

7. EQI Licensed Contractors

The *EQI Licensed Contractor* is responsible for:

- Obtaining a complete *EIFS* system from a single manufacturer;
- Confirming that all materials and components received are the correct ones.;
- Ensuring that site conditions are within parameters required for installation of the *EIFS*;
- Employing (direct or sub-contract) *EQI Licensed Mechanics* to install the *EIFS* system;
- Providing the *EQI Licensed Mechanics* with the proper tools, equipment and instructions for installation;
- Verifying that the installation has been completed;
- Completing all required documentation; and,
- Verifying that the completed *EIFS* system has been installed as required by the *EQI Licensed Manufacturer* and applicable standards and contract specifications.

7.1 Research and development

The *EQI Licensed Contractor* is encouraged to advance the performance of *EIFS* by informing manufacturers of any detailing and compatibility issues that arise during any *EIFS* installation.

7.2 Standards and specifications

The *EQI Licensed Contractor* is responsible for being familiar with and implementing the requirements of the documents listed in 4.1. The *EQI Licensed Contractor* is responsible for installing an *EIFS* in conformance with the contract specifications as described in 4.2.

7.3 Material and *EIFS* system testing

Independent third-party testing is an important ingredient to a *QAP*. The *EQI Licensed Contractor* shall obtain from the *EQI Licensed Manufacturer* an *Evaluation Report* that shall provide confirmation that the *EIFS* system and *EIFS* components meet the standards listed in 4.1.

7.4 Licensing requirements

The *QAP* requires that the *EQI Licensed Contractor* complete the accreditation and licensing process and those that do shall be licensed to use the *EQI* trademark.

7.4.1 Scope of license

An *EQI Licensed Contractor* is licensed by *EQI* to use the *EQI* logo trademark (the “Trademark”) and the term “*EQI Licensed Contractor*”. This license is conditional on the *EQI Licensed Contractor* meeting all *QAP* requirements. The trademark can only be used on *EIFS* systems that meet the requirements outlined by the *QAP*. The trademark can only be used on projects that require the *QAP*. The trademark may be used on *QAP Project* sites and on promotional material produced by the *EQI Licensed Contractor*.

7.4.2 License requirements

To obtain *QAP* licensing, the *EQI Licensed Contractor* installing an *EIFS* system is

required to:

- Install the complete *EIFS* product that is specified in the contract;
- Have on each site at least one Level 4 *EQI Licensed Mechanic*;
- Register all other workers on site as Level 1 or Level 2 *EQI Licensed Mechanic*;
- Have one Level 3 or Level 4 mechanic for every one Level 1 or Level 2 *EQI Licensed Mechanics* on site;
- Conduct site installation verification according to the *QAP*;
- Complete all documentation required by the *QAP*;
- Comply with all requirements of the *QAP*;
- Correct all deficiencies as outlined by the *EQI Licensed Auditor*;
- Maintain all required documentation;
- Be educated in the *QAP* and have all supervisors, etc. educated;
- Identify one individual as the *QAP* administrator and have the individual attend an orientation session for *QAP* requirements and continuing educational training as may be required;
- Have at least one *QAP* administrator on staff at all times;
- Pay the required fees to *EQI*;
- Notify *EQI* when the *EQI Licensed Contractor* is bidding on a *QAP Project*;
- Notify *EQI* when the *EQI Licensed Contractor* is a successful bidder on a *QAP Project*;
- Advise *EQI* of the *QAP Projects* schedule and project details prior to purchasing the *EIFS* system or components;
- Advise *EQI* of the *EIFS* square footage and contract value of any and all *QAP Projects* prior to purchasing the *EIFS* system or components using a *QAP Project Reporting Form* (Annex K) in order to make the project eligible for the warranty coverage;
- Submit all project documentation as requested by *EQI*; and,
- Comply with any and all other requirements or changes to requirements as outlined in amendments or updates to the *QAP*.

