



Navigating Prompt Payment Legislation in British Columbia: Current Landscape & Industry Impacts.

January 24, 2025

Presented by: Chris Atchison
President, BCCA



British
Columbia
Construction
Association

REGIONAL



Four Regional Associations with four regionally elected Boards of Directors

PROVINCIAL



The four Regional Boards each appoint Board Members to the BCCA Board of Directors:



NRCA



SICA



VICA



VRCA



Past Chair

One Director at Large

Total Voting Members: 14

NATIONAL



1. BCCA is an active member of the CCA.
2. BCCA has a position on the Finance and Audit Committee and the COO Council.
3. BCCA Board Members are represented on some of the CCA's 5 National Advisory Councils, established to provide feedback to the CCA Board of Directors on issues of national importance.

2025-2030

STRATEGIC PLAN

EXECUTIVE SUMMARY



OUR MISSION

To ensure the construction industry thrives in building British Columbia.

OUR VISION

The trusted champion for British Columbia's construction industry.

OUR VALUES

Safety • Leadership • Inclusivity
Innovation • Community • Fair, respectful, sustainable business practices

STRATEGIC PRIORITIES



ADVOCATE FOR INTEGRITY

Centered on Construction Delivery, BCCA advocates for best practices and sustainable construction methods to ensure our communities thrive economically, socially and sustainably.



ADVANCE PRODUCTIVITY

For the Construction sector, BCCA advances industry leadership in workforce development, technology and innovation, while delivering value to British Columbians.



ACTIVATE CONNECTIONS

A sought-out connector, BCCA builds, strengthens and expands relationships between businesses, communities, associations, and government, informing policy and programs that are future focused and aligned.

ASSOCIATION EXCELLENCE

A best in class association that partners with RCAs and CCA to deliver member value and create capacity, while operating effectively following best practices in governance.

