



The National Trade Contractors' Coalition of Canada seeks support in new federal Prompt Payment Legislation

The National Trade Contractors' Coalition of Canada (NTCCC) has approached the Canadian Construction Association (CCA) in ask of support of its initiative to see federal Prompt Payment Legislation enacted.

The Prompted Payment Legislation would see that all construction contracts that have been appointed by the Government of Canada, as an **owner**, will be structured under a secured payment system that ensures that all payees (contractors and subcontractors) receive standardized payments. These payment structures will be identical to those originally stated in the Canadian Construction Documents Committee (CCDC) Standard Contract forms.

With the Prompted Payment Legislation in place, the owner will be required to pay the contractor and the contractor will be required to pay all levels of subcontractors on a monthly (or more frequent) basis.

Interest will apply on all late payments and if either the owner or contractor does not comply with this new prompt payment system, unpaid payees will have the right to stop work and/or to terminate the contract/ subcontract as per the CCDC contracts and CCA Standard Contract Form.

Unfortunately, the nature of the heavy construction industry is the normalcy of *late payments*. Late payments have become an unfortunate and unequal bargaining power between the contractor and their subcontractors. Contractors can't afford to miss out on a bidder's list for tenders and subcontractors have no ability to determine the structure of payments from the contractor; therefore, contractors are retaining funds (originally collected the subcontracted work) and using it to finance their own operations.

This systematic problem is in need of a systematic solution and the Prompt Payment Legislation will provide the next steps to achieving a payment standard across Manitoba's heavy construction industry.

What do you think?

The Manitoba Heavy Construction Association is interested in your thoughts and opinions on the Prompt Payment Legislation and how it may impact the heavy construction sector, if the bill is enacted. Please send your responses by email to Megan Funnell, Marketing Communications Specialist, at mfunnell@mhca.mb.ca by end of day on **Friday, August 28, 2015**.

Thank you – your input is greatly appreciated and we look forward to hearing from you.

Sincerely,

Chris Lorenc, B.A., LL.B
President
MHCA