



Best Practices Conference XIX

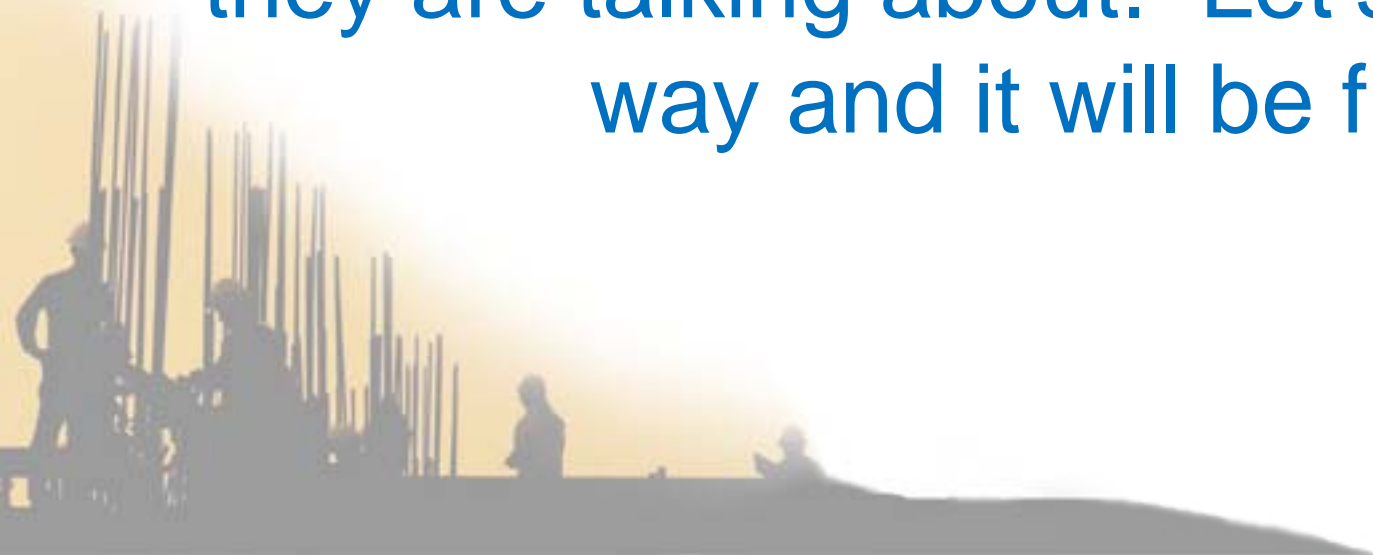
Contracts Committee



Contracts Committee

Who has been on a job where someone on the other side said something like this?

“That contract was written by the idiots in head office, who don’t have a clue what they are talking about. Let’s just do it my way and it will be fine.”





Contracts Committee

We know that reading Contracts can be boring, but it's important to understand the risks and obligations.



Contracts Committee

History of Committee:

- Formed in early 1990s
- Response to increasing complexity, poorly allocated risk, ambiguity
- Mandate from COAA Board
- Create a 'best practice' for heavy industrial contracting in Alberta



Contracts Committee

Affected parties:

- Owners
- Contractors
- Subcontractors
- Engineers
- Lawyers



Contracts Committee

Guiding Principles:

- Develop a best practice
- Clear on risks and obligations
- Alignment of parties
- Consistent approach
- Provide flexibility
- Standardized format
- Regular review & update



Contracts Committee

Development of Contract Documents:

- Stipulated Price (1997 & 2003)
- EPC (2005)
- EPCM (2008)
- What will be next for 2012?



Contracts Committee

Other Activities of Committee:

- Supporting best practices initiatives
 - Builders' Lien Act
 - Website
 - Prequalification
 - Promotion of Model Contracts
- Collaboration with other Committees



Builders' Lien Act

Builders' Lien Act Initiative:

- Definition of terms “oil or gas well” and “oil or gas well site”
- Provide for periodic release of holdback for major projects

Success! Finalized approach with Board approval



Website initiative:

- Improve ease of use
- Improve 'touch & feel'
- Develop analytical tools

**Success! New website launched last
October**



Promotion of Model Contracts:

- Assessed value to industry
- Develop seminar

Success! Seminar in Edmonton last January, and in Calgary last March

Website & Promotion Subcommittees merged in 2010





Promotion

Voting Button Questions



Promotion

The Contracts Committee plans to hold half-day contract seminars throughout the year. Where would you prefer to attend such a seminar?