To become licensed, a contractor shall:

- Make application (Annex C) to become an *EQI Licensed Contractor* in accordance with *EQI Licensed Contractor* qualification levels as detailed in Table 7.4.2;
- Pay all licensing fees to *EQI*;
- Provide any and all documentation required by the *QAP* program;
- Provide a Certificate of Insurance indicating minimum \$2,000,000 coverage for General Liability; and,
- Provide a financial instrument to *SEEP* to be used as security in the event the *EQI Licensed Contractor* is unable or unwilling to address deficiencies deemed to be the result of faulty installation. The amounts payable are shown in Table 7.4.2 and are based on the size of projects that an *EQI Licensed Contractor* intends to bid. The financial instrument shall be cash, line of credit or a bond or such irrevocable equivalent as may be acceptable to *SEEP*. The financial instrument shall be retained by *SEEP* for the duration of the *EQI Licensed Contractor's* licensing agreement with *EQI* and until

the expiration of the five-year warranty period for the last *QAP Project* executed and completed by the *EQI Licensed Contractor*.

Table 7.4.2 Schedule of *SEEP* financial instruments

Level	Required Financial Instrument	Maximum EIFS Area/ Project	Maximum Annual <i>EIFS</i> Area Installed
1	\$ 20,000.00	500 m ² (5,000 Sq. Ft.)	< 7,500 m ² (80,000 Sq. ft)
2	\$ 35,000.00	1,000 m ² (10,000 Sq. Ft)	< 15,000 m ² (140,000 Sq. ft)
3	\$ 75,000.00	2,000 m ² (20,000 Sq. Ft)	< 30,000 m ² (300,000 Sq. ft)
4	\$ 150,000.00	Unlimited	Unlimited

7.4.2.1 Pre-tender requirements

An *EQI Licensed Contractor* shall notify *EQI* of its intention to bid on a *QAP*-specified project by providing the following information to *EQI* (by telephone or fax using the *QAP Project* Reporting Form (Annex K)):

- Name of project;
- Architect or engineering firm responsible for the project;
- Tender closing date;
- Whether the project is being bid through a bid depository;
- List of general contractors that shall be accepting bids;
- *EIFS* system that shall be used; and,
- Name of *EIFS* product to be proposed in the tender.

In addition, an *EQI Licensed Contractor* shall notify the *EQI Licensed Manufacturer* that a bid is being submitted based on the Licensed Manufacturer's *EIFS* and notify *EQI* when an *EQI Licensed Contractor* becomes a successful bidder on the *QAP Project*.

7.4.2.2 Pre-construction

The *EQI Licensed Contractor* shall notify *EQI* of the projected start date of an *EIFS* installation at **least two weeks** in advance of the project start. This information may be relayed by telephone or by using the Job Notification and Work Schedule Form (Annex L). The information required is:

- Start date of installation, and projected schedule;
- Names of *EQI Licensed Mechanics* to be assigned to the project;
- General contractor contact information;
- *EQI Licensed Manufacturer* of *EIFS* being used;
- Directions to the project site; and,
- The *EQI Licensed Contractor* shall provide the contract value and square footage of the project to *EQI* before the start of the *EIFS* installation.

7.4.3.3 During EIFS construction

During construction of *QAP Projects*, an *EQI Licensed Contractor* shall:

- Have at least one Level 4 *EQI Licensed Mechanic* on each *QAP Project* site at all times;
- Have a minimum of one Level 3 or Level 4 *EQI Licensed Mechanic* for every Level 2 or Level 1 *EQI Licensed Mechanic* on each *QAP Project* site at all times;
- Have any trainees on site registered in the *QAP* program as Level 1 *EQI Licensed Mechanics*;
- Submit Start-Up Check Sheets (Annex M) and Daily Work Records (Annex O) to *EQI* via email, fax, or mail;
- Comply with any requests and instructions from *EQI*, the audit report, or *QAP* guidelines; and,
- Comply with any and all updates of requirements to the *QAP*.

7.5 Education

The *EQI Licensed Contractor* shall employ a person who is responsible for the implementation and delivery of the *QAP* - a designated *QAP Administrator*.

7.5.1 QAP

The *EQI Licensed Contractor* is required to identify an individual who is the designated administrator responsible for the *QAP*. The *EQI Licensed Contractor* is required to have one *QAP Administrator* employed at all times.

This *QAP Administrator* shall attend a training session where the requirements and obligations of all parties to the *QAP* are outlined. As the *EQI Licensed Contractor* is responsible for the complete system installation, it is important for the *EQI Licensed Contractor* to understand the responsibilities of all the *EQI QAP Project* participants.

7.5.2 Responsibilities

This *QAP Administrator* shall be responsible for ensuring company *QAP* information is complete, up-to-date and that *QAP* information is provided to other company employees involved with *EIFS* installation.