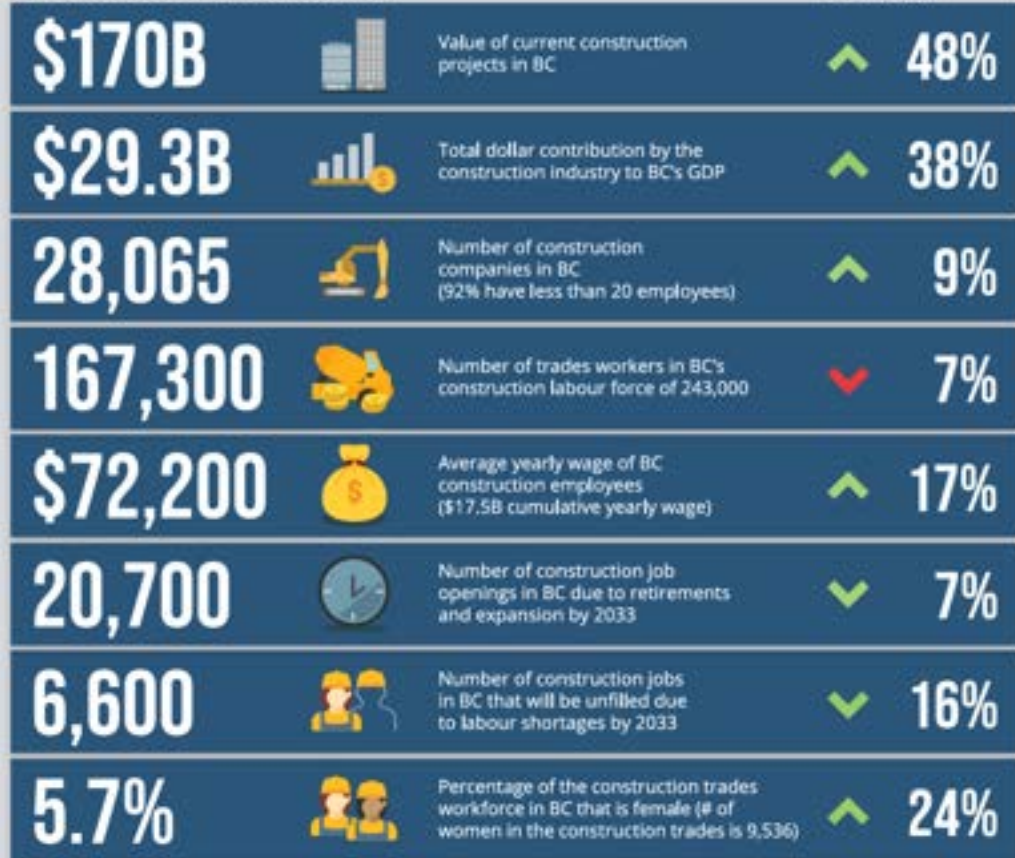


BRITISH COLUMBIA CONSTRUCTION RANK ACROSS CANADA



INDUSTRY & WORKFORCE TRENDS

5-YEAR TREND



For more insight, and data sources, visit us at bccasn.com/stats

2024

BC CONSTRUCTION INDUSTRY SURVEY

INDUSTRY INSIGHTS FROM CONSTRUCTION EMPLOYERS AND TRADESPEOPLE.

WAGES & SALARIES SPECIAL EDITION



"BC needs prompt payment legislation and more skilled workers. We need to alleviate the financial and operational stresses that are undermining our industry. If we continue as we are, contractors will be forced to make hard choices to preserve their business, their health, and quite frankly their sanity."

- Chris Atchison, BCCA President

PRESENTED BY



BCCA PROGRAMS AND SERVICES



BUILDERS LIFE
TALENTCENTRAL



BidCentral™

INDUSTRY PRACTICES

GOVERNMENT RELATIONS

What is “Industry Practices”?

1. Supporting Construction Delivery: procurement, contracts and regulations
 - Kitchen table issues *aka* what keeps people up at night
2. Public Sector Advocacy, Lobbying and Education: we want government to be fair, open and transparent (and follow their own rules/guidelines)
 - *Owners Only* – tell Owners about this!
 - BC Documents Committee (“BCDC”): endorsed by ACEC-BC and AIBC
 - Public Construction Council of BC (“PCCBC”)
3. Guides and Resources (for Industry *and* Owners)
4. Bid Depository for Subcontractors (“BOBS”)

Industry Practices Projects

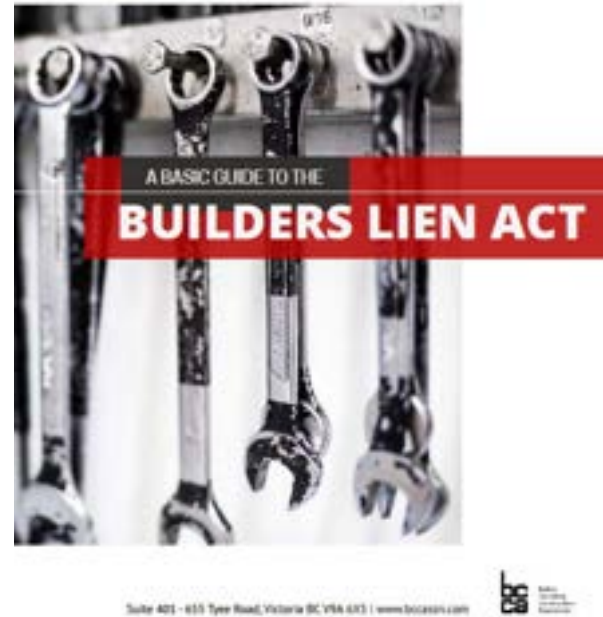
- Owners Only
- DMIIF and the CAMF
- Removal of Contract A
- **Trade Definitions**
- Closeout Guide
- BCDC / CCDC
- Read your Contract
- BidCentral
- TalentCentral