- (a) Calgary
- (b) Edmonton
- (c) Fort McMurray
- (d) Somewhere else
- (e) Not applicable to me or my company

What information would you most like to see in a Contracts half-day seminar on heavy industrial contracting?

- (a) An overview of the COAA form of contracts
- (b) Strategies for applying COAA forms
- (c) Practical insight on specific problems
- (d) Some other topic associated with heavy industrial contracting

Promotion

COAA has their forms of heavy industrial contracts online. Have you viewed or downloaded the forms from the website?

- (a) Yes, viewed online
- (b) Yes, viewed online and downloaded forms for use
- (c) No, neither viewed nor downloaded forms
- (d) Eh? COAA has a “website”?

Prequalification

Prequalification initiative:

- Identify problems
- Research causes
- Develop & test solutions
- Develop best practice

Success! Workshops this afternoon to gather final input and test solutions





Prequalification

Voting Button Questions



Prequalification

At last year's conference, survey results showed that only 7% of attendees felt that industry prequalification processes were efficient. Compared to a year ago has your prequalification experience:

- (a) Improved
- (b) Worsened
- (c) No change
- (d) Prequalification does not apply to me

Prequalification

What do you believe is the most desired benefit in adopting a prequalification best practice?



Prequalification

- (a) Eliminate repeated contracting with firms that perform poorly
- (b) Reduce the time and effort involved in participating in selection processes
- (c) Identify yourself as a preferred client by having a streamlined process
- (d) Reduced Contractor/Subcontractor overheads thus reducing costs to Owner
- (e) Free up time of senior personnel to focus on value-adding services

Prequalification

What is the number one reason you prequalify your Contractors or Subcontractors?



Prequalification

- (a) Identify the risks associated with using a particular contractor
- (b) Reduce risk through the selection of better qualified/performing contractors
- (c) Reduce the cost of procurement
- (d) Reduce the time required for procurement
- (e) As a communication tool with Contractors/Subcontractors
- (f) Prequalification does not apply to me



