



# Standard Canadian Construction Contract Revised – What Does this Mean for Construction Companies and Project Owners?

## June 2022 Construction Alert

As construction companies and project owners in Canada are familiar with, the Canadian Construction Documents Committee (“CCDC”) establishes standard form construction contracts for use across Canada. The most commonly used standard form construction contract is arguably the CCDC 2 (2008). In December 2020, the CCDC released a 2020 version of the CCDC 2 to replace the 2008 version. As of Thursday June 30, 2022, the CCDC will no longer support the 2008 version. As such, for those construction companies and project owners that have continued to use the 2008 version, it is time to switch.

As part of a three-part series, we will be reviewing the CCDC 2 (2020) and what the update means for construction companies and project owners. In this, part one of the series, we will be addressing three of the multiple revisions. Specifically, in this emailer we will be addressing: 1) the new Ready-for-Takeover milestone; 2) the new Early Occupancy section; and 3) the new Document Review requirements.

### **Ready-for-Takeover**

The concept of Ready-for-Takeover as a milestone for completion of the Work has been introduced, as opposed to only referring to Substantial Performance of the Work as was previously done.

### **Authors**

**Cara Shames**

905-940-2719

[cshames@wvllp.ca](mailto:cshames@wvllp.ca)

### **Our Construction Lawyers**



**Daniel Condon**



**Cara Shames**



**Parisima Zandi**

Ready-for-Takeover will be achieved when the following prerequisites have been met:

1. the Consultant has certified or verified that Substantial Performance of the Work, pursuant to the applicable lien legislation, has been achieved;
2. there has been compliance with the requirements for occupancy or an occupancy permit;
3. the final cleaning and waste removal has been completed;
4. the required operations and maintenance documents have been delivered to the Owner;
5. a copy of the as-built drawings completed to date have been made available on site;
6. startup testing required for immediate occupancy has been completed;
7. the Owner has been provided with the ability to secure access to the Work; and
8. demonstration and training has been scheduled by the Contractor.

The CCDC 2 (2020) also provides that if any of the prerequisites listed as items 3 – 6 above must be deferred due to conditions beyond the reasonable control of the Contractor or as a result of agreement between the Owner and the Contractor, Ready-for-Takeover can still be achieved.

### **Early Occupancy**

The CCDC 2 (2020) allows the Owner to take early occupancy of a part or all of the Work before Ready-for-Takeover has been achieved for the Project as a whole, provided that the Contractor has agreed, and the necessary authorities have granted their approval.

Early occupancy will cause responsibility for that part of the Work to pass to the Owner such that the Contractor will no longer be liable for the care of that portion of the Work. The applicable warranty periods for the occupied portion of the Work will also start to run from the date on which it is occupied.

The CCDC 2 (2020) also provides that if the Owner takes occupancy of the entirety of the Work before all of the prerequisites for Ready-for-Takeover have been met, the Work shall be deemed to have achieved Ready-for-Takeover, subject to the requirements of the applicable lien legislation. However, this does not relieve the Contractor of the responsibility to complete the Work in a timely manner.

### **Document Review**

The CCDC 2 (2020) now requires the Contractor to report any error, inconsistency, or omission in the Contract Documents that it discovers, or that is made known to it. This is a change from the 2008 version which required the Contractor to review the Contract Documents and promptly report any error, inconsistency, or omission. It has also been clarified in the 2020 version that the purpose of the Contractor's review is only to facilitate coordination and execution of the Work.

### **Contact Us**

Before switching over to the CCDC 2 (2020), we recommend that construction companies and project owners review and consider the implications of the changes to the standard form contract. If you would like more information or guidance in regard to using or amending the CCDC 2 (2020), [please contact our firm](#).

## About Us

Our law firm is your strategic business partner.

For over 30 years, WV LLP has been a leader in business and tax law. Since its inception, WV LLP has been known for working strategically with our clients, using our knowledge and experience to provide prompt, practical and cost-effective solutions.

As a full service firm with over 25 lawyers, we are able to deliver practical, value-added legal services to address our clients' business needs. We recognize that there are many facets to a business and, as a law firm, we are ready to assist in all areas.

## LEARN MORE



## Our Legal Insights

Our law firm is here to keep you up to date in regards to legal developments and strategies.

We regularly host webinars, to ensure our clients are informed about the latest legal developments and strategies. We also have a library of on-demand webinars available for clients to view, at their leisure.

## LEARN MORE

905.940.8700

information@wvllp.ca

60 Columbia Way, 7th Floor | Markham, Ontario | Canada L3R 0C9

---

This email was sent to << [Test Email Address](#) >>

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

Wilson Vukelich LLP · 60 Columbia Way, 7th Floor · Markham, ON L3R 0C9 · Canada