Guides & Resources: Construction Delivery



Guidelines and Standard Documents for a Stipulated Price Bid for Use on Publicly Funded Building Projects in the Province of British Columbia

BCCA's OWNERS ONLY

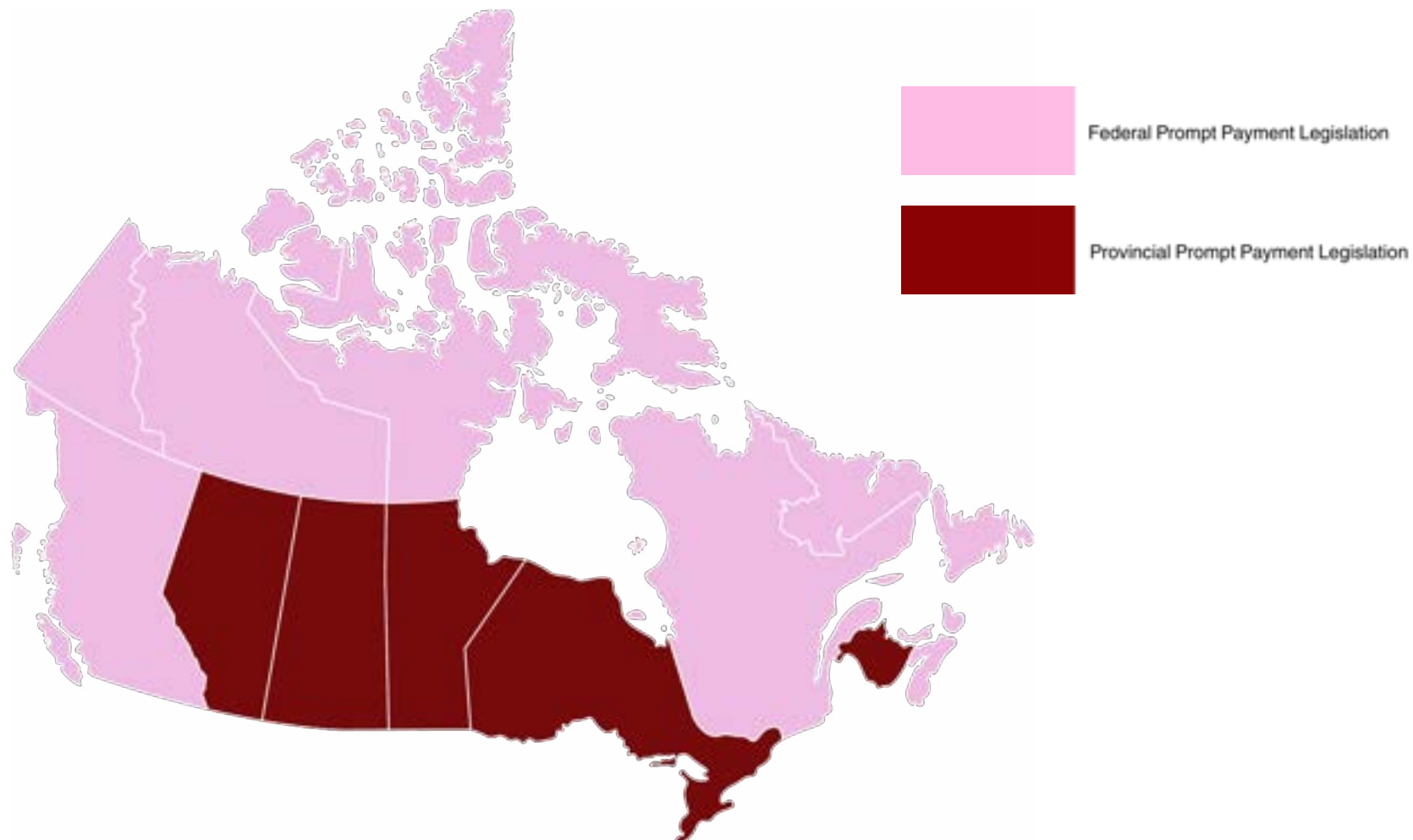


PROMPT PAYMENT LEGISLATION



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THE STATE OF PROMPT PAYMENT LEGISLATION IN CANADA



PROMPT PAYMENT LEGISLATION

On August 29, 2022, **Alberta** enacted the Prompt Payment and Construction Lien Act (PPCLA)
This legislation introduced mandatory prompt payment timelines and a dispute adjudication process.
- amended in December 2024 to align public sector projects

Ontario was the first province to implement prompt payment and adjudication provisions through amendments to its Construction Act, which came into force on October 1, 2019.
- amended in October 2024

Key provisions include:

- **Payment Timelines:** Owners must pay contractors within 28 days of receiving a proper invoice. Contractors, in turn, are required to pay subcontractors within 7 days of receiving payment.
- **Adjudication Process:** A mechanism for resolving payment disputes has been established.

In **Quebec**, a pilot project was initiated to test a prompt payment regime on public construction projects. This regime is currently applicable to an additional 180 public construction projects, as identified in Schedule 1 of the Act.

PROMPT PAYMENT LEGISLATION IS MORE THAN JUST PAYMENT TERMS

1. Lien Act Reform
2. Adjudication Services
3. Prompt Payment

....THE *MORE THAN JUST PAYMENT TERMS*

The best tools for Prompt Payment will remain..

-Contracts are the foundation

PPL will compliment by standardizing timelines and ensuring adherence, reducing risk of non-payment and unjustified delays

-Lien reform

Worked with the law society to modernize – including the mandatory release of holdbacks

-Adjudication

Fast track dispute resolution process using mutually agreed upon industry subject matter experts

-Prompt payment

Proper invoice from GC to Owner / 28 days and 7 days after that down through the chain

Lessons to keep in mind: transition time and multiple adjudication agencies

Areas to address: carve outs, black listing behaviour, slow uptake

WHAT'S HAPPENING IN BC



CROSS-JURISDICTIONAL ANALYSIS AND RECOMMENDATIONS



Cross-jurisdictional Legislative Comparison of Prompt Payment and Adjudication Regimes Across Canada

