

Received \_\_\_\_\_  
PCAB Signature

# LABOUR & MATERIAL PAYMENT BOND

(Trustee Form) No. \_\_\_\_\_

Contract No: \_\_\_\_\_

**Bond Amount**

\$ \_\_\_\_\_

\_\_\_\_\_ as Principal, hereinafter called the Principal, and  
\_\_\_\_\_ a corporation created and existing under the laws of  
Canada and duly authorized to transact the business of Suretyship in the Province of Saskatchewan, as Surety, hereinafter called the Surety, are held and  
firmly bound unto **Government of Saskatchewan (Ministry of Highways and Infrastructure)** as Obligee, hereinafter called the Obligee, in the amount of  
\_\_\_\_\_ Dollars (\$ \_\_\_\_\_) lawful money of Canada, for the payment of which sum the  
Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated \_\_\_\_\_ day of \_\_\_\_\_, in the year  
\_\_\_\_\_ for \_\_\_\_\_  
\_\_\_\_\_ in accordance with the Contract Documents submitted, and which are by reference made part hereof and  
are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payments to all Claimants for all labour and material used or  
reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full  
force and effect, subject, however, to the following conditions:

1) A Claimant for the purpose of this Bond is defined as one having a direct contract: a) with the Principal or b) with a subcontractor who  
has a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and  
material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to  
the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a  
contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the  
prevailing industrial rent value of such equipment for the period during which the equipment was used in the performance of the Contract. The  
prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment  
marketplace in which the work is taking place.

2) The Principal and the Surety, hereby jointly and severally agree with the Obligee, as trustee, that every Claimant who has not been paid  
as provided for under the terms of its contract with the Principal, or a subcontractor of the Principal if applicable, before the expiration of a period of  
ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant,  
may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to  
such Claimant under the terms of its contract with the Principal and have execution thereon.

The Obligee is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the  
provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding,  
then such act, action or proceeding shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or  
proceeding shall indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage  
resulting to the Obligee by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may  
use the name of the Obligee to sue on and enforce the provisions of this Bond.

3) The procedure for making a claim on this Bond is set forth in Appendix A to this Bond.

4) Any material change in the contract between the Principal and the Obligee shall not prejudice the rights or interest of any Claimant  
under this Bond, who is not instrumental in bringing about or has not caused such change.

5) The amount of this Bond shall be reduced by, and to the extent of any payments made in good faith, and in accordance with the  
provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs,  
whether or not such claim is presented under and against this Bond.

6) The Surety shall not be liable for a greater sum than the Bond Amount.

**IN WITNESS WHEREOF**, the Principal and the Surety have Signed and Sealed this Bond dated \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_.

Principal

SEAL

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Signature

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Name of person signing

Surety

SEAL

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Signature

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Name of person signing

## APPENDIX A

### 1. PURPOSE

- 1.1. The Purpose of this Guide is to establish the procedure to be followed by the Surety, the Oblige (the Government of Saskatchewan) and the Principal (Contractor) when a claim for payment under a Labour and Material Payment Bond (the Bond) is received from a party (the Claimant) who supplied labour or material to the Contractor for use in the performance of the contract for which the bond was issued.

### 2. PROCEDURE

#### Waiting Period to Claim

- 2.1. In order to provide the Contractor and its subcontractors and suppliers with an opportunity to resolve the claim without involving the Surety, a claim cannot be made on the Bond until at least 90 days has expired from the date that the Claimant's last work or materials were furnished to the Contract.

#### Notice

- 2.2. Within 90 days of the expiry of the Waiting Period referred to in paragraph 2.1, the Claimant shall provide the Surety, Government and Contractor with a written notice stating:
- 2.2.1. with substantial accuracy the amount claimed;
- 2.2.2. the material facts which establish its entitlement to claim on the Bond.
- 2.3. All notices, and correspondence shall be delivered by facsimile or email at the addresses set out below.

<b>GOVERNMENT OF SASKATCHEWAN</b>	600 - 1855 Victoria Ave, Regina SK S4P 3T2
<b>MINISTRY OF HIGHWAYS AND INFRASTRUCTURE</b>	Fax: (306) 798-0431
Procurement & Contract Administration Branch	<b>Email:</b> mhicontracts@gov.sk.ca
<b>THE SURETY</b>	<b>THE CONTRACTOR</b>

#### Investigation by Surety

- 2.4. On receipt of a claim, the Surety shall promptly investigate, settle, litigate, or otherwise resolve any claim for which it receives notice.
- 2.5. The Surety will deal directly with the Claimant. The Government is not required to be a party to a claim or take any action or proceedings against the Surety on behalf of a Claimant.
- 2.6. The Government and the Contractor will assist the Surety during its investigation and provide all relevant information, reasonable access to the work site, construction documents and drawings, as well as access to its knowledgeable staff, consultants and sub-consultants.

### 3. LIMITATION PERIOD

- 3.1. Any claim, action or proceedings in court on this Bond by a Claimant must be made or commenced within one year of the date that the Claimant's last work or labour was done or performed or materials were last furnished by such Claimant to the Principal.

### 4. REPORTING

- 4.1. The Surety shall provide the Government with periodic summaries of the claims of which the Surety has received notice, the status of each claim in general terms and amounts paid or in dispute.

(Nov 2015)