

OWNERS ONLY

Update on the Construction Prompt Payment Act (“CPPA”)

Speakers: Ministry of Infrastructure & BCCA



Date: March 23, 2026



Agenda

- **How we got here**
- **Ministry Update**
 - Workplan and next steps
- **Prompt Payment Act Specifics**
 - What's in it
 - Commonly asked owner questions
 - Timelines
 - Adjudication
 - CCDC/CCA Contracts + Payment Certifiers
- **Summary**
 - Start preparing now

Next Steps

-  **Passage of Bill 20:** November 27th, 2025
-  **Drafting of Regulations:** Government develops detailed rules and procedures.
- **Appointment of the Adjudication Authority:** Establishes the system for resolving disputes.
- **Enactment Date:** Marks when the legislation officially comes into force.

It will be the law

- Once enacted and in force, parties cannot contract out of Prompt Payment, similar to the Builders Lien Act.
- Clauses that try and subvert the act are **null and void**, including clauses that make invoicing conditional on owner approval or certification by a payment certifier.

Transition: What to Expect

- The **enactment date has not yet been announced**, other jurisdictions took 18+ months.
- CPPA allows for **phased date transitions** for different sectors, which we are **not supportive of** and continue to advocate against.
- **The Prime Contract date matters:** if it was **signed *before*** the Act comes into force, the project will not be covered.
 - Any **subcontracts tied to older Prime Contracts** will not be covered.
- Only **Prime Contracts signed *after*** the enactment date will trigger prompt payment coverage.
 - Any **subcontracts under those covered Prime Contracts** will also be subject to the Act.




CPPA SPECIFICS

Proper Invoice

There can be only one: between the owner and contractor.

What a proper invoice must contain:

1. Name and address of the contractor,
2. Date of the invoice,
3. Period of time, milestone or other basis,
4. Information identifying the contract, a contract number, contract line item number or purchase order number,
-  5. Description, including quantity if appropriate, of the services or materials that were supplied,
6. Amount payable for the services or materials that were supplied and the payment terms,
7. Details on how and where payment is to be made, or who receives it if not specified.

AND meets any requirements set out in the contract (e.g. statutory declaration, WCB clearance letter.)

Proper invoice is administrative

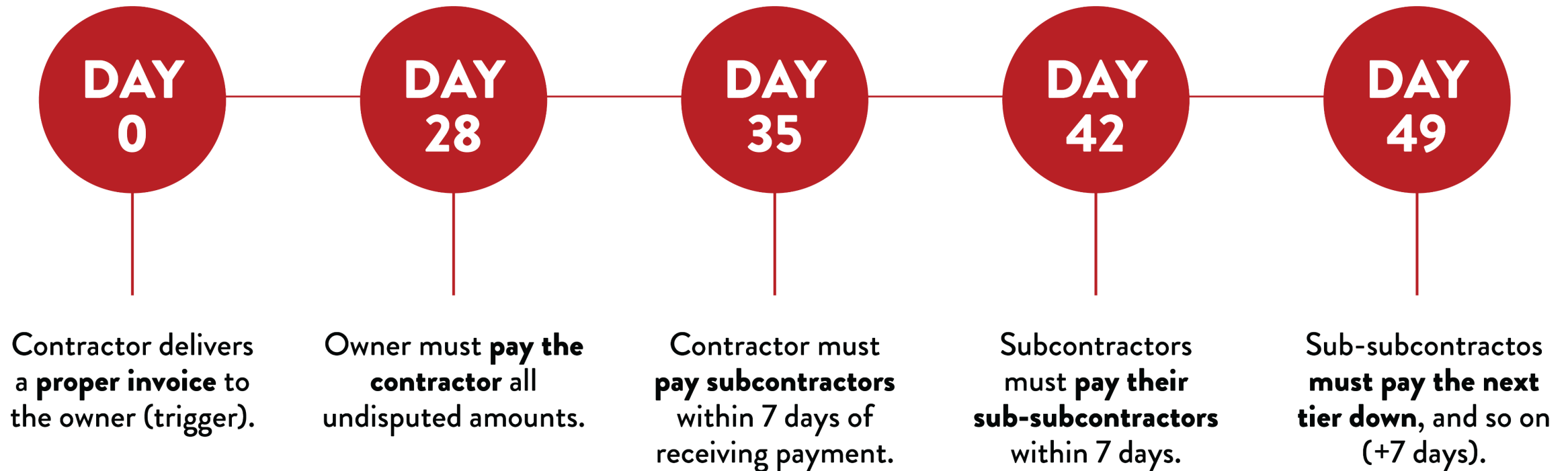
- Yet to be drafted regulations will outline how a proper invoice is “given”
- A **proper invoice** is about **format and required information**, *not* the amount billed.
 - It’s a “fitness test.”
 - BUT the “description” could get tricky.
- **Before Day 7:** If the invoice is improper, the owner must issue a Notice of Improper Invoice, or it is deemed proper.
- Once deemed proper, **payment timelines start running.**
- **Best practice:** At project kickoff, agree on the format and content of the proper invoice, including expectations on “description.”