7.5.3 Applications

The *QAP administrator* shall have comprehensive knowledge of *EIFS* systems, components, application requirements, installation procedures and the limitations of specific products.

7.5.4 Installation overview

The *QAP Administrator* shall understand manufacturers' installation requirements and have a good understanding of *National Standards*, *NBC* and other pertinent documents (Section 4.1) and contract specifications (Sections 4.2).

7.5.6 Construction drawing reading

The *QAP Administrator* or a person identified by the administrator as the *EIFS* estimator shall have proficiency at reading and interpreting construction drawings.

7.6 Documentation and reporting

In conformance with the ISO 9000 quality standard and the ISO 12576-2 conformity control standard, the *EQI Licensed Contractor* shall keep records.

7.6.1 EQI Licensed Contractor documentation

The documentation kept by the *EQI Licensed Contractor* shall be recorded on *QAP* forms or on forms developed by the *EQI Licensed Contractor*, provided that the information required is included.

7.6.1.1 Bid cover sheets

An *EQI Licensed Contractor* shall be provided Bid Cover Sheets (Annex J). The Bid Cover Sheet is intended to demonstrate that an *EQI Licensed Contractor* meets the *QAP* requirements and has been licensed to use the *EQI* trademark.

An *EQI Licensed Contractor* shall complete and include this form with tender submissions for any *QAP Projects*.

7.6.1.2 Job notification and work schedule

Once a contract has been awarded to an *EQI Licensed Contractor*, the *EQI Licensed Contractor* shall provide project details and schedules to *EQI* using a Job Notification and Work Schedule Form (Appendix L).

7.6.1.3 Daily Work Records

The *EQI Licensed Mechanic* shall complete Daily Work Records (Annex N) that identifies the work completed and the work conditions. The *EQI Licensed Contractor* shall ensure that the records are accurate and completed on a daily basis.

7.6.1.4 QAP Projects completion declaration

Once a *QAP Project* is complete, the *EQI Licensed Contractor* shall provide the *Building Owner* or *Building Owner's* representative with a declaration that the *QAP Project* has been completed in accordance with *QAP* requirements, and the contract specifications using the *QAP Project Compliance Declaration Form* (Annex P).

7.7 Audit of an EQI Licensed Contractor

A Licensed Contractor shall be subject to an audit by *EQI* once per year. The audit shall be conducted by an *EQI* representative who shall verify that the *EQI Licensed Contractor* is fulfilling *QAP* obligations. *EQI* and the *EQI* representative shall keep all information observed and reported during the audit as confidential and shall be revealed only to the *EQI Licensed Contractor* being audited.

7.7.1 Surveillance audits of the EQI Licensed Contractor

The types of audits conducted under the *QAP* include:

- Random compliance audits; and,
- Mandatory compliance audits

The *EQI Licensed Contractor* is responsible for the cost of all audits as stipulated in schedules available from *EQI*. The fees shall be subject to review and revision when required.

7.7.2 Scope of QAP audit

The scope of the audit is listed in the Site Audit Form (Annex Q).

7.7.3 QAP audit process

The audit process is the same for both random and mandatory audits. In general, an audit shall confirm that an *EIFS* from an *EQI Licensed Manufacturer* is being used and that no materials or components have been substituted. In addition, the audit shall assess:

- Site environmental conditions;
- Substrate preparation;
- Application techniques;
- *EQI Licensed Mechanics'* qualifications;
- Documentation;
- Reporting; and,
- Site inspection and testing.

7.7.4 Compliance with site audit report

The *EQI Licensed Contractor* shall correct any deficiencies identified in the Site Audit Report in a reasonable period of time as determined by *EQI*. The *EQI Licensed Contractor* must make any and all corrections within the stated time limit or be subject to demerit points and the risk of license suspension (Section 7.9)

7.8 Warranty coverage

The *EQI Licensed Contractor* shall provide a minimum five-year warranty running from completion of the installation of an *EIFS* system and provide details of the warranty to *EQI* and to the *Building Owner*.

7.9 License suspension and cancellation

EQI has the right to suspend or cancel the license of an *EQI Licensed Contractor* that ceases to meet *QAP* requirements. The reasons for suspension or cancellation shall be clearly communicated to the *EQI Licensed Contractor*.

