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November 6, 2008

CCDC 2

Ontario General Contractors Association

OGCA reaches agreement with Ontario Realty Corporation on CCDC 2-based standard construction contract

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staff writer

The Ontario General Contractors Association (OGCA) and the Ontario Realty Corporation (ORC) have reached agreement on a standard construction contract that will be used on all future ORC stipulated-price projects.

The contract is based on CCDC 2, the industry standard in Canada, and includes a set of standardized supplementary conditions which have been developed by ORC in conjunction with Ontario's design and construction industry.

Earlier this year, the provincial Crown corporation announced its intention to use CCDC 2 as the foundation for its construction contracts, a significant shift from its previous practice of developing its own custom contracts.

The strategic opportunities committee (SOC) said ORC has confirmed that it will require that its project management service providers use the new contract on all ORC projects, "meaning that potential bidders can anticipate with certainty that contract conditions are consistent and reasonable."

Use of the new contract documents will be phased in between December and next April.

"It has been a long road but the willingness of all parties to respect and understand each other's positions has resulted in a most positive result," said OGCA president Clive Thurston.

"The ORC leadership is to be commended for its efforts and foresight in working with the industry to make this happen. We look forward to continuing the dialogue and working together to achieve even more successes."

ORC is a major customer of Ontario's design and construction sector. It last year initiated projects worth approximately \$350 million.

Consultant Brian Watkinson, who has been engaged by ORC to facilitate collaboration, said "I won't for a moment suggest this was a cake walk. There were some very serious considerations for both the industry and ORC that called for lengthy and at times delicate discussion, but everyone at the table shared the common objective of adopting the industry standard, and we got there."

Meanwhile, work continues on development of a standard ORC contract for consultants based on OAA document 600, the standard client/architect contract in Ontario. The objective is to reach agreement on a standard set of ORC supplementary conditions which will be used in conjunction with that document.

Mike Greidanus, senior vice-president, project services and strategic sourcing at ORC, said his organization is looking forward to similar success in adoption of document 600 as the basis of its new standard consulting agreement.

This initiative has the support of the province's design sector.

"Our organizations are encouraged by the open, candid and ultimately productive discussions with the Ontario Realty Corporation over the past year," said John Gamble, president of Consulting Engineers of Ontario (CEO).

"We are particularly encouraged by the willingness of ORC to utilize industry recognized documents in developing its own documents.

"By adopting contractual language that is known to the industry and court-proven, we anticipate that the ORC will be subject to fewer disputes, incur less commercial risk and attract more participation from the industry."

The mandate of the strategic opportunities committee is to facilitate constructive consultation between ORC and the province's design and construction industry. Participants in this standing liaison committee include CEO, OGCA, OAA, and the Association of Registered Interior Designers of Ontario as well as ORC itself.

"This close and collaborative working relationship at SOC is a very unique approach for a public sector client to undertake," said Watkinson, the OAA's former executive director and now principal of Strategies 4 Impact.

"It is clearly one that is delivering tangible results that benefit ORC, its clients and the industry. It's a "win-win" approach that could offer similar dividends to other public owners."

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