Can owner's supplementary conditions require additional submission requirements with the proper invoice? (e.g. stat decs, WCB clearance etc)

- **Yes.**
- The Act allows for this explicitly in section 7(b).

STANDARD PAYMENT FLOW *(No Issues)*

If everything goes smoothly:



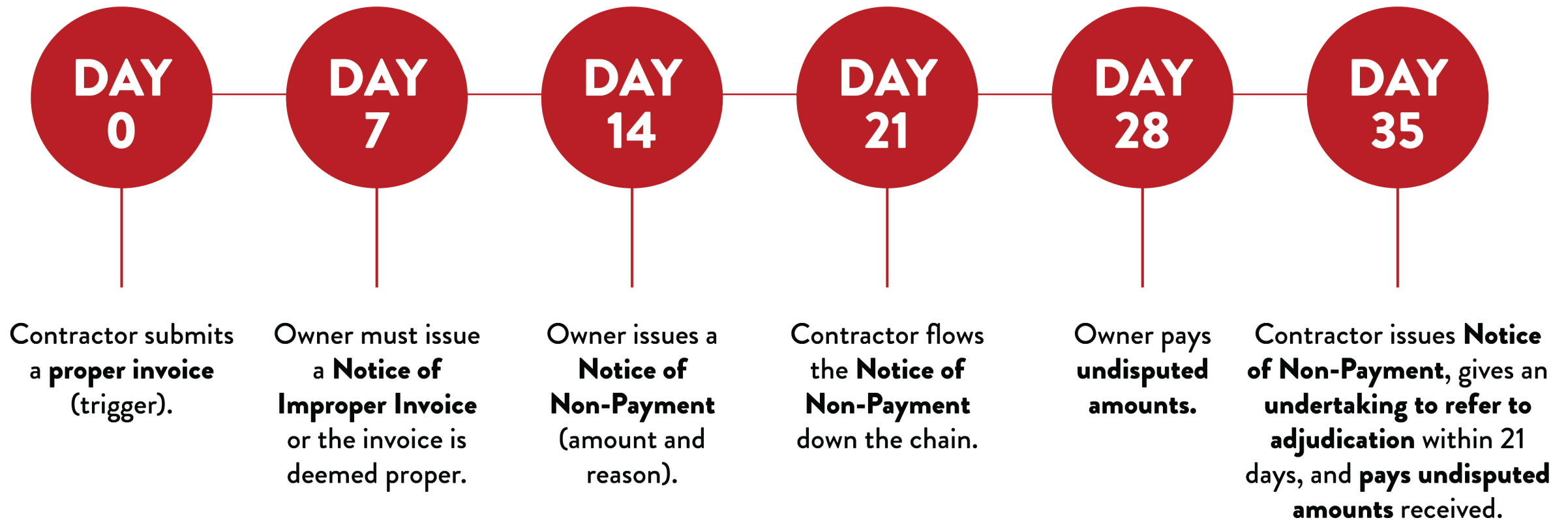
Are all timelines based on calendar days?

- **Yes.**
- All timelines set out in the Act run on calendar days, not business days.
- This is similar to the Builders Lien Act which runs on calendar days as well.

Do timelines pause for holidays or vacations?

- **No.** Timelines are fixed and run on calendar days, no exceptions for holidays or absences.
- Parties must manage this through their own processes.

WHEN PAYMENT CAN'T FLOW SMOOTHLY



Could owners ask for a draft proper invoice?