November, 2023

Prepared by:
Giles Adairley and
Kathleen Gray



Analysis: Legislation and Transitional Rules					
Details	Alberta	Saskatchewan	New Brunswick	Manitoba	Federal
<ul style="list-style-type: none"> g. prescribing terms and providing for their use; h. for the purposes of subsection 1.1(5), providing for modifications in the application of parties, provisions or regulations listed in that subsection; i. governing the registry required to be established under clause 13.3(1)(v); j. governing the setting of fees, costs and charges by the Authorized Nominating Authority under clause 13.3(2)(a); k. for the purposes of section 13.4, prescribing fees for the training and qualification of persons as adjudicators and for the appointment of adjudicators; and l. requiring their payment, establishing procedures for the making of complaints against the Authorized Nominating Authority; m. governing adjudication procedures; n. governing the procedures for requiring a consolidated adjudication under subsection 13.8(2); o. (1) governing the determination of fees by the Authorized Nominating 	<ul style="list-style-type: none"> or more prescribed classes of professionals acting in a consultative capacity; ii) respecting an agreement, entry, undertaking or work or a class of agreements, entries, undertakings or works; iii) for the purposes of section 1.1(2)(b); iv) prescribing persons or entities, or classes of persons or entities, whether incorporated or not, for the purposes of section 1.1(3); v) prescribing a project agreement or a class of project agreements to finance and undertake an improvement for the purposes of section 1.1(5); vi) respecting the application of any part or all of this Act to a prescribed person, entity or project agreement or to a prescribed class of persons, entities or project agreements for the purposes of section 1.1(5) (PPCLA, s. 70(4)) <p>The Lieutenant Governor in Council may make regulations for the purposes of Part 7 and 3 OPCLA s. 70(4) and (5).</p> <p>The Lieutenant Governor in Council may make</p>	<ul style="list-style-type: none"> in respect for the purposes of section 3.1; g. for the purposes of section 5.11, prescribing persons or classes of persons; h. for the purposes of subsection 5.3(1), respecting the frequency with which proper invoices must be given to an owner; i. for the purposes of subsection 5.4(1), respecting the period within which an owner shall pay the amount payable after receiving a proper invoice from the contractor; f. prescribing the form of a notice of non-payment and the manner in which that notice is to be given for the purposes of subsection 5.4(2); g. prescribing the form of a notice of non-payment and the manner in which the documents are to be provided for the purposes of subsection 5.3(5); h. prescribing the form of a notice of non-payment and the manner in which that notice is to be given for the purposes of subsection 5.3(2); i. for the purposes of subsection 5.3(1), respecting the dates of a contractor or subcontractor 	<ul style="list-style-type: none"> application of the provisions of this Act and the regulations, prescribing persons or classes of persons, contracts or classes of contracts, improvements or classes of improvements or other matters for the purposes of subsection 4(2); c. prescribing information for the purposes of paragraph 4(2)(3); d. prescribing the form and content of notices of non-payment for owners, contractors and subcontractors; e. prescribing rates of interest for the purposes of section 17 and subsection 19(1); f. prescribing criteria for the purposes of subsection 19(1); g. prescribing dates and powers for the purposes of subsections 19(2) and 19(3); h. prescribing stamps for the purposes of subsection 20(4); i. respecting the setting of fees, costs and other charges by the Adjudicator Authority; governing fees, costs and other charges set out by the Adjudicator Authority, including prescribing fees, costs or charges or prescribing methods for f. governing fees, costs and other charges set out by the Adjudicator Authority, including prescribing fees, costs or charges or prescribing methods for 	<ul style="list-style-type: none"> g. prescribing the period within which an owner must pay the amount payable after receiving a proper invoice from a contractor; d. prescribing the form of a notice of non-payment and the manner in which that notice is to be given; e. respecting the dates of a contractor or subcontractor on receipt of a notice of non-payment; f. respecting the records that persons who are subject to this Division are required to make and maintain, including the length of time for which and the location at which the records must be maintained; g. prescribing matters that may be referred to adjudication; h. prescribing criteria for the designation of a person or entity as the adjudication authority, establishing the procedures for the making of complaints against the adjudication authority; i. prescribing the requirements for registration as an adjudicator; j. prescribing the form of notice of adjudication, respecting the setting of the manner in which 	<ul style="list-style-type: none"> which it is to be submitted; h. the form and content of a proper invoice and the manner in which it is to be submitted; i. the form and any additional content of a notice of non-payment and the manner in which it is to be submitted; j. the powers, duties and functions of the Adjudicator Authority; k. the eligibility and qualifications of individuals who may be designated as adjudicators; l. the powers, duties and functions of adjudicators; m. the maximum fees for the services of an adjudicator; n. the fees and any additional content of a notice of adjudication and the manner in which it is to be submitted; and; o. the procedure and time limits governing the adjudication (PPCA, s. 22) <p>The Governor in Council may make regulations generally for carrying out the purposes and provisions of this Act, including regulations prescribing</p> <ul style="list-style-type: none"> o. criteria for the purpose of subsection 4(1); and



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The Time to Act Promptly is Now: A Paper on the Benefits of Prompt Payment and Adjudication Legislation

May 2, 2024

Prepared by:

Glenn Ackerley and
Kathleen Gregus

WeirFoulds LLP

1. INTRODUCTION

The construction industry in British Columbia (“BC”) is at a crossroads. As identified in the *Cross-jurisdictional Legislative Comparison of Prompt Payment and Adjudication Regimes Across Canada* report (the “*BCCA Cross-Jurisdictional Comparative Report*”),¹ there has been a major shift in Canadian and international jurisdictions towards the adoption of prompt payment and adjudication legislation applicable to construction.² Despite this, BC has yet to modernize its construction legislation, perpetuating a situation of chronic payment delay throughout the industry. Currently, the ripple effect of late payment is felt far beyond the job site, permeating all aspects of construction and into the general economy of BC.