Website

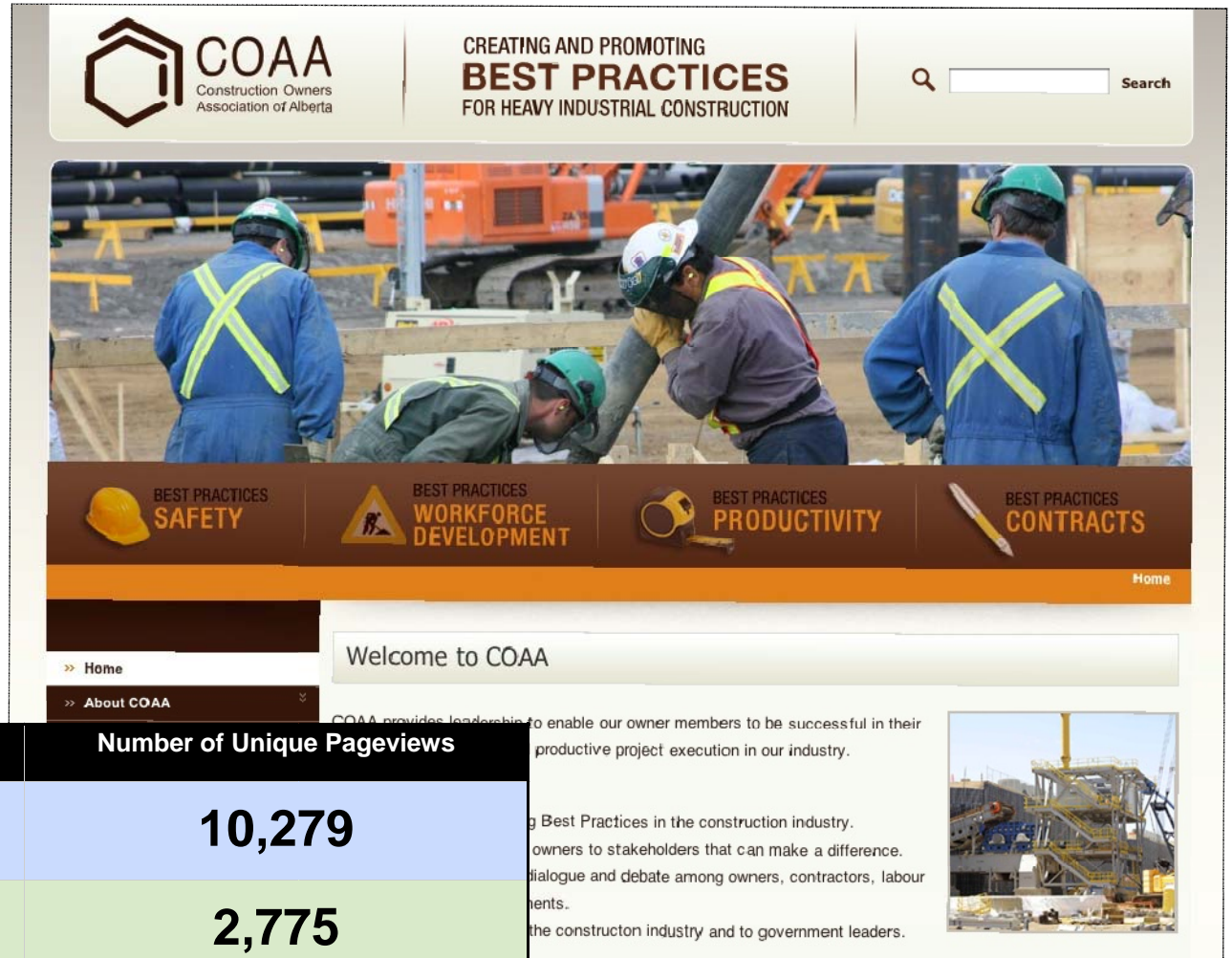
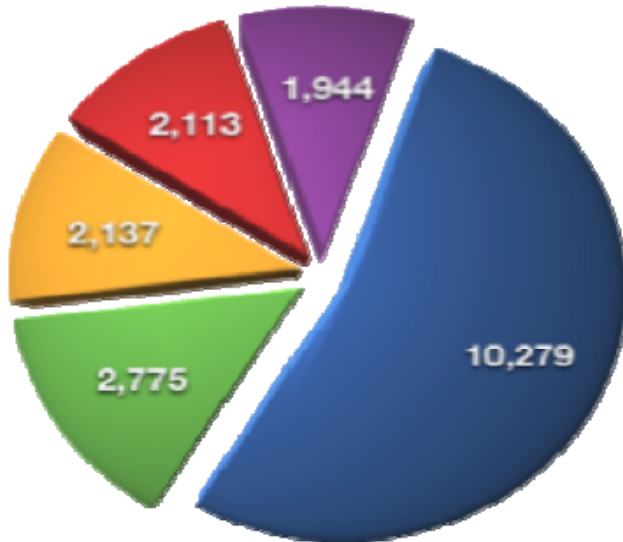
Website usage
statistical information
available through Google Analytics