- **Yes.**
- We are aware of this practice in other jurisdictions.
- But Section 6(1) of the Act (Approval and Testing) makes clear that any contract clause requiring the approval of the owner before submitting a proper invoice is void.
- While an owner may ask to see a draft, that does not prevent a contractor from submitting their proper invoice and starting the payment timelines.

Who at the owner is responsible for making payment?

- **The Act does not specify roles. Owners must set clear internal processes to ensure compliance with timelines.**
- The legislation does not address this level of detail, and it is unlikely that the regulations will either.
- It will be up to each organization to determine its internal roles and processes and to establish strong systems to ensure compliance with the legislation.
- The good news is that there is 12+ months to build out these processes.

Can a payment certifier or consultant issue notices, like notice of non-payment or improper invoice?

- **No. This is an owner responsibility.**
- Notices must come from the owner.
- Consultants can assist, but responsibility cannot be delegated.

So, if a Contractor or Subcontractor is not paid, can they just stop working?

- **No.**
- Under the legislation they may **only suspend work if an adjudicator has issued a determination requiring payment and the other party fails to pay within 15 days** (Section 34).
- In that case, suspension is permitted under the legislation, and the party is entitled to payment for reasonable costs associated with stopping and resuming work (Section 35).
- *Remember:* The contract may include other rights and abilities to suspend work.



**PAYMENT CERTIFIERS,
CCDC CONTRACTS &
PAYMENT LEGISLATION**

Using CCDC/CCA Contracts Under Prompt Payment

- CCDC and CCA contracts issued *after* 2020 already reference payment legislation and align and allow for prompt payment timelines.
- Owners using these contracts are well positioned for compliance: the structure already supports the new requirements.
- The legislation applies broadly, so even non-CCDC projects must follow prompt payment rules.
- Now is the time to move fully to post-2020 versions, including the new CCDC 5B-2026, to ensure alignment with prompt payment provisions.*
 - ****After the enactment date, all prime contracts and their subcontracts will automatically align, as prompt payment will be the law of the land.***

Payment Certifiers: Do they have a Role? And what if they are Late?

- Under the legislation, they have no role. They are barely mentioned (except to say they have no role!)
- A delay by the payment certifier does not stop the clock on payment timelines.
- The owner **must still pay** *unless a valid notice of non-payment is issued.*
- Payment certifiers remain part of the Builders Lien Act and standard form contracts, but their role exists outside the core operation of prompt payment legislation.
- Payment certifiers are essentially “bypassed” under CPPA.

Deeper Dive: CCDC Contracts (CCDC 2-2020)

GC 5.2 APPLICATIONS FOR PAYMENT

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 *Consultant* simultaneously as the *Work* progresses.

GC 5.3 PAYMENT

5.3.1 After receipt by the *Consultant* and the *Owner* of an application for payment submitted by the *Contractor* in accordance with GC 5.2 – APPLICATIONS FOR PAYMENT:

- .1 The *Consultant* 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 *Consultant* determines to be properly due. If the *Consultant* certifies a different amount, or rejects the application or part thereof, the *Owner* shall promptly issue a written notice to the *Contractor* 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 *Contractor* 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 *Consultant* of the application for payment, and in any event, in compliance with *Payment Legislation*.

What you can do today

CCDC is clear on the timelines for a Consultant to review applications for payment. It's already in your contracts.

Start enforcing payment certification timelines with your Consultants now.

What about CCDC 5A contracts where the owner is in direct contract with trades?

- Multiple “prime contracts” = multiple proper invoices
- Trade contractors invoice the owner directly (CCDC 17)
- Each trade triggers its own prompt payment timeline
- Owner must manage multiple “Day 0” clocks
- Transition to CPPA: could be messy.
- Strong need for **process, tracking, and coordination**



ADJUDICATION

What can be disputed under the adjudication process?

A lot. Section 16 sets out the matters that can be disputed and the scope is broad. It includes:

- Failure to make a payment
- Whether an invoice is a proper invoice
- Failure to give a proper invoice
- Matters relating to a notice of non-payment
- Evaluation of services or materials supplied under the contract
- Change orders, whether approved or proposed
- Any other matter the parties agree to submit to adjudication.