While frustration with delayed payment on construction projects is at an all-time high in BC, so are levels of support for the adoption of prompt payment legislation. For many years, prompt payment legislation has been recognized as an important means of addressing payment delays by facilitating the timely flow of funds throughout the construction industry.³ Although progress has been slow, the unyielding advocacy efforts undertaken by industry groups in this province are at last gaining traction among policy makers.⁴ After years of encouragement from businesses and industry leaders in BC for the development of prompt payment legislation, and recommendations to this effect from government officials, the BC Standing Committee on Finance and Government recently expressed their commitment to prioritize its enactment.⁵

Although these statements of commitment are reason for optimism, the pursuit of changes to applicable construction legislation must continue. Years of advocacy have demonstrated that stated commitments, without being accompanied by meaningful action being taken by the key levels of government to implement the necessary legislation, will mean that the adoption of a prompt payment regime and the development of a truly economically healthy construction industry will remain elusive.

Building upon the analysis presented in the *BCCA Cross-jurisdictional Comparative Report*, this paper seeks to encourage the BC government to seize the opportunity to adopt prompt payment

BC'S CONSTRUCTION INDUSTRY DESERVES PAYMENT CERTAINTY

PROMPT PAYMENT LEGISLATION: IT JUST MAKES SENSE

PAYMENT CERTAINTY IS ESSENTIAL

THE TIME FOR LEGISLATION IS NOW

PRECEDENTS IN OTHER CANADIAN JURISDICTIONS

Most of Canada is embracing the need for Prompt Payment Legislation, setting a fair and just benchmark that British Columbia must meet to remain competitive. The path is clear.

British Columbia



Federal Government



Alberta



Saskatchewan



Manitoba



Ontario



Quebec



Nova Scotia



New Brunswick



PROMPT PAYMENT WORKING GROUP

An industry working group has been established and managed by the Ministry of the Attorney General to accelerate progress on prompt payment legislation.

The group is tasked with providing industry expertise and guidance to shape development of legislation specifically for BC, informed by the cross-jurisdictional analysis.

Educational sessions on Prompt Payment and Adjudication were hosted by BCCA to facilitate meaningful discussions.