All deficiencies identified in the Site Audit Report and confirmed by *EQI* may be rectified to

EQI's satisfaction. If the *EQI Licensed Auditor* observes, during a surveillance audit, deficiencies or improper installation, the *EQI* may temporarily suspend the *EQI Licensed Contractor's* license and examine the details.

When an *EQI Licensed Contractor's* license has been suspended, the *EQI Licensed Contractor* may only proceed with the *QAP Project* by first advising *EQI* of the specific steps to be taken to correct the deficiency. If an *EQI Licensed Mechanic* is also suspended, the *EQI Licensed Contractor* may use another *EQI Licensed Mechanic* or operate under the direction of *EQI*.

Other infractions such as failure to properly complete Daily Work Reports, failure to adequately perform required tests, having a non-*EQI Licensed Mechanics* installing an *EIFS*, leaving a Level 1 *EQI Licensed Mechanic* unattended during installation, or others shall lead to the assignment of demerit points against an *EQI Licensed Contractor* (7.9.1).

If there are serious infractions / violations of the *QAP*, if there are a number of violations of the *QAP*, or if the *EQI Licensed Contractor* persists in violating the *EQI Licensed Contractor's* agreement or the current *QAP* requirements, *EQI* shall suspend the *EQI Licensed Contractor's* license.

7.9.1 Demerits

EQI shall assess demerit points to an *EQI Licensed Contractor* based upon the findings of a site audit process of any submitted documents, or violations of the *EQI Licensed Contractor's* requirements in regards to reporting (Table 7.9.1). The following is a listing of infractions and the demerit points that shall apply.

Table 7.9.1 EQI Licensed Contractor demerit points

Infraction	Points
Failure to use only approved <i>EIFS</i> materials or components in an <i>EIFS</i> system	200
Failure to correct an <i>EIFS</i> deficiency after being notified by <i>EIFS QAP</i>	100
Failing to ensure <i>EQI Licensed Mechanics</i> complete installations properly	100
Failing to report improper <i>EIFS</i> details	100
Failure to provide <i>QAP Project</i> reports	100
Failure to submit documentation to <i>QAP</i>	50
Failure to ensure documentation is accurate	50
Failure to have one Level 3 or Level 4 <i>EQI Licensed Mechanic</i> on each <i>QAP Project</i> site	100
Failure to have one Level 3 or Level 4 <i>EQI Licensed Mechanic</i> for each Level 1 <i>EQI Licensed Mechanic</i>	100
Failure to have a designated <i>QAP</i> person on staff	50

If an *EQI Licensed Contractor* has accumulated 300 demerit points, *EQI* shall review the contractor's performance and determine if any action should be taken.

Should the total accumulated points reach the 300 level, an additional surveillance audit shall be required on the *EQI Licensed Contractor's* next *QAP Projects*. The *EQI Licensed Contractor* shall be responsible for the cost of this site audit. *EQI* shall decide whether additional site audits are in order, or whether the designated *QAP* administrator would be required to attend additional classroom training.

When Daily Work Reports are reviewed by *EQI* and when delinquencies occur, demerit points shall again be assigned to the *EQI Licensed Contractor*.

Demerit points shall remain on the *EQI Licensed Contractor's* file for a period of 5 years regardless of whether or not the *EQI Licensed Contractor* is awarded other *QAP Projects*. Demerit points shall remain in effect for at least three *QAP* specified projects, and for a minimum of one year.

If a former *EQI Licensed Contractor* reapplies, that contractor shall be treated as a new contractor and shall have to reapply to be an *EQI Licensed Contractor*.

When a first suspension has occurred, the designated *QAP* Administrator shall attend further *QAP* education before the contractor can reapply for a license. If all *QAP* requirements have been met, *EQI* shall grant the contractor a license on a probationary period of six months. Any points assigned to an *EQI Licensed Contractor* during the probationary period may lead to permanent removal of the license.

7.9.2 Immediate suspension

If an *EQI Licensed Contractor* has accumulated 500 points, the contractor's license shall be suspended. A reinstatement fee may be assessed to the *EQI Licensed Contractor*, and the time period of suspension may be determined by *EQI*. The reinstatement fee and time period may be based upon the *EQI Licensed Contractor's* performance to date in the *QAP*. Each time an *EQI Licensed Contractor* loses its license, the reinstatement fee and the time to reinstate may increase by a minimum 50 % and a maximum of 100%. Should the *EQI Licensed Contractor's* license be suspended more than three times, the license may be suspended indefinitely.