Ontario: Adjudications by Sector (Public Sector)

TABLE 7: TOTAL, AVERAGE AND MEDIAN AMOUNTS CLAIMED DURING THE FISCAL YEAR, BROKEN DOWN BY INDUSTRY SECTOR

Industry Sector	Number of Notices of Adjudication Given During the Fiscal Year	Total Amount Claimed	Average Amount Claimed	Median Amount Claimed
Residential	105	\$40,131,221.26	\$382,202.11	\$157,791.07
Commercial	96	\$92,888,445.04	\$967,587.97	\$216,172.72
Industrial	16	\$20,343,377.17	\$1,271,461.07	\$474,856.94
Public Buildings	35	\$ 13,576,685.29	\$387,905.29	\$243,071.68
Transportation and Infrastructure	72	\$38,658,156.06	\$536,918.83	\$240,786.50
All Sectors	324	\$205,597,884.82	\$634,561.37	\$212,811.77

Public Sector Adjudications (Combined)

- Public buildings plus transportation and infrastructure: **107 adjudications**
- Share of all adjudications: **33 percent**

Dollar Value

- Combined claimed amount: **\$52.23M**
- Share of total claimed value: **25 percent**
- Public sector projects represent only one third of adjudications, showing they are not the primary source of disputes
- Commercial and residential projects together drive the majority of adjudications and claimed amounts

Ontario: What Gets Adjudicated

TABLE 6: NUMBER OF ADJUDICATIONS COMPLETED DURING THE FISCAL YEAR, BROKEN DOWN BY EACH MATTER LISTED IN S.13.5(1) OF THE CONSTRUCTION ACT

Matter Listed Under Paragraphs 1 to 7 of Subsection 13.5(1) of the Construction Act	Number of Adjudications Completed During the Fiscal Year
1. The valuation of services or materials provided under the contract.	47
2. Payment under the contract, including in respect of a change order, whether approved or not, or a proposed change order.	72
3. Disputes that are the subject of a notice of non-payment under Part I.1.	9
4. Amounts retained under section 12 (set-off by trustee) or under subsection 17 (3) (lien set-off).	0
5. Payment of a holdback under section 26.1 or 26.2.	3
6. Non-payment of holdback under section 27.1.	6
7. Any other matter that the parties to the Adjudication agree to, or that may be prescribed.	6
TOTAL	143

Valuation of services or materials

- 47 adjudications
- **33 percent**

Payment under the contract (i.e. Change Orders)

- 72 adjudications
- **50 percent**

Combined: valuation + payment

- **83 percent of all adjudications**
- Most adjudications are about payment/changes and valuation, showing cash flow is the core pressure point in construction
- Reinforces that prompt payment legislation directly targets the issues most often adjudicated



SUMMARY

What payment system tips should be considered? (Ontario lessons learned)

- **Key was setting processes up so multiple payment authority approvals were not required**
- E.g. If the money is available and the organization is prepared to release it once reviewed, reducing the number of required approvals from seven, or even seventeen in one case, down to three makes a significant difference.
- Digital not Cheques: Being set up for digital payments and having the pieces in place to allow payments electronically by EFT has made a noticeable difference in organizations' ability to pay promptly

Resources

Myths & Realities: Clears up common misconceptions about the Construction Prompt Payment Act and how prompt payment works.

76+ FAQs: Provides plain-language explanations of key provisions and practical impacts

As we get closer to enactment, even more support is coming:

- Updated tools, templates, and checklists
- Webinars and training sessions for all industry sectors
- Continued collaboration with government and stakeholders



*use the QR code to access
bccassn.com/prompt-payment/
for information, resources and updates*

BCCA will keep industry informed every step of the way.

Be Ready Owners: What you can do now

- 1. Start enforcing payment certification timelines now**
It's already in your CCDC contracts.
- 2. Review your payment and approvals process now**
Map your process and find efficiencies today.
- 3. Transition to current contracts (CCDC/CCA post-2020)**
Contracts post-2020 include for and align with “payment legislation.”
- 4. Be the one who “gets it”:** Attend *every* education session you can. Knowledge will be power.

Sign up for *Owners Only* to make sure you're getting the latest news.

For more information, visit the BCCA website at:
bccassn.com/prompt-payment/

THANK YOU.

If you're interested in **lending your expertise** to support the development of **industry best practice guides**, we'd love to hear from you.

THANK YOU



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