FEDERAL PROMPT PAYMENT LEGISLATION JUST ENACTED

New federal prompt payment legislation to protect construction workers Français

NEWS PROVIDED BY
Public Services and Procurement Canada →
Dec 12, 2023, 10:00 ET

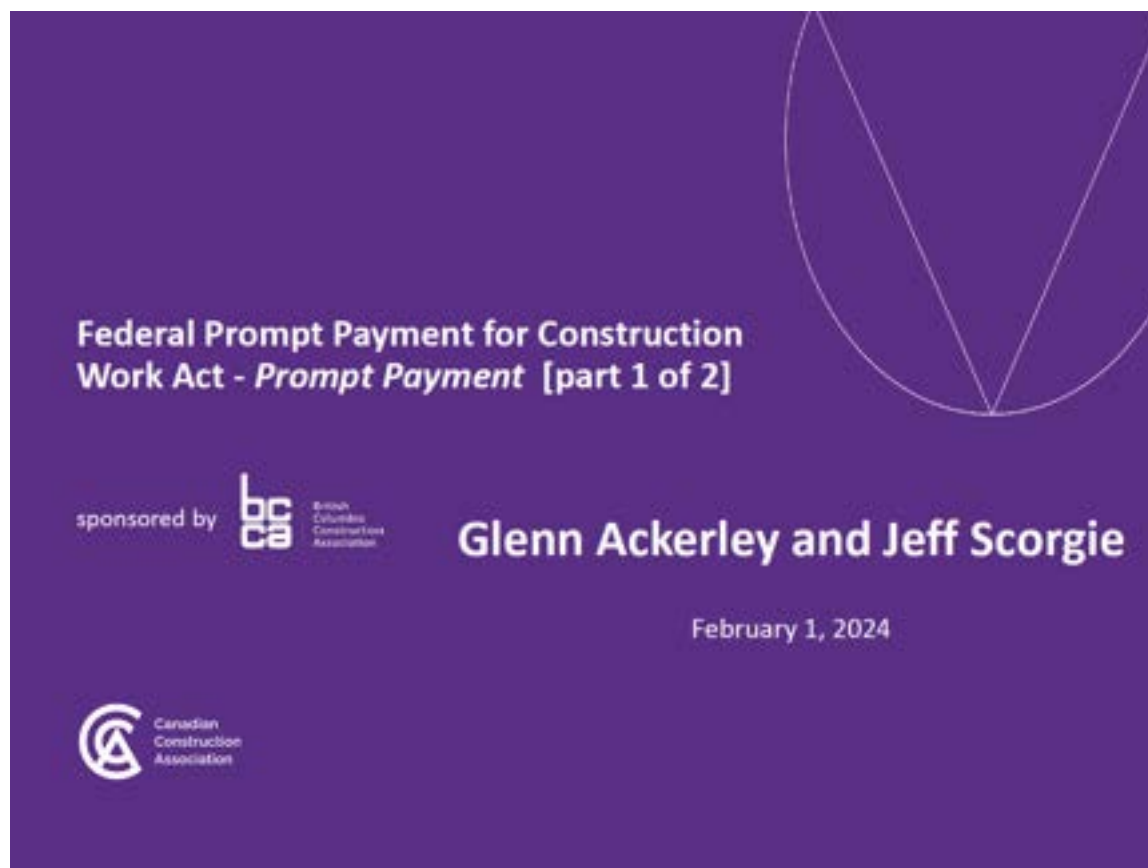
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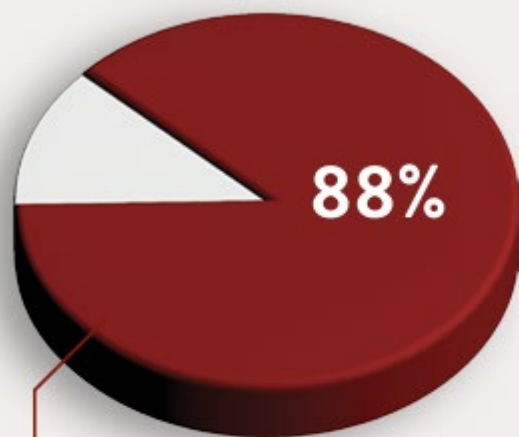
GATINEAU, QC, Dec. 12, 2023 /CNW/ - Canada's construction industry employs an estimated 1.5 million people, making it an important driver of our economy. In 2016, industry stakeholders raised the long-standing issue of payment delays along the contracting chain, and we listened.

Today, the Honourable Jean-Yves Duclos, Minister of Public Services and Procurement, announced that federal prompt payment legislation came into force on December 9, 2023, to address long-standing construction industry concerns, including the timeliness of payments, protecting vital construction jobs and making it easier to do business with the Government of Canada.

BCCA SPONSORS FEDERAL PROMPT PAYMENT EDUCATION



Prompt Payment Legislation: It Just Makes Sense



Late Payments Reported

THE CRUSHING IMPACT OF PAYMENT DELAYS



DISCUSSION & QUESTIONS



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Visit the BCCA website at
bccassn.com/industry-priorities/prompt-payment/
for more information

THANK YOU.