October 2010 through May 2011



Top 5 Pages

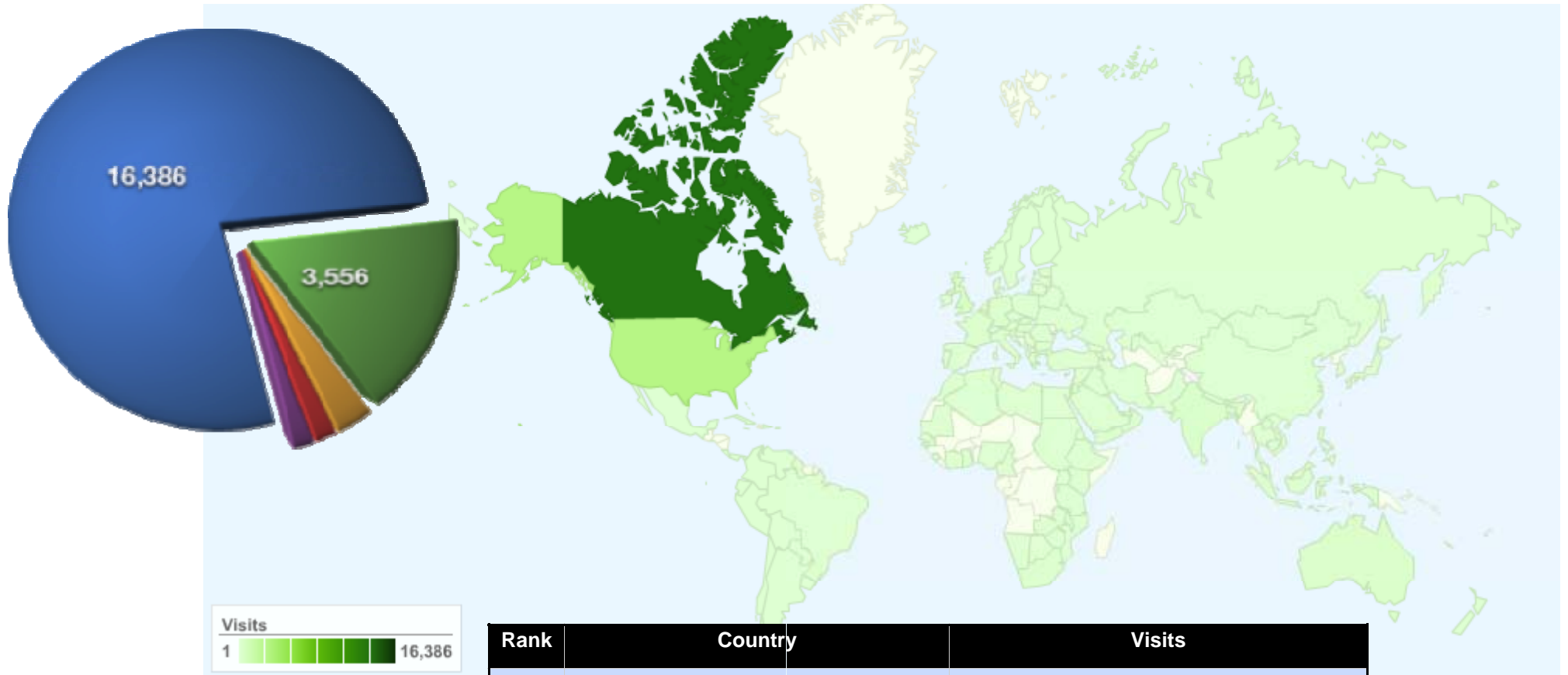
Website



Rank	Page	Number of Unique Pageviews
1	COAA Homepage	10,279
2	Safety	2,775
3	Contracts	2,137
4	Workforce Development	2,113
5	Workface Planning	1,944