7.9.3 Administrative monetary penalties

In lieu of suspension, *EQI* may elect to issue an administrative monetary penalty.

7.9.4 Reinstatement process

The first step in the reinstatement process is to fulfill all the requirements outlined in the Site Audit Report or in any correspondence from *EQI*. When the *EQI Licensed Contractor* is suspended, the notification of suspension shall outline all the requirements for the *EQI Licensed Contractor* to be reinstated. The *EQI Licensed Contractor* shall comply with all of the requirements.

7.10 Process for review and appeal

An *EQI Licensed Contractor* may appeal a license suspension or cancellation by doing the following:

- A request for review shall be made within 20 business days of the *EQI Licensed Contractor* obtaining written notice of suspension or cancellation of license;
- The request for review shall be in writing and sent by registered mail to:
EQI,
250 McDermot Avenue, Suite 410,
Winnipeg, Manitoba, R3B OS5; and,
- The request for review shall specifically state the reasons why the *EQI Licensed Contractor* believes the suspension or cancellation should be withdrawn.

Upon receipt of an appeal, *EQI* shall investigate the *EQI Licensed Contractor's* request for review and issue a decision in writing within 20 business days of receiving the request for review.

If *EQI* concludes, based on the *QAP* Manual in force at the time of assessment or suspension, that the demerit points should not have been assessed, or that license suspension or cancellation should not have occurred, the suspension shall be lifted.

Should *EQI* conclude that the suspension or cancellation is merited; the *EQI Licensed Contractor* shall be advised by registered mail.

7.11 Appeals to an independent commissioner

If an *EQI Licensed Contractor* has received notification from *EQI* that a request for review has not resulted in license reinstatement, the *EQI Licensed Contractor* may appeal to an independent commissioner as follows:

- The notice of appeal shall be received by *EQI* within 10 business days after receipt of the written review decision from *EQI*;
- The notice of appeal shall be in writing and sent by registered mail to:
EQI
250 McDermot Avenue, Suite 410
Winnipeg, Manitoba, R3B OS5
- The notice of appeal shall specifically state the grounds for appeal;
- The application for appeal shall include a certified cheque or bank draft payable to *EQI* in the amount of \$2,500; and,
- An independent commissioner shall be appointed by *EQI* within thirty days of receiving a notice of appeal.

An independent commissioner shall be appointed from government or from another independent group. Where possible, the commission shall be a Chartered Arbitrator or Chartered Mediator. Designated commissioners shall be engaged on a rotating basis.

The commissioner shall contact each party to the appeal to set a hearing date for the appeal. All documentation is to be forwarded to:

Commissioner
c/o 250 McDermot Avenue, Suite 410
Winnipeg, Manitoba, R3B OS5

The documentation for the appeal is to be submitted at least 5 business days in advance of the hearing date. Each party is to provide a copy of all documentation sent to the commissioner to the other party at the same time as it is submitted to the commissioner.

The commissioner shall hold a hearing to hear the appeal. After the hearing has been completed, the decision of the Commissioner shall be delivered within 30 business days in writing to both parties. The written decision of the commissioner is final and not subject to further appeal to a court.

The commissioner shall hold a hearing to hear the appeal. After the hearing has been completed, the decision of the Commissioner shall be delivered within 30 business days in writing to both parties. The written decision of the commissioner is final and not subject to further appeal to any court. The costs incurred for an appeal (commissioner, facilities and administration) shall be paid by *EQI* on behalf of the *EQI Licensed Contractor* with monies taken from the *EQI Licensed Contractor's* appeal filing fee. If the commissioner decides that

the *EQI Licensed Contractor* should not have had its license suspended, the suspension shall be lifted, and the \$2,500 shall be returned to the *EQI Licensed Contractor*.

If the commissioner determines that the suspension is justified, the \$2,500 filing fee, additional monies or portion thereof shall not be returned to the *EQI Licensed Contractor*. If the decision to suspend an *EQI Licensed Contractor* is affirmed, the *EQI Licensed Contractor* may apply for reinstatement no sooner than 90 days after the date of the original suspension by *EQI*.