

**SPEC NOTE: These standard 'Supplementary Conditions' published by the Alberta Construction Association modify the General Conditions of CCDC 14 – 2013 Design-Build Stipulated Price Contract only. They are intended for use only in the Province of Alberta, on projects to which the Alberta Prompt Payment and Construction Lien Act applies, to ensure compatibility of the contract with the Act.**

## 1.1 INTENT

- .1 These Supplementary Conditions amend the General Conditions forming part of CCDC 14 – 2013 as indicated. Provisions not amended remain in full force and effect.

## 1.2 AMENDMENTS TO DEFINITIONS

Add the following definition:

### **Payment Legislation**

*Payment Legislation* means the Alberta Prompt Payment and Construction Lien Act, in effect at the *Place of the Work*, which governs payment under construction contracts.

## 1.3 AMENDMENTS TO GENERAL CONDITIONS

Delete GC 5.2.1 and substitute:

- 5.2.1 Applications for payment on account as provided in Article A-5 of the Agreement – PAYMENT shall be submitted monthly to the *Owner* and the *Payment Certifier* simultaneously as the *Design Services* and the *Work* progress.

Delete GC 5.3 in its entirety and substitute:

### **GC 5.3 PROGRESS PAYMENT**

- 5.3.1 After receipt by the *Payment Certifier* and the *Owner* of an application for payment submitted by the *Design-Builder* in accordance with GC 5.2 APPLICATIONS FOR PROGRESS PAYMENT:
  - .1 The *Payment Certifier* will issue to the *Owner* and copy to the *Contractor*, no later than 10 calendar days after the receipt of the application for payment, a certificate for payment in the amount applied for, or in such other amount as the *Payment Certifier* determines to be properly due. If the *Payment Certifier* certifies a different amount, or rejects the application or part thereof, the *Owner* shall promptly issue a written notice to the *Design-Builder* giving reasons for the revision or rejection, such written notice to be in compliance with *Payment Legislation*.
  - .2 The *Owner* shall make payment to the *Design-Builder* on account as provided in Article A-5 of the Agreement – PAYMENT on or before 28 calendar days after the receipt by the *Owner* and the *Payment Certifier* of the application for payment, and in any event, in compliance with *Payment Legislation*.

Delete GC 5.4.1 and substitute:

- 5.4.1 The *Payment Certifier* will review the *Work* to verify the validity of the *Design-Builder's* or a *Subcontractor's* certificate of *Substantial Performance of the Work* and will promptly, and in any event, no later than 14 calendar days after receipt of the *Design-Builder's* or a *Subcontractor's* certificate of *Substantial Performance of the Work*:
- .1 advise the *Contractor* in writing that the *Work* or a *Subcontractor's* portion of the *Work* is not substantially performed according to the requirements of the *Payment Legislation* and give reasons why, or
  - .2 verify in writing the certificate of *Substantial Performance of the Work*, with a copy to the *Owner* and the *Design-Builder*.

Delete GC 5.4.2, 5.4.3, and 5.4.4. Renumber GC 5.4.5 as 5.4.2.

Delete GC 5.5 in its entirety and substitute:

#### **GC 5.5 PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF THE WORK**

- 5.5.1 The *Design-Builder* shall, in accordance with GC 5.2 APPLICATIONS FOR PAYMENT, submit a proper invoice in accordance with the *Payment Legislation* for payment of all or part of the major lien fund:
- .1 no earlier than 46 days after issuance of a certificate of *Substantial Performance of the Work*, and
  - .2 no earlier than 46 days after issuance of a certificate of *Substantial Performance of the Work* of a subcontract.
- 5.5.2 The *Owner* shall, unless a statement of lien is registered, pay a proper invoice for payment of all or part of the major lien fund in accordance with the *Payment Legislation*.

Delete GC 5.6 in its entirety and substitute:

#### **GC 5.6 PROGRESSIVE RELEASE OF HOLDBACK**

- 5.6.1 When the *Owner* is obligated to make a progressive release of lien holdback pursuant to the *Payment Legislation*, the *Design-Builder* shall, in accordance with GC 5.2 APPLICATIONS FOR PAYMENT, submit a proper invoice in accordance with the *Payment Legislation*.
- 5.6.2 Notwithstanding a progressive release of holdback after issuance of a certificate of *Substantial Performance of the Work* of a subcontract, in accordance with *Payment Legislation*, the *Design-Builder* shall ensure that such parts of the *Work* are protected pending the issuance of a final certificate for payment and be responsible for the correction of defects or work not performed regardless of whether or not such was apparent when the holdback was released.

Delete GC 5.7 in its entirety and substitute:

**GC 5.7 FINAL PAYMENT**

- 5.7.1 When the *Design-Builder* considers that the *Design Services* and the *Work* are completed, the *Design-Builder* shall submit an application for final payment.
- 5.7.2 The *Payment Certifier* will, no later than 10 calendar days after receipt of an application from the *Design-Builder* for final payment, review the *Work* to verify the validity of the application and when the *Payment Certifier* finds the *Design-Builder's* application for final payment valid, the *Payment Certifier* will promptly issue a final certificate for payment to the Owner, with a copy to the Contractor.
- 5.7.3 If the *Payment Certifier* rejects the application or part thereof, the *Owner* will promptly issue a written notice to the *Design-Builder* giving reasons for the revision or rejection, such written notice to be in compliance with *Payment Legislation*.
- 5.7.4 Subject to the provision of paragraph 10.4.1 of GC 10.4 – WORKERS COMPENSATION, and any legislation applicable to the *Place of the Work*, the *Owner* shall, no later than 5 calendar days after the issuance of a final certificate for payment, pay the *Design-Builder* as provided in Article A-5 of the Agreement – PAYMENT and in any event, in compliance with *Payment Legislation*.

END OF SECTION