Top 5 Countries

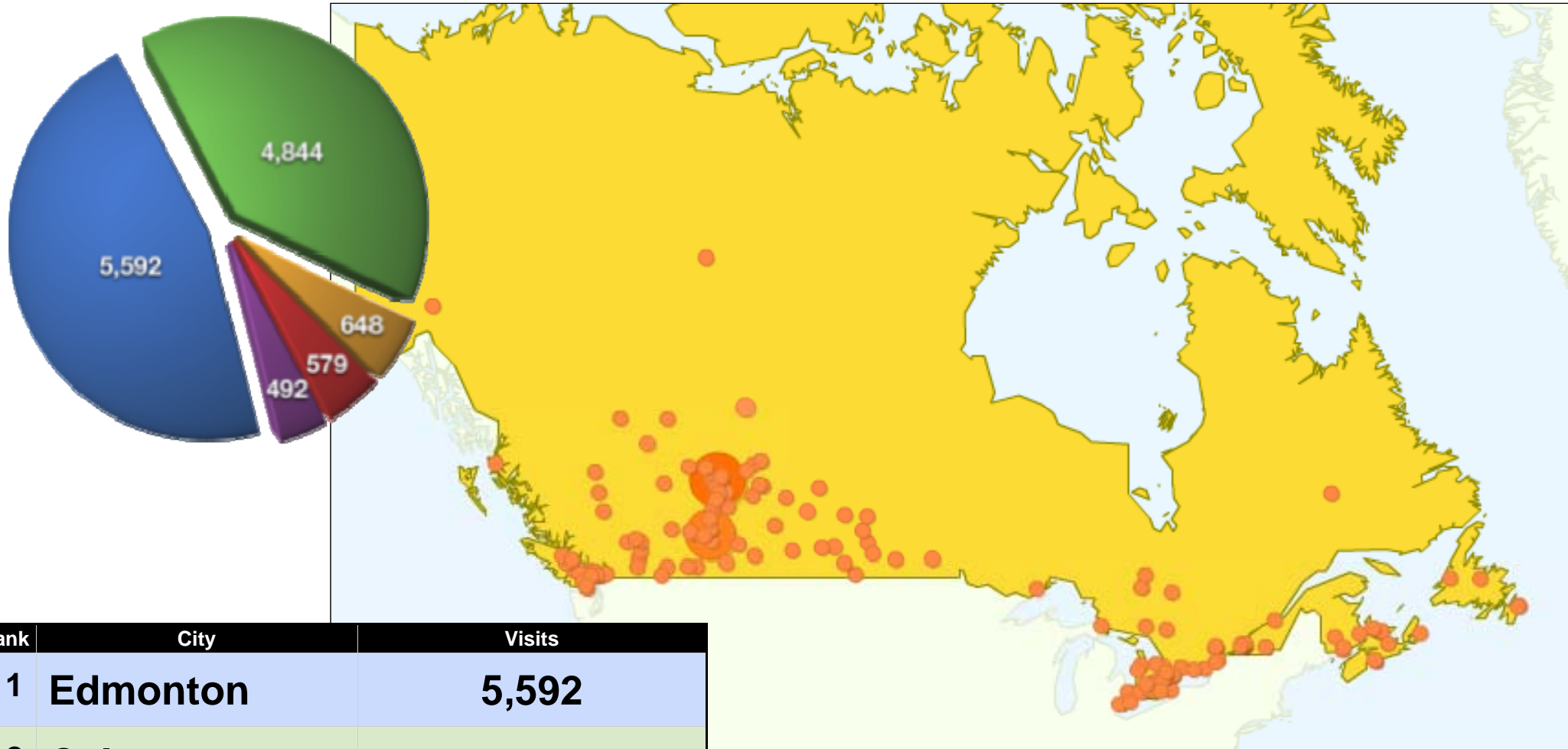
Website



Rank	Country	Visits
1	Canada	16,386
2	United States	3,556
3	United Kingdom	614
4	Australia	360
5	India	334

