

Construction Files: (note: 3 in total)
Owners Only: Questions and Answers

April xx, 2025

Construction File: Tariffs and Pricing Adjustments

This Construction File is part of a series developed by BCCA in response to written questions submitted by public sector owners during the March 31, 2025 Owners Only session.

The responses below are intended to support informed decision-making by public sector owners and promote fair, collaborative practices with general and trade contractors. These are BCCA's views as of April 2025. They do not constitute legal advice. Owners are reminded to review their contracts and any supplementary conditions, as those govern and may differ from the base CCDC standard form contracts referenced.

Question: In cases where additional costs of tariffs fall with the owner, is there any standard language in CCDC contracts for contractors having an obligation to search for alternative options?

BCCA: This is a question best answered by legal counsel.

Mitigation is referenced in GC 6.6 in a number of CCDC contracts, including the 2, 5B, and 14. In our view, a requirement to search for alternative options at the owner's request is an additional task and should first be discussed between the parties. General and trade contractors should not only track and document the associated administrative effort but should also be fairly compensated for it.

Question: What's a reasonable and collaborative approach to scrutinizing price changes associated with tariffs (i.e. quotations pre-post tariffs?)

This is an ongoing conversation at BCCA, including with our Board of Directors and Industry Practices Committee, as we continue to monitor government actions and industry impacts. We expect to issue further guidance as the situation evolves.

In the meantime, the best approach is to be clear and fair: communicate expectations early—ideally during the procurement phase—and be transparent about how tariff-related changes will be handled. Require reasonable documentation, pay for legitimate administrative effort, and maintain a spirit of collaboration.

In addition to cost impacts, owners should be prepared to address potential schedule impacts as contractors seek alternative materials or suppliers.

However, your question provides a good starting point: "reasonable and collaborative."

Question: Would I be wrong to think that if the price at closing is \$123 and includes the known tariffs at that date, but a new tariff is added by the time materials are delivered and now the price is \$234, the contractor would submit a change order for that increase. It would be fair to the contractor to honour the increase, but limit it to just the increase in taxes and not include additional markup, overhead etc.

BCCA: In our opinion, yes, if a new tariff is introduced after bid closing and it impacts the contract price, the general/trade contractor would be entitled to submit a claim under the contract under a CCDC 2/CCA 1. The claim would be subject to review, discussion and agreement with the impacted parties.

In BCCA's opinion, after discussion with our Industry Practices Committee, we believe strongly that administrative costs should be reimbursed at a minimum, but how other costs are treated, such as overhead and profit, depends on the overall reasonableness of the owner. Equally, if a change in duty/tariff impacts the contract time, there should be allowance for that as well.