extra costs going to affect the overall Project budget?**

A7: The incremental additional costs to individual projects will vary based on the location and the type of work being performed.

In most cases, it is expected that the additional costs can be absorbed by the project's contingency. In some cases, project teams may need to seek additional funding to account for the additional costs to the contract.

## **2.3 Procedure Q&A**

**Q8: A contractor has indicated that they have incurred eligible costs associated with COVID-19. What should I do?**

A8: Get in touch with your contractor. Compensation for the additional direct costs shall follow the established regional change order process, following a request for a change from the contractor for such compensation, which may also be in the form of a request for an extension of time.

**Q9: How is the determination of price of the changes done?**

A9: The determination for price of changes that have already occurred will be processed in the same fashion as GC6.4.2 Price Determination Following Completion of Changes.

Change orders for eligible items that are deemed necessary but have not yet been implemented may be processed in the fashion of GC6.4.1 Price Determination Prior to Undertaking Changes.

This process shall not duplicate any other portion of the work where costs associated with COVID-19 have already been deemed to be accounted for, i.e. a previous change order.

Changes shall be approved by the contracting authority.

**Q10: The contractor has experienced delays related to COVID-19. What should they do?**

A10: The contractor must submit an application for an Extension of Time to complete the Work. The form to be used for this application is available at: <https://www.tpsgc-pwgsc.gc.ca/app-acq/forms/documents/1801.pdf>

**Q11: What kind of documentation does the contractor need to provide to have the additional eligible costs considered?**

A11: In order to identify Eligible Direct Costs for COVID related costs, contractors may be required to provide:

- proof of compliance with authorities having jurisdiction as well as proof of costs/purchases as applicable.
- adequately detailed schedules and Time Impact Analyses to substantiate Extension of Time durations.

**Q12: If I need further assistance with a contractor's claim, what should I do?**

A12: Get in touch with your regional claims management representative. The list of regional claims management representatives is included in the [COVID-19: PSPC Standard Protocols for Real Property Construction Projects guide](#).