Top 5 Canadian Cities

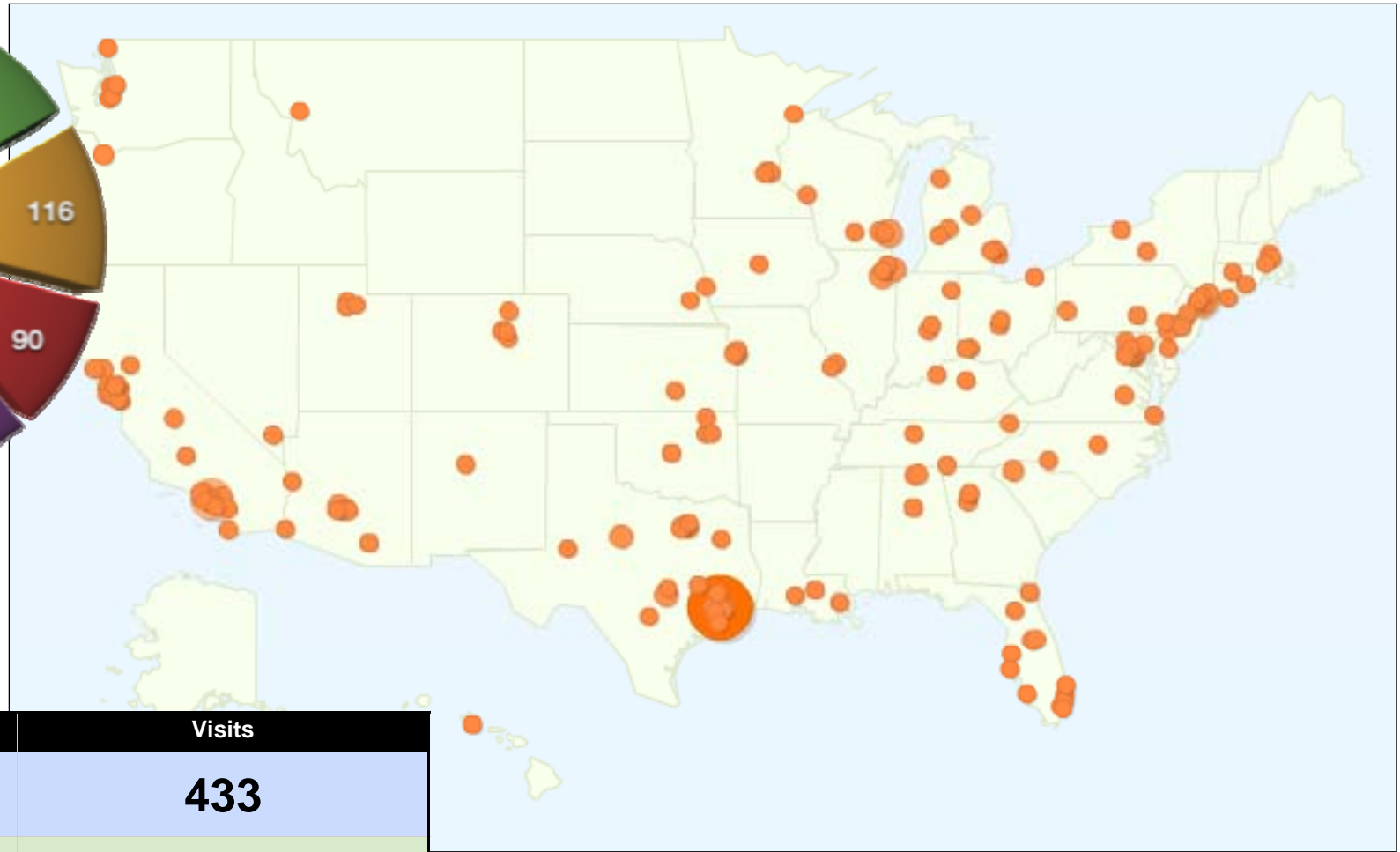
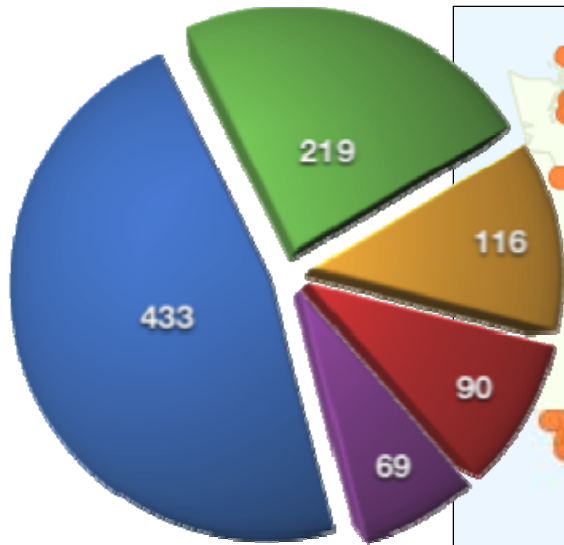
Website



