

Strategic Opportunities Committee

Communiqué 25

February 20, 2013

Changes to IO Standard Supplementary Conditions - Construction and Consulting Contracts

After consultation with the industry through the Strategic Opportunities Committee (SOC), Infrastructure Ontario (IO) has implemented a number of changes to the standard supplementary conditions for CCDC 2 and OAA 600, its construction and consulting contracts.

IO adopted these industry contracts after discussion at SOC, and consulted with the industry in developing standard supplementary conditions.

These amended standard supplementary conditions came into effect December 12, 2012 and apply to projects procured after that date. They do not apply retroactively. For consultants or contractors that have executed Term Contracts, the supplementary conditions in effect at the time those contracts were executed will continue to apply to the balance of the term of the contract.

IO Standard Supplementary Conditions for CCDC 2

Following is a summary of the changes made to the Supplementary Conditions for CCDC 2. Refer to the actual documents for precise wording.

Article A-5: Interest 5.3 has been amended such that when payable interest is calculated at the rate established from time to time by the Bank of Canada.

Definitions: At 11a, a definition has been provided for OILC, the Ontario Infrastructure and Lands Corporation.

GC 2.2: Role of the Consultant in administration of the Contract has been amended to reflect the use, where applicable, of procedures set out in OAA OGCA Document 100 which outlines procedure concerning Substantial Performance of Construction Contracts and Completion Take-over of Projects as well as procedures set out in OAA OGCA Guide to Project Closeout Procedures.

GC 3.15: OAA/OGCA Take-over Procedures has been added to include reference to those same two documents now referenced in GC 2.2.

GC 6.2 Change Order has been amended to reflect that mark-ups for overhead and profit by the Contractor to approved changes will be 15% for work carried out by

Contractor's own forces, and 10% for work carried out by Subcontractors. Subcontractors may apply markups of 15% for work carried out by their own forces, and 10% for work carried out by their subcontractors. Where the change is a credit to the Contract Price, the credit is exclusive of the Contractor's overhead and profit.

IO Standard Supplementary Conditions for OAA Document 600

Following is a summary of the changes made to the Supplementary Conditions for OAA Document 600, including changes to the Schedules. Refer to the actual documents for precise wording.

Article 12: Automobile Travel Costs has been amended to reflect that travel is only reimbursed for travel beyond 24 km per one-way trip in accordance with changes to government policy.

Article 15: Interest has been amended to state that when payable interest is calculated at the rate set from time to time by the Bank of Canada.

Definitions A definition has been added for OILC, the Ontario Infrastructure and Lands Corporation.

Schedules A for Architects, Interior Designers and Engineers have been amended by adding 1.1.3 to reflect that, when requested by the client, the Prime Consultant will provide its opinion of the aggregate costs of professional and technical services, construction work, and the supply of furniture, fixtures and equipment to the date specified by the client. A further amendment adds 1.8.8 requiring that, where applicable, the Prime Consultant perform services related to project close-out in accordance with OAA OGCA Document No. 100 as well as the OAA OGCA Guide to Project Closeout Procedures.

What is IO?

Infrastructure Ontario (IO) is a crown corporation wholly owned by the Province of Ontario and established by the *Ontario Infrastructure and Lands Corporation Act, 2011* that defines its responsibilities to its shareholder. The agency plays a critical role in supporting the Ontario government's efforts to modernize and maximize the value of public infrastructure and real estate, manage government facilities, and finance the renewal of the province's public infrastructure.

IO has four business units that deliver results directly to clients:

- *Major Projects*: manages the planning, design, and delivery of Ontario's larger and more complex public infrastructure projects.

- *Real Estate Management*: manages ministry and provincial clients' real estate portfolios through the oversight of service providers.
- *Realty Planning and Development*: develops and sells the province's real estate portfolio.
- *Commercial Projects and Lending*: manages complex commercial transactions and provides lending to broader public sector entities through the province's access to capital markets.

The Strategic Opportunities Committee

The Strategic Opportunities Committee (SOC) was originally initiated in 2003 and was re-energized in 2007 in order to facilitate constructive consultation and encourage open dialogue between ORC and the design and construction industry. The SOC retains the same objectives with IO for capital repair and ministry projects.

Participants in this standing liaison committee now include:

- Association of Registered Interior Designers of Ontario
- Consulting Engineers of Ontario
- Ontario Association of Architects
- Ontario General Contractors Association
- A representative of the Local Construction Associations in Ontario
- Representatives of the three Project Management Service Providers
 - CB Richard Ellis Global Corporate Services
 - MHPM Project Managers Inc.
 - SNC-Lavalin Operations & Maintenance Inc.
- Infrastructure Ontario

For more information on Infrastructure Ontario, please visit their website at www.infrastructureontario.ca.

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