Rank	City	Visits
1	Edmonton	5,592
2	Calgary	4,844
3	Fort McMurray	648
4	Vancouver	579
5	Toronto	492

Top 5 U.S. Cities

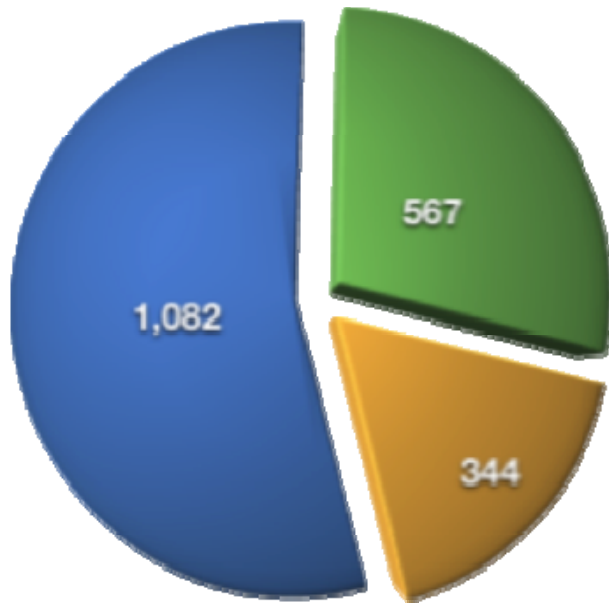
Website



Rank	City	Visits
1	Houston	433
2	Anaheim	219
3	New York	116
4	Milwaukee	90
5	Plainfield	69

Top 5 Contract Types

Website



COAA EPCM Contract 2008
(Engineering, Procurement and Construction Management Contract)

Between

MonsterOne Co.

- and -

GorillaTwo Co. 2

|

Effective Date: May 2011

Note to Users: This EPCM Contract contains a number of blanks to be completed on a project-specific basis. These blanks are indicated by: ☐. There are also notes within the text which require further consideration of the specific project requirements before completing.

Draft: For COAA Board Approval

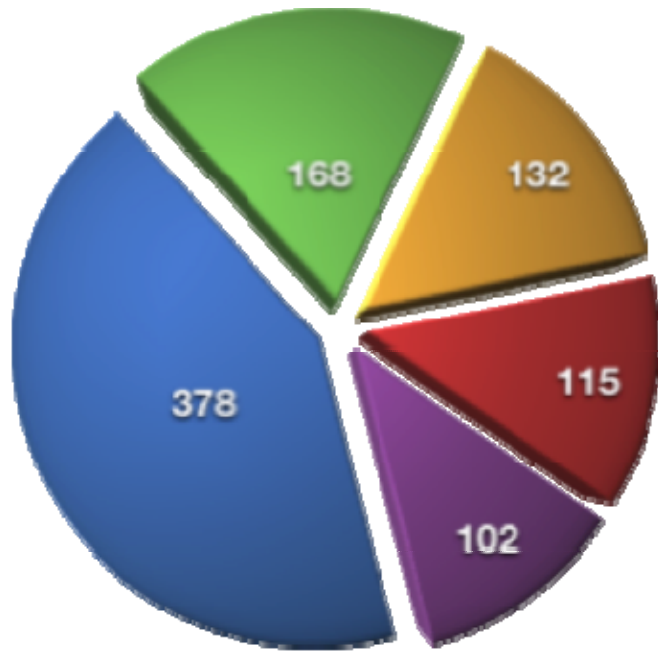
CONSTRUCTION OWNERS ASSOCIATION OF ALBERTA

EPCM Contract (2008)
COAA Best Practices Contract
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Rank	City	Visits
1	EPC	1,082
2	EPCM	567
3	Stipulated Price	344

Top 5 Referring Sites

Website



Rank	City	Visits
1	isnetworld.com	378
2	clra.org	168
3	acsa-safety.org	132
4	retscan.net	102
5	cannamm.com	86



Contracts Committee

**Thanks